



Montara Water and Sanitary District

Serving the Community of Montara and Moss Beach

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

AGENDA

District Board of Directors

8888 Cabrillo Highway
Montara, California 94037

March 3, 2016 at 7:30 p.m.

CALL TO ORDER

ROLL CALL

PRESIDENT'S STATEMENT

ORAL COMMENTS (Items other than those on the agenda)

PUBLIC HEARING

CONSENT AGENDA

1. Approve Minutes for October 1, 2015 and January 7, 2016.
2. Approve Financial Statements for January 2016.
3. Approve Warrants for March 1, 2016.
4. SAM Flow Report for January, 2016
5. Monthly Review of Current Investment Portfolio.
6. Connection Permit Applications Received.
7. Monthly Water Production Report for December 2015.
8. Rain Report.
9. Solar Energy Report.

OLD BUSINESS

1. Receive AV Tank Construction Update.
2. Receive Update on OpenGovernment Online Platform.

NEW BUSINESS

1. Receive Mid-Year Finance Review.
2. Review and Possible Action Concerning Adopting Policy Regarding Interim Sewer Remodel Permit Fees.
3. Receive Annual Update to Staff Action Plan for MWSD Strategic Plan.
4. Review and Possible Action Concerning Agreement with Bodega Marine Laboratory for Ocean Current Measurement Instrumentation on District Property.

REPORTS

1. Sewer Authority Mid-Coastside Meetings (Boyd)
2. MidCoast Community Council Meeting (Slater-Carter)
3. CSDA Report (Slater-Carter)
4. CCWD, NCCWD Committee Report (Harvey, Huber)
5. Attorney's Report (Schricker)
6. Directors' Reports
7. General Manager's Report (Heldmaier)

FUTURE AGENDAS

CONVENE IN CLOSED SESSION

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

(Gov't. C. §54956.8)

Property: Caltrans Montara Right of Way.

Agency Negotiators: General Manager, District Counsel

Negotiating Party: Caltrans

Under Negotiation: To be determined.

RECONVENE IN OPEN SESSION AND ADJOURN

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

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



MONTARA WATER & SANITARY
DISTRICT

BOARD OF DIRECTORS MEETING
October 1, 2015

MINUTES

REGULAR SESSION BEGAN AT 7:54 p.m.

Director Boyd reported the Board has just come out of Closed Session, and no action had been taken.

CALL TO ORDER

ROLL CALL

Directors Present: Slater-Carter, Harvey, Boyd, Wilson and Huber

Directors Absent: None

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

Others Present: District Counsel, Dave Schricker

PRESIDENT'S STATEMENT – Director Boyd reported we just ended the water year for 2015. Please look at the rain gauge on our website. This year we had 24.69 inches of rain compared to 2014 at 17.62 inches of rain. This is pretty good for being in a drought. What makes this so good is our community is extraordinarily good in conserving water and helping us to protect our system. Please continue to be water wise.

Director Boyd further reported we have been working with our neighbors to the south on trying to get recycled water happening at the Sewer Authority Mid-Coastside. We have recently put out an RFP for engineering services to get the design and engineering underway. We did have a meeting last Monday and the General Manager of Coastside County Water District express concern the project may not be feasible. A couple of reasons are the quality of water coming out of the plant and weather it will be cost effective to treat it enough to where the golf course

will be able to use it. The issue with the water is we have ion loading in the water which is basically salt in the water. The salt is very expensive and very hard to treat out of waste water. We have been trying to find out what is causing it. One of the things we have been investigating is whether or not this is coming from water softeners from wells on the Coastside. If you have a well, it makes sense you have a water softener, but both CCWD and Montara are both able to sell water hook ups. I would like to say to well owners, if you would like to help yourself and help us in this effort to do recycled water, one thing that may help is to come in and talk to the General Manager regarding transitioning to a hook up with the Montara Water and Sanitary District System. There all sorts of maintenance activities for well owners. Sometimes expensive failed parts. So, just keep this in mind. This could be one of the ways we can all stick together and solve the problem. We have been at this for quite some time and I am confident we can do this, it is cost effective and could bolster the strength of our community. We have been dedicated to this project for 10 years and want to see this through.

ORAL COMMENTS -

Chris Porter, General Manager of Recology reported they were just notified that there was going to be a slurry seal done on different streets in Montara tomorrow and Monday. She will notify Director Boyd regarding what streets this will effect garbage collection and he in turn will be posting it in Nextdoor Montara. Mrs. Porter is requesting all cans be out by 6:00 am for early collection.

Chris Porter further reported North Coast County Water District is giving barrels to their customers to catch the rainwater.

Director Slater-Carter wanted to wish everyone a Happy New Year, because as Director Boyd noted, this is the beginning of the new water year. And, it started out with an inch of rain today. Customers can watch the rainfall in Montara if you go to our website and click on our rain gauge.

Director Harvey noted, we will benefit from recycled water in that SAM is compensated for the water it produces and we are part of SAM.

PUBLIC HEARING –None

CONSENT AGENDA –

1. Approve Minutes for Meeting of September 2, 2015
2. Approve Financial Statements for August 2015.
3. Approve Warrants for October 2015.
4. SAM Flow Report for August 2015.
5. Monthly Review of Current Investment Portfolio.
6. Connection Permit Applications Received.
7. Monthly Water Production Report for August 2015.
8. Rain Report
9. Solar Energy Report.

Director Slater-Carter requested to pull the minutes of September 2, 2015 Finance Committee.

Director Harvey moved to approve the Consent Agenda items 2 - 9. Director Slater-Carter seconded the motion.

All Directors were in favor and the motion passed 5 – 0.

Director Slater-Carter requested to have attachments as mentioned in the minutes as being attached, to be added in with the packet from now on. Director Slater-Carter noted that way when they are posted on line, the community can review them as well.

Director Slater Carter moved to approve the minutes for September 2, 2015, with attachments added. Director Harvey seconded the motion.

All Directors were in favor and the motion passed 5 – 0.

At this time Director Boyd moved Old Business 1 to after New Business 1, 2 and 3.

OLD BUSINESS –

1. Review and Possible Action Concerning PARS Investment Strategy.

General Manager Heldmaier reported at the July 16 meeting the District adopted a pension program through the Public Agency Retirement system (PARS). The benefit parameters include a Defined Benefit Plan for all full-time employees based on 2% @ 62 full formula. The plan is in accordance with the Public Employee Pension Reform Act (PEPRA) of 2013 which severely limits the pension benefits that public agencies can adopt for post PEPRA plans and requires active management and account reporting of defined benefit plans. Government Accounting Standard Principles require an annual audit of the plan and plan performance. Benefit service is based on District years of service credit earned after July 1, 2015. Vesting service is 5 years of district service. Employee contribution of 50% is required. Final average compensation is the average of the highest thirty-six (36) months of compensation (not to exceed amounts prescribed by CA Govt. code Section 7522.10©). No disability benefit under this plan.

The Finance Committee was charged with the task of bringing three different financing options for selection by the full board. The committee met on July 29, August 5, August 24, and September 2. At the time of preparation of this staff report the finance committee did not agree on a joint recommendation. At the August 6 meeting the Board agreed to choose a

default HighMark investment strategy in case the Finance Committee cannot agree.

To address concerns raised, the board authorized the general manager to engage with Bartle Wells on a review of the PARS plan and the preliminary actuarial report. The draft Memorandum from Bartle Wells has been received and been forwarded to the Finance Committee for further input.

Director Slater-Carter reported she had gone to the CSDA Conference last week and was able to gather a lot of information. Director Slater-Carter passed out and referred to informational sheets to show what the markets have done since June. This sheet showed that the District had not lost anything by doing it's due diligence and fiduciary duty.

Director Slater-Carter reported first, she still does not see the prospectus. Reading from a handout from beginnersinvest.about.com "Mutual fund companies are required by law to provide you with a prospectus". Director Slater-Carter talked with Dennis Yu at the CSDA Conference and was told we had been provided the prospectuses. Director Slater-Carter has not seen them. Director Slater-Carter went on line and found something called The Summary Prospectus. A normal prospectus is a really long and hard document to read. Then Director Slater went to SEC and got a sample of a summary prospectus. Director Slater-Carter then went to Guinness Atkinson and looked at the Alternative Energy Fund and here is a sample of their prospectus. Director Slater-Carter is bringing this to attention because she has yet to see the prospectuses for any of the funds HighMark recommends. Strongly we have been recommended to read the prospectus. We are not doing our due diligence and our fiduciary duty to adopt or accept anything. What we see here are sales documents, they are not prospectuses. All handouts Director Slater-Carter supplied will be attached to the minutes.

Secondly, Director Slater-Carter reported while at the CSDA Conference she met Mike Goulger from Forester Financial Services out of San Diego. Director Slater-Carter has been speaking to him and sent him the actuarial report. Mr. Goulger requested two weeks to review things and come back with a lower cost proposal than PARS is offering and also noting instead of using HighMark, you can use Schwab or Vanguard. Mr. Goulger reported the .8% is expensive for a passively managed fund. If you are getting up around 1% you should be getting an actively managed fund. Mr. Goulger thought their projected returns are high. Forester Financial Services usually use about a 5.5% to do their calculations. Mr. Goulger said he would be willing to work with us over the next two weeks. Director Slater-Carter would like to have Director Huber, General Manager Heldmaier and herself work with Mr. Goulger and get some numbers for comparison so we have some real prospectuses. We have not done our due diligence if we are not see what the SEC mandates what we look at. They mandate the companies

need to make this information available to us. If we do not look at this information we are not doing the job the district has entrusted us with. I was looking at the questions I had sent out and most of those have not been answered. I would like to send those out to Mr. Goulger to see what his company can do to answer them so we are starting out on a correct path. Director Slater-Carter noted the way other districts have gotten themselves in trouble has been they have gone to discount rates that are too high and they have put too little money in and people start retiring and taking money out of it and that is where the problems start compounding.

Director Slater-Carter is requesting two weeks and asking Director Huber and General Manager Heldmaier to be available to work with her on this and find out if we can save money and make the plan more secure.

Director Huber reported we had already established in the beginning that these amounts of money in the beginning do not amount to a whole lot of money but over time, that is when they really start to escalate. Director Huber noted the Board had already been down this path and we have already decided part of our efforts are going to be each and every year manage this so that going to another strategy in the second or third year makes a lot of sense to me, but to basically redo this at this time I see no justification in it. Secondly, Director Huber will not be around, he will be on vacation.

Director Slater-Carter suggested to designate an alternate. Director Huber was not agreeable to this.

Director Harvey noted this is an important issue for the District and employees. The Board voted for this defined benefit plan and we want to make sure that we do the very best for the employees, District and rate payers. Director Harvey believes it is reasonable to give Director Slater-Carter the two weeks and look at her suggestions before we decide. I know this is a 3 year contract, but we will be moving in that direction. We need to make the right decision. People are saying that I am one of the people that instigated this program along with Director Wilson. We have a plan set up to go but in the mean time we can satisfy due diligence and spend time to check this out. I support Director Slater-Carters suggestion to check this out and make sure we are making the right decision. A few more weeks to make sure we have the right costs, protection for the employees is a good and necessary idea. I think this would bring us all together and then we can go forward. If this is a better plan, we can go with it, if it is not, we go with what we have set up now. This extra two weeks would cement the District together and we would be doing our full due diligence and wait a few more weeks. Director Harvey recommends we follow this path.

Director Wilson is torn on this one. He has no issues on doing due diligence, and the area that he is torn on is the history of this discussion which has been very energetic. For Director Wilson to agree on the two week

extension it would have to be on a couple assumptions. 1. The next time we meet, we make a decision. So in 14 days we have the best information going forward and we vote. I am intrigued by having information coming and see no down side with this. I just do not want to delay this again. The gentleman said he could do this in two weeks, so within two weeks would be the next time we would vote on this. I think what I would recommend is get the information to Bill or myself with you and look at the very specific information regarding what the cost differences are with the idea in two weeks we make a decision.

Director Huber questioned if Forester Financial would assume the role of trust administrator to replace PARS? Director Slater-Carter reported yes they would.

Director Huber then questioned if they would also be assuming the role of investment manager. Director Slater-Carter reported yes they would.

Director Huber then questioned if they have a proven track record. Director Slater-Carter reported yes, they have a proven track record.

Director Wilson noted the Board would have to check into these questions as part of doing their due diligence along with costs.

Director Slater-Carter suggested they may have a more accurate actuarial instead of one that is fatally flawed. Director Huber suggested Director Slater-Carter is making an assertion that he may not agree with. Director Slater-Carter noted, she is not asking him to agree with it. Director Slater-Carter then reported they would run an actuarial analysis from a separate actuarial firm.

Director Boyd is ready to move forward. The first few years are small amounts of money in terms of what is actually in the fund. PARS and HighMark have been doing this for hundreds of agencies in the State. I have spent hours researching in the state who has a problem with PARS and how their investments are being managed and I have found nothing. I think we are dragging this out. The point is for us to support our employees in a way that is necessary to have people stay with us for a time because a short term is no good for any one, rate payers or staff. The employees have said time and again they would find helpful in staying at a place they loved, sounds like a really good thing to do. I think it is time to get this done. I fully intend in two weeks to vote unless there is something clear and compelling, I know which way our current Board chosen path is. While there is little money in the fund, if we are not satisfied, we can change course. We will not turn a blind eye to this. Director Boyd further noted this Board has spent money on a lot of things we were not certain on. We voted on a 19 million dollar bond based on spread sheets members of this Board put together, most of which were projections. There were no guarantees. We had concerned people come to us then. We were very careful. I think this another one of those and I think this far more modest with the 19 million dollar bond. I have said my piece. Director Boyd requested to see a very

clear prospectus for the funds we are talking about. If HighMark can't provide this I will be shocked. I just want to see it.

Director Wilson asked if we have a prospectus. General Manager Heldmaier answered yes.

Director Slater-Carter reported she had been asking for this for a month.

Director Wilson requested a scanned copy sent to all Board members. General Manager Heldmaier explained this was a huge scan. The document is about 200 pages. Director Boyd requested the 5 – 10 page summary of the fund they are looking at. Director Wilson liked Director Boyd's suggestion. If anyone is interested, we can supply the full document at the District office.

Director Boyd asked Director Slater-Carter what the Board can expect to see from the investment firm she is talking with. Director Slater-Carter reported a new actuarial, but we will have to send him the same data that was sent to Bartel. Director Boyd reported he is not interested in paying anyone to try to win business.

Director Wilson is agreeable to look at the material with Director Slater-Carter, he further suggested to have the material here no later than the end of next week. Director Wilson requested the prospectus summary within the next two days, then we will need to move on by the next meeting.

Director Slater-Carter requested staff to note that all we have done by delaying this is not to have lost money and paid fees.

Director Boyd noted we did not embark on this delay in order to time the market.

Director Slater-Carter does not believe in that either, but my questions have still to be answered! We still have not seen the prospectus and now we are going to see it after asking for it for 3 months to be fair.

General Manager Heldmaier responded with he had said this hundreds of times that Director Slater-Carter had asked for more than this. You asked for much, much more than just the prospectus. You asked for so much more that it is impossible for this staff here to put it all together. You have asked for it specifically in one packet. This is the reason you have not received it. General Manager Heldmaier would appreciate a little more respect with staff in general from you please.

Director Slater-Carter is not dismissing staff, but these are questions that could have been answered by HighMark. After I got my hands slapped trying to do my own research, I stopped. I certainly did not want to ruffle any feathers. So, I handed my questions to you. If because you are working two

full time jobs and can't get them done, that is not my fiduciary problem. I have a fiduciary interest in this district just as you do. Director Slater-Carter asked to have the following on record:

I think we need to have an employment attorney who understands these kinds of things. We need the attorney look at the fact of giving raises. I think we need to look at any potential conflicts of interest here. I believe these are serious issues. Since we are going to go ahead in two weeks, we probably do not have time to do this. I am worried about this District and I am worried about some of the promises that have been made as a result of this plan.

Director Boyd asked District Counsel Schricker if he had the opportunity to consider the question raised about giving raises in anticipation of deductions for a plan like this. Do you have any concerns about this? Director Boyd noted Director Slater-Carter has raised a question about whether or not there is issue about providing raises to employees in anticipation of the plan. District Counsel Schricker reported he has had time to research this issue and found that raises are anticipated in reaction to the changes to the Public Pension Act a couple years ago. A number of agencies have done just that. Because they are raises, they are not necessary contributions to the fund on behalf of the District.

Director Boyd questioned if District Counsel Schricker saw any issues raised by any districts that have this kind of plan. Mr. Schricker reported the agencies have not raised any issues in doing this because of the limitations imposed on them.

Director Huber shares Director Slater-Carter's goal of constantly looking at this to make sure we are doing the right thing. But I also see that there is a time issue here and going with PARS and HighMark may not be in our long term best interest, but I do think the short term financial sensitivity is pretty minimal. The problem I have with Forester is in two weeks, how can the Board in two weeks do this properly and put this to bed? It took us a long time to get to where we are today. In all the times I did research, I never once saw anything about Foresters. If there was a really compelling reason for this I could see doing this, but going in the first 3 years with PARS, even if they are not as sufficient as they could be the dollar amount is not that great in the beginning. With HighMark, we are limited to the first year with them. I do think we should look into Forrester after we get this thing going.

Director Boyd suggested to see what Foresters can do in a few days and if it is compelling it's compelling if not, we move on.

Director Harvey would like to have a unified and happy Board. I think this is something that is a good idea. We are never going to be 100% sure, but looking into this will help us to be unified and I think this is important in moving forward.

Director Huber needed clarification in that the Board is going to wait 2 weeks before we address the Bartel presentation we have in front of us. Director Boyd answered yes and in two weeks we have the time to look over the material we have tonight and read over anything Forester sends our way.

Director Wilson is requesting that all information is given to Director Slater-Carter by Friday and from that Director Slater-Carter and myself can look over the material and come up hopefully with what we feel has the criteria that has been set today. From there, Kathryn and I will generate that material to Clemens and the rest of the Board. That material will be worked on for a final decision at the Board meeting.

Director Slater-Carter noted specifically, this Board has asked us to look at Vanguard and Schwab as an option. Forester Financial said they could work with either.

Director Wilson suggested if Forester can't meet the criteria at this point, that doesn't mean we won't reconsider them sometime down the road.

Director Huber requested the General Manager to contact Mr. Rungis to see if he has had any exposure to Forester.

NEW BUSINESS-

1. Review and Possible Action Concerning Changes to Electronic Recycling Services.

General Manager Heldmaier reported the recycling services for electronic devices at the recycling events in MWSD are provided by Strawflower Electronics. The business follows permitting and reporting requirements needed to dispose of e-waste.

The District received a letter from Strawflower electronics indicating that costs to provide the service have increased while profits decreased at the same time. Therefore a \$200 per event fee would be required to further support the services currently provided.

After discussion with Recology of the Coast, Chris Porter indicated that the fee will be paid by Recology. Therefore, there will be no direct fiscal impact to the District.

The Board thanked Ben Tyson of Strawflower Electronics and Chris Porter of Recology of the Coastside for their support and this service they are providing for our community.

2. Review and Possible Action Concerning Prop 218 Notice to Increase 2016 Solid Waste Disposal Fees.

General Manager Heldmaier reported in 2013 the District negotiated a contract with increased services, the same weekly pickup of refuse and recycling and biweekly green waste service. Service now also includes standardized containers and single stream recycling.

The franchise agreement with Recology of the Coast requires the District to annually increase the solid waste disposal rates by January 1 in accordance with an agreed upon formula. Pursuant to Article 6, Section 6.02 A of the October 1, 2013 franchise agreement Recology of the Coast provided the attached calculations required for the rate increase effective January 1, 2016.

After the implementation of the new agreement this is the first year in which a cost based increase will be implemented. The formula results in a 47.8% rate increase with the residential rates adjusted.

Notices will be mailed to all 1728 property owners and customers in Montara and Moss Beach notifying them about the planned rate increase for January 1.

A Public Hearing at which all protests will be formally counted to determine whether or not the proposed rate limits should be approved in accordance with Prop 218 is scheduled for December 3, 2015.

Director Wilson requested a brief history of operating with a loss and how it brought Recology to this rate increase.

Chris Porter, General Manager of Recology of the Coastside reported in the last 5 years Recology has been working with a loss and this past year we were working with a 33% loss. We labored over this contract for over a year with the MWSD Recycling/Refuse Committee as well as the MWSD Finance Committee. There is an 11 page addendum to the contract on how the rates will be set and the formula was written by the District. This year, it is a cost basis. As you have received our Financial Statements on a yearly basis, you have seen how we have lost money every year.

Director Wilson asked what was the agreed upon rate of return on the contract. Chris Porter reported it was no more than 10%, but if everything stayed the same, the return would be 8%. But most likely we will see changes to the service and it is going to be around 4%.

Director Wilson looked at the contract and spread sheet. All in all it is a fairly complicated calculation. Who did this calculation? Chris Porter reported Mr. Chris Billington, Recology's Controller did the calculations following the formula and he is here tonight.

Director Huber asked how the Board would know that all the allocations and inputs are correct. This looks is a very complicated structure where you are taking all your costs and allocating some towards Pacifica, some towards us, some towards El Granada. Then there is also questions about what things are included in the costs. We basically do not have any verification that those have been correctly.

Chris Porter reported to begin with, when this franchise agreement was written it took over 1 year. There was such extensive research done that I was bringing monthly disposal bills and we were calculating exactly what percentage came from Montara vs what came from El Granada. Those calculations are extremely accurate. We know how many routes are in Montara, we know how many men work in Montara.

Director Slater-Carter noted the committee went over all of that, and worked very closely with Recology on this agreement.

Director Boyd noted when Recology came in, our committee had sat down and examined the books and the process in detail with these folks. Director Slater-Carter and Director Ptacek did a tremendous amount of work and actually gave us a better understanding of what we were working with. Chris Porter knows the level of scrutiny we are capable of.

Director Huber is not disputing any of the hard work done on this, but he is looking at this with respect of his fiduciary responsibility. He is looking at a set of numbers and asking how we can verify them. If we are going to do proper due diligence on this we need to have an independent review of the numbers and calculations to validate the fact that according to the contract on that cost basis that a 47 – 48% increase is justified. It doesn't say anything on the contract as to how the numbers are validated to be accurate.

Director Slater-Carter suggested to make Recology's audits available to the Board. Chris Porter reported the district receives a copy of our yearly audits.

Director Boyd suggested the Board have some time to see the last audit and if there is anything there that is a concern, we need to raise the issue. If we do not see anything that raises questions, we are on track for going through the normal legal process.

Director Wilson questioned what he would see in the audit. Chris Porter responded it would be just for Montara.

Director Wilson questioned what are the costs based on?

Chris Billington, Controller for Recology of the Coastsouth bay region, explained the way the contract is set up is that it was indexed based last

year. This year it is cost based. Next two years it will be indexed based. The cost based is the true up of the actual cost. These are legitimate questions to be asking, but what I think what you will find is to look up the history of operating expenses you will see that they are very consistent unless we open up an new section in Montara that we have a thousand new homes.

Director Huber explained the nature of his question really had nothing to do with what you presented. It seems to me at bare minimum our accountant should look at this for its accuracy. Also Mr. Medina should look to making sure all costs noted should be there. If we are going to do proper due diligence on this, we need to do an independent verification on that. This should be done by a person who has the background and expertise to do so.

Director Boyd suggested the Solid Waste Committee could review this. Director Boyd likes the idea of Mr. Medina looking over the audit, in addition to the documents before us.

Director Wilson suggested to have Peter Medina look over this document with a committee designated by the Board. In the meantime, start the process of the 218 with the bottom line of 47.8%, which could be lower than that after auditing the numbers.

Chris Porter and Chris Billington will make themselves available to the designated committee and Peter Medina.

Director Slater-Carter would like to see us do a newsletter. We have several newsworthy events. Chris has always participated in our expenses so I believe this is a good time to reach out and explain why the increase. Also, give suggestions on how to reduce the increase, for example going to a smaller size can, encouraging people to do more recycling. Another thing we need to put in the MWSD newsletter is a small grid with special drop off days.

Chris Porter reported Recology is just about ready to send out their yearly brochure. We will make sure we will mention in the front how to minimize the increase. We also give information on special drop off days and items you can recycle and where.

Chris Porter noted, whenever there is an increase and we get protest letters, I will personally call each resident and address each concern and work things out with them. Chris reported she has always been able to work things out with any resident that has come to the Board meetings as well. Chris sees this going the same way.

Director Wilson moved to authorize the General Manager to distribute the Prop 218 notice to all property owners in the District and have a group

designated by the Board along with Peter Medina look over the document and verify the increase. Director Huber seconded the motion.

All Directors were in favor and the motion passed unanimously.

3. Review and Possible Action Concerning Application to LAFCo for Extra Jurisdictional Service for MWSD to Provide Water Service to Big Wave.

General Manager Heldmaier reported on May 19, 2015, the San Mateo County Board of Supervisors certified an Addendum to the certified Draft Environmental Impact Report and Final Environmental Impact Report for the "North Parcel Alternative" (NPA) of the Big Wave development comprised of a wellness center for developmentally disabled adults and an associated business park. The NPA is a scaled-down version of an earlier proposal that had been approved by the Board of Supervisors in 2011. However, a number of lawsuits were filed contesting that approval, as a result of which and following extensive negotiations, the developer proposed the NPA. The County's approval of the NPA is conditioned on the provision of water service to the development by the Montara Water and Sanitary District (MWSD).

The Big Wave development is located outside MWSD's boundaries. In order to provide water service to the development it is necessary to amend MWSD's Sphere of Influence and to obtain authorization for extra jurisdictional service from the San Mateo County Local Agency Formation Commission (LAFCO). The Board of Supervisors' approval to the NPA is conditioned upon LAFCO's approvals in that regard.

Director Slater-Carter noted the MWSD Board passed a resolution many years ago before we had new water supply for us to serve Big Wave. It is nice to see this on the agenda.

Director Slater-Carter moved to adopt a Resolution of Application of the Montara Water and Sanitary District Requesting a Sphere of Influence Amendment of the Montara Water and Sanitary District and Coastside County Water District and Local Agency Formation Commission Approval for Extension of Services Outside Jurisdictional Boundaries to the Big Wave LLP North Parcel Alternative Pursuant to Government Code Section 56133. Director Harvey seconded the motion.

Director Boyd noted there had been a lot of planning and a lot of preparation for this and he has been looking forward to this.

A Roll Call Vote was called for, all Directors were in favor and the motion passed unanimously 5 – 0.

Jeff Peck thanked the Board for working with this. He has appreciated what has been done and thanked the Board for doing such a great job. Additionally, Mr. Peck reported they had an idea regarding recycling water and would like to discuss this with the Board. Director Boyd is very happy to work with him on this item.

4. Review and Possible Action concerning Clarification of the Role of Board Members, Communication with other Board Members and the Public.

General Manager Heldmaier reported at the request of Director Harvey this item has been placed on the agenda to allow for a discussion and receipt of information from legal counsel about the Role of Board Members in Special Districts, how board Members should communicate with other Board Members and the public in accordance with Brown Act laws.

District Counsel Schricker emphasized this was just a sample in a short form which is similar to one that is in effect in a couple of agencies that he is aware of. The intention is to see if this would be helpful if there was a strain or question. This deals more with protocol and does not necessarily have a legal effect, but as a manner of conducting business. Unfortunately, and not in this District or even in this County, there are some very unfortunate circumstances on elected boards when usually one Board member conducts themselves in a way that hurts themselves and their districts. I do not see this here, but I think this was put on the agenda because there has been some questions about communication and the way business is conducted. There is a delicate balance between what is a function of a board member and his or her relation to staff. Generally if there are questions of fact to be determined, then it is entirely appropriate to request information from staff. Where there is an attempt to influence staff that can cause some problems. Listening to the concerns tonight about the volume of requests, there again there needs to be a mutual understanding focusing on just what is the fact you are looking for. Not necessarily conclusions, but what information on the documents you want to see. For an example, we had members of the public who wanted to see documents that had been submitted by PARS to the District. They have not been submitted to the Board, I don't see any reason they can't be submitted to the Board, but the only problem with this is that it is misunderstood and they start to have a life of their own. Technically and legally they are draft documents that have not been approved or seen by the Board. So from our point in advising you it's very difficult to give one Board member documents and not give it to other Board members. This can create friction between Board Members that we do not intend for.

Director Wilson noted his experience with this Board that when one Board member gets information, all Board members get the information.

Mr. Schricker suggested to set policy on this.

Director Harvey reported he had asked to have this item placed on the agenda. Director Harvey noted if one Board member asks for something, all Board members should receive the same information. This is what happens at SAM and I think this should be a policy at MWSD. Furthermore at SAM, if someone makes a comment to the General Manager or has a question, this is shared between all Board members. I would not be able to have a personal conversation with Clemens and ask him questions or push influence, he should be able to share this with everyone amongst the Board. If we could agree to these two items that would be great. The reason Director Harvey asked to have this item placed on the agenda is because he is confused. Director Harvey speaking for himself, doesn't want to interfere with Clemens negotiations or doing his duties. If he is talking to an attorney on a professional level, I do not want to bud in and ask questions too. I do not want to interfere with what he is doing or his business. If it is something else, without budding in, I want to make sure I have the right to call people such as the County or CCWD to ask questions to. Can I initiate conversations, can I get information without interfering with what he is presently doing? If I needed to ask Dave Schricker a question, I would need to go through Clemens. Does this make sense? Director Harvey directed his questions to Mr. Schricker.

District Counsel Schricker explained there were different kinds of questions. If Director Harvey is concerned about conflict of interest or a Brown Act issue, he can contact Mr. Schricker. Individually, and not with this Board, I have had an elected official ask me for personal advise and I have to ask them to contact their own attorney. In some cases if I receive a call or email from a Board member on a legal issue, I will respond and include all other Board members.

Director Boyd noted we have touched on this topic every few years and each time we have talked about making a policy's. This is normal, we get involved in things and every now and again we need a course correct and this is fine.

Director Huber recommending electronic distribution.

Director Wilson noted it is important to funnel our communication through the General Manager. That will protect us and will also protect the employees from any perceived relationship issues.

District Counsel Schricker was asked to explain the difference between contacting legal counsel and or the accountant. Is there a difference for a Board member in calling you or a vendor of the district? Mr. Schricker explained the problem with a Board Member contacting a vendor is in that the administration of the vendor's agreement is the responsibility of the General Manager. If the General Manager doesn't know about that, that could be construed or could actually be an interference of the administration

of the contract. The recommended approach would be to contact the General Manager if you have any questions about the performance of the vendor. Although the Board approves of the agreement, the General Manager has the authority in the administration of the agreement. The same thing applies to an employee. The recommendation is for any Board members to contact the General Manager with concerns regarding any employees.

District Counsel Schricker further noted it is easy to slip up on occasion particularly when you are passionate on an issue, but it is his opinion that this Board is well informed on the Brown Act.

REPORTS

1. **Sewer Authority Mid-Coastside Meetings (Harvey)** – Director Harvey reported SAM is still negotiating for a new General Manager. We are hopefully in final negotiations. Director Harvey reported in closed session the Board gave direction to staff to ask for bids for the recycling project for just SAM's roll in the project. We received two bids and now will have a meeting regarding questions that came up during the process of going over the bidding process. Director Boyd reported District Counsel Copeland has announced his retirement for the end of this year. He has been a very steady voice for the last 40 years. We will miss him and have appreciated his service.
2. **MidCoast Community Council Meeting (Slater-Carter)** – None
3. **CSDA Report (Slater-Carter)** – Director Slater-Carter reported there would be a meeting on October 27th. Director Slater-Carter reported she had attended the CSDA Conference and found it to be very informative and very well attended. CSDA is doing a really good job doing more for special districts. There were a lot of good workshops. There was an interesting discussion regarding dealing with disruptive public. We do have the ability to shorten the time, but rude behavior is freedom of speech and there is little we can do about it. The next conference will be in San Diego.
4. **CCWD, NCCWD Committee Report – (Harvey, Huber) - None**
5. **Attorney's Report (Schricker)** – None
6. **Directors Report** – Director Huber reported the General Manager and he had attended a Sea Level Rise Vulnerability Study meeting and wanted to report on this. There were two meetings. The County sees this an important issue to the economic health of the County considering the amount of businesses that are riming the bay. We did identify some of the areas within our District that are vulnerable. Basically was the sewer facilities. General Manager Heldmaier reported that there had been one more meeting he attended. Next Wednesday will be a follow up meeting SAM staff will be attending and represent the sewer facilities. Director Huber noted he had attended a meeting that was basically Santa Clara focused. They are expecting a 36 inch sea level rise that will cause them to put up a 13 to 15 foot wall around some of the areas in Santa Clara.
7. **General Manager's Report (Heldmaier)** – None

**ATTACHMENT D
MAXIMUM RATES
EFFECTIVE JANUARY 1-2016**

1/1/2015 1/1/2016

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	\$16.15	\$23.87
b. Container limits: volume - 32 gals (1/4 cu yd), weight 60 lbs, per mo charge	\$19.86	\$29.35
c. Container limits: volume - 64 gals (1/2 cu yd), weight 100 lbs, per mo charge	\$65.25	\$96.44

2. Special Services (charges added to above, basic changes):

a. Container placed at side or rear of dwelling - per container	\$4.96	\$7.33
b. Container not placed at specified collection point and return call required- per container	\$10.12	\$14.95
c. Extra 30 gallon bag with collection (excludes 20 gallon cart service), per bag	\$5.36	\$7.92
d. Special collections combined with regular service, including collections for brush, yard clippings, boxes, ect	estimate	estimate

3. Bulky goods dropoff service four times a year within Montara city limits including greenwaste and motor oil in Recology provided bottles only

inc. w/service inc. w/service

4. Weekly commingled recyclable materials collection (64 gallon wheeled cart)

inc. w/service inc. w/service

5. Every other week greenwaste (yard trimmings, ect.) collection, limited to four (4) thirty gallon containers - customers own containers

inc. w/service inc. 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

inc. w/service inc. 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

inc. w/service inc. w/service

8. Christmas trees free of charge thru January 31st of each year

a. After January 31st charge is \$20 per tree for removal

inc. w/service inc. w/service
\$20.00 \$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:

**ATTACHMENT D
MAXIMUM RATES
EFFECTIVE JANUARY 1-2016**

	1/1/2015	1/1/2016
1-64 gallon collection once per week	\$78.36	\$115.81
1-96 gallon collection once per week	\$128.23	\$189.52
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	\$35.65	\$52.69
b. 2 cubic yard box - per mo	\$46.22	\$68.31
3. Commercial Container Collections:		
a. 1 cubic yard box - per collection	\$30.65	\$44.52
b. 2 cubic yard box - per collection	\$60.99	\$88.58
4. Compacted Commercial Container Service:		
a. 1 cubic yard box - per collection	\$58.80	\$86.90
b. 2 cubic yard box - per collection	\$118.78	\$175.55
5. Recyclable material collection up to five times a week		INC. W/SERVICE INC. W/SERVICE

DEBRIS BOX SERVICE

7, 14, 20 and 30 yard containers		
a. Container rental and delivery and pickup charge	\$290.00	\$350.00
b. \$80 per ton confirmed by disposal site weight slip	\$67.00	\$80.00

SPECIAL PROVISIONS

1. Financial hardship rate for weekly collection for single container placed in front of base 30 gallon can (PGE CARE PROGRAM) 15% reduction	\$16.92	\$25.00
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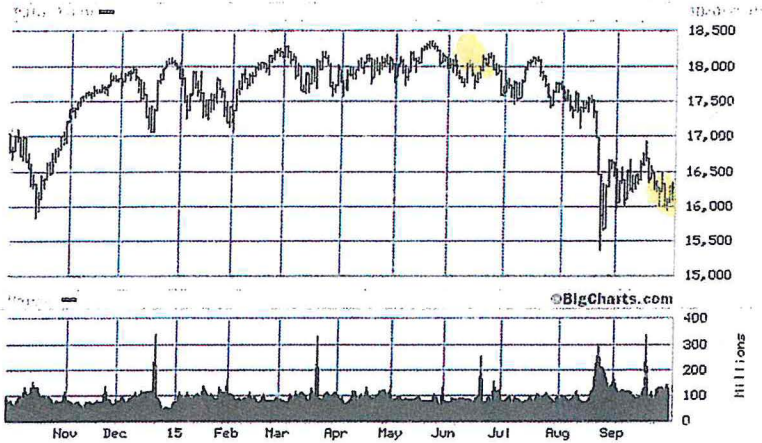
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DJIA Dow Jones Industrial Average (INDEX) Delayed quote data 10/11/2015 04:35 PM

Last:	Change:	Open:	High:	Low:	Volume:
16,272.01	-12.69	16,278.62	16,348.87	16,073.82	111,416,980
	Percent Change:	Yield:	P/E Ratio:	52 Week Range:	
	-0.08%	n/a	n/a	15,370.33 to 18,351.36	



Company Data

Company Name:	Dow Jones Industrial Average
Dow Jones Industry:	Not Available
Exchange:	DJI
Shares Outstanding:	n/a
Market Cap:	n/a
Short Interest:	Exchange provides no short interest data
52-Week EPS:	n/a
52-Week High:	18,351.36 on Tuesday, May 19, 2015
52-Week Low:	15,370.33 on Monday, August 24, 2015
P/E Ratio:	n/a
Yield:	n/a
Average Price:	16,825.2592 (50-day) 17,628.4778 (200-day)
Average Volume:	125,022,688 (50-day) 106,908,161 (200-day)

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What Is a Mutual Fund Prospectus?



By Joshua Kennon
Investing for Beginners Expert

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Before you buy a single share of a mutual fund, you absolutely *must* read the prospectus. This legal document filed with the Securities and Exchange Commission (the SEC) isn't just standard boilerplate stuff you can ignore. It is extremely important to your portfolio because it includes vital information on the mutual fund such as:

A description of the investing strategy the mutual fund management company will use to invest your money. Some funds follow a value investing strategy, some go for growth stocks, while still others may use risky strategies involving stock options.

A breakdown of the historical expenses paid by the mutual fund shareholders over the past few years.

A long-term performance disclosure comparing the mutual fund's performance to a benchmark such as the [Dow Jones Industrial Average](#).

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Mortgage			
Rate	±	Last Week	Product
3.091%	↑	3.104%	10-year fixed
3.886%	↑	3.916%	30-year fixed
2.796%	↑	2.832%	3/1 ARM
2.871%	↑	2.902%	5/1 ARM

Rate details
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The Summary Prospectus

By Lee McGowan
Mutual Funds Expert

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Definition:

The summary prospectus offers an improvement over the full length mutual fund prospectus that is often confusing and muddled with legalese. The new summary prospectus rules were effective on February 28th, 2009, and funds must comply with the changes on January 1, 2010.

The summary prospectus rules require that funds provide investors with a brief summary (generally three to four pages) -- in plain English -- of the key information that will allow investors to make informed investment decisions.

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The SEC also adopted a new rule that allows a summary prospectus to satisfy prospectus delivery requirements as long as the summary prospectus, the full, statutory prospectus, and other required information is available online.

The summary prospectus must contain the following items in standardized order and cannot include additional information, nor omit required information:

1. Investment objectives/goals
2. Fee and expense tables
3. Principal investment strategies, principal risks and performance table
4. Management information
5. Purchase and sale information
6. Tax information
7. Financial intermediary compensation information

Not to be confused with: Profile prospectus, statutory prospectus

[Securities and Exchange Commission Final Action on the Summary Prospectus Rules](#)

Examples:

Example of a [Summary Prospectus for GAAEX](#)

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Our Expert Recommends

- [A Prospectus: The Owner's Manual to Your Mutual Fund](#)

Money Market	Savings	CD	
Rate	+/-	Last Week	Min. to Earn
0.750 %		0.750 %	\$2,500
0.780 %		0.780 %	\$10,000
0.790 %		0.790 %	\$25,000
0.790 %		0.790 %	\$50,000

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Mutual Funds Essentials

Money Slideshows

The 3 Best S&P 500 Index Funds
Index Funds

How Long Will Your Money Last in Retirement?
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Mutual Fund Basics

How to File for Bankruptcy in 9 Steps
Bankruptcy

No-Loads or Load Funds - Which is Best?
No-Load vs. Load Funds

24 Ways to Give Your Grocery List a Savings Makeover
Frugal Living

Best No-Load Funds to Get Started Investing With Just \$100
Best Mutual Funds

10 Secrets of the Rich (Shhhh!)
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Do This Homework Before Building Your Mutual Fund Portfolio
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o o

THE XYZ BALANCED FUND

SUMMARY PROSPECTUS

(Class A and Class B Shares)

November 1, 2007

Before you invest, you may want to review the Fund's prospectus, which contains more information about the Fund and its risks. You can find the Fund's prospectus and other information about the Fund, including the statement of additional information and most recent reports to shareholders, online at [Web address]. You can also get this information at no cost by calling 1-800-000-0000 or by sending an e-mail request to [e-mail address]. The Fund's prospectus and statement of additional information, both dated April 27, 2007, and most recent report to shareholders, dated June 30, 2007, are all incorporated by reference into this Summary Prospectus.

Investment Objective: Income and capital growth consistent with reasonable risks.

Fees and Expenses of the Fund: The tables below describe the fees and expenses that you may pay if you buy and hold shares of the Fund. You may qualify for sales charge discounts if you and your family invest, or agree to invest in the future, at least \$25,000 in XYZ Funds.

Shareholder Fees (fees paid directly from your investment)

	Class A	Class B
Maximum Sales Charge (Load) Imposed on Purchases (as percentage of offering price)	5.75%	None
Maximum Deferred Sales Charge (Load) (as percentage of the lower of original purchase price or sale proceeds)	None	5.00%

Annual Fund Operating Expenses (ongoing expenses that you pay each year as a percentage of the value of your investment)

	Class A	Class B
Management Fees	0.66%	0.66%
Distribution (12b-1) Fees	0.00%	0.75%
Service (12b-1) Fees	0.23%	0.23%
Other Expenses	0.28%	0.46%
Total Annual Fund Operating Expenses	1.17%	2.10%

Example

The Example below is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 year	3 years	5 years	10 years
Class A (whether or not shares are redeemed)	\$687	\$925	\$1,182	\$1,914
Class B (if shares are redeemed)	\$713	\$958	\$1,329	\$1,974
Class B (if shares are not redeemed)	\$213	\$658	\$1,129	\$1,974

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover may indicate higher transaction costs. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 63% of the average value of its whole portfolio.

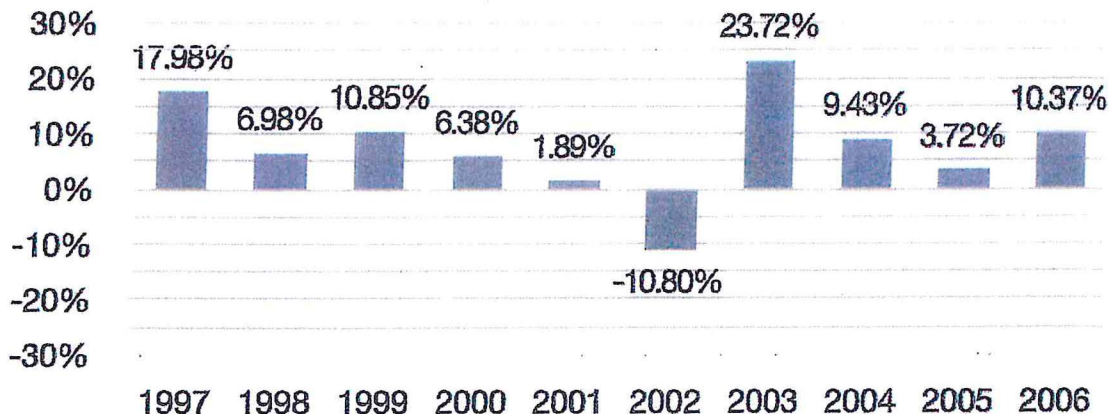
Principal Investment Strategies: The Fund invests mainly in common stocks, bonds, and notes of U.S. and foreign companies.

Principal Risks:

- You could lose money by investing in the Fund.
- Risk Number Two –
- Risk Number Three –
- Risk Number Four –
- Risk Number Five –

Annual Total Return: The following bar chart and table provide some indication of the risks of investing in the Fund. The bar chart shows changes in the Fund’s performance from year to year for Class A shares. The table shows how the Fund’s average annual returns for 1, 5, and 10 years compared with those of a broad measure of market performance. The Fund’s past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future.

Sales charges are not reflected in the bar chart, and if those charges were included, returns would be less than those shown.



Best Quarter (ended 6/30/03): 12.08%. Worst Quarter (ended 9/30/01): -11.06%. The year-to-date return as of the most recent calendar quarter, which ended September 30, 2007, was 7.03%.

Average Annual Total Returns for Periods Ended December 31, 2006

	1 Year	5 Years	10 Years
Class A (Return Before Taxes)	4.04%	5.72%	7.26%
Class A (Return After Taxes on Distributions)	2.48	4.52	5.05
Class A (Return After Taxes on Distributions and Sale of Fund Shares)	2.30	4.34	4.90
Class B (Return Before Taxes)	4.38	5.62	7.12
S&P 500 Index (reflects no deduction for fees, expenses or taxes)	15.79%	6.19%	8.42%

The after-tax returns are shown only for Class A shares and are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts.

Top Ten Portfolio Holdings (percent of total net assets) as of September 30, 2007

Rank	Security	Rank	Security
1	XYZ, Inc. (3.0%)	6	The DEF Co. (1.3%)
2	The ABC Co. (2.3%)	7	The NOP Corp. (1.3%)
3	XYZ Growth, Inc. (1.7%)	8	HIJ Co. (1.1%)
4	The TUV Corp. (1.6%)	9	ABC Corp. (1.0%)
5	QRS Co. (1.4%)	10	OPQ, Inc. (0.9%)

Investment Adviser: XYZ Management Company, LLC

Portfolio Manager: John E. Smith, CFA, Vice President and Equity Portfolio Manager of XYZ Management Company, LLC. Mr. Smith has managed the Fund since 2005.

Purchase and Sale of Fund Shares: You may purchase or redeem shares of the Fund on any business day online or through our Web site at [Web address], by mail (XYZ Funds, Box 1000, Anytown, USA 10000), or by telephone at 800-000-0000. Shares may be purchased by electronic bank transfer, by check, or by wire. You may receive redemption proceeds by electronic bank transfer or by check. You generally buy and redeem shares at the Fund's next-determined net asset value (NAV) after XYZ receives your request in good order. NAVs are determined only on days when the NYSE is open for regular trading. The minimum initial purchase is \$2,500. The minimum subsequent investment is \$100 (or \$50 under an automatic investment plan).

Dividends, Capital Gains, and Taxes: The Fund's distributions are taxable, and will be taxed as ordinary income or capital gains, unless you are investing through a tax-deferred arrangement, such as a 401(k) plan or an individual retirement account.

Payments to Broker-Dealers and Other Financial Intermediaries: If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may influence the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's Web site for more information.

Summary Prospectus

03 | 23 | 2015

Before you invest, you may want to review the Fund's prospectus, which contains more information about the Fund and its risks. You can find the Fund's prospectus and other information about the Fund online at www.gafunds.com. You may also obtain this information at no cost by calling 1-800-915-6566 or by sending an e-mail request to mail@gafunds.com. The Fund's Statutory Prospectus and Statement of Additional Information, both dated March 23, 2015, are incorporated by reference into this Summary Prospectus.

Investment Objective

The Alternative Energy Fund's investment objective is long-term capital appreciation.

Fees and Expenses of the Fund

This table describes the fees and expenses that you may pay if you buy and hold shares of the Alternative Energy Fund:

Shareholder Fees (fees paid directly from your investment)		
		None ⁽¹⁾
Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investments)		
Management Fees:		1.00%
Distribution (12b-1) Fees:		None
Other Expenses:		
Shareholder servicing plan fees	0.20%	1.06%
All Other Expenses	0.86%	
Total Annual Fund Operating Expenses:		2.06%
Fee Waiver/Expense Reimbursement ⁽²⁾ :		-0.04%
Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement ⁽²⁾ :		2.02%

⁽¹⁾ The Fund may charge a \$15 fee for wire transactions.

⁽²⁾ The Advisor has contractually agreed to reduce its fees and/or pay Fund expenses (excluding Acquired Fund Fees and Expenses, interest, taxes, dividends on short positions and extraordinary expenses) in order to limit the Fund's Total Annual Operating Expenses to 1.98% through June 30, 2016. To the extent that the Advisor waives its fees and/or absorbs expenses to satisfy this cap, it may seek repayment of a portion or all of such amounts at any time within three fiscal years after the fiscal year in which such amounts were waived or absorbed, subject to the 1.98% expense cap.

For additional information about the Fund's expenses, please see Fund Expenses, Redemption Fee, and Financial Highlights in the prospectus.

Example

This example is intended to help you compare the cost of investing in the Alternative Energy Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, under these assumptions, your costs would be:

1 Year	3 Years	5 Years	10 Years
\$205	\$642	\$1,105	\$2,386



Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 42.27% of the average value of its portfolio.

Principal Investment Strategies

The Alternative Energy Fund invests at least 80% of its net assets (plus any borrowings for investment purposes) in equity securities of alternative energy companies (both U.S. and non-U.S.). Alternative energy companies include, but are not limited to, companies that generate power through solar, wind, hydroelectric, tidal wave, geothermal, biomass or biofuels and the various companies that provide the equipment and technologies that enable these sources to be tapped, used, stored or transported, including companies that create, facilitate or improve technologies that conserve or enable more efficient use of energy. The Fund will not change this policy unless it gives shareholders at least 60 days' notice. Equity securities may include common stocks, preferred stocks, securities convertible into common stocks, rights and warrants. The Fund's concentration may vary depending on changing market conditions (including but not limited to, liquidity, volatility, and the number of companies meeting selection criteria) although the Advisor has a bias towards concentration. The degree of concentration of the portfolio will vary over time, and under normal market conditions, the Fund may have as few as 25 holdings, or may hold securities in 75 or more companies. The Advisor will invest the Fund's assets in securities of all market capitalization companies and in companies domiciled in the U.S. and foreign countries, including, potentially, companies domiciled or traded in emerging markets. Additional information on Principal Investment Strategies can be found in the prospectus. Also see Additional Investment Strategies and Risks in the Statement of Additional Information.

Principal Risks

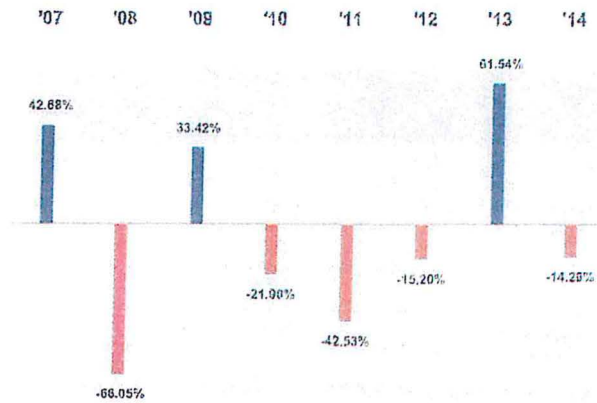
U.S. and foreign stock markets have been subject to significant volatility recently which has increased the risks associated with an investment in the Fund. You may lose money by investing in this Fund if any of the following occur:

- Prices of energy (including traditional sources of energy such as oil, gas, or electricity) or alternative energy decline due to many factors, including international political developments, production and distribution policies of the OPEC (Organization of Petroleum Exporting Countries) and other oil-producing countries;
- The Fund's focus on the energy sector to the exclusion of other sectors exposes the Fund to greater market risk and potential monetary losses than if the Fund's assets were diversified among various sectors;
- The Fund has difficulty selling small- or mid-cap or emerging market stocks due to lower liquidity and higher volatility;
- The currencies that denominate any foreign holdings in the Fund decline in value against the U.S. dollar;
- A foreign government expropriates or nationalizes the assets of the Fund or companies in which the Fund invests;
- Political, social, currency-rate fluctuations or economic instability within foreign countries cause the value of the Fund's foreign investments to decline;
- The Fund declines in value due to its non-diversification status which exposes it to greater loss; or
- The Advisor's investment strategy does not achieve the Fund's objective or the Advisor does not implement the strategy properly.

For more information on the risks of investing in this Fund, please see the Principal Risks and Risks of Investing in Our Funds in the prospectus. You may also refer to the section Risk Factors and Special Considerations in the Statement of Additional Information.

Performance

The annual returns bar chart demonstrates the risks of investing in the Alternative Energy Fund by showing how the Fund's performance has varied from year to year. The table below also demonstrates these risks by showing how the Fund's average annual returns compare with those of a broad-based securities market index, as well as two energy-sector indices that, more closely resemble the investments of the Fund. Unlike the Fund's returns, the index returns do not reflect any deductions for fees, expenses or taxes. For additional information on these indices, please see Index Descriptions in the prospectus. Past performance, before or after taxes, is not indicative of future performance. Updated performance information is available on the Fund's website www.gafunds.com.



During the period shown in the bar chart, the best performance for a quarter was 33.55% (for the quarter ended June 30, 2009). The worst performance was -41.68% (for the quarter ended December 31, 2008).

Average Annual Total Returns as of 12/31/14	One Year	Five Years	Since Inception (3/31/2006)
Alternative Energy Fund:			
Return Before Taxes	-14.29%	-12.02%	-12.44%
Return After Taxes on Distributions ⁽¹⁾	-14.29%	-12.02%	-12.68%
Return After Taxes on Distributions and Sale of Fund Shares ⁽¹⁾	-8.09%	-8.49%	-8.08%
Wilderhill Clean Energy Index (ECO)	-16.93%	-12.49%	-14.36%
Wilderhill New Energy Global Innovation Index (NEX)	-2.15%	-5.07%	-3.45%
MSCI World Index	5.62%	10.94%	5.76%

⁽¹⁾ After-tax returns are calculated using the historically highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. In certain cases, the figure representing "Return After Taxes on Distributions and Sale of Fund Shares" may be higher than the other return figures for the same period. A higher after-tax return results when a capital loss occurs upon redemption and provides an assumed tax deduction that benefits the investor.

Investment Advisor

Guinness Atkinson™ Asset Management, Inc. For more information on the Investment Advisor, please see Management of the Funds in the prospectus and The Investment Advisor in the Statement of Additional Information.

Portfolio Managers

Edward Guinness, Portfolio Manager, has been lead manager since April 2013 and co-manager (February 2007 to April 2013). For additional information, please see Portfolio Management in the prospectus and Portfolio Managers in the Statement of Additional Information.

Purchase and Sale of Fund Shares

Investors may purchase or redeem Fund shares on any business day by written request, wire transfer, or telephone. You may conduct transactions by mail (Guinness Atkinson™ Funds, c/o U.S. Bancorp Fund Services, LLC, 615 East Michigan Street, 3rd Floor, Milwaukee, WI 53201-0701), or by telephone at 1-800-915-6566. (Redemptions by telephone are only permitted upon previously receiving appropriate authorization.) Investors who wish to purchase, exchange or redeem Fund shares through a broker-dealer should contact the broker-dealer directly. The minimum initial and subsequent investment amounts for various types of accounts are shown below, although we may reduce or waive the minimums in some cases.

Alternative Energy Fund**GUINNESS
ATKINSON™**
F U N D S

NASDAQ Symbol: GAAEX

Type of Account	Minimum Initial Investments	Subsequent Investments
Regular (new shareholder to the Guinness Atkinson™ Fund family)	\$5,000	\$250
Regular (current shareholder of another Guinness Atkinson™ Fund)	\$2,500	\$250
Retirement	\$1,000	\$250
Gift (UGMA/UTMA)	\$250	\$250
Automatic investment plan (initial and installment payments)	\$100	\$100

For additional information, please see How to Purchase, Exchange and Redeem Shares in the prospectus and Additional Purchase and Redemption Information in the Statement of Additional Information.

Tax Information

The Fund's distributions are taxable, and will be taxed as ordinary income or capital gains, unless you are investing through a tax-deferred arrangement, such as a 401(k) plan or an individual retirement account. Withdrawal of monies from such tax-deferred arrangements may be taxable. For additional information, please see Distributions and Taxes in the prospectus and Tax Matters in the Statement of Additional Information.

Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's Web site for more information. Also see Distribution and Shareholder Servicing Plans in the prospectus and Distribution Agreement, Distribution Plan and Shareholder Servicing Plan and Additional Marketing and Support Payments in the Statement of Additional Information.

**GENERAL RULES OF OFFICE FOR THE BOARD OF DIRECTORS OF THE
_____ DISTRICT**

1. Code of Ethics and Conduct.

A. Purpose. The following principles outline some of the legal and ethical obligations of Board Members of the _____ District, but do not supersede existing laws, regulations, and the Administrative Procedures applicable to Board Members. They serve as a general expression of policy to guide the Board in its decision-making and in carrying out its functions as a public body.

B. Board Member General Duties and Obligations. Each Board Member shall:

1. Represent and work for the common good of the District;
2. Provide fair and equal treatment for all persons and matters coming before the Board;
3. Become familiar with and understand the role and responsibilities of the Office of Board Member, including, without limitation,
 - (a) become thoroughly knowledgeable about items of business coming before the Board before voting or developing a conclusion or recommendation on or about them;
 - (b) regularly attend Board meetings and scheduled Committee meetings;
 - (c) when in session, direct all communications to and through the President of the Board, respect all determinations and directions of the President and otherwise adhere to the District's rules of order;
 - (d) listen courteously and attentively to all public discussions and avoid interrupting other speakers;
 - (e) refrain from abusive conduct, personal charges or verbal attacks upon the character, motives, ethics or morals of other members of the Board, District employees, consultants, contractors and members of the public;
 - (f) maintain a respectful and professional relationship with the General Manager of the District and staff personnel including (i) refraining from giving directions to them and otherwise avoiding involvement in their respective responsibilities and activities, (ii) using discretion when communicating with them in carrying out Board Member responsibilities, such as seeking information necessary or appropriate for being thoroughly knowledgeable about items of business coming

before the Board and (iii) bringing to the attention of the General Manager or the Board President any observed significant deficiencies in performance of duties or conflicts with established policies;

(g) Scrupulously adhere to the requirements of the Ralph M. Brown Act (Gov. C. §54950 et seq.), the Political Reform Act of 1974 (Gov. C. §81000 et seq.), prohibitions against conflicts of interest, including, without limitation, the prohibition against financial interests in District contracts (Gov. C. §1090), and the regulations, Codes and policies implementive thereof; and

(h) irrespective of and in addition to the foregoing legal authorities, refrain from accepting gifts, favors or making promises of future benefits which might compromise, tend to impair independent judgment or action or create the appearance of a conflict of interest or otherwise reflect adversely on the Board or the District.

2. Collective District of BoardMembers.

Individual Members of the Board are not independently authorized to expend public funds, enter into agreements or contracts, employ staff, sign documents on behalf of the Board, or bind the Board or the District. This authority can only be granted by motion or resolution of the Board.

FUTURE AGENDAS- Rain Barrels
Grey Water
Public Goods Charges or other taxes on water bills
Good Government to make a presentation to the Board

REGULAR MEETING ENDED at 10:25 P.M.

Respectfully Submitted,

Signed _____
Secretary

Approved on the 5th November, 2015

Signed _____
President



MONTARA WATER & SANITARY
DISTRICT

BOARD OF DIRECTORS MEETING
January 7, 2016

MINUTES

REGULAR SESSION BEGAN AT 7:41 p.m.

CALL TO ORDER

ROLL CALL

Directors Present: Slater-Carter, Harvey, Boyd, Wilson and Huber

Directors Absent: None

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

Others Present: District Counsel Schricker
District Financial Advisor, Alex Handlers

PRESIDENT'S STATEMENT – Director Boyd wished everyone a very happy new year and requested we all continue to conserve water. The entire community has done exceptionally well to conserve and even though we are experiencing rain, please continue to conserve.

Director Boyd introduced Beverly Marshall, the new General Manager of the Sewer Authority. We are very excited to have her on board and she has hit the ground running.

ORAL COMMENTS -

Beverly Marshall, thanked Director Boyd for his introduction. Mrs. Marshall is a new resident of Montara and has enjoyed getting to know the community. Beverly is not only looking forward to being one of the managers of an agency on the coast, but also to be a member of the community. Mrs. Marshall looks forward to being involved on many levels and thanks the MWSD Board for being very welcoming.

PUBLIC HEARING - None

CONSENT AGENDA –

1. Approve Minutes for Meeting of November 5, 2015
2. Approve Financial Statements for November 2015.
3. Approve Warrants for January 2016.
4. Monthly Review of Current Investment Portfolio.
5. Connection Permit Applications Received.
6. Monthly Water Production Report for November 2015.
7. Rain Report
8. Solar Energy Report.

Director Slater-Carter is requesting to have a PARS report on the consent agenda. As the outgoing Treasurer and a Board Member, Director Slater-Carter is again requesting to have a monthly report to be included in the Consent Agenda.

Director Slater-Carter requested to have attached and included in the minutes a document she handed out this evening. The document is titled: Highlights from Vanguard's 2016 global economic and investment outlook. Director Slater-Carter reported the plan we have is not starting out very well. By the time you start deducting the fees and account fees, we are going to have to be looking at adjusting the deposits to that account. Probably pretty soon. The only way to keep this District out of hot water is to fully fund it from day one. If we do not, we are going to go downhill and will be in a lot of trouble. The document mentioned above is attached to the minutes.

Director Slater-Carter moved to approve the Consent Agenda. Director Harvey seconded the motion.

All Directors were in favor and the motion passed 5 – 0.

Director Boyd reported the agenda will be re-arranged and the next item discussed will be New Business, Item 1.

NEW BUSINESS-

1. Discussion on Remodel Connection Fee for 570 Marine Blvd.

General Manager Heldmaier reported the home owner Joe Loomis built his home in 1972. Now Mr. Loomis would like to add a shower to the downstairs bathroom. In addition to administrative fees, the District is asking for additional connection fees based on 2 fixture units for the shower of \$935 X 2.

Connection fees are categorized as restricted funds and are dedicated to be used for capital improvements only. Mr. Loomis is questioning the fairness

of the charges based on potential uses and suggests to base the collection of needed capital funds through volume based sewer service charges exclusively.

After receipt of two letters in this regard from Mr. Loomis, the Board asked for a discussion on this item. Additionally, Mr. Loomis summarized his concerns in a third document. Legal Counsel is preparing a memo to the Board that will be available at the meeting addressing Mr. Loomis concerns.

General Manager Heldmaier noted the District had gone through a growing period in the past decade. We acquired the water system and many changes were made to our policies. We are still catching up with the major step of adding the water system. My observation is we face now different challenges that we faced in the 80's and 90's particularly with remodels. We are now trying to streamline this process and work with the County of San Mateo. General Manager Heldmaier suggests to review and reconsider some of our policies.

Director Harvey would like clarity on what the General Manager is recommending.

General Manager Heldmaier is recommending specifically a simplification of our fee structures and permitting policies.

Director Wilson noted Mr. Loomis has sent the Board a lot of material and wonders if the best approach is to ask the General Manager to come back and propose what the appropriate changes would be based on the feedback he has received from the community and include his own thoughts and come back to the Board with specific recommendations.

Director Boyd agrees with this approach but would still like to hear what Mr. Loomis has to say along with Dave Schricker and Alex Handlers. Perhaps develop a small committee to sit down and discuss this issue.

District Counsel Schricker complimented Mr. Loomis for raising the issues he did and noted Mr. Loomis was very perceptive. The issues raised really relate to policies. Mr. Loomis raised the question regarding using fixture units in remodeling permits. This is an industry standardized method for determining weight and volume for particular fixtures that discharge into the system. With respect to using the fixture unit standard as a means by which volume and treatment strength are assigned to particular fixtures. In Mr. Loomis case, he wants to install a new shower and involves 2 fixtures with a rate of \$1870.00 in which Mr. Loomis finds staggering. Our codes provide as many sewer agencies do, use the fixture unit standard with respect to sewer connections and that standard is established by the unified building code. Mr. Loomis feels this is not fair because it is not based on actual use. What is relevant is the demand that is placed upon the sewer system by the

connection. The district must hold ready the facilities to receive, transmit and dispose of the sewage as measured by the fixtures as opposed by actual use. This has been held legal because the fixture constitutes a given potential maximum burden imposed upon the facilities. It is the potential that is relevant and has been reviewed by the courts as being valid. It recognizes that it is not precise, but the law does not require precision. The theory being that you do not know what the actual use is going to be but you do know how many fixture are out there and what they represent in potential capacity.

Mr. Loomis referred to the case of Vespremi vs MWSD. That case dealt with an assessment district that was established by the District to provide for the expansion of the Sewer Authority Mid Coastside some years ago. The court decided the assessments that were against vacant parcels were invalid.

In summary, the fixture unit is a valid methodology which is not precise, but the courts have viewed as valid.

Director Huber reported after reading the letters from Mr. Loomis, he did some comparisons with other districts regarding permits.

MWSD charges for a Permit, Administration Fee, Inspection Fee and Fixture units at \$935.00 per unit. On top of that, San Mateo County Permit, filing fee and plumbing permit. It comes up to approximately \$3500.00.

El Granada Community Service District do no permitting, but one must go to the County and pay \$380.00 for adding a shower to a bathroom.

The City of Half Moon Bay base on the value of the project. Director Huber suggested adding a shower to a half bath at approximately \$5000.00. The City of Half Moon Bay reported the permit would be from \$185.00 to \$200.00. Director Huber asked if he was required to get a permit from CCWD. CCWD reported if they needed to do a plan check, the fee would be \$150.00 and smaller projects such as adding a shower to a half bath would not need a formal plan check. The purpose of the plan check is to see if the water line is properly sized for the project. If it is, there is no additional fee. So a project such as Joe's in the City of Half Moon Bay would cost from \$185.00 to \$350.00.

Next, Director Huber checked with the City of Pacifica and they gave him a rough estimate of \$500.00. Then he spoke with NCCWD and was told they do not get involved in a project unless it requires upgrading the water supply. If the water supply was needed to get upgraded, there would be a \$300 application fee, \$2100 deposit towards what they would have to do to increase the line and a storage and transmission fee which is approximately \$3500. But a project such as Joe's would be about \$500.

Director Huber noted, some points to consider in all of these jurisdictions, there are inspections for completed work to make sure they have complied with appropriate codes. From what I can tell we are the only agency that has a redundant process of Application, Permit and Inspection with associated cost to the customer. Any additional burden on the sewer system will be compensated through the fees associated with water usage. By making the project cost much more than any agency, we are basically setting up a stage for non-compliance. By making project costs significantly more than other jurisdictions reputation as the Montara Water and Sanitary District. We are here to serve our rate payers, not to impose fees that are unduly burdensome. Additionally, we do not have the resources to monitor and enforce compliance. I looked at the budget and inspection fees were budgeted for \$4500 and year to date it is \$1300. I also looked at remodel fees and we budgeted \$7000 and year to date we are over that and almost at \$12,000. Director Huber is proposing to have the General Manager bring back to the Board, a proposal to revise our permit process, to have the cost be in line with other agencies on the coast, eliminate redundant permit and inspection fees where there are existing sewer and water supplies currently servicing the property and finally to address the need to make sure the water and sewer laterals are adequate for post construction usage.

Director Boyd reminded the Board of the interesting differences of our local neighboring agencies. We have a very fine grained capacity mechanism that is place. Director Boyd would be interested in what agencies are charging over the hill as well.

Director Huber noted in the current 2015 uniform plumbing code fixtures have changed dramatically. Efficiencies of dishwashers, toilets, washing machines, and shower heads have changed dramatically. Are we using an antiquated approach by using the 1991 uniform plumbing code?

General Manager Heldmaier understands this approach but we are changing our fixture unit counts with the newest uniform plumbing codes.

Director Slater-Carter suggested to hear from Mr. Handlers and Mr. Loomis at this time.

Mr. Handlers noted conceptually, what your connection fee does is to allow the district a way of recouping costs for your infrastructure. There are a lot of different approaches to this. In your case this is legally defensible and makes sense. Nothing is perfect and this is one of those cases that makes us think about revisiting policies.

Joe Loomis, a Moss Beach resident, appreciates all the comments tonight and would like to summarize all his points to the public:

I am coming from a position in asking the Board to look at the model they are using and determine whether or not if possible can be made more

equitable. Especially in a case like his where it would not be putting more of a load on the system and the cost of the project is nominal. The fees from the District are 5 times the cost of the project. My 4 points are the following:

First Point:

From Mr. Loomis's perspective, the additional shower stall will have no additional impact on the sewer system. The District's rationale for the additional fee is that it is a potential of more water to be used and more water going down to the treatment plant to be treated. In my case, I live alone and will not be using any additional water other than what I am using at present. Additional people not the shower stall would cause more usage. If more water is used, that additional water will be paid for and the sewer service charge will go up. We pay considerable charges already. Mr. Loomis was told the current remodel connection fee will be used for capital improvements and is only charged to people that remodel. It seems unfair or equitable to charge certain customers for these capital improvements when these capital improvements do not benefit everyone in the district, although not everyone pays for these. Mr. Loomis would like the District to focus on policy and fairness and re-examine what the District is doing.

Mr. Loomis noted Article 13D of the California Constitution states: "Fees or charges based on potential or future use of a service are not permitted."

Second Point:

Mr. Loomis requests the District to charge everyone on the basis of actual usage. Can this be done, I don't know but this is my idea to make it fair for everyone.

Third Point:

This goes back to my analogy with respect to PG&E. PG&E can adequately finance its operations and infrastructure based on charges of customers only using actual kilowatts of electricity used. Our highway system is built in part by taxes on gallons of fuel purchased which is proportional to your actual use of the highways. People do not buy into the highway use or pay a connection fee to the highway.

Fourth Point:

This goes back to the Vespremi case and I will leave that up to the scholars to discuss. Again, this indicates there should be some kind of fairness and perhaps this could be re-examined in this case.

Mr. Carl May, Montara resident noted a lot of people in this town, as I do, believe they are co-owners in this District. We are undefined, we have our

own water supply. Some people think that somewhere there is this magic spigot that will keep providing all this water. Right at this current time the entire California water status is insane. You are dealing with a finite amount of water here. You can see things clearly because of that. You can size your district because of that and you know what the cost of providing that water is and you know what the cost of taking away the waste is because we are nicely a unit. I am not up here to suggest that fees are too high or too low, I am suggesting they are to be applied in a very businesslike manner and for this District to face the reality of the water you have to provide for additional permits that are going to be allowed. When you give somebody a permit for a certain amount of capacity, it is beside the point. A permit is actually using that full capacity at that time. You have obligated the District to provide that capacity that is permitted by that permit at some time in the future. You must build your infrastructure based on what you have permitted, based on that location you have just permitted. Maybe things can be fairer in doing these inspections and some of the other things. I am not up here to argue about that. I am up here to argue the fact that the infrastructure must be provided according to what amount of water you have to provide and you must cover the costs of the Districts, especially the capital costs. Going just by water rate does not cover your capital expenditures, or plant. The plant that all of us have been paying for quite dearly over all these years. The new people tapping into our system must pay their fair share. I will point out that PG&E gets enormous subsidies beyond what people pay for electricity. A little District needs to think about all it has to pay for. Let's be fair to people and look at what your costs are in this district and charge accordingly.

District Counsel Schricker responded to Mr. Loomis with his reference to the Constitution. That is a clause that is contained in proposition 218. Once you issue the permit, you agree to provide the services. That is legal.

Director Boyd would like to see more conversation on this subject along with additional water conservation possibilities and recycling water.

Director Wilson would like to establish under the GM's management a committee on this subject.

Director Slater-Carter thanked Mr. Loomis for bringing this up to the Board. Director Slater-Carter additionally thanked Dave Schricker and Alex Handlers for their comments and Director Huber for all his research on the subject.

Director Slater-Carter noted there are considerations we need to keep in mind during this discussion. For this District, water and sewer are separate financial centers. We do not mix the revenue. The revenue we have some discretion on is from property tax and cell tower receipts. I would note the property taxes are all under prop 13. Joes house that was built in the 70's has a very low pre prop 13 tax base as opposed to the newer homes in the community that have a higher property tax rate.

Granada Sanitary District and Half Moon Bay have assessments for the SAM plant on every single property. We do not have that, because of the Vespremi case, we opted not to do it and opted to have fixture unit and building fees go into accounts so if we needed to buy additional capacity, we had the funds to do it. Every new fixture unit adds additional demand that takes away from the reserve we have at SAM. In addition, we have 13 pump stations. These are a lot of costs to this District that other districts do not have. We have an entirely capital needs. When we are talking about Inspection, Administration and Permit fees, this is a different discussion. But a fixture unit fee we should not confuse with other districts. Our District is very different. Asking who pays what is a critical question. We are trying to be fair and cover the financial needs of the district now and the capital needs in the future.

Director Slater-Carter thanked Mr. Loomis for bringing this subject up to the Board and would like this District to work with Alex Handlers to see what other Districts are doing. These are Director Slater-Carter's comments and considerations she would like brought to a committee. Director Slater-Carter suggested to have this item as a standing agenda item. General Manager Heldmaier suggested instead of having as standing agenda item to have as a priority item in the strategic plan.

Director Wilson would like to see a committee formed tonight and give them the time to look into this issue and report back to the Board.

The committee is as follows:

- Director Slater-Carter
- Director Boyd
- General Manager Heldmaier
- Alex Handlers, Financial Consultant

OLD BUSINESS –

1. Review and Possible Action Concerning OpenGovernment Online Platform.

General Manager Heldmaier reported at the last meeting the Board received a presentation from OpenGov.com about their software product. The web application visualizes financial information for citizens, like general ledger, chart of accounts, current year spending and balance sheet.

Opengov has submitted a quote for services to MWSD. Cost for the software use would be a \$4000 per year, with an additional one time setup fee of \$1000.

Director Slater-Carter reported it is important to have our financials transparent for the public. We want to make the complexities we do more understandable to the public and we can do this with Opengov. They can work with our existing accounting firm.

Director Slater-Carter moved to enter in an agreement with Opengov for a three years. Director Harvey seconded the motion.

Director Huber has reasons why the District should not enter in an agreement with Opengov:

We spent in the vicinity of \$18,000 for a Strategic Plan which included Board member workshops, two public workshops and interviews with public officials and the public. Director Huber carefully reviewed the 2015 strategic that was approved by this Board and there is no mention of an issue of transparency or a need for a good need for a good system to visualize financial information for citizens, the stated reason for engaging with a private vendor Opengov. The work plan associated with the 2015 Strategic Plan list goals. The priority ranking associated with the timeline for implementation. There is no mention of negotiating with a private vendor for a software package addressing transparency issue by the General Manager who is the person in charge of implementing this strategic plan. We should stay focused on the priorities outlined in the 2015 Strategic Plan as the associated work plan. Engaging with Opengov. Only serves to dilute our Strategic Plan objectives and undermines its value as a blueprint to follow. The whole process undermines the proper rolls of the Directors and the General Manager. The General Manager is responsible for coming to the Board with a recommendation on why we need to increase our level of transparency or is directed by the Board to address the problem, in this case transparency. This is then to be followed up by the General Manager and staff with a recommendation listing anticipated costs associated with it, where it fits into the existing budget. The General Manager is also responsible in where this fits into the Strategic Plan and what alternatives have been investigated. All these steps have been eliminated. We have a fundamental obligation to conduct MWSD business in an open and transparent manner. Reserving confidentiality to those areas as outlined in the Brown Act. We also have a fundamental obligation to make public records available. We do not have an obligation to do research at the insistence of anyone in the publics sphere, this is their obligation. Although it is a nice thing to provide detailed analysis and maybe desire to further District goals, it is by no means mandatory. We already have a good system to visualize financial information for rate payers and other interested citizens as a result of Peter from Maze and Associates work. We all agree it was a major improvement providing easy to understand chart of accounts, current year spending and balance sheet information. Although it doesn't automatically provide detail general ledger information that can be easily be provided if requested. To achieve transparency, we are better served to make sure up to date information is always available on the MWSD website and provide the General Manager and his staff the tools to do this. I think we have made great strides in updating our website in that it is easy to understand and to use. Our focus and vigilance should now be on making sure that it is up to date and accurate. The contract from this vendor requires an extensive list of requirements of the district that will take up

management, staff and outside accountant time. This expense is both up front and has a onetime component and is ongoing. There is no analysis of the cost to the district or the general labor hours to provide this. There is no indications on labor hours that will be needed to be devoted to train staff. Where in the budget is money allocated for this? This is an important issue. There is mention in the contract of hardware requirements, but no detailed listing of what they are. Without this, we can't determine if our present computer equipment is adequate. We do not know if an expensive upgrade will be required. There is also the issue of vendor costs. The initial \$5000 is for the software package that automatically renews each year unless there is a 30 day minimum notice given. In the contract, there is no mention of the degree of support they will provide and at what cost. There is no mention in the contract of what training will be provided and at what cost. It is not uncommon for support services costs vastly exceed the software package cost. The contract also states that Opengov shall have the right to use and display customers logos and trade names for marketing and promotional purposes in connection with Opengov's website and marketing materials subject to customer's trademark usage guidelines as provided to Opengov. Not only do we not want to give them the unilateral right to this, it may not be legal. Remember the problem we had getting information on what other Districts use PARS? They would not give us a list stating confidentiality issues. For the reasons outlined, I am opposed to contracting with Opengov. I think we are better served to have the General Manager concentrate on a timely distribution of the packet to the Board members and make sure it is up on our website prior to meetings.

Director Wilson is not inherently opposed to this but has been the receiver of many software salespeople come to me and there is yet to be one that has been as simple as advertised. Director Wilson shares the desire for transparency with Director Slater-Carter, but has been down the line to many times. Opengovs presentation had more questions than answers particularly on a 3 year contract. Director Wilson would have been more impressed if Brendan had negotiated with us on the contract and gave the district a way out if it had become too burdensome. Director Wilson is nervous regarding a 3 year contract. The question is regarding the burden on the staff and what happens if it doesn't function as advertised. If it meets the goals as Kathryn is suggesting, then I am all for it.

Director Slater-Carter agrees with Director Wilson, but believes it is important for this Board to take a leadership role in the community in terms of our finances. For instance, I have heard many times that our water rates are the highest in the country. I want people to know where their property taxes are going, what their operations fees are and how this district works. The movement in the Special District Association and the courts is toward more and more transparency. Director Slater-Carter believes by taking a leadership role would be very important. This District was the first on the coast to have its own website. We have a history of taking a leadership position. There are quite a few cities that have signed and used their

services. In looking at them, I was impressed about the information we could get from this service.

Director Harvey noted the Board had agreed to pursue this. Director Harvey questioned General Manager Heldmaier as to his thoughts regarding this service and if it would save staff time. General Manager Heldmaier did not believe it would save staff time, however if it is set up and on auto pilot and all we need to use is one hour a month from Maze to upload the data, I feel it is a good price. I am concerned about additional time on the staff regarding this. If this is not the case, then I believe it could be a good service.

Director Boyd feels this is a nominal fee for what would be a website enhancement. We asked many questions the night of the presentation and Brendan's answers that night made this seem to be a very straight forward data based program. For the money and our ability at some point to say this is not working and stop seems worth it to me. This would be a tremendous help during budget time. We can search in the meantime for feedback from other agencies using this service, but I feel it is worth it.

Director Wilson suggested to give them 90 days and have the option to get out of the contract.

General Manager Heldmaier will be tracking the hours Maze will be using.

Director Slater-Carter reported they already have a contract with San Mateo County Harbor District.

Director Wilson suggested if the General Manager at any time found this service burdensome, he could bring the concerns back to the Board for further discussion.

The motion passed unanimously 5 – 0.

2. Receive Update on Development of Multi-Year Water Connection Fee Payment Program.

General Manager Heldmaier reported at the last meeting the Board received a brief presentation on this topic and decided to move the discussion to a following meeting.

Alex Handlers with Bartle Wells gave a brief presentation of the details on the suggested program.

Director Wilson questioned who is responsible for the outstanding lien if the house is sold? Can the new owner request that lien be paid off? District Counsel Schricker responded we could probably provide a regulation requirement for that. There would have to be an ordinance regarding this.

I would have to do some research on this subject. If you are looking for a voluntary approach that does not mandate you have to connect you will have more flexibility in the agreement we.

Director Slater-Carter suggests just as you would do with mortgages, you could do a prepayment. If we allow prepayment, this would allow the homeowner to have the flexibility to pay off sooner or upon the sale of the property, it would become negotiable as far as the buyer to request the lien to be paid off with no penalty for prepayment or allow the new buyer to assume the debt and have the same opportunity to prepay as well. Director Slater-Carter recommends to charge interest even at 2%. Director Slater-Carter is concerned about the gift of public funds. Perhaps offering a 0% loan if people destroy the onsite well. Director Slater-Carter noted, most of the people she has talked to want to tie into the system but keep the wells to irrigate their yards. General Manager Heldmaier noted the destruction of the wells is regulated by San Mateo County and every well specifically put in after 1989 right now has to be back filled according to San Mateo County Health Standards if they want to connect to the system. This adds an additional cost to the conversion that is not included in our chart.

Mr. Schricker noted what we are looking at are 3 issues, length of term of the agreement, interest charge and issue or payment of any outstanding balance upon sale. With those, we could probable come back to you with something for the Board to review.

General Manager Heldmaier questioned Mr. Schricker if we could issue a 0 percent interest rate or is this considered a gift of public funds. Mr. Schricker noted the Board has some discretion. As long as there is a rational basis for a rate you decided it would be legally supportable as a legislative matter. To suggest a 0 rate on the basis that it would be an incentive to make that connection. On the other side, you have the authority to mandate without an agreement those connections. You have never wanted to go there.

Director Boyd is really glad to have come this far in being able to offer connections to the system. Director Boyd noted we should not forget the cost of living increases. Director Boyd will not support anything that is designed to make money. There is no need for this. Our goal is to get everyone on the system we are legally allowed to serve. This is what we have worked so hard for. We have a lot of flexibility here. I am fine with 0 % and I would be fine with 2%. I want to help people who want to sign up to do so.

Director Slater-Carter would like to see post cards sent out to the well owners and information posted on the web that we are offering a zero interest rate for 2016. After 2016 we are looking at a fixed interest rate that will be justified by what our loan interest rates are. This may encourage more people to sign up in 2016.

Director Wilson recommends to revisit this at a future meeting knowing the Board is in agreement in the first year (2016) the offer of a zero interest loan with a 10 year cap with a prepayment option will be offered to well owners. District Counsel will follow up with a legal document to guide the Board to the legal structure of a contract.

General Manager Heldmaier would like to have a public meeting to inform the well owners.

NEW BUSINESS-

1. Discussion on Remodel Connection Fee for 570 Marine Blvd.

This item was discussed earlier in the meeting.

2. Review and Possible Action Concerning Change to Electronic Distribution of Board Packets to Directors.

General Manager Heldmaier reported staff is currently seeking ways to improve services and at the same time increase internal efficiencies. Board packets will be scanned in searchable pdf format, recent years packets converted to searchable format, and packets presented in a user friendly multi-link format that allows download of individual agenda items.

Director Slater-Carter suggested issuance of I-Pads to Directors and General Manager and exclusive electronic distribution of the agenda. The overall cost for 6 iPad Pros with a slight discount is around \$6000. The cost would be offset according to the calculation after about 18 months. Additional savings can be expected through other voluminous District documents that are copied by the District for directors throughout the year.

If the board would be inclined to issue electronic readers, staff would develop, and ask for the adoption of, a simple policy that clarifies ownership of the device (district), surplus of units, and allowed uses, etc.

It was noted Director Boyd would **not** be gaining any personal gain from this purchase.

There was a discussion regarding policies and procedures for the use of the devices including emailing.

District Counsel Schricker will be developing clear policies for guidance in the use of the devices for the Board.

Director Slater-Carter moved to have a proposal on a simple policy that clarifies ownership of the device (District), surplus of units, and allowed

uses, email uses, insurance which includes loss of the device and other restrictions for the next meeting. Director Harvey seconded the motion.

Director Boyd suggested to have a support policy for the device.

All Directors are in favor and the motion and the motion carried 5 – 0.

3. Review and Possible Action Concerning Appointment of Board Officers and Committee Assignments for 2016.

Director Boyd stated it had been an honor to serve as the President of the Board over the past year. We have grown into a team that is doing really good work and is very proud to be a part of this organization.

Director Slater-Carter nominated Jim Harvey for president.

Director Harvey accepted the nomination. Director Harvey has served on the board for many years and turned down the presidency previously and feels this is a good time to accept.

Director Harvey suggested Director Wilson as President Pro-Tem.

After a brief discussion, Director Wilson accepted the roll of President Pro-Tem.

Director Slater-Carter would like to become Secretary.

Director Huber would like to become Treasurer.

Director Slater-Carter moved to approve the assignments as stated below:

Jim Harvey	-	President
Dwight Wilson	-	President Pro tem
Kathryn Slater-Carter		Secretary
Bill Huber	-	Treasurer
Scott Boyd	-	Director

All Directors were in favor and the motion passed 5 – 0.

Director Harvey at this time would like to step down from his appointment of SAM Representative. Director Harvey nominates Director Slater-Carter for this appointment.

Director Huber believes the appointment should be either Director Wilson or himself. It should not always be deferring back to the most established board members.

Director Wilson agrees with Director Huber. This is an opportunity for movement in leadership. This is not about the good work, it is about the influx of other ideas as you rotate. The foundation you have put together is solid. Director Wilson recommends that Director Slater-Carter and Director Huber go to the meetings together. Although Director Wilson admires the work that has been done by the previous representatives, it is a good time for rotation.

Director Slater-Carter would like to see Director Boyd remain. We are at the end of a critical point that we have been working on for about the last 10 years. SAM Board is always opened to taking input from the audience. You do not have to sit on the board to bring in new ideas.

Director Slater-Carter moved to extend the meeting for 1 hour at maximum. Director Harvey seconded the motion.

All were in favor and the motion passed unanimously.

After a brief discussion, the Board agreed on Director Slater-Carter's appointment. Director Huber will become the alternate.

Attached to the minutes is a copy of the Board Officers, Agency Representatives and Committee Assignments for 2016 information sheet.

REPORTS

- 1. Sewer Authority Mid-Coastside Meetings (Harvey) –**
Director Harvey reported: There will be a Recycled Water Committee meeting on Monday and a SAM Board Meeting later this month. The new General Manager has introduced herself earlier this evening and look forward to working with her in the future.
- 2. MidCoast Community Council Meeting (Slater-Carter) – None**
- 3. CSDA Report (Slater-Carter) –None**
- 4. CCWD, NCCWD Committee Report – (Harvey, Huber) None**
- 5. Attorney's Report (Schricker) –District Counsel Schricker** reported the ACWA and State Association of Counties and League of Cities have submitted a proposed initiative to the Attorney General for preparation of title and summary. The initiative would be an amendment to the Constitution for more flexibility for local water and sewer agencies in the establishment of rates including authorization in establishing a low income rate. From a legal standpoint, this has always been problematic. It has not been finalized yet but is pending.
- 6. Directors Report – None**
- 7. General Manager's Report (Heldmaier) – General Manager Heldmaier** Reported the District will have to take a massive tree down that has been damaging to the Wagner Well. This will be very costly but if we do not take it down, it will damage the well more.

FUTURE AGENDAS-

REGULAR MEETING ENDED at 11:25 P.M.

Respectfully Submitted,

Signed _____
Secretary

Approved on the 3rd March, 2016

Signed _____
President

Highlights from Vanguard's 2016 global economic and investment outlook

DECEMBER 04, 2015

Vanguard's economic team, led by Global Chief Economist Joe Davis, Ph.D., projects what various market and economic events the coming year may bring, along with the challenges and opportunities for investors. Their study spans the general global economic environment, inflation, monetary policies, interest rates, bond and stock markets, and asset allocation considerations.

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Read their global market outlook summary below, and find their in-depth analysis in the comprehensive research paper. Vanguard's economic and investment outlook.

Global economy: Structural convergence

World economic growth will remain frustratingly fragile. As in Vanguard's past *Economic and Investment Outlooks*, we view a world not in secular stagnation but, rather, in the midst of structural deceleration. Vanguard's non-consensus view is that the global economy will ultimately converge over time toward a more balanced, unlevered, and healthier equilibrium, once the debt-deleveraging cycle in the global private sector is complete.

Most significantly, the high-growth "goldilocks" era enjoyed by many emerging markets over the past 15 years is over. Indeed, we anticipate "sustained fragility" for global trade and manufacturing, given China's ongoing rebalancing and until structural, business-model adjustment occurs across emerging markets. We do not anticipate a Chinese recession in the near term, but China's investment slowdown represents the greatest downside risk.

The growth outlook for developed markets, on the other hand, remains modest, but steady. As a result, the developed economies of the United States and Europe should contribute their highest relative percentage to global growth in nearly two decades.

Now at full employment, the U.S. economy is unlikely to accelerate in 2016, yet is on course to experience its longest expansion in nearly a century, underscoring our continuing view of its *resiliency*. Indeed, our long-held estimate of 2% U.S. trend growth is neither "new" nor "subpar" when one both accounts for structurally lower population growth and removes the consumer-debt-fueled boost to growth between 1980 and the global financial crisis that began in 2007. Our interpretation fully explains the persistent drop in U.S. unemployment despite below-average economic growth.

Inflation: Secular deflationary bias waning

As we have discussed in past outlooks, policymakers are likely to continue struggling to achieve 2% inflation over the medium term. As of December 2015, however, some of the most pernicious deflationary forces (commodity prices, labor "slack") are beginning to moderate cyclically. Inflation trends in the developed markets should firm up, and even begin to turn, in 2016. That said, achieving more than 2% core inflation across developed markets could take several years and will ultimately require a more vibrant global rebound.

A deflationary threat will likely continue to hover over the world. In aggregate, reflationary monetary policies will continue to counteract the disinflationary drag of post-financial crisis global deleveraging. As suggested in Vanguard's past outlooks, recent consumer price inflation remains near generational lows and, in several major economies, is below the targeted inflation rate.

Key drivers of U.S. consumer inflation generally point to price stability, with core inflation in the 1%–3% range over the next several years. Nascent wage pressures should build in the United States in 2015 and beyond, but low commodity prices and the prospects of a strong U.S. dollar should keep inflation expectations anchored. In Europe, deflation remains a significant risk that will not soon disappear.

Monetary policy and interest rates: A 'dovish tightening' by a lonely Fed

Convergence in global growth dynamics will continue to necessitate and generate divergence in policy responses.

The U.S. Federal Reserve is likely to pursue a "dovish tightening" cycle that removes some of the unprecedented accommodation exercised due to the "exigent circumstances" of the global financial crisis. In our view, there is a high likelihood of an extended pause in interest rates at, say, 1%, that opens the door for balance-sheet normalization and leaves the inflation-adjusted federal funds rate negative through 2017.

Elsewhere, further monetary stimulus is highly likely. The European Central Bank and Bank of Japan are both likely to pursue additional quantitative easing and, as we noted in our 2015 outlook, are unlikely to raise rates this decade. This view is another potential factor that could result in a pause for the federal funds rate this business cycle.

Chinese policymakers have arguably the most difficult task of engineering a "soft landing" by lowering real borrowing costs and the real exchange rate without accelerating capital outflows. The margin of error is fairly slim, and policymakers should aggressively stimulate the economy this year in an attempt to stabilize below-target growth.

Investment outlook: Still conservative

Vanguard's outlook for global stocks and bonds remains the most guarded since 2006, given fairly high equity valuations and the low-interest-rate environment. We continue to view the global low-rate environment as secular, not cyclical.

Bonds

The return outlook for fixed income remains positive, yet muted. In line with our past outlooks, our long-term estimate of the equilibrium federal funds rate remains anchored near 2.5% and below that of the Fed's "dot plots."¹ As a result, our "fair value" estimate for the benchmark 10-year U.S. Treasury yield still resides at about 2.5%, even with a Fed liftoff. As we stated in our 2015 outlook, even in a rising rate environment, duration tilts are not without risks, given global inflation dynamics and our expectations for monetary policy.

Stocks

After several years of suggesting that low economic growth need not equate with poor equity returns, our medium-run outlook for global equities remains guarded in the 6%–8% range. That said, our long-term outlook is not bearish and can even be viewed as constructive when adjusted for the low-rate environment.

Our long-standing concern over "froth" in certain past high-performing segments of the capital markets has been marginally tempered by the general relative underperformance of those market segments in 2015. Despite our more muted outlook for stocks, the ongoing U.S. equity bull market is likely to persist for some time.

Asset allocation

Going forward, the global crosscurrents of not-cheap valuations, structural deceleration, and (the exiting from or insufficiency of) near-0% short-term rates imply that the investment environment is likely to be more challenging and volatile. Even so, Vanguard firmly believes that the principles of portfolio construction remain unchanged, given the expected risk–return trade-off among asset classes. Investors with an appropriate level of discipline, diversification, and patience are likely to be rewarded over the next decade with fair inflation-adjusted returns.

¹ "Dot plots" refer to charts published by the Federal Open Market Committee (FOMC) in the Summary of Economic Projections that show where the FOMC participants, who are kept anonymous, think the federal funds rate should be over the next few years.

**Indexes used in our historical calculations

The long-term returns for our hypothetical portfolios are based on data for the appropriate market indexes through September 2015. We chose these benchmarks to provide the best history possible, and we split the global allocations to align with Vanguard's guidance in constructing diversified portfolios.

U.S. bonds: Standard & Poor's High Grade Corporate Index from 1926 through 1968; Citigroup High Grade Index from 1969 through 1972; Lehman Brothers U.S. Long Credit AA Index from 1973 through 1975; and Barclays U.S. Aggregate Bond Index thereafter.

Ex-U.S. bonds: Citigroup World Government Bond Ex-U.S. Index from 1985 to January 1989 and Barclays Global Aggregate ex-USD Index thereafter.

Global bonds: Before 1985, 100% U.S. bonds, as defined above. After 1985, 80% U.S. bonds and 20% ex-U.S. bonds, rebalanced monthly.

U.S. equities: S&P 90 Index from January 1926 through March 1957; S&P 500 Index from March 1957 through 1974; Dow Jones Wilshire 5000 Index from 1975 through April 2005; and MSCI US Broad Market Index thereafter.

Ex-U.S. equities: MSCI World ex USA Index from January 1970 through 1987 and MSCI All Country World ex USA Index thereafter.

Global equities: Before 1970, 100% U.S. equities, as defined above. After 1970, 70% U.S. equities and 30% ex-U.S. equities, rebalanced monthly.

The asset-return distributions shown here represent Vanguard's view on the potential range of risk premiums that may occur over the next ten years; such long-term projections are not intended to be extrapolated into a short-term view. These potential outcomes for long-term investment returns are generated by the Vanguard Capital Markets Model® (VCMM—see the description in the appendix) and reflect the collective perspective of our Investment Strategy Group. The expected risk premiums—and the uncertainty surrounding those expectations—are among a number of qualitative and quantitative inputs used in Vanguard's investment methodology and portfolio construction process.

IMPORTANT: The projections or other information generated by the VCMM regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Distribution of return outcomes from the VCMM, derived from 10,000 simulations for each modeled asset class. Simulations as of September 30, 2015. Results from the model may vary with each use and over time.

Notes:

- All investing is subject to risk, including the possible loss of the money you invest.
- The projections or other information generated by the Vanguard Capital Markets Model regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. VCMM results will vary with each use and over time. The VCMM projections are based on a statistical analysis of historical data. Future returns may behave differently from the historical patterns captured in the VCMM. More important, the VCMM may be underestimating extreme negative scenarios unobserved in the historical period on which the model estimation is based. The VCMM is a proprietary financial simulation tool developed and maintained by Vanguard Investment Strategy Group. The

model forecasts distributions of future returns for a wide array of broad asset classes. Those asset classes include U.S. and international equity markets, several maturities of the U.S. Treasury and corporate fixed income markets, international fixed income markets, U.S. money markets, commodities, and certain alternative investment strategies. The theoretical and empirical foundation for the Vanguard Capital Markets Model is that the returns of various asset classes reflect the compensation investors require for bearing different types of systematic risk (beta). At the core of the model are estimates of the dynamic statistical relationship between risk factors and asset returns, obtained from statistical analysis based on available monthly financial and economic data from as early as 1960. Using a system of estimated equations, the model then applies a Monte Carlo simulation method to project the estimated interrelationships among risk factors and asset classes as well as uncertainty and randomness over time. The model generates a large set of simulated outcomes for each asset class over several time horizons. Forecasts are obtained by computing measures of central tendency in these simulations. Results produced by the tool will vary with each use and over time. The primary value of the VCMM is in its application to analyzing potential client portfolios. VCMM asset-class forecasts—comprising distributions of expected returns, volatilities, and correlations—are key to the evaluation of potential downside risks, various risk-return tradeoffs, and the diversification benefits of various asset classes. Although central tendencies are generated in any return distribution, Vanguard stresses that focusing on the full range of potential outcomes for the assets considered is the most effective way to use VCMM output. The VCMM seeks to represent the uncertainty in the forecast by generating a wide range of potential outcomes. It is important to recognize that the VCMM does not impose "normality" on the return distributions, but rather is influenced by the so-called fat tails and skewness in the empirical distribution of modeled asset-class returns. Within the range of outcomes, individual experiences can be quite different, underscoring the varied nature of potential future paths.

- Past performance is no guarantee of future returns.
- Investments in bond funds are subject to interest rate, credit, and inflation risk. Foreign investing involves additional risks, including currency fluctuations and political uncertainty.
- Diversification does not ensure a profit or protect against a loss in a declining market. There is no guarantee that any particular asset allocation or mix of funds will meet your investment objectives or provide you with a given level of income. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.
- Stocks of companies in emerging markets are generally more risky than stocks of companies in developed countries. U.S. government backing of Treasury or agency securities applies only to the underlying securities and does not prevent price fluctuations. Investments that concentrate on a relatively narrow market sector face the risk of higher price volatility.

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Montara Water & Sanitary District



Connection Fee Payment Program for Well Conversions

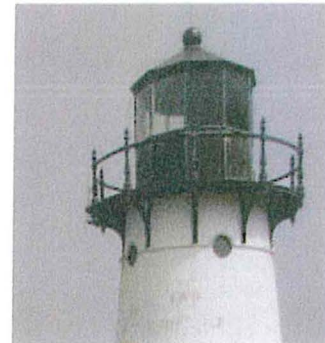
January 7, 2016



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

Presentation Overview

- Background
- Water Connection Fees
- Payment Program Options
- Preliminary Recommendations
- Legal Authority



Background

- District's service area includes a number of properties served by private wells
 - A number of these properties had to install wells during prior moratorium on new connections to the water system
 - Rough estimate of 300 private wells (difference between water & sewer accounts) with 100 of these wells within the urban/rural zoned boundary eligible for District service
 - Properties with wells draw water from same aquifer yet do not contribute toward long-term water supply reliability
 - These properties also pay for operations, repair, and replacement of their wells
 - Coastal Commission & County require conversion to District water service for properties that can be served by the District (although no enforcement)
 - Mutually beneficial to convert properties served by wells to District water supply
- A number of property-owners with wells have said they would like to connect to the District, but the water connection fees pose too high of a financial hurdle
 - Some noted they could better afford the transition if fees were spread over time
- To help facilitate well conversions, District can adopt a multi-year connection fee payment program



Water Connection Fees

■ Water Connection Fees & Related Charges

➢ Domestic Water Connection Fee (5/8" x 3/4" Meter):	\$15,259
➢ Admin/Inspection/Engineering Review Fees:	\$3,490
➢ Est. Construction Cost for Service Line & Meter:	<u>\$4,000</u>
➢ Total without Private Fire Service Fee	\$22,749

Note: Excludes Private Fire Service Connection Fee of \$4,791 and the customer's cost for water service line from the meter box to the house



Fee Payment Program Options

- Applicable to water connection fees for well conversions only
- Payment program options (policy decision):
 - Term of repayment: e.g. 2 - 20 years
 - Interest rate: e.g. 0% - 4%
- Potential alternatives (assumes \$22,749 of total fees)

Repayment Term	Annual Payment with Interest at:			
	0%	2%	3%	4%
5 Year	\$4,550	\$4,826	\$4,967	\$5,110
10 Year	2,275	2,533	2,667	2,805
15 Year	1,517	1,770	1,906	2,046
20 Year	1,137	1,391	1,529	1,674

- Fees can be collected via annual property tax rolls

Preliminary Recommendations

- BWA generally recommends that the term of these types of payment agreement not exceed 10 years
 - Repayment term could be limited to 10 years maximum at property owner's discretion
 - Allowance for optional payoff at any time at property owner's discretion
 - Note that District could require payoff of full balance upon sale of property
- While BWA generally would recommend including interest repayment, in this case no interest may be appropriate
 - Many of these private well owners have already been financially burdened
 - Had to install wells due to prior moratorium
 - Were not able to previously join District and pay lower prior connection fees
 - Ease of calculation (simply divide total charge by number of years of repayment)

Legal Authority

- Legal review indicates fee recovery by tax rolls is allowable
- California Health & Safety Code Section 5473:
 - District Board must adopt an ordinance or resolution authorizing the collection of charges on the tax rolls by a two-thirds vote
 - Each year, District must prepare & file with its clerk a written report that contains:
 - a) a description of each parcel for which the deferred payments will be applied, and
 - b) the amount of the annual charge or payment.
- District should require a signed agreement with each property owner
 - To document the charges and repayment terms that apply to each property
 - Indicate property-owner acknowledgment and consent
 - Allow for optional prepayment under which the property owner or their successor can elect to fully prepay outstanding amounts due
- Fee repayment can be structured as a lien on the property
 - Repayment stays with property, regardless of change in property ownership
- District Counsel advises that the District Code must be amended to include provision for such agreements.

Financial Impacts

- Overall positive financial impacts to District
- Program expected to generate new connections from properties that would otherwise remain served by private wells
- Potential financial cost to District for fronting the cost of construction of the service line from water main to property line and meter box
- Financial benefits to District & customer base include:
 - Revenues from water connection fee & related charges
 - Ongoing service charges
 - Improved economies of scale

Questions / Discussion



**MONTARA WATER AND SANITARY
DISTRICT
BOARD OFFICERS, AGENCY REPRESENTATIVES AND
COMMITTEE ASSIGNMENTS**

BOARD OF DIRECTORS

POSITION	APPOINTMENTS FOR 2015	CURRENT OFFICE 2016
President	Scott Boyd	Jim Harvey
President Pro Tem	Jim Harvey	Dwight Wilson
Secretary	Dwight Wilson	Kathryn Slater-Carter
Secretary Pro Tem	Jim Harvey (alter.) Kathryn Slater-Carter(alter.) Bill Huber(alter.)	Alternates: Scott Boyd Bill Huber Dwight Wilson
Treasurer	Kathryn Slater-Carter	Bill Huber

AGENCY REPRESENTATIVES

AGENCY	APPOINTMENTS FOR 2015	CURRENT APPOINTMENTS 2016
SAM Representatives	Jim Harvey Scott Boyd Kathryn Slater Carter (alternate) Bill Huber (alternate)	Scott Boyd Kathryn Slater-Carter Alternates: Bill Huber Jim Harvey
CSDA Member	Kathryn Slater-Carter Scott Boyd (Alternate) Jim Harvey (Alternate) Bill Huber (Alternate) Dwight Wilson (Alternate)	Kathryn Slater-Carter Scott Boyd (Alternate) Jim Harvey (Alternate) Bill Huber (Alternate) Dwight Wilson (Alternate)
ACWA Member	Dwight Wilson	Dwight Wilson

MONTARA WATER AND SANITARY DISTRICT

STANDING COMMITTEES

COMMITTEE	APPOINTMENTS FOR 2015	CURRENT APPOINTMENTS 2016
Budget and Finance	Kathryn Slater-Carter	Bill Huber
	Bill Huber	Dwight Wilson
Personnel	Jim Harvey	Jim Harvey
	Dwight Wilson	Dwight Wilson

AD HOC COMMITTEES

COMMITTEE	APPOINTMENTS FOR 2015	CURRENT APPOINTMENTS 2016
Recycling/Solid Waste	Kathryn Slater-Carter	Kathryn Slater-Carter
	Dwight Wilson	Bill Huber
WEB	Scott Boyd	Scott Boyd
	Bill Huber	Bill Huber
Outreach/ Newsletter	Kathryn Slater-Carter	Kathryn Slater-Carter
	Bill Huber	Bill Huber
Legislative	Scott Boyd	Scott Boyd
	Kathryn Slater-Carter	Kathryn Slater-Carter
CCWD Committee	Jim Harvey	Jim Harvey
	Bill Huber	Bill Huber
Recycled Water	Dwight Wilson	Bill Huber
Wireless Lease	Scott Boyd	Scott Boyd
	Kathryn Slater-Carter	Kathryn Slater-Carter
Planning Committee (PWP)	Scott Boyd	Scott Boyd
	Kathryn Slater-Carter	Kathryn Slater-Carter

MONTARA WATER AND SANITARY DISTRICT

AD HOC COMMITTEES

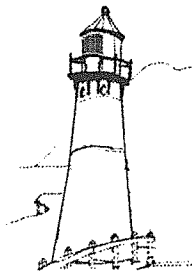
COMMITTEE	APPOINTMENTS FOR 2015	CURRENT APPOINTMENTS 2016
Big Wave	Kathryn Slater-Carter Dwight Wilson	Kathryn Slater-Carter Dwight Wilson
Rate Study (1/22/10)	Jim Harvey Kathryn Slater-Carter	Jim Harvey Kathryn Slater-Carter
Connection Fee Committee		Scott Boyd Kathryn Slater-Carter Clemens Heldmaier Alex Handlers
Strategic Plan Progress		Kathryn Slater-Carter Dwight Wilson

Note: Terms for all positions begin January 1, 2016 and end December 31, 2016 unless otherwise indicated by the Board of Directors.

MONTARA WATER AND SANITARY DISTRICT



**Unaudited Financial Statements for
January
2016**



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **MARCH 03, 2016**

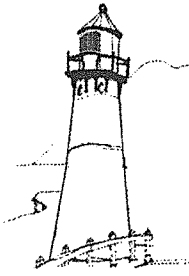
TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

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

Budget vs. Actual – Sewer July thru January, 2016 Variances over \$2,000:

- 4460 Remodel Fees, \$26,562 above Budget – No activity in January. Large amount of revenue collected in November, causing variance.
- 4610 Property Tax Receipts, \$99,275 above Budget – 2nd property tax assessment received in January.
- 4710 Sewer Service Charges, \$36,968 above Budget – San Mateo County remitted more than expected for the 1st Sewer Service Charge assessment.
- 4720 – Sewer Service Refunds, \$2,333 below budget – No refunds to date.
- **Overall Total Operating Income for the period ending January 31, 2016 was \$164,123 above budget. Total revenue received to date is \$1,335,261.**
- 5270 Information Systems, \$3,500 below budget – No activity to date.
- 5350 LAFCO Assessment, \$2,887 above budget – Two assessments paid for in the month of December.
- 5400 Legal, \$5,447 above Budget- Increased activity in the current fiscal year.
- 5510 Maintenance-office, \$2,444 above Budget – Electrical work to District offices performed in October.
- 5630 Consulting, \$5,539 above Budget – Costs associated to Rauch and PARS paid in the month of January.
- 5640 Data Services, \$3,222 above Budget – Payment made to Fred Weber for yearly services provided in conjunction with Sewer service rate.
- 5800 Labor, \$34,881 below Budget – Major driver causing below budget is the budgeted PARS expense. No expenses have been booked at this point in the fiscal year. If the PARS under budget amount of \$25,902 were eliminated, Labor would be under budget by \$8,979. Retro pay increases have not been applied.
- 6170 Claims, Property Damage, \$5,833 below Budget – No activity to date.
- 6200 Engineering, \$18,935 below Budget – Majority of engineering costs have been capital in nature.
- 6400 Pumping, \$5,725 below Budget – Timing difference; billing for services to PG&E appears to be behind by a month.
- 6600 Collection/Transmission, \$5,833 below Budget – No activity to date.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **MARCH 03, 2016**

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- 6940 SAM Maintenance, Collection Sys, \$2,348 below Budget – Lift station maintenance \$20,985 paid to SAM.
- 6950 SAM Maintenance, Pumping, \$29,167 below Budget – No activity to date.
- **Overall Total Operating Expenses for the period ending January 31, 2016 were \$68,010 below Budget.**
- **Total overall Expenses for the period ending January 31, 2016 were \$94,313 below budget. For a net ordinary income of \$258,435, budgeted vs. actual. Actual net ordinary income is \$418,427.**
- 7100 Connection Fees, \$124,134 below Budget – One connection issued in January.
- 8000 CIP, \$353,996 below Budget – Majority of projects will take place later in the fiscal year.
- 9200 I-Bank Loan, \$21,220 below Budget – Payments made twice a year.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **MARCH 03, 2016**

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- **Budget vs. Actual – Water July thru January, 2016 Variances over \$2,000:**
- 4400 Mainline extension fees, \$19,951 above Budget – No budget set up for revenue line item.
- 4610 Property tax Receipts, \$99,275 above Budget – 2st property tax assessment received in January.
- 4740 Testing, Backflow, \$4,468 above Budget – Increased activity over the fiscal year.
- 4810 Water Sales Domestic, \$47,832 above Budget – More water sales than anticipated.
- **Overall Total Operating Income for the period ending January 31, 2016 was \$172,117 above budget. Total revenue received to date is \$1,299,307.**
- 5240 CDPH Fees, \$6,479 above Budget – State Water Resources Control Board system fees paid in November and Permit fee paid in December.
- 5400 Legal, \$12,859 below Budget – Less activity than anticipated to date.
- 5510 Maintenance-Office, \$2,444 above Budget, - Electrical work to District offices performed in October.
- 5530 Memberships, \$6,725 above Budget, - Association of CA Water Agencies fees for 2016 paid in December. Most membership fees paid on a calendar year basis. Variance will decrease and fiscal year continues.
- 5630 Consulting, \$6,990 above Budget – Expenses for PARS and BW well conversion data paid in January.
- 5720 Telephone & Internet, \$4,121 above Budget – Increased cost for phone and internet connection.
- 5800 Labor, \$92,967 below Budget – Major driver causing below budget is the budgeted PARS expense. If the PARS under budget amount of \$63,113 were eliminated, Labor would be under budget by \$29,854. The main cause of this is staff time being under budget. Retro pay increases have not yet been applied.
- 6160 Backflow, Prevention, \$2,086 above budget – Increased activity for water conservation.
- 6170 Claims, Property Damage, \$5,833 below Budget – No activity to date.
- 6195 Education & Training, \$2,388 below Budget – Minimal activity in January, one recertification payment and a safety meeting.
- 6200 Engineering, \$10,407 above Budget – Water quality engineering expenses are higher than anticipated.
- 6400 Pumping, \$10,239 below Budget – Fuel and Electricity costs have also been less than expected.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: MARCH 03, 2016

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- 6500 Supply, \$4,208 above Budget – Three invoices for Well maintenance paid in December for approximately \$7,000.
- 6600 Collection/Transmission, \$2,361 below Budget – Water Service lines maintenance has minimal activity in January.
- 6700 Treatment, \$3,737 below Budget – Costs related to chemicals and filtering have been held below historic levels.
- 6800 Vehicles, \$4,692 below Budget – Maintenance and fuel costs have been held in check thus far.
- **Overall Total Operating Expenses for the period ending January 31, 2016 were \$9,700 below Budget.**
- **Total overall Expenses for the period ending January 31, 2016 were \$95,472 below budget. For a net ordinary income of \$267,588, budgeted vs. actual. Actual net ordinary income is \$560,519.**
- 7100 Connection Fees, \$2,185 below Budget –No activity in January.
- 7600 Bond Revenues, G.O. \$79,213 below Budget – Minimal receipts received in January.
- 8100 CIP, \$206,757 above Budget – \$75,309 in outflows for the month of January.
- 9100 Interest Expense G.O. Bonds, \$288,861 below Budget – Timing difference due to accrual.
- 9150 SRF Loan, Interest payments made in December account for \$25,540. Account was unbudgeted due to the understanding that payments would not begin until project completion. This turned out to not be the case.

RECOMMENDATION:

This is for Board information only

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Sewer
July 2015 through June 2016

												TOTAL				
	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul '15 - Jun 16	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense																
Income																
4220 · Cell Tower Lease	2,778.18	2,778.18	2,778.18	2,778.18	2,778.18	2,778.18	2,778.18						19,447.26	32,000.00	-12,552.74	60.77%
4400 · Fees																
4410 · Administrative Fee (New Constr)		948.00					474.00						1,422.00	2,500.00	-1,078.00	56.88%
4420 · Administrative Fee (Remodel)	474.00												474.00	3,000.00	-2,526.00	15.8%
4430 · Inspection Fee (New Constr)		896.00					448.00						1,344.00	2,000.00	-656.00	67.2%
4440 · Inspection Fee (Remodel)	1,087.00	103.00		103.00	103.00	309.00	103.00						1,808.00	4,500.00	-2,692.00	40.18%
4460 · Remodel Fees	11,075.00	435.00	332.00		18,700.00	103.00							30,645.00	7,000.00	23,645.00	437.79%
Total 4400 · Fees	12,636.00	2,382.00	332.00	103.00	18,803.00	412.00	1,025.00						35,693.00	19,000.00	16,693.00	187.86%
4610 · Property Tax Receipts			371.87		21,539.42	95,149.18	97,214.92						214,275.39	230,000.00	-15,724.61	93.16%
4710 · Sewer Service Charges						1,056,939.32							1,056,939.32	2,039,943.00	-983,003.68	51.81%
4720 · Sewer Service Refunds, Customer														-4,000.00	4,000.00	
4760 · Waste Collection Revenues	882.48	1,855.85	830.14	1,919.98	723.29	1,929.25	755.01						8,896.00	15,000.00	-6,104.00	59.31%
4990 · Other Revenue					9.99								9.99			
Total Income	16,296.66	7,016.03	4,312.19	4,801.16	43,853.88	1,157,207.93	101,773.11						1,335,260.96	2,331,943.00	-996,682.04	57.26%
Expense																
5000 · Administrative																
5190 · Bank Fees	260.66	265.13	266.16	257.57	296.15	256.45	350.73						1,952.85	4,000.00	-2,047.15	48.82%
5200 · Board of Directors																
5210 · Board Meetings		125.00	-99.50		250.00	250.00							525.50	2,500.00	-1,974.50	21.02%
5220 · Director Fees		337.50	525.00		525.00	337.50							1,725.00	3,300.00	-1,575.00	52.27%
Total 5200 · Board of Directors		462.50	425.50		775.00	587.50							2,250.50	5,800.00	-3,549.50	38.8%
5250 · Conference Attendance														2,000.00	-2,000.00	
5270 · Information Systems														6,000.00	-6,000.00	
5300 · Insurance																
5310 · Fidelity Bond																
5320 · Property & Liability Insurance	1,688.18												1,688.18	1,755.00	-66.82	96.19%
Total 5300 · Insurance	1,688.18												1,688.18	1,755.00	-66.82	96.19%
5350 · LAFCO Assessment						4,046.00							4,046.00	1,987.00	2,059.00	203.62%
5400 · Legal																
5420 · Meeting Attendance, Legal		842.50	625.00	675.00	1,496.00	1,175.00							4,813.50	9,500.00	-4,686.50	50.67%
5430 · General Legal		3,062.50	3,530.00	1,825.00	2,920.00	2,870.00	717.50						14,925.00	15,000.00	-75.00	99.5%
5440 · Litigation																
Total 5400 · Legal		3,905.00	4,155.00	2,500.00	4,416.00	4,045.00	717.50						19,738.50	24,500.00	-4,761.50	80.57%
5510 · Maintenance, Office		624.94	3,234.54	1,913.62		24.97	146.14						5,944.21	6,000.00	-55.79	99.07%

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Sewer
July 2015 through June 2016

												TOTAL				
	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul '15 - Jun 16	Budget	\$ Over Budget	% of Budget
5520 · Meetings, Local																
5540 · Office Supplies		1,477.69	674.48	330.76	517.80	109.30	484.10						3,594.13	9,000.00	-5,405.87	39.94%
5550 · Postage		117.66		77.84	117.82	100.50	486.36						900.18	2,000.00	-1,099.82	45.01%
5560 · Printing & Publishing			202.67		65.98	35.69	135.68						440.02	3,000.00	-2,559.98	14.67%
5600 · Professional Services																
5610 · Accounting		1,850.00	3,400.00	4,492.50	2,100.00	3,650.00	2,500.00						17,992.50	30,000.00	-12,007.50	59.98%
5620 · Audit			4,500.00	5,500.00			2,050.00						12,050.00	13,000.00	-950.00	92.69%
5630 · Consulting		426.88	2,781.88	952.50	1,013.98	245.42	7,701.89						13,122.55	13,000.00	122.55	100.94%
5640 · Data Services		327.50	6,052.49	30.00	105.00		207.50						6,722.49	6,000.00	722.49	112.04%
5650 · Labor & HR Support						750.00							750.00	2,250.00	-1,500.00	33.33%
5660 · Payroll Services	60.98	60.98	60.98	60.98	60.03	60.98	119.53						484.46	800.00	-315.54	60.56%
Total 5600 · Professional Services	60.98	2,665.36	16,795.35	11,035.98	3,279.01	4,706.40	12,578.92						51,122.00	65,050.00	-13,928.00	78.59%
5710 · San Mateo Co. Tax Roll Charges					115.50								115.50	2,500.00	-2,384.50	4.62%
5720 · Telephone & Internet	127.10	892.61	1,820.00	131.05	956.74	1,110.89	968.58						6,006.97	9,000.00	-2,993.03	66.74%
5730 · Mileage Reimbursement			72.30	50.00		54.99	189.01						366.30	1,500.00	-1,133.70	24.42%
5740 · Reference Materials													200.00		-200.00	
5800 · Labor																
5810 · CalPERS 457 Deferred Plan	1,095.25	1,058.45	1,092.56	1,353.69	1,073.60	1,136.67	1,116.63						7,926.85	13,709.00	-5,782.15	57.82%
5820 · Employee Benefits	2,693.79	2,693.79	2,693.79	2,693.79	2,693.79		3,410.97						16,879.92	36,497.00	-19,617.08	46.25%
5830 · Disability Insurance		113.37	113.37	113.37	113.36	113.36	113.36						680.19	1,450.00	-769.81	46.91%
5840 · Payroll Taxes	1,196.98	1,156.76	1,170.51	874.25	762.30	808.88	1,220.34						7,190.02	14,983.00	-7,792.98	47.99%
5850 · PARS							514.27						514.27	45,285.00	-44,770.73	1.14%
5900 · Wages																
5910 · Management	6,625.44	6,625.44	6,625.45	9,760.61	6,989.86	6,989.86	7,190.82						50,807.48	86,041.00	-35,233.52	59.05%
5920 · Staff	8,854.08	8,084.16	8,469.12	8,886.51	8,179.93	8,958.96	8,500.72						59,933.48	103,090.00	-43,156.52	58.14%
5930 · Staff Certification	150.00	150.00	150.00	150.00	150.00	150.00	150.00						1,050.00	1,854.00	-804.00	56.63%
5940 · Staff Overtime	17.04	261.28	363.52	541.50	17.47	139.74	110.57						1,451.12	3,718.00	-2,266.88	39.03%
5950 · Staff Standby														1,147.00	-1,147.00	
Total 5900 · Wages	15,646.56	15,120.88	15,608.09	19,338.62	15,337.26	16,238.56	15,952.11						113,242.08	195,850.00	-82,607.92	57.82%
5960 · Worker's Comp Insurance				490.61									490.61	3,891.00	-3,400.39	12.61%
Total 5800 · Labor	20,632.58	20,143.25	20,678.32	24,864.33	19,980.31	18,297.47	22,327.68						146,923.94	311,665.00	-164,741.06	47.14%
Total 5000 · Administrative	22,769.50	30,554.14	48,324.32	41,161.15	30,520.31	33,375.16	38,384.70						245,089.28	455,957.00	-210,867.72	53.75%
6000 · Operations																
6170 · Claims, Property Damage														10,000.00	-10,000.00	
6195 · Education & Training														1,000.00	-1,000.00	
6200 · Engineering																
6210 · Meeting Attendance, Engineering														2,000.00	-2,000.00	

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Sewer
July 2015 through June 2016

												TOTAL				
	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul '15 - Jun 16	Budget	\$ Over Budget	% of Budget
6220 · General Engineering	895.00	1,750.50		581.75	6,023.50	537.00	1,611.00						11,398.75	50,000.00	-38,601.25	22.8%
Total 6200 · Engineering	895.00	1,750.50		581.75	6,023.50	537.00	1,611.00						11,398.75	52,000.00	-40,601.25	21.92%
6320 · Equipment & Tools, Expensed														1,000.00	-1,000.00	
6330 · Facilities																
6335 · Alarm Services	391.80	1,066.04	444.30	391.80	512.78	444.30	391.80						3,642.82	5,000.00	-1,357.18	72.86%
6337 · Landscaping		190.00	380.00		372.06	1,330.00	190.00						2,462.06	2,400.00	62.06	102.59%
Total 6330 · Facilities	391.80	1,256.04	824.30	391.80	884.84	1,774.30	581.80						6,104.88	7,400.00	-1,295.12	82.5%
6400 · Pumping																
6410 · Pumping Fuel & Electricity			4,524.11		1,956.77	1,829.49	1,714.86						10,025.23	27,000.00	-16,974.77	37.13%
Total 6400 · Pumping			4,524.11		1,956.77	1,829.49	1,714.86						10,025.23	27,000.00	-16,974.77	37.13%
6600 · Collection/Transmission																
6660 · Maintenance, Collection System														10,000.00	-10,000.00	
Total 6600 · Collection/Transmission														10,000.00	-10,000.00	
6800 · Vehicles																
6810 · Fuel														800.00	-800.00	
6820 · Truck Equipment, Expensed														160.00	-160.00	
6830 · Truck Repairs														400.00	-400.00	
Total 6800 · Vehicles														1,360.00	-1,360.00	
6900 · Sewer Authority Midcoastside																
6910 · SAM Collections	30,042.00	30,042.00	60,084.00		30,042.00	30,042.00	30,042.00						210,294.00	360,500.00	-150,206.00	58.33%
6920 · SAM Operations	58,991.00	58,991.00	117,982.00		58,991.00	58,991.00	58,991.00						412,937.00	707,892.00	-294,955.00	58.33%
6940 · SAM Maintenance, Collection Sys						20,984.97							20,984.97	40,000.00	-19,015.03	52.46%
6950 · SAM Maintenance, Pumping													50,000.00	-50,000.00		
Total 6900 · Sewer Authority Midcoastside	89,033.00	89,033.00	178,066.00		89,033.00	110,017.97	89,033.00						644,215.97	1,158,392.00	-514,176.03	55.61%
Total 6000 · Operations	90,319.80	92,039.54	183,414.41	973.55	97,898.11	114,158.76	92,940.66						671,744.83	1,268,152.00	-596,407.17	52.97%
Total Expense	113,089.30	122,593.68	231,738.73	42,134.70	128,418.42	147,533.92	131,325.36						916,834.11	1,724,109.00	-807,274.89	53.18%
Net Ordinary Income	-96,792.64	-115,577.65	-227,426.54	-37,333.54	-84,564.54	1,009,674.01	-29,552.25						418,426.85	607,834.00	-189,407.15	68.84%
Other Income/Expense																
Other Income																
7000 · Capital Account Revenues																
7100 · Connection Fees																
7110 · Connection Fees (New Constr)			50,490.00				2,873.00						53,363.00	275,604.00	-222,241.00	19.36%

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Sewer
July 2015 through June 2016

													TOTAL			
	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul '15 - Jun 16	Budget	\$ Over Budget	% of Budget
7120 · Connection Fees (Remodel)	12,439.00												12,439.00	50,000.00	-37,561.00	24.88%
Total 7100 · Connection Fees	12,439.00		50,490.00				2,873.00						65,802.00	325,604.00	-259,802.00	20.21%
7200 · Interest Income - LAIF			3,443.11			3,961.03							7,404.14	8,000.00	-595.86	92.55%
7700 · Interest, Employee Loans	303.97	298.48	292.97										895.42	3,281.00	-2,385.58	27.29%
Total 7000 · Capital Account Revenues	12,742.97	298.48	54,226.08			3,961.03	2,873.00						74,101.56	336,885.00	-262,783.44	22.0%
Total Other Income	12,742.97	298.48	54,226.08			3,961.03	2,873.00						74,101.56	336,885.00	-262,783.44	22.0%
Other Expense																
8000 · Capital Improvement Program																
8075 · Sewer	3,071.25	12,703.00		984.50	6,935.50	21,280.00	895.00						45,869.25	685,483.00	-639,613.75	6.69%
8100 · Water																
Total 8000 · Capital Improvement Program	3,071.25	12,703.00		984.50	6,935.50	21,280.00	895.00						45,869.25	685,483.00	-639,613.75	6.69%
9000 · Capital Account Expenses																
9125 · PNC Equipment Lease Interest	887.68	1,768.13	3,512.71		1,744.53	1,736.63	1,728.70						11,378.38	20,790.00	-9,411.62	54.73%
9175 · Capital Assessment - SAM	13,389.00	13,389.00	26,778.00		13,389.00	13,389.00	13,389.00	13,389.00					107,112.00	160,666.00	-53,554.00	66.67%
9200 · I-Bank Loan	4,801.62												4,801.62	26,022.00	-21,220.38	18.45%
Total 9000 · Capital Account Expenses	19,078.30	15,157.13	30,290.71		15,133.53	15,125.63	15,117.70	13,389.00					123,292.00	207,478.00	-84,186.00	59.42%
Total Other Expense	22,149.55	27,860.13	30,290.71	984.50	22,069.03	36,405.63	16,012.70	13,389.00					169,161.25	892,961.00	-723,799.75	18.94%
Net Other Income	-9,406.58	-27,561.65	23,935.37	-984.50	-22,069.03	-32,444.60	-13,139.70	-13,389.00					-95,059.69	-556,076.00	461,016.31	17.1%
Net Income	-106,199.22	-143,139.30	-203,491.17	-38,318.04	-106,633.57	977,229.41	-42,691.95	-13,389.00					323,367.16	51,758.00	271,609.16	624.77%

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
July 2015 through June 2016

													TOTAL			
	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul '15 - Jun 16	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense																
Income																
4220 · Cell Tower Lease	2,778.19	2,778.19	2,778.19	2,778.19	2,778.19	2,778.19	2,778.19						19,447.33	32,000.00	-12,552.67	60.77%
4400 · Fees																
4410 · Administrative Fee (New Constr)		1,896.00											1,896.00	4,500.00	-2,604.00	42.13%
4420 · Administrative Fee (Remodel)														900.00	-900.00	
4430 · Inspection Fee (New Constr)		1,792.00											1,792.00	4,250.00	-2,458.00	42.17%
4440 · Inspection Fee (Remodel)														800.00	-800.00	
4450 · Mainline Extension Fees					19,951.00								19,951.00			
Total 4400 · Fees		3,688.00			19,951.00								23,639.00	10,450.00	13,189.00	226.21%
4610 · Property Tax Receipts			371.87		21,539.43	95,149.16	97,214.90						214,275.36	230,000.00	-15,724.64	93.16%
4740 · Testing, Backflow	2,781.00	2,266.00			3,708.00		3,296.00						12,051.00	13,000.00	-949.00	92.7%
4810 · Water Sales, Domestic	154,270.38	151,053.90	168,526.48	142,366.98	153,716.54	122,026.03	137,466.56						1,029,426.87	1,682,734.00	-653,307.13	61.18%
4850 · Water Sales Refunds, Customer-	-1,488.35												-1,488.35	-3,000.00	1,511.65	49.61%
4990 · Other Revenue	692.00			621.00	643.00								1,956.00			
Total Income	159,033.22	159,786.09	171,676.54	145,766.17	202,336.16	219,953.38	240,755.65						1,299,307.21	1,965,184.00	-665,876.79	66.12%
Expense																
5000 · Administrative																
5190 · Bank Fees	532.63	500.81	469.12	516.30	488.27	477.68	543.76						3,528.57	9,000.00	-5,471.43	39.21%
5200 · Board of Directors																
5210 · Board Meetings		125.00	-99.50		250.00	250.00							525.50	2,500.00	-1,974.50	21.02%
5220 · Director Fees		337.50	525.00		525.00	337.50							1,725.00	3,300.00	-1,575.00	52.27%
Total 5200 · Board of Directors		462.50	425.50		775.00	587.50							2,250.50	5,800.00	-3,549.50	38.8%
5240 · CDPH Fees					13,141.34	2,088.00							15,229.34	15,000.00	229.34	101.53%
5250 · Conference Attendance			600.00	600.00									1,200.00	4,000.00	-2,800.00	30.0%
5270 · Information Systems													3,200.00		-3,200.00	
5300 · Insurance																
5310 · Fidelity Bond																
5320 · Property & Liability Insurance	1,688.18												1,688.18	1,755.00	-66.82	96.19%
Total 5300 · Insurance	1,688.18												1,688.18	1,755.00	-66.82	96.19%
5350 · LAFCO Assessment														2,800.00	-2,800.00	
5400 · Legal																
5420 · Meeting Attendance, Legal		845.00	625.00	675.00	1,492.00	1,175.00							4,812.00	8,500.00	-3,688.00	56.61%
5430 · General Legal		3,625.00	4,657.50	6,300.00	4,917.00	1,755.00	1,032.50						22,287.00	60,000.00	-37,713.00	37.15%
5440 · Litigation																
Total 5400 · Legal		4,470.00	5,282.50	6,975.00	6,409.00	2,930.00	1,032.50						27,099.00	68,500.00	-41,401.00	39.56%

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
July 2015 through June 2016

												TOTAL				
	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul '15 - Jun 16	Budget	\$ Over Budget	% of Budget
5510 · Maintenance, Office		624.85	3,234.53	1,913.62		24.98	146.15						5,944.13	6,000.00	-55.87	99.07%
5520 · Meetings, Local																
5530 · Memberships		254.15	249.00		5,778.00	10,944.00							17,225.15	18,000.00	-774.85	95.7%
5540 · Office Supplies		1,477.66	674.45	330.77	517.80	109.30	484.10						3,594.08	9,000.00	-5,405.92	39.93%
5550 · Postage		564.77	665.57	567.85	615.70	599.15	1,035.79						4,048.83	6,000.00	-1,951.17	67.48%
5560 · Printing & Publishing			202.67		65.98	35.68							340.01	2,000.00	-1,659.99	17.0%
5600 · Professional Services																
5610 · Accounting		1,850.00	3,400.00	4,492.50	2,100.00	3,650.00	2,500.00						17,992.50	30,000.00	-12,007.50	59.98%
5620 · Audit			4,500.00	5,500.00			2,050.00						12,050.00	13,000.00	-950.00	92.69%
5630 · Consulting		754.37	8,852.96	3,929.50	1,498.97	245.41	6,292.50						21,573.71	25,000.00	-3,426.29	86.3%
5640 · Data Services							1,978.00						1,978.00			
5650 · Labor & HR Support						750.00							750.00		750.00	100.0%
5660 · Payroll Services	60.98	60.98	60.98	60.98	60.03	60.98	119.53						484.46	850.00	-365.54	57.0%
5690 · Other Professional Services						226.94							226.94			
Total 5600 · Professional Services	60.98	2,665.35	16,813.94	13,982.98	3,659.00	4,933.33	12,940.03						55,055.61	68,850.00	-13,794.39	79.97%
5710 · San Mateo Co. Tax Roll Charges					122.50								122.50			
5720 · Telephone & Internet	287.56	1,496.23	2,194.97	652.41	1,749.45	1,644.73	1,346.14						9,371.49	9,000.00	371.49	104.13%
5730 · Mileage Reimbursement		192.74	86.33	107.33	120.98	297.08	270.91						1,075.37	2,000.00	-924.63	53.77%
5740 · Reference Materials													800.00		-800.00	
5800 · Labor																
5810 · CalPERS 457 Deferred Plan	2,539.79	2,485.10	2,575.08	2,769.69	2,446.02	2,560.99	2,479.98						17,856.65	35,154.00	-17,297.35	50.8%
5820 · Employee Benefits	5,405.84	5,405.84	5,405.84	5,405.84	5,405.84		10,608.70						37,637.90	61,277.00	-23,639.10	61.42%
5830 · Disability Insurance		280.52	280.52	280.52	280.52	280.52	280.52						1,683.12	3,549.00	-1,865.88	47.43%
5840 · Payroll Taxes	3,017.54	2,908.21	2,986.43	2,587.01	2,428.05	2,528.15	2,907.87						19,363.26	38,419.00	-19,055.74	50.4%
5850 · PARS	375.00	375.00		375.00			976.16						2,101.16	111,796.00	-109,694.84	1.88%
5900 · Wages																
5910 · Management	6,625.46	6,625.46	6,625.45	9,760.62	6,989.84	6,989.84	7,190.80						50,807.47	86,041.00	-35,233.53	59.05%
5920 · Staff	26,717.05	23,907.14	24,991.45	25,363.13	23,839.87	25,993.73	24,291.09						175,103.46	338,785.00	-163,681.54	51.69%
5930 · Staff Certification	750.00	750.00	810.00	750.00	750.00	750.00	750.00						5,310.00	9,167.00	-3,857.00	57.93%
5940 · Staff Overtime	3,524.31	4,866.78	5,168.25	3,975.38	3,692.39	3,124.70	3,838.45						28,190.26	49,918.00	-21,727.74	56.47%
5950 · Staff Standby	1,828.57	1,866.99	1,810.74	1,878.64	1,840.35	1,854.16	1,941.26						13,020.71	18,295.00	-5,274.29	71.17%
Total 5900 · Wages	39,445.39	38,016.37	39,405.89	41,727.77	37,112.45	38,712.43	38,011.60						272,431.90	502,206.00	-229,774.10	54.25%
5960 · Worker's Comp Insurance				4,787.58									4,787.58	17,019.00	-12,231.42	28.13%
Total 5800 · Labor	50,783.56	49,471.04	50,653.76	57,933.41	47,672.88	44,082.09	55,264.83						355,861.57	769,420.00	-413,558.43	46.25%
Total 5000 · Administrative	53,352.91	62,180.10	81,552.34	83,579.67	81,115.90	68,753.52	73,099.89						503,634.33	1,001,125.00	-497,490.67	50.31%
6000 · Operations																

2:05 PM
02/11/16
Accrual Basis

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
July 2015 through June 2016

												TOTAL				
	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul '15 - Jun 16	Budget	\$ Over Budget	% of Budget
6160 · Backflow Prevention		756.94	1,812.67	600.00	500.00	550.00	200.00						4,419.61	4,000.00	419.61	110.49%
6170 · Claims, Property Damage														10,000.00	-10,000.00	
6180 · Communications																
6185 · SCADA Maintenance		2,574.91	75.00		5,557.75	1,287.00							9,494.66	15,000.00	-5,505.34	63.3%
Total 6180 · Communications		2,574.91	75.00		5,557.75	1,287.00							9,494.66	15,000.00	-5,505.34	63.3%
6195 · Education & Training			210.00	210.00	210.00	210.00	271.74						1,111.74	6,000.00	-4,888.26	18.53%
6200 · Engineering																
6210 · Meeting Attendance, Engineering														2,000.00	-2,000.00	
6220 · General Engineering		150.00	330.00		8,965.00		1,550.00						10,995.00	30,000.00	-19,005.00	36.65%
6230 · Water Quality Engineering		15,935.00	4,811.25		7,454.90		10,294.33						38,495.48	35,000.00	3,495.48	109.99%
Total 6200 · Engineering		16,085.00	5,141.25		16,419.90		11,844.33						49,490.48	67,000.00	-17,509.52	73.87%
6320 · Equipment & Tools, Expensed		126.25	25.38	864.63	499.25	393.80	887.12						2,796.43	6,000.00	-3,203.57	46.61%
6330 · Facilities																
6335 · Alarm Services		119.25	52.50		120.97	52.50							345.22	750.00	-404.78	46.03%
6337 · Landscaping		300.00	600.00		482.06	1,804.09	420.00						3,606.15	4,500.00	-893.85	80.14%
Total 6330 · Facilities		419.25	652.50		603.03	1,856.59	420.00						3,951.37	5,250.00	-1,298.63	75.26%
6370 · Lab Supplies & Equipment						501.73							501.73	1,000.00	-498.27	50.17%
6380 · Meter Reading																
6400 · Pumping																
6410 · Pumping Fuel & Electricity		7,128.32	8,824.03	1,374.39	4,427.71	4,957.90	3,754.09						30,466.44	65,000.00	-34,533.56	46.87%
6420 · Pumping Maintenance, Generators					4,771.43								4,771.43	13,000.00	-8,228.57	36.7%
6430 · Pumping Maintenance, General		49.99	808.88			148.54							1,007.41	2,500.00	-1,492.59	40.3%
6440 · Pumping Equipment, Expensed							1,641.07						1,641.07	2,000.00	-358.93	82.05%
Total 6400 · Pumping		7,178.31	9,632.91	1,374.39	9,199.14	5,106.44	5,395.16						37,886.35	82,500.00	-44,613.65	45.92%
6500 · Supply																
6510 · Maintenance, Raw Water Mains																
6520 · Maintenance, Wells					2,212.66	6,934.70	1,046.09						10,193.45	5,000.00	5,193.45	203.87%
6530 · Water Purchases			20,264.06										20,264.06	40,000.00	-19,735.94	50.66%
Total 6500 · Supply			20,264.06		2,212.66	6,934.70	1,046.09						30,457.51	45,000.00	-14,542.49	67.68%
6600 · Collection/Transmission																
6610 · Hydrants														1,000.00	-1,000.00	
6620 · Maintenance, Water Mains		8,704.72	14,505.69	8,354.63	11,041.15	5,020.60							47,626.79	55,000.00	-7,373.21	86.59%
6630 · Maintenance, Water Svc Lines							3,019.61						3,019.61	25,000.00	-21,980.39	12.08%
6640 · Maintenance, Tanks			307.06										307.06	1,000.00	-692.94	30.71%
6650 · Maint., Distribution General													10,000.00	-10,000.00		
6670 · Meters			787.69		668.19	354.89							1,810.77	2,500.00	-689.23	72.43%

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
July 2015 through June 2016

												TOTAL				
	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul '15 - Jun 16	Budget	\$ Over Budget	% of Budget
Total 6600 · Collection/Transmission		8,704.72	15,600.44	8,354.63	11,709.34	5,375.49	3,019.61						52,764.23	94,500.00	-41,735.77	55.84%
6700 · Treatment																
6710 · Chemicals & Filtering		622.14	230.74	667.87	428.73	530.21	484.63						2,964.32	30,000.00	-27,035.68	9.88%
6720 · Maintenance, Treatment Equip.		2,053.81	62.47	693.15	11.50	2,475.99							5,296.92	4,000.00	1,296.92	132.42%
6730 · Treatment Analysis		2,306.00	6,451.95	850.00	1,835.00	6,339.30	4,635.94						22,418.19	25,000.00	-2,581.81	89.67%
Total 6700 · Treatment		4,981.95	6,745.16	2,211.02	2,275.23	9,345.50	5,120.57						30,679.43	59,000.00	-28,320.57	52.0%
6770 · Uniforms		1,835.41		1,128.38	856.31	1,507.37	1,348.37						6,675.84	9,000.00	-2,324.16	74.18%
6800 · Vehicles																
6810 · Fuel		662.50	639.06	631.20	808.47	649.73	396.50						3,787.46	8,500.00	-4,712.54	44.56%
6820 · Truck Equipment, Expensed		17.05					212.36						229.41	2,000.00	-1,770.59	11.47%
6830 · Truck Repairs				54.22	61.28	216.99							332.49	5,000.00	-4,667.51	6.65%
Total 6800 · Vehicles		679.55	639.06	685.42	869.75	866.72	608.86						4,349.36	15,500.00	-11,150.64	28.06%
6890 · Other Operations						575.00							575.00			
6000 · Operations - Other																
Total 6000 · Operations		43,342.29	60,798.43	15,428.47	50,912.36	34,510.34	30,161.85						235,153.74	419,750.00	-184,596.26	56.02%
Total Expense		53,352.91	105,522.39	142,350.77	99,008.14	132,028.26	103,263.86	103,261.74					738,788.07	1,420,875.00	-682,086.93	52.0%
Net Ordinary Income		105,680.31	54,263.70	29,325.77	46,758.03	70,307.90	116,689.52	137,493.91					560,519.14	544,309.00	16,210.14	102.98%
Other Income/Expense																
Other Income																
7000 · Capital Account Revenues																
7100 · Connection Fees																
7110 · Connection Fees (New Constr)			16,785.00	16,785.00	15,060.50								48,630.50	101,000.00	-52,369.50	48.15%
7120 · Connection Fees (Remodel)													3,000.00	-3,000.00		
7130 · Conn. Fees, PFP (New Constr)	11,962.00		8,002.00	12,802.00	8,002.00								40,768.00	53,000.00	-12,232.00	76.92%
7140 · Conn. Fees, PFP (Remodel)																
Total 7100 · Connection Fees	11,962.00		24,787.00	29,587.00	23,062.50								89,398.50	157,000.00	-67,601.50	56.94%
7600 · Bond Revenues, G.O.			711.11		7,965.73	575,033.66	8,164.47						591,874.97	1,150,436.00	-558,561.03	51.45%
Total 7000 · Capital Account Revenues	11,962.00		25,498.11	29,587.00	31,028.23	575,033.66	8,164.47						681,273.47	1,307,436.00	-626,162.53	52.11%
Total Other Income	11,962.00		25,498.11	29,587.00	31,028.23	575,033.66	8,164.47						681,273.47	1,307,436.00	-626,162.53	52.11%
Other Expense																
8000 · Capital Improvement Program																
8100 · Water		387,780.51	362,246.06	141,800.25	173,535.33	74,658.74	75,309.44						1,215,340.33	1,729,000.00	-513,659.67	70.29%

2:05 PM
02/11/16
Accrual Basis

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
July 2015 through June 2016

												TOTAL				
	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul '15 - Jun 16	Budget	\$ Over Budget	% of Budget
Total 8000 - Capital Improvement Program		387,790.51	362,246.06	141,800.25	173,535.33	74,658.74	75,309.44						1,215,340.33	1,729,000.00	-513,659.67	70.29%
9000 - Capital Account Expenses																
9100 - Interest Expense - GO Bonds		26,484.91											26,484.91	315,346.00	-288,861.09	8.4%
9125 - PNC Equipment Lease Interest	887.68	1,768.14	3,512.71		1,744.54	1,736.63	1,728.71						11,378.41	20,790.00	-9,411.59	54.73%
9150 - SRF Loan						25,540.12							25,540.12	25,540.12	0.00	100.0%
Total 9000 - Capital Account Expenses	887.68	28,253.05	3,512.71		1,744.54	27,276.75	1,728.71						63,403.44	336,136.00	-272,732.56	18.86%
Total Other Expense	887.68	416,043.56	365,758.77	141,800.25	175,279.87	101,935.49	77,038.15						1,278,743.77	2,065,136.00	-786,392.23	61.92%
Net Other Income	11,074.32	-416,043.56	-340,260.66	-112,213.25	-144,251.64	473,098.17	-68,873.68						-597,470.30	-757,700.00	160,229.70	78.85%
Net Income	116,754.63	-361,779.86	-310,934.89	-65,455.22	-73,943.74	589,787.69	68,620.23						-36,951.16	-213,391.00	176,439.84	17.32%

2:22 PM

2/11/16

Accrual Basis

Montara Water & Sanitary District
Funds Balance Sheet
As of January 31, 2016

	Sewer	Water	TOTAL
ASSETS			
Current Assets			
Checking/Savings			
Sewer - Bank Accounts			
Wells Fargo Operating - Sewer	1,918,119.56	0.00	1,918,119.56
LAIF Investment Fund			
Capital Reserve	3,789,563.62	0.00	3,789,563.62
Connection Fees Reserve	325,604.00	0.00	325,604.00
Operating Reserve	158,079.00	0.00	158,079.00
Total LAIF Investment Fund	4,273,246.62	0.00	4,273,246.62
Total Sewer - Bank Accounts	6,191,366.18	0.00	6,191,366.18
Water - Bank Accounts			
Wells Fargo Operating - Water	0.00	546,618.31	546,618.31
Capital Reserve	0.00	398,249.00	398,249.00
Operating Reserve	0.00	190,251.00	190,251.00
Restricted Cash			
Acq & Improv Fund	0.00	436.13	436.13
Connection Fees Reserve	0.00	157,000.00	157,000.00
Cost of Issuance	0.00	122.94	122.94
GO Bonds Fund	0.00	1,411,446.46	1,411,446.46
Total Restricted Cash	0.00	1,569,005.53	1,569,005.53
Total Water - Bank Accounts	0.00	2,704,123.84	2,704,123.84
Total Checking/Savings	6,191,366.18	2,704,123.84	8,895,490.02
Accounts Receivable			
Sewer - Accounts Receivable			
Accounts Receivable	13,612.67	0.00	13,612.67
Property Tax Receivable	20,625.07	0.00	20,625.07
Total Sewer - Accounts Receivable	34,237.74	0.00	34,237.74
Water - Accounts Receivable			
Accounts Receivable	0.00	-2,600.00	-2,600.00
Accounts Rec. - Backflow	0.00	10,989.51	10,989.51
Accounts Rec. - Water Residents	0.00	93,467.19	93,467.19
Unbilled Water Receivables	0.00	195,064.08	195,064.08
Total Water - Accounts Receivable	0.00	296,920.78	296,920.78
Total Accounts Receivable	34,237.74	296,920.78	331,158.52
Other Current Assets			
Maint/Parts Inventory	0.00	42,656.32	42,656.32
Total Other Current Assets	0.00	42,656.32	42,656.32
Total Current Assets	6,225,603.92	3,043,700.94	9,269,304.86
Fixed Assets			
Sewer - Fixed Assets			
General Plant	2,091,544.42	0.00	2,091,544.42
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

2:22 PM

2/11/16

Accrual Basis

Montara Water & Sanitary District
Funds Balance Sheet
As of January 31, 2016

Treatment Facility	244,539.84	0.00	244,539.84
Accumulated Depreciation	-6,886,088.00	0.00	-6,886,088.00
Total Sewer - Fixed Assets	5,041,218.16	0.00	5,041,218.16
Water - Fixed Assets			
General Plant	0.00	24,301,100.60	24,301,100.60
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	-8,014,973.00	-8,014,973.00
Total Water - Fixed Assets	0.00	18,427,784.38	18,427,784.38
Total Fixed Assets	5,041,218.16	18,427,784.38	23,469,002.54
Other Assets			
Sewer - Other Assets			
Due from Water Fund	803,385.23	0.00	803,385.23
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	3,490,932.31	0.00	3,490,932.31
Water - Other Assets			
Bond Acquisition Cost OID	0.00	62,522.40	62,522.40
Bond Issue Cost	0.00	66,832.40	66,832.40
Total Water - Other Assets	0.00	129,354.80	129,354.80
Total Other Assets	3,490,932.31	129,354.80	3,620,287.11
Due From/(To)			
Sewer	0.00	-580,019.07	
Water	580,019.07	0.00	
Total Due From/(To)	580,019.07	-580,019.07	0.00
TOTAL ASSETS	15,337,773.46	21,020,821.05	36,358,594.51
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable - Sewer	7,957.00	0.00	7,957.00
Accounts Payable - Water	0.00	23,131.58	23,131.58
Total Accounts Payable	7,957.00	23,131.58	31,088.58
Other Current Liabilities			
Sewer - Current Liabilities			
Accrued Vacations	357.63	0.00	357.63
Deposits Payable	9,583.00	0.00	9,583.00
I-Bank Loan - Current	26,540.23	0.00	26,540.23
PNC Equip. Loan - S/T	16,276.02	0.00	16,276.02
Total Sewer - Current Liabilities	52,756.88	0.00	52,756.88
Water - Current Liabilities			
Accrued Payables - Water	0.00	903.90	903.90
Accrued Vacations	0.00	16,555.47	16,555.47
Deposits Payable	0.00	6,308.35	6,308.35
GO Bonds - S/T	0.00	418,781.41	418,781.41
PFP Water Deposits	0.00	4,302.50	4,302.50
PNC Equip. Loan - S/T	0.00	16,275.99	16,275.99
Total Water - Current Liabilities	0.00	463,127.62	463,127.62

2:22 PM

2/11/16

Accrual Basis

Montara Water & Sanitary District
Funds Balance Sheet
As of January 31, 2016

Payroll Liabilities			
Employee Benefits Payable	3,138.89	5,729.22	8,868.11
Total Payroll Liabilities	<u>3,138.89</u>	<u>5,729.22</u>	<u>8,868.11</u>
Total Other Current Liabilities	<u>55,895.77</u>	<u>468,856.84</u>	<u>524,752.61</u>
Total Current Liabilities	63,852.77	491,988.42	555,841.19
Long Term Liabilities			
Sewer - Long Term Liabilities			
Accrued Vacations	3,890.95	0.00	3,890.95
I-Bank Loan	800,575.13	0.00	800,575.13
PNC Equip. Loan - L/T	683,657.26	0.00	683,657.26
Total Sewer - Long Term Liabilities	<u>1,488,123.34</u>	<u>0.00</u>	<u>1,488,123.34</u>
Water - Long Term Liabilities			
Accrued Vacations	0.00	12,283.28	12,283.28
Deferred on Refunding	0.00	-243,278.00	-243,278.00
Due to Sewer Fund	0.00	803,385.23	803,385.23
GO Bonds - L/T	0.00	12,334,204.80	12,334,204.80
PNC Equip. Loan - L/T	0.00	683,657.28	683,657.28
SRF Loan Payable	0.00	2,599,694.43	2,599,694.43
Total Water - Long Term Liabilities	<u>0.00</u>	<u>16,189,947.02</u>	<u>16,189,947.02</u>
Total Long Term Liabilities	<u>1,488,123.34</u>	<u>16,189,947.02</u>	<u>17,678,070.36</u>
Total Liabilities	1,551,976.11	16,681,935.44	18,233,911.55
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	296,823.22	0.00	296,823.22
Total Sewer - Equity Accounts	<u>12,351,368.29</u>	<u>0.00</u>	<u>12,351,368.29</u>
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	-296,823.22	-296,823.22
Total Water - Equity Accounts	<u>0.00</u>	<u>2,394,231.79</u>	<u>2,394,231.79</u>
Equity Adjustment Account	1,105,077.04	1,981,604.98	3,086,682.02
Net Income	<u>329,352.02</u>	<u>-36,951.16</u>	<u>292,400.86</u>
Total Equity	<u>13,785,797.35</u>	<u>4,338,885.61</u>	<u>18,124,682.96</u>
TOTAL LIABILITIES & EQUITY	<u><u>15,337,773.46</u></u>	<u><u>21,020,821.05</u></u>	<u><u>36,358,594.51</u></u>

Montara Water & Sanitary District Revenue & Expenditures Budget vs. Actual - Water July 2015 through January 2016

	Water Jul '15 - Jan 16	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
4220 · Cell Tower Lease	19,447.33	18,666.69	780.64
4400 · Fees			
4410 · Administrative Fee (New Constr)	1,896.00	2,625.00	-729.00
4420 · Administrative Fee (Remodel)	0.00	525.00	-525.00
4430 · Inspection Fee (New Constr)	1,792.00	2,479.19	-687.19
4440 · Inspection Fee (Remodel)	0.00	466.69	-466.69
4450 · Mainline Extension Fees	19,951.00		
Total 4400 · Fees	23,639.00	6,095.88	17,543.12
4610 · Property Tax Receipts	214,275.36	115,000.00	99,275.36
4740 · Testing, Backflow	12,051.00	7,583.31	4,467.69
4810 · Water Sales, Domestic	1,029,426.87	981,594.81	47,832.06
4850 · Water Sales Refunds, Customer	-1,488.35	-1,750.00	261.65
4990 · Other Revenue	1,956.00		
Total Income	1,299,307.21	1,127,190.69	172,116.52
Expense			
5000 · Administrative			
5190 · Bank Fees	3,528.57	5,250.00	-1,721.43
5200 · Board of Directors			
5210 · Board Meetings	525.50	1,458.31	-932.81
5220 · Director Fees	1,725.00	1,925.00	-200.00
Total 5200 · Board of Directors	2,250.50	3,383.31	-1,132.81
5240 · CDPH Fees	15,229.34	8,750.00	6,479.34
5250 · Conference Attendance	1,200.00	2,333.31	-1,133.31
5270 · Information Systems	0.00	1,866.69	-1,866.69
5300 · Insurance			
5320 · Property & Liability Insurance	1,688.18	1,023.75	664.43
Total 5300 · Insurance	1,688.18	1,023.75	664.43
5350 · LAFCO Assessment	0.00	1,633.31	-1,633.31
5400 · Legal			
5420 · Meeting Attendance, Legal	4,812.00	4,958.31	-146.31
5430 · General Legal	22,287.00	35,000.00	-12,713.00
Total 5400 · Legal	27,099.00	39,958.31	-12,859.31
5510 · Maintenance, Office	5,944.13	3,500.00	2,444.13
5530 · Memberships	17,225.15	10,500.00	6,725.15
5540 · Office Supplies	3,594.08	5,250.00	-1,655.92
5550 · Postage	4,048.83	3,500.00	548.83
5560 · Printing & Publishing	340.01	1,166.69	-826.68
5600 · Professional Services			
5610 · Accounting	17,992.50	17,500.00	492.50
5620 · Audit	12,050.00	13,000.00	-950.00
5630 · Consulting	21,573.71	14,583.31	6,990.40
5640 · Data Services	1,978.00		
5650 · Labor & HR Support	750.00		
5660 · Payroll Services	484.46	495.81	-11.35
5690 · Other Professional Services	226.94		
Total 5600 · Professional Services	55,055.61	45,579.12	9,476.49

2:03 PM

02/11/16

Accrual Basis

Montara Water & Sanitary District Revenue & Expenditures Budget vs. Actual - Water July 2015 through January 2016

	Jul '15 - Jan 16	Water Budget	\$ Over Budget
5710 · San Mateo Co. Tax Roll Charges	122.50		
5720 · Telephone & Internet	9,371.49	5,250.00	4,121.49
5730 · Mileage Reimbursement	1,075.37	1,166.69	-91.32
5740 · Reference Materials	0.00	466.69	-466.69
5800 · Labor			
5810 · CalPERS 457 Deferred Plan	17,856.65	20,506.50	-2,649.85
5820 · Employee Benefits	37,637.90	35,744.94	1,892.96
5830 · Disability Insurance	1,683.12	2,070.25	-387.13
5840 · Payroll Taxes	19,363.26	22,411.06	-3,047.80
5850 · PARS	2,101.16	65,214.31	-63,113.15
5900 · Wages			
5910 · Management	50,807.47	50,190.56	616.91
5920 · Staff	175,103.46	197,624.56	-22,521.10
5930 · Staff Certification	5,310.00	5,347.44	-37.44
5940 · Staff Overtime	28,190.26	29,118.81	-928.55
5950 · Staff Standby	13,020.71	10,672.06	2,348.65
Total 5900 · Wages	272,431.90	292,953.43	-20,521.53
5960 · Worker's Comp Insurance	4,787.58	9,927.75	-5,140.17
Total 5800 · Labor	355,861.57	448,828.24	-92,966.67
Total 5000 · Administrative	503,634.33	589,406.11	-85,771.78
6000 · Operations			
6160 · Backflow Prevention	4,419.61	2,333.31	2,086.30
6170 · Claims, Property Damage	0.00	5,833.31	-5,833.31
6180 · Communications			
6185 · SCADA Maintenance	9,494.66	8,750.00	744.66
Total 6180 · Communications	9,494.66	8,750.00	744.66
6195 · Education & Training	1,111.74	3,500.00	-2,388.26
6200 · Engineering			
6210 · Meeting Attendance, Engineering	0.00	1,166.69	-1,166.69
6220 · General Engineering	10,995.00	17,500.00	-6,505.00
6230 · Water Quality Engineering	38,495.48	20,416.69	18,078.79
Total 6200 · Engineering	49,490.48	39,083.38	10,407.10
6320 · Equipment & Tools, Expensed	2,796.43	3,500.00	-703.57
6330 · Facilities			
6335 · Alarm Services	345.22	437.50	-92.28
6337 · Landscaping	3,606.15	2,625.00	981.15
Total 6330 · Facilities	3,951.37	3,062.50	888.87
6370 · Lab Supplies & Equipment	501.73	583.31	-81.58
6400 · Pumping			
6410 · Pumping Fuel & Electricity	30,466.44	37,916.69	-7,450.25
6420 · Pumping Maintenance, Generators	4,771.43	7,583.31	-2,811.88
6430 · Pumping Maintenance, General	1,007.41	1,458.31	-450.90
6440 · Pumping Equipment, Expensed	1,641.07	1,166.69	474.38
Total 6400 · Pumping	37,886.35	48,125.00	-10,238.65
6500 · Supply			
6520 · Maintenance, Wells	10,193.45	2,916.69	7,276.76
6530 · Water Purchases	20,264.06	23,333.31	-3,069.25
Total 6500 · Supply	30,457.51	26,250.00	4,207.51

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
 July 2015 through January 2016

	Water		
	Jul '15 - Jan 16	Budget	\$ Over Budget
6600 · Collection/Transmission			
6610 · Hydrants	0.00	583.31	-583.31
6620 · Maintenance, Water Mains	47,626.79	32,083.31	15,543.48
6630 · Maintenance, Water Svc Lines	3,019.61	14,583.31	-11,563.70
6640 · Maintenance, Tanks	307.06	583.31	-276.25
6650 · Maint., Distribution General	0.00	5,833.31	-5,833.31
6670 · Meters	1,810.77	1,458.31	352.46
Total 6600 · Collection/Transmission	52,764.23	55,124.86	-2,360.63
6700 · Treatment			
6710 · Chemicals & Filtering	2,964.32	17,500.00	-14,535.68
6720 · Maintenance, Treatment Equip.	5,296.92	2,333.31	2,963.61
6730 · Treatment Analysis	22,418.19	14,583.31	7,834.88
Total 6700 · Treatment	30,679.43	34,416.62	-3,737.19
6770 · Uniforms	6,675.84	5,250.00	1,425.84
6800 · Vehicles			
6810 · Fuel	3,787.46	4,958.31	-1,170.85
6820 · Truck Equipment, Expensed	229.41	1,166.69	-937.28
6830 · Truck Repairs	332.49	2,916.69	-2,584.20
Total 6800 · Vehicles	4,349.36	9,041.69	-4,692.33
6890 · Other Operations	575.00		
Total 6000 · Operations	235,153.74	244,853.98	-9,700.24
Total Expense	738,788.07	834,260.09	-95,472.02
Net Ordinary Income	560,519.14	292,930.60	267,588.54
Other Income/Expense			
Other Income			
7000 · Capital Account Revenues			
7100 · Connection Fees			
7110 · Connection Fees (New Constr)	48,630.50	58,916.69	-10,286.19
7120 · Connection Fees (Remodel)	0.00	1,750.00	-1,750.00
7130 · Conn. Fees, PFP (New Constr)	40,768.00	30,916.69	9,851.31
Total 7100 · Connection Fees	89,398.50	91,583.38	-2,184.88
7600 · Bond Revenues, G.O.	591,874.97	671,087.69	-79,212.72
Total 7000 · Capital Account Revenues	681,273.47	762,671.07	-81,397.60
Total Other Income	681,273.47	762,671.07	-81,397.60
Other Expense			
8000 · Capital Improvement Program			
8100 · Water	1,215,340.33	1,008,583.31	206,757.02
Total 8000 · Capital Improvement Program	1,215,340.33	1,008,583.31	206,757.02

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02/11/16

Accrual Basis

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
July 2015 through January 2016

	Jul '15 - Jan 16	Water Budget	\$ Over Budget
9000 · Capital Account Expenses			
9100 · Interest Expense - GO Bonds	26,484.91	315,346.00	-288,861.09
9125 · PNC Equipment Lease Interest	11,378.41	12,266.09	-887.68
9150 · SRF Loan	25,540.12		
Total 9000 · Capital Account Expenses	63,403.44	327,612.09	-264,208.65
Total Other Expense	1,278,743.77	1,336,195.40	-57,451.63
Net Other Income	-597,470.30	-573,524.33	-23,945.97
Net Income	-36,951.16	-280,593.73	243,642.57

4:11 PM

02/18/16

Accrual Basis

Montara Water & Sanitary District Revenue & Expenditures Budget vs. Actual - Sewer July 2015 through January 2016

	Sewer		
	Jul '15 - Jan 16	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
4220 · Cell Tower Lease	19,447.26	18,666.69	780.57
4400 · Fees			
4410 · Administrative Fee (New Constr)	1,422.00	1,458.31	-36.31
4420 · Administrative Fee (Remodel)	474.00	1,750.00	-1,276.00
4430 · Inspection Fee (New Constr)	1,344.00	1,166.69	177.31
4440 · Inspection Fee (Remodel)	1,808.00	2,625.00	-817.00
4460 · Remodel Fees	30,645.00	4,083.31	26,561.69
Total 4400 · Fees	35,693.00	11,083.31	24,609.69
4610 · Property Tax Receipts	214,275.39	115,000.00	99,275.39
4710 · Sewer Service Charges	1,056,939.32	1,019,971.50	36,967.82
4720 · Sewer Service Refunds, Customer	0.00	-2,333.31	2,333.31
4760 · Waste Collection Revenues	8,896.00	8,750.00	146.00
4990 · Other Revenue	9.99		
Total Income	1,335,260.96	1,171,138.19	164,122.77
Expense			
5000 · Administrative			
5190 · Bank Fees	1,952.85	2,333.31	-380.46
5200 · Board of Directors			
5210 · Board Meetings	525.50	1,458.31	-932.81
5220 · Director Fees	1,725.00	1,925.00	-200.00
Total 5200 · Board of Directors	2,250.50	3,383.31	-1,132.81
5250 · Conference Attendance	0.00	1,166.69	-1,166.69
5270 · Information Systems	0.00	3,500.00	-3,500.00
5300 · Insurance			
5320 · Property & Liability Insurance	1,688.18	1,023.75	664.43
Total 5300 · Insurance	1,688.18	1,023.75	664.43
5350 · LAFCO Assessment	4,046.00	1,159.06	2,886.94
5400 · Legal			
5420 · Meeting Attendance, Legal	4,813.50	5,541.69	-728.19
5430 · General Legal	14,925.00	8,750.00	6,175.00
Total 5400 · Legal	19,738.50	14,291.69	5,446.81
5510 · Maintenance, Office	5,944.21	3,500.00	2,444.21
5540 · Office Supplies	3,594.13	5,250.00	-1,655.87
5550 · Postage	900.18	1,166.69	-266.51
5560 · Printing & Publishing	440.02	1,750.00	-1,309.98
5600 · Professional Services			
5610 · Accounting	17,992.50	17,500.00	492.50
5620 · Audit	12,050.00	13,000.00	-950.00
5630 · Consulting	13,122.55	7,583.31	5,539.24
5640 · Data Services	6,722.49	3,500.00	3,222.49
5650 · Labor & HR Support	750.00	1,312.50	-562.50
5660 · Payroll Services	484.46	466.69	17.77
Total 5600 · Professional Services	51,122.00	43,362.50	7,759.50
5710 · San Mateo Co. Tax Roll Charges	115.50	1,458.31	-1,342.81
5720 · Telephone & Internet	6,006.97	5,250.00	756.97
5730 · Mileage Reimbursement	366.30	875.00	-508.70
5740 · Reference Materials	0.00	116.69	-116.69

4:11 PM
 02/18/16
 Accrual Basis

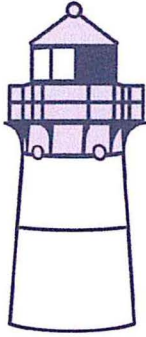
Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Sewer
 July 2015 through January 2016

	Sewer		
	Jul '15 - Jan 16	Budget	\$ Over Budget
5800 · Labor			
5810 · CalPERS 457 Deferred Plan	7,926.85	7,996.94	-70.09
5820 · Employee Benefits	16,879.92	21,289.94	-4,410.02
5830 · Disability Insurance	680.19	845.81	-165.62
5840 · Payroll Taxes	7,190.02	8,740.06	-1,550.04
5850 · PARS	514.27	26,416.25	-25,901.98
5900 · Wages			
5910 · Management	50,807.48	50,190.56	616.92
5920 · Staff	59,933.48	60,135.81	-202.33
5930 · Staff Certification	1,050.00	1,081.50	-31.50
5940 · Staff Overtime	1,451.12	2,168.81	-717.69
5950 · Staff Standby	0.00	669.06	-669.06
Total 5900 · Wages	113,242.08	114,245.74	-1,003.66
5960 · Worker's Comp Insurance	490.61	2,269.75	-1,779.14
Total 5800 · Labor	146,923.94	181,804.49	-34,880.55
Total 5000 · Administrative	245,089.28	271,391.49	-26,302.21
6000 · Operations			
6170 · Claims, Property Damage	0.00	5,833.31	-5,833.31
6195 · Education & Training	0.00	583.31	-583.31
6200 · Engineering			
6210 · Meeting Attendance, Engineering	0.00	1,166.69	-1,166.69
6220 · General Engineering	11,398.75	29,166.69	-17,767.94
Total 6200 · Engineering	11,398.75	30,333.38	-18,934.63
6320 · Equipment & Tools, Expensed	0.00	583.31	-583.31
6330 · Facilities			
6335 · Alarm Services	3,642.82	2,916.69	726.13
6337 · Landscaping	2,462.06	1,400.00	1,062.06
Total 6330 · Facilities	6,104.88	4,316.69	1,788.19
6400 · Pumping			
6410 · Pumping Fuel & Electricity	10,025.23	15,750.00	-5,724.77
Total 6400 · Pumping	10,025.23	15,750.00	-5,724.77
6600 · Collection/Transmission			
6660 · Maintenance, Collection System	0.00	5,833.31	-5,833.31
Total 6600 · Collection/Transmission	0.00	5,833.31	-5,833.31
6800 · Vehicles			
6810 · Fuel	0.00	466.69	-466.69
6820 · Truck Equipment, Expensed	0.00	93.31	-93.31
6830 · Truck Repairs	0.00	233.31	-233.31
Total 6800 · Vehicles	0.00	793.31	-793.31

4:11 PM
02/18/16
Accrual Basis

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Sewer
July 2015 through January 2016

	Jul '15 - Jan 16	Sewer Budget	\$ Over Budget
6900 · Sewer Authority Midcoastside			
6910 · SAM Collections	210,294.00	210,291.69	2.31
6920 · SAM Operations	412,937.00	412,937.00	0.00
6940 · SAM Maintenance, Collection Sys	20,984.97	23,333.31	-2,348.34
6950 · SAM Maintenance, Pumping	0.00	29,166.69	-29,166.69
Total 6900 · Sewer Authority Midcoastside	644,215.97	675,728.69	-31,512.72
Total 6000 · Operations	671,744.83	739,755.31	-68,010.48
Total Expense	916,834.11	1,011,146.80	-94,312.69
Net Ordinary Income	418,426.85	159,991.39	258,435.46
Other Income/Expense			
Other Income			
7000 · Capital Account Revenues			
7100 · Connection Fees			
7110 · Connection Fees (New Constr)	53,363.00	160,769.00	-107,406.00
7120 · Connection Fees (Remodel)	12,439.00	29,166.69	-16,727.69
Total 7100 · Connection Fees	65,802.00	189,935.69	-124,133.69
7200 · Interest Income - LAIF	7,404.14	4,000.00	3,404.14
7700 · Interest, Employee Loans	895.42	2,011.87	-1,116.45
Total 7000 · Capital Account Revenues	74,101.56	195,947.56	-121,846.00
Total Other Income	74,101.56	195,947.56	-121,846.00
Other Expense			
8000 · Capital Improvement Program			
8075 · Sewer	45,869.25	399,865.06	-353,995.81
8100 · Water	0.00		
Total 8000 · Capital Improvement Program	45,869.25	399,865.06	-353,995.81
9000 · Capital Account Expenses			
9125 · PNC Equipment Lease Interest	11,378.38	12,266.09	-887.71
9175 · Capital Assessment - SAM	93,723.00	93,721.81	1.19
9200 · I-Bank Loan	4,801.62	26,022.00	-21,220.38
Total 9000 · Capital Account Expenses	109,903.00	132,009.90	-22,106.90
Total Other Expense	155,772.25	531,874.96	-376,102.71
Net Other Income	-81,670.69	-335,927.40	254,256.71
Net Income	336,756.16	-175,936.01	512,692.17



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **March 3, 2016**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

A handwritten signature in blue ink, appearing to be 'Clemens Heldmaier'.

SUBJECT: SAM Flow Report for January 2016

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 January 2016.
- Collection System Monthly Overflow Report – January 2016.

The Average Daily Flow for Montara was 0.532 MGD in January 2016. There were no reportable overflows in January in the Montara System. SAM indicates there were 8.28 inches of rain in January 2016.

RECOMMENDATION:

Review and file.

Attachments

Sewer Authority Mid-Coastside

Monthly Collection System Activity/SSO Distribution Report, January 2016

January 2016

	Total	Number of S.S.O's			
		HMB	GCSD	MWSD	SAM
Roots	1	0	1	0	0
Grease	0	0	0	0	0
Mechanical	0	0	0	0	0
Wet Weather	0	0	0	0	0
Other	1	0	0	0	1
Total	2	0	1	0	1
			50%		50%

12 Month Rolling Total Sewer Cleaning Summary

Month	HMB	GCSD	MWSD	Total Feet	Total Miles
Feb-15	4,134	14,324	21,170	39,628	7.5
Mar-15	5,127	10,476	18,072	33,675	6.4
Apr-15	4,069	24,727	25,006	53,802	10.2
May-15	5,273	22,269	29,550	57,092	10.8
June-15	21,965	16,335	2,161	40,461	7.7
July-15	21,643	18,222	2,166	42,031	8.0
Aug-15	22,512	17,746	0	40,258	7.6
Sep-15	17,470	31,071	1,955	50,496	9.6
Oct-15	33,863	11,254	1,679	46,796	8.9
Nov-15	24,921	1,834	2,031	28,786	5.5
Dec-15	24,177	2,740	2,029	28,946	5.5
Jan-16	6,806	16,774	10,598	34,178	6.5

12 Month Moving Total

	Total	12 month rolling Number			
		HMB	GCSD	MWSD	SAM
Roots	7	1	3	3	0
Grease	2	1	0	1	0
Mechanical	2	0	0	1	1
Wet Weather	0	0	0	0	0
Other	4	3	0	1	0
Total	15	5	3	6	1
		33%	20%	40%	7%

Annual ft	191,960	187,772	116,417	496,149	
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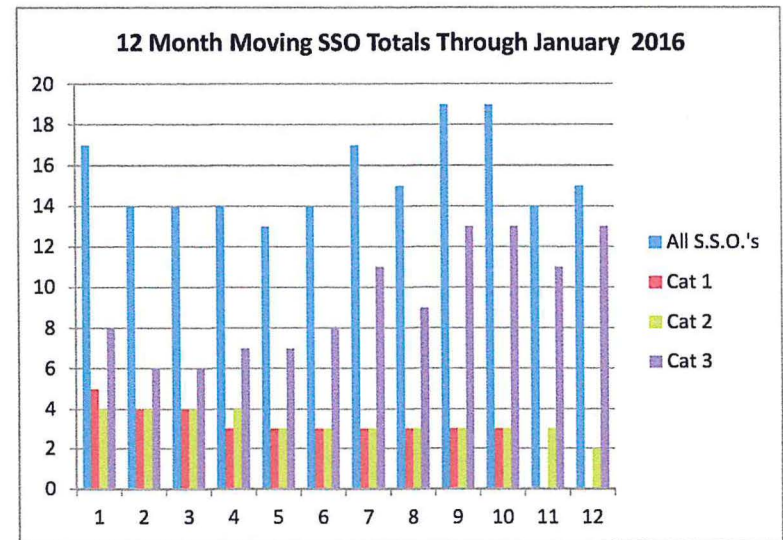
Annual Mi.	36.4	35.6	22.0	94.0	
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Reportable SSOs

	Total	Reportable Number of S.S.O.'s			
		HMB	GCSD	MWSD	SAM
January 2016	2	0	1	0	1
12 Month Moving Total	15	5	3	6	1

SSOs / Year / 100 Miles

	Total	Number of S.S.O.'s /Year/100 Miles			
		HMB	GCSD	MWSD	SAM
January 2016	1.9	0.0	3.0	0.0	13.7
12 Month Moving Total	14.4	13.5	9.0	22.2	13.7
Category 1	0.0	0.0	0.0	0.0	0.0
Category 2	1.9	5.4	0.0	0.0	0.0
Category 3	12.4	8.1	9.0	22.2	13.7
Miles of Sewers	104.5	37.0	33.2	27.0	7.3
		35.4%	31.8%	25.8%	7.0%



Attachment D

Attachment A

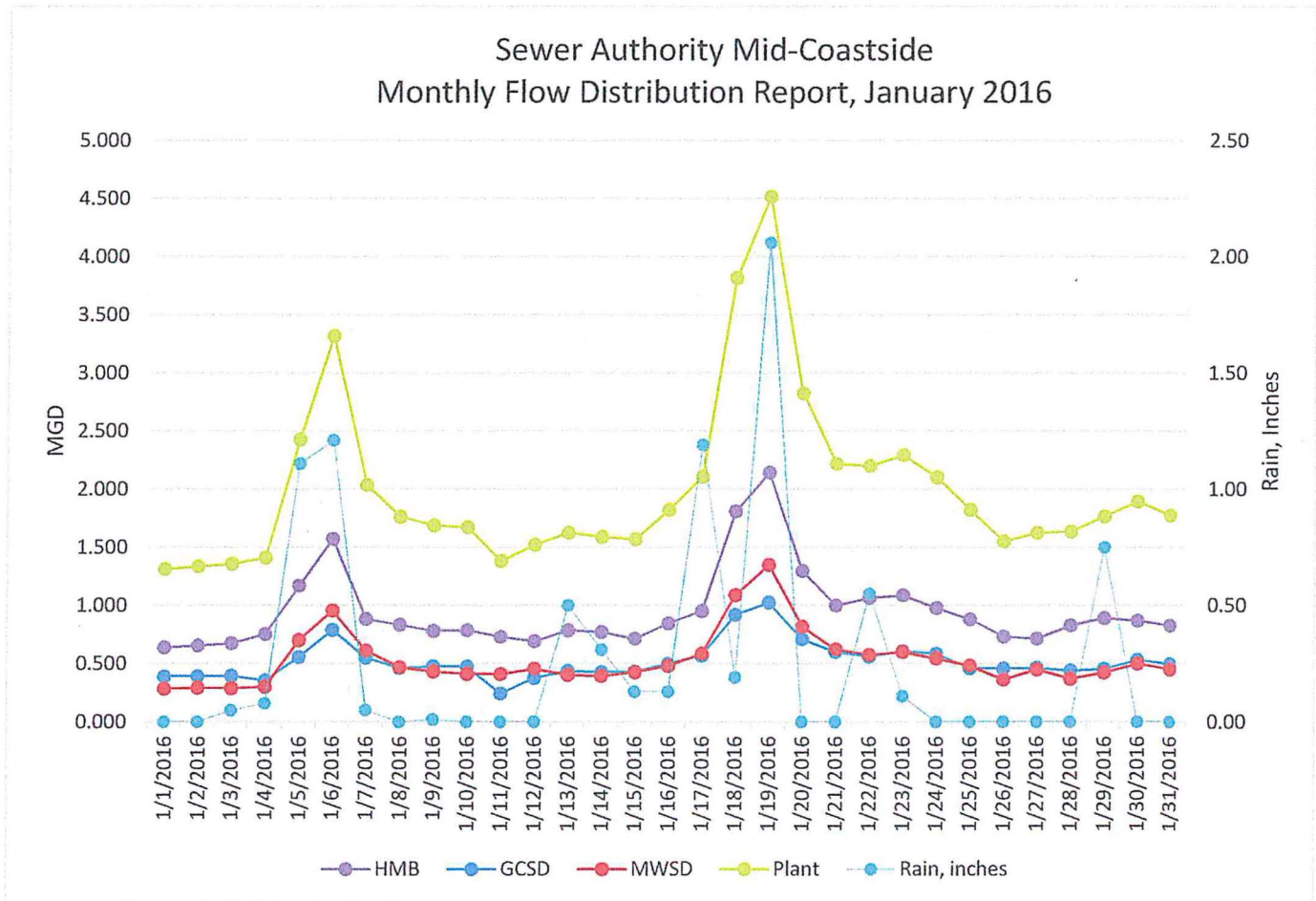
Flow Distribution Report Summary For January 2016

The daily flow report figures for the month of January 2016 have been converted to an Average Daily Flow (ADF) for each Member Agency. The results are attached for your review.

*Influent flow is calculated using the mid-plant flow meter less process water and trucked in waste

The summary of the ADF information is as follows:

	<u>MGD</u>	<u>%</u>
The City of Half Moon Bay	0.946	47.3%
Granada Community Services District	0.520	26.0%
Montara Water and Sanitary District	<u>0.532</u>	<u>26.6%</u>
Total	1.999	100.0%



Sewer Authority Mid-Coastside

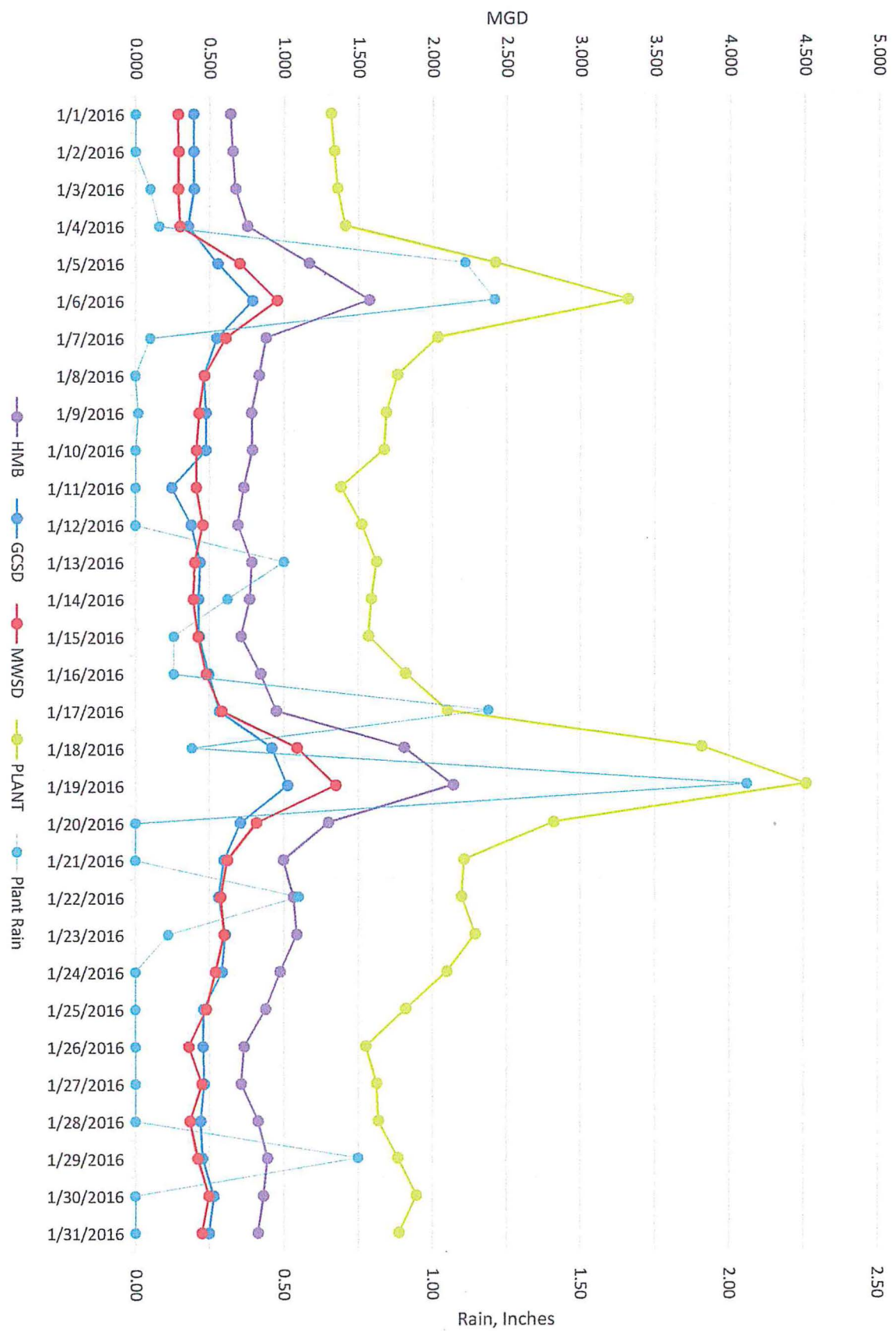
Monthly Flow Distribution Report for January 2016

<u>Date</u>	<u>HMB</u>	<u>GCSD</u>	<u>MWSD</u>	<u>Plant</u>	<u>Rain Plant</u>	<u>Rain Portola</u>	<u>Rain Montara</u>
1/1/2016	0.638	0.390	0.285	1.313	0.00	0.00	0.00
1/2/2016	0.654	0.391	0.291	1.336	0.00	0.00	0.00
1/3/2016	0.674	0.395	0.289	1.358	0.05	0.06	0.07
1/4/2016	0.754	0.356	0.301	1.411	0.08	0.10	0.12
1/5/2016	1.169	0.555	0.702	2.426	1.11	0.99	1.29
1/6/2016	1.573	0.789	0.955	3.317	1.21	1.22	1.25
1/7/2016	0.880	0.548	0.608	2.036	0.05	0.04	0.04
1/8/2016	0.833	0.463	0.467	1.764	0.00	0.01	0.00
1/9/2016	0.781	0.477	0.431	1.689	0.01	0.00	0.05
1/10/2016	0.786	0.475	0.412	1.673	0.00	0.00	0.00
1/11/2016	0.730	0.244	0.409	1.383	0.00	0.00	0.00
1/12/2016	0.690	0.377	0.455	1.522	0.00	0.00	0.00
1/13/2016	0.785	0.437	0.402	1.624	0.50	0.20	0.33
1/14/2016	0.770	0.426	0.392	1.588	0.31	0.19	0.35
1/15/2016	0.713	0.431	0.425	1.569	0.13	0.17	0.22
1/16/2016	0.846	0.496	0.479	1.821	0.13	0.10	0.21
1/17/2016	0.952	0.570	0.584	2.106	1.19	1.30	1.44
1/18/2016	1.810	0.918	1.088	3.816	0.19	0.15	0.28
1/19/2016	2.143	1.025	1.349	4.517	2.06	1.30	1.50
1/20/2016	1.299	0.708	0.816	2.823	0.00	0.00	0.00
1/21/2016	0.997	0.599	0.620	2.217	0.00	0.00	0.00
1/22/2016	1.064	0.561	0.574	2.199	0.55	0.17	0.32
1/23/2016	1.086	0.606	0.599	2.291	0.11	0.20	0.18
1/24/2016	0.976	0.584	0.541	2.101	0.00	0.00	0.00
1/25/2016	0.880	0.461	0.480	1.821	0.00	0.00	0.00
1/26/2016	0.732	0.457	0.361	1.550	0.00	0.00	0.00
1/27/2016	0.713	0.463	0.448	1.624	0.00	0.00	0.00
1/28/2016	0.827	0.440	0.369	1.636	0.00	0.00	0.00
1/29/2016	0.891	0.454	0.422	1.767	0.75	0.25	0.63
1/30/2016	0.866	0.530	0.498	1.894	0.00	0.00	0.00
1/31/2016	0.827	0.497	0.451	1.775	0.00	0.00	0.00
Totals	29.341	16.123	16.503	61.967	8.43	6.45	8.28

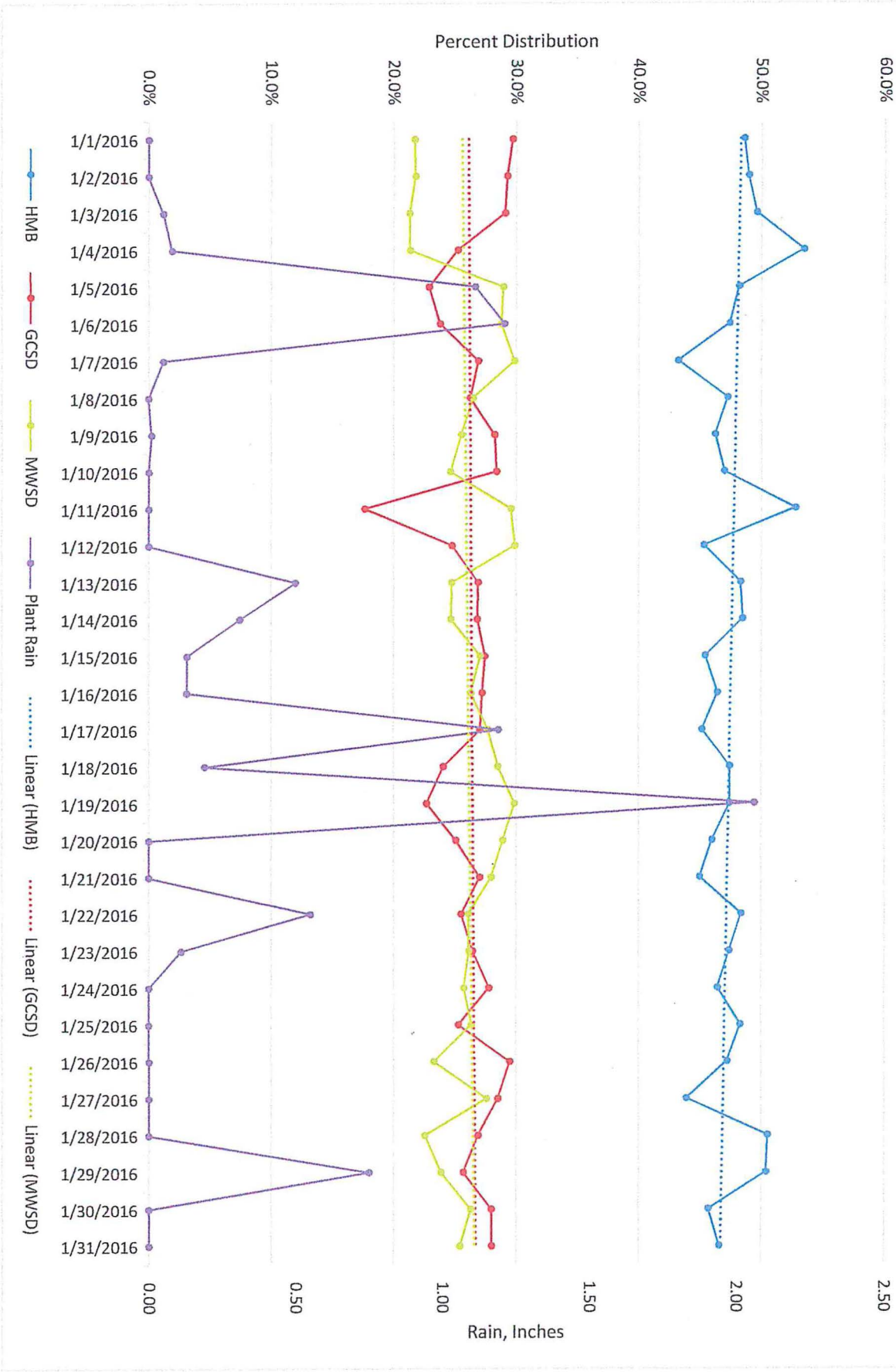
Summary

	<u>HMB</u>	<u>GCSD</u>	<u>MWSD</u>	<u>Plant</u>
Minimum	0.638	0.244	0.285	1.313
Average	0.946	0.520	0.532	1.999
Maximum	2.143	1.025	1.349	4.517
Distribution	47.3%	26.0%	26.6%	100.0%

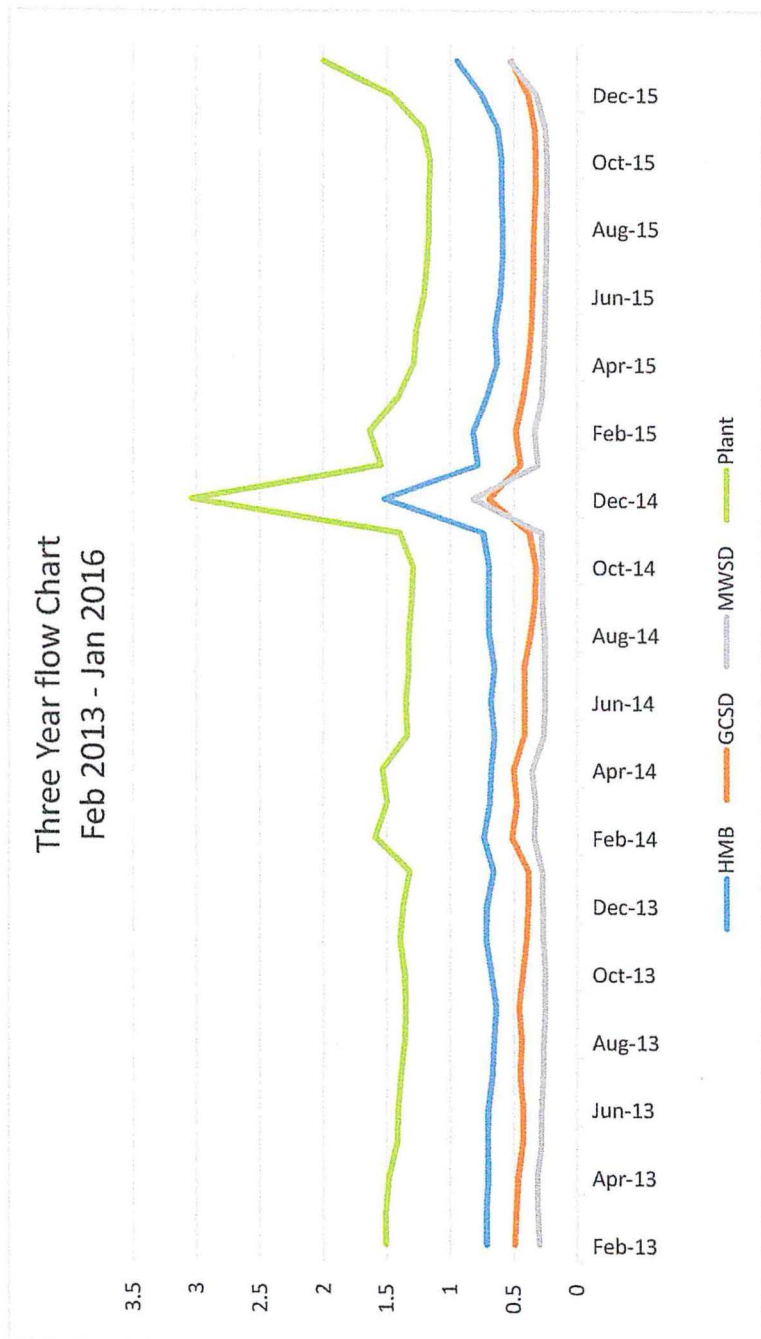
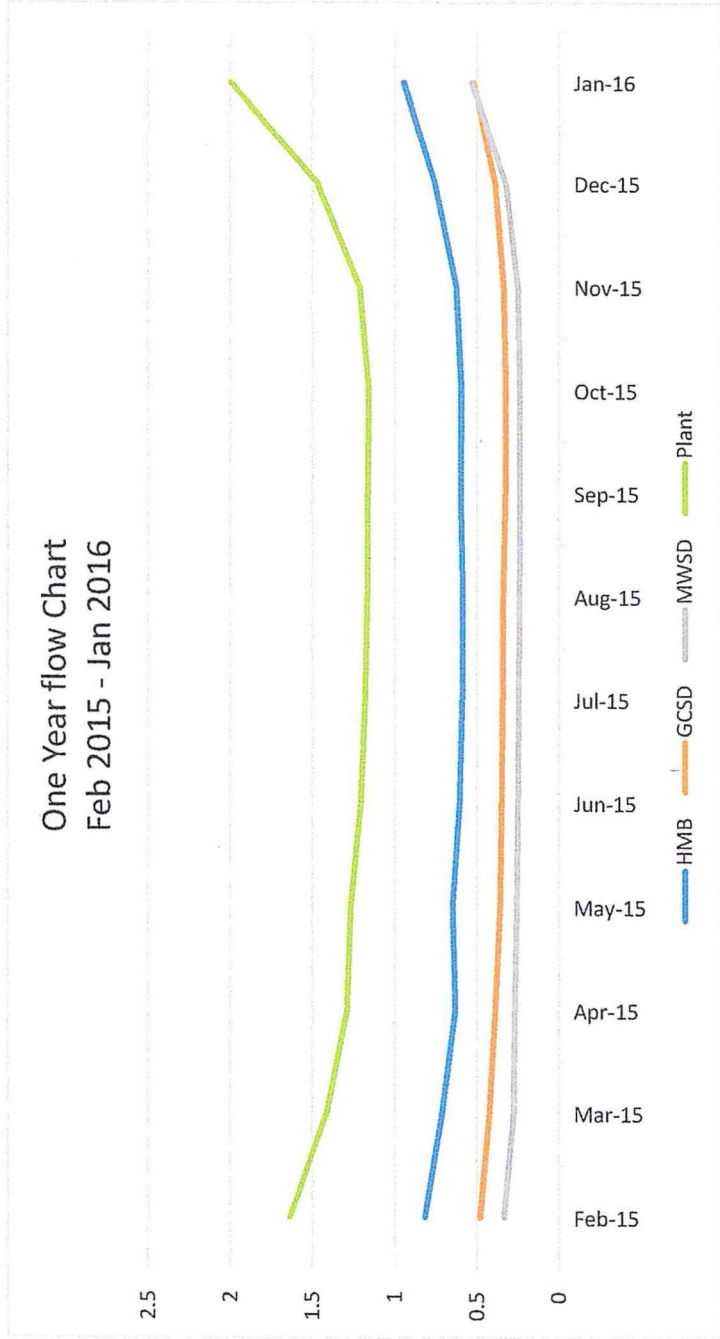
Sewer Authority Mid-Coastside Monthly Flow Distribution Report, January 2016

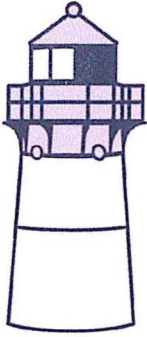


Percent Distribution January 2016



Most recent calibration Nov of 2015





MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **March 3, 2016**

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 January 2016 was 0.446%.
- 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: **March 3, 2016**

TO: BOARD OF DIRECTORS
FROM: Clemens Heldmaier, General Manager

SUBJECT: Connection Permit Applications Received

As of March 3, 2016 the following new Sewer Connection Permit applications were received since the last report:

Date of Application	Property Owner	Site Address	Home Size
2/9/2016	MG Capital LLC	1070 Date Street	SFD

As of March 3, 2016 the following new Water (Private Fire Sprinkler) Connection Permit applications were received since the last report:

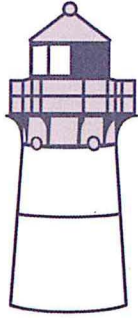
Date of Application	Property Owner	Site Address	Home Size
2/9/2016	MG Capital LLC	1070 Date Street	SFD

As of March 3, 2016 the following new Water Connection Permit applications were received since the last report:

Date of App.	Property Owner	Site Address	Home Size	Type of Connection
2/9/2016	MG Capital LLC	1070 Date Street	SFD	Conversion

RECOMMENDATION:

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



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **March 3rd, 2016**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

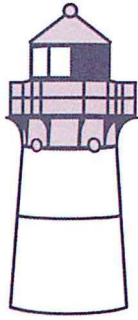
SUBJECT: Monthly Water Production Report

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

RECOMMENDATION:

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

Attachments



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **March 3rd, 2016**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

SUBJECT: Rain Report

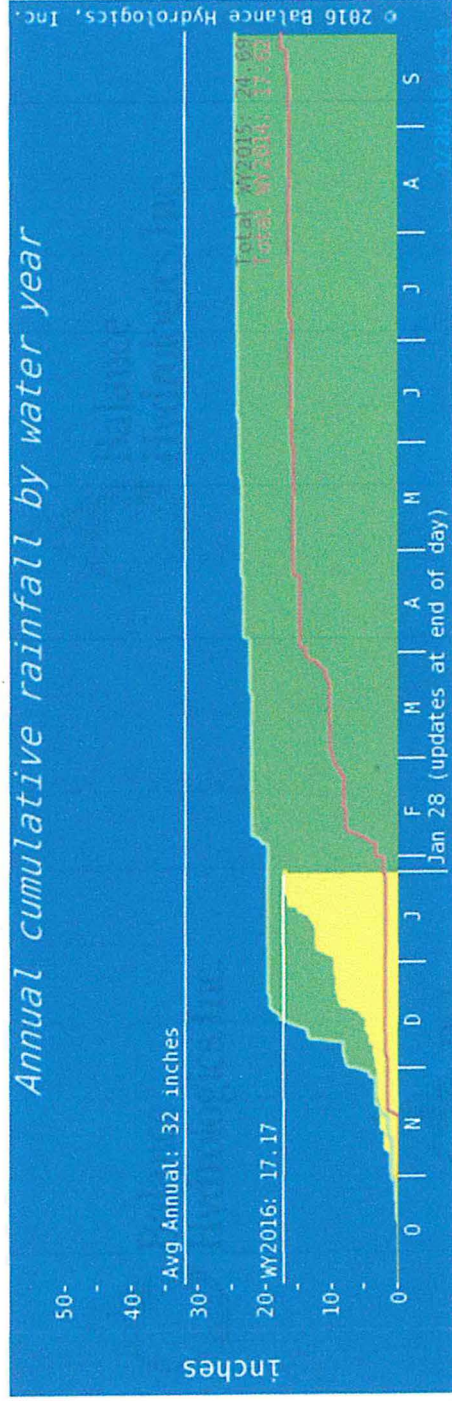
The attached chart shows the monthly rainfall at the Alta Vista Treatment Plant for the current and prior fiscal years along with the seven year average of rainfall.

RECOMMENDATION:

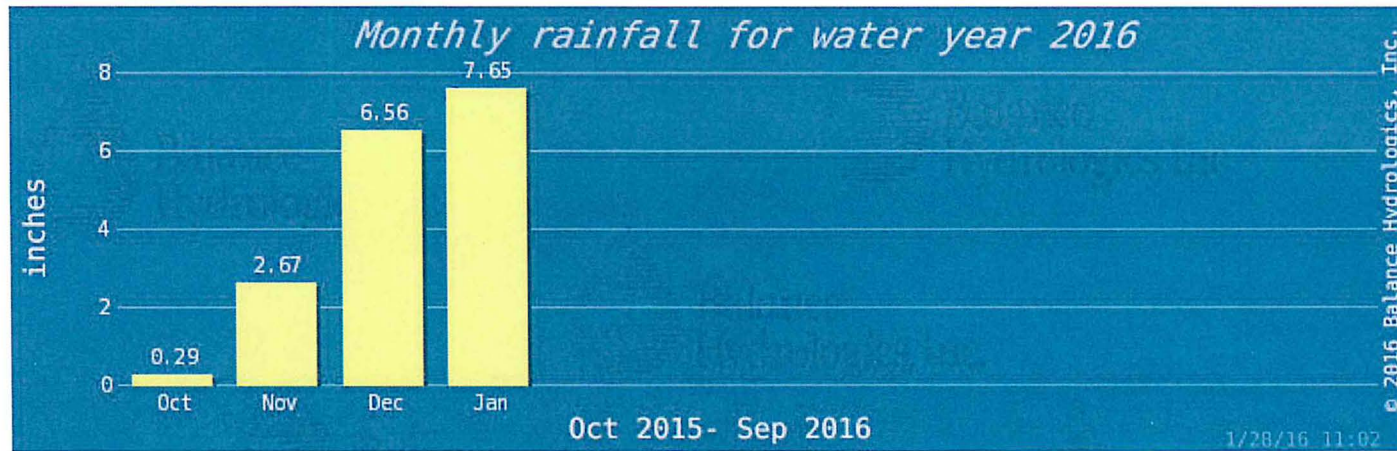
No action is required. This is presented for the Board's information only.

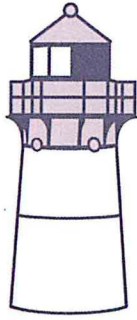
Attachment

Annual Cumulative Rainfall



Monthly Rainfall Report Oct 2015 – Sept 2016





MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **March 3rd, 2016**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

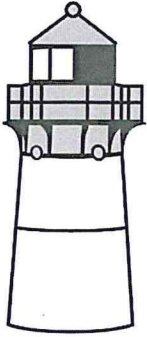
SUBJECT: Monthly Solar Energy Report

The attached chart summarizes the monthly solar production at the Alta Vista Array. Since the installation of the solar panels the District produced 36573 kWh and saved 62173 lbs of CO₂.

RECOMMENDATION:

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

Attachments



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **March 3, 2016**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

A handwritten signature in blue ink, appearing to be 'Clemens Heldmaier', written over the 'FROM' line.

SUBJECT: Receive Alta Vista Tank Construction Report

Construction of the Alta Vista Tank No. 2 is going as planned. The tank construction itself has been completed and only minor outstanding items will be finished in the coming weeks.

Staff would like to schedule a ribbon cutting ceremony for Thursday, March 17, at 2:00pm.

Tim Monahan with SRT will present the current accomplishments summarized in the attached slide show.

RECOMMENDATION:

This is for Board information only.

Attachments

Montara Water and Sanitary District

Alta Vista Tank No. 2
Construction Update

Board of Directors Meeting
March 3, 2016

Project Team



WESTERN WATER
CONSTRUCTORS, INC.



DYK and Natgun
Generations Strong

Project Features

Capacity: 500,000 gallons

Type: Pre-stressed Reinforced Concrete
Partially (mostly) buried
Domed roof

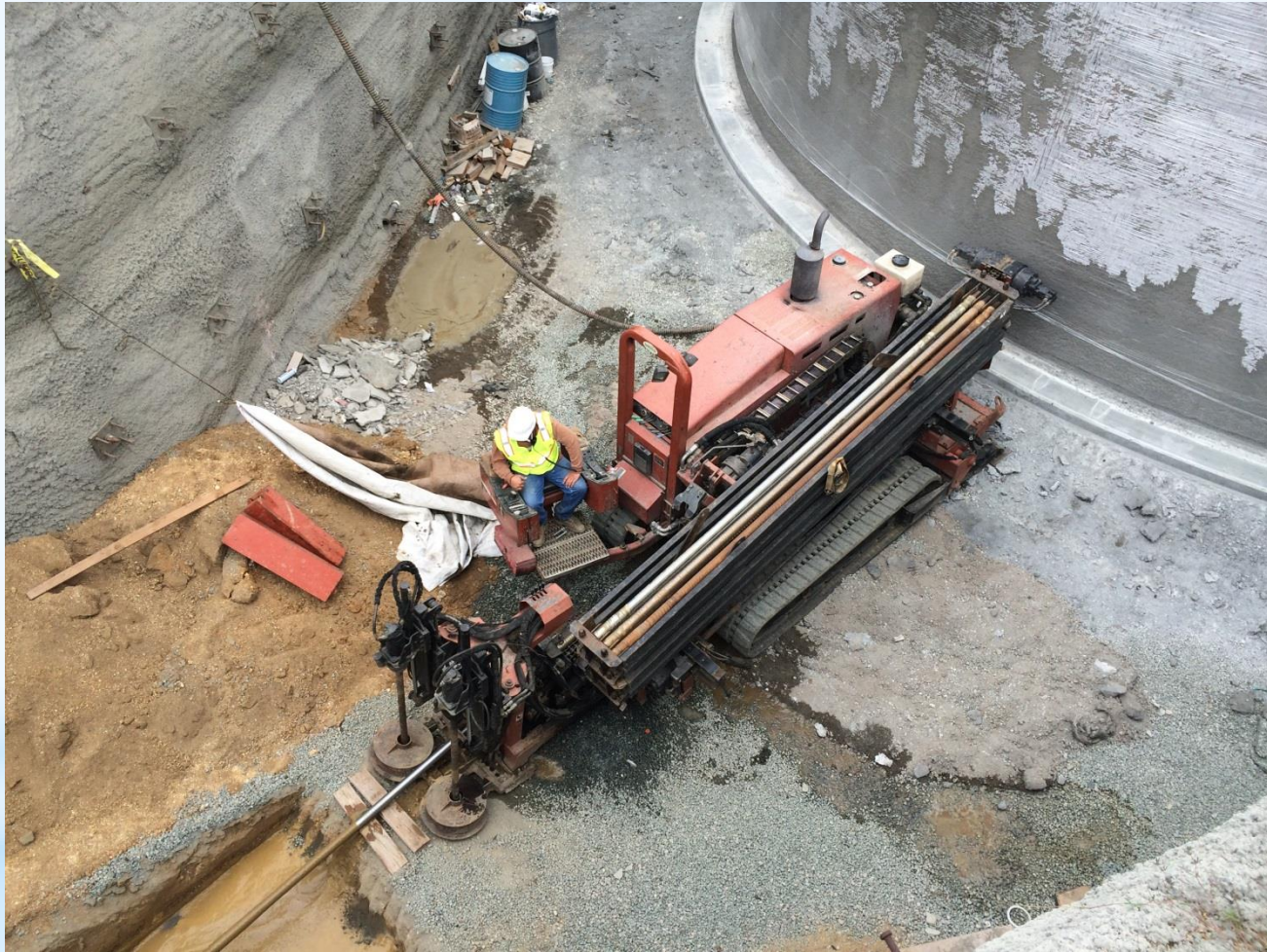
Bid amount: \$2,935,000

Final cost: \$2,950,000 (<0.5%)

Start: October 2014

Completion: March 2016

Construction Progress



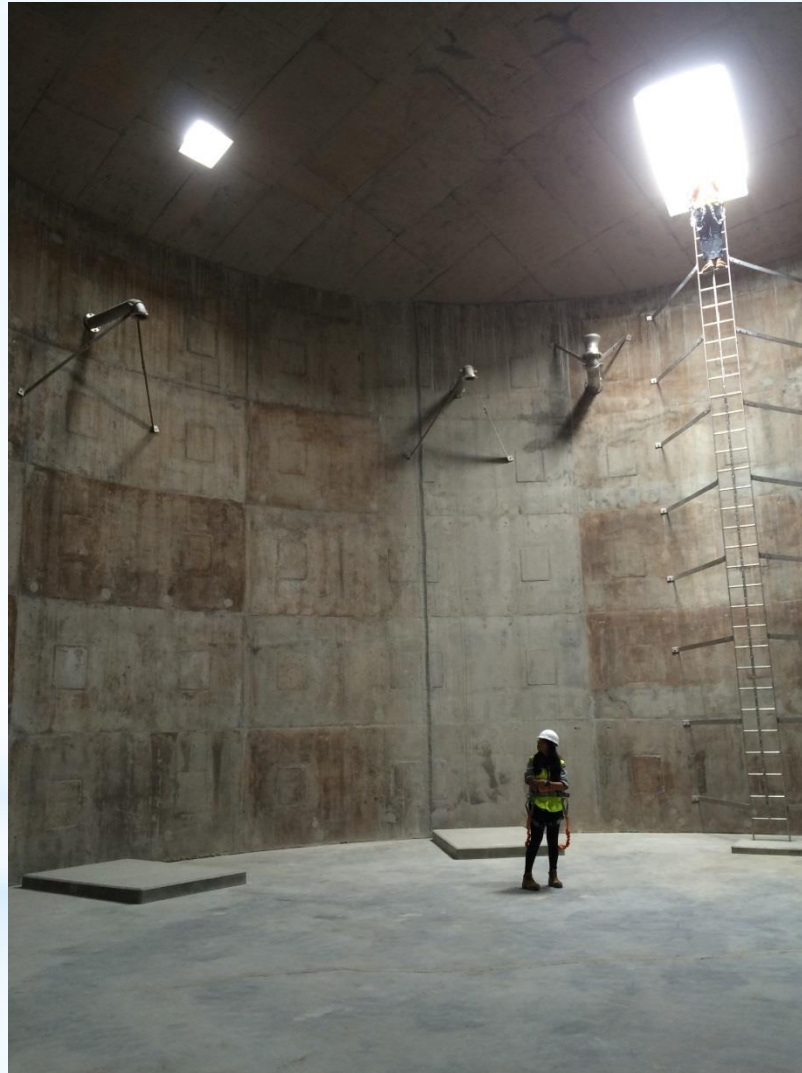
Horizontal Directional Drilling of Outlet Pipe

Construction Progress



Horizontal Directional Drilling of Outlet Pipe

Construction Progress



Interior Tank Inspection

Construction Progress



Seismic Fitting Installation

Construction Progress



Backfilling

Construction Progress



Backfilling

Construction Progress



Rough Grading

Construction Progress



Rough Grading

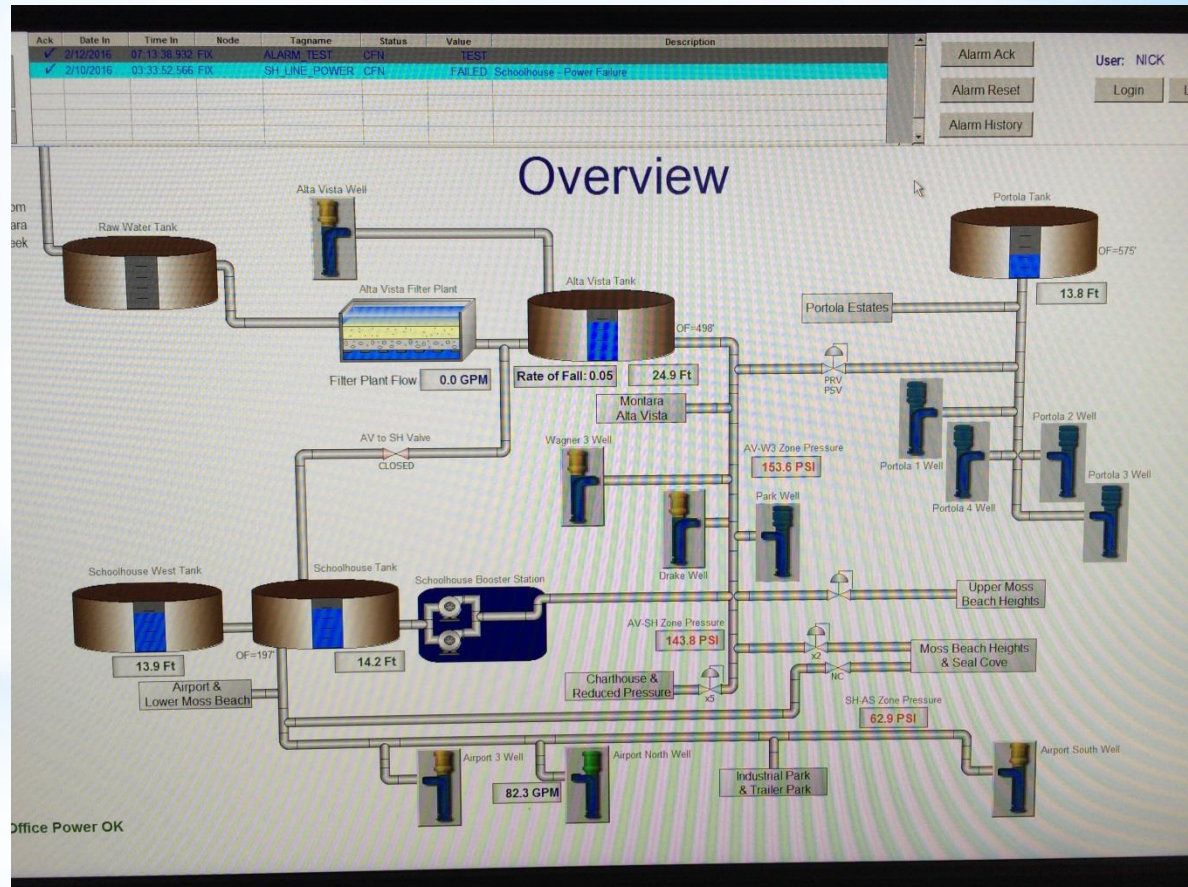
Construction Progress



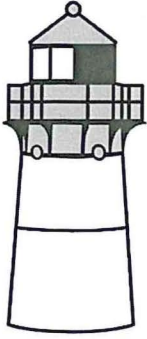
Final Grading

Next Steps

- Complete landscaping
- Install fence
- Painting
- SCADA integration
- Punch list
- Close out



Questions



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **March 3, 2016**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

SUBJECT: Review and Possible Action Concerning OpenGovernment Online Platform.

At the request of Director Slater-Carter, the Board received a presentation from OpenGov.com about their software product at a recent meeting. The web application visualizes financial information for citizens, like general ledger, chart of accounts, current year spending and balance sheet. Purpose of the software is increased budget transparency for Directors and Public.

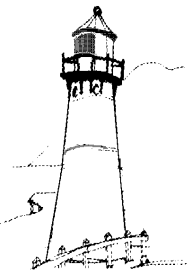
Concerns about unknown cost associated with the setup and maintenance led to the Boards request to negotiate an early termination clause. Instead Opengov is suggesting a scaled agreement with lower cost in the initial year and increasing cost in following years. At the last meeting the Board requested staff to contact current users inquiring about their experience with the product.

Staff contacted the City of Roswell, New Mexico, the West Bay Sanitary District, and the San Dieguito Water District. The experience with Opengov was generally positive for Roswell and San Dieguito. Both Financing Directors described the service as a great public facing tool that requires limited maintenance. The West Bay Sanitary District's accountant did not criticize the product itself, however mentioned the additional work of keeping the system up to date with varying hours. In all three cases other staff members were also involved in the setup and maintenance and an accurate account of work hours spent not readily available. The city of Roswell was able to state that not more than two hours per month were needed to maintain the website.

Due to the timeline of the extended offer for 2015 prices the manager engage in the services with Opengov.

RECOMMENDATION:

This is for Board Information only



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: March 3, 2016

TO: BOARD OF DIRECTORS
FROM: Clemens H. Heldmaier, General Manager

SUBJECT: Executive Summary – December 31, 2015 Mid-Year Budget vs. Actual

Sewer Service Charges: Total revenue of \$1,056,939 collected; 51.91% of budget.

1st Sewer Service assessment received in December.

Water Sales: Total revenue of \$890,472 collected; 53.01% of budget.

No additional developments to report, outside of monthly flow report analysis.

The Bartle Wells Water Rate study has been attached to begin discussions for a proposed water rate increase of 3%.

Sewer Fees: Total revenue of \$34,668 collected; 182.46% of budget.

Remodel fees are the particular line item which has seen the most activity. However, outside of remodel fees, the District's various other fees are 68.20% of total budget midway through the fiscal year.

Water Fees: Total revenue of \$23,639 collected; 226.21% of budget.

Mainline extension fees are the particular line item which has seen the most activity. However, outside of mainline extension fees, the District's various other fees are 84.30% of total budget midway through the fiscal year.

Sewer Property Tax: Total revenue of \$117,061 collected; 50.90% of budget.

Water Property Tax: Total revenue of \$117,060 collected; 50.90% of budget.

The District received an excess ERAF distribution of \$191,294 in January 2016. Currently, the amount is split 50/50. Prior year's ERAF distribution was allocated 100% toward the Water Fund in order to be better leveraged for the upcoming debt service payments for the Alta Vista Tank project. A decision regarding this year's allocation has not yet been made.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: March 3, 2016

TO: BOARD OF DIRECTORS
FROM: Clemens H. Heldmaier, General Manager

Sewer Personnel expense: Total expense of \$124,596 incurred; 39.98% of budget

As of 1/31/2016 PARS contributions have not been made. The total budget for the year is set at \$45,285. Payments in arrears due to the retro aspect of the plan would be \$17,099.57 or 37.76% of budget.

Water Personnel expenses: Total expense of \$300,597 incurred; 39.07% of budget

As of 1/31/2016 PARS contributions have not been made. The total budget for the year is set at \$111,796. Payments in arrears due to the retro aspect of the plan would be \$34,141.80 or 30.54% of budget

Sewer Professional Services: Total expense of \$57,566 incurred; 64.28% of budget.

Water Professional Services: Total expense of \$68,183 incurred; 49.64% of budget.

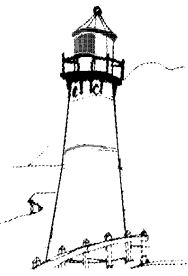
Please refer to individual account line items for a distinct performance indication.

Sewer Engineering: Total expense of \$9,251 incurred; 17.46% of budget.

Water Engineering: Total expense of \$37,646 incurred; 56.19% of budget.

Minimal activity to date in terms of Sewer activity.

Water engineering expenses were below budget in terms of general engineering; however, Water Quality Engineering expenses were higher than expected.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: March 3, 2016

TO: BOARD OF DIRECTORS
FROM: Clemens H. Heldmaier, General Manager

Sewer Pumping: Total expense of \$8,310 incurred; 30.78% of budget.

Water Pumping: Total expense of \$32,490 incurred; 39.38% of budget.

All costs associated with this line item are from PG&E.

Sewer Authority Mid-Coastside: Total expense of \$555,299 incurred; 47.94% of budget

Collections, Maintenance, and Capital assessments were all budgeted to the penny. The reason for the below budget is for items that are unknown during the budget process which include account number's 6940 and 6950 which is maintenance of the pumping and collection systems. The District is responsible for various costs of maintaining sewer lines and lift stations which SAM performs.

Water Supply: Total expense of \$29,411 incurred; 65.36% of budget.

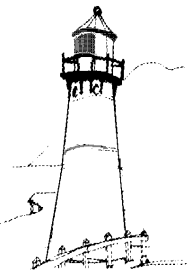
Well Maintenance expenses have run over budget mid-way through the fiscal year.

Water Collection/Transmission: Total expense of \$49,745 incurred; 52.64% of budget.

Majority of costs are contracted services from Andreini Brothers, Moss Excavation, and R & B Company for maintenance of water mains, service mains, and other services for District customers.

Water Treatment: Total expense of \$25,559 incurred; 43.32% of budget.

Costs associated with the purchase of chemicals and equipment as well as the analysis of water samples by BSK lab, CA laboratory services, as well as North Coast County Water District.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: March 3, 2016

TO: BOARD OF DIRECTORS
FROM: Clemens H. Heldmaier, General Manager

All other Accounts Sewer: Total expense of \$9,763 incurred; 20.73% of budget.

All other Accounts Water: Total expense of \$97,257 incurred; 76.52% of budget.

The amounts for Water are a bit skewed at this point due to the placement of a SCADA capital expense being classified as an expense in the current period. With the correction made to the financials on a go forward basis, the expense category would be 47.89% of budget.

Sewer Capital Improvement: Total expense of \$37,554 incurred; 5.48% of budget.

Minimal activity has occurred to date.

Water Capital Improvement: Total expense of \$1,109,199 incurred; 64.15% of budget.

The Alta Vista Tank construction consists of \$827,350 or 75% of the total cost of capitalized expenditures.

Sewer Connection Fees: Total revenue of \$62,929 collected; 19.33% of budget.

A total of 2 new construction connection fees sold.

A total of 3 remodel connection fees sold.

Water Connection Fees: Total revenue of \$89,398 collected; 56.94% of budget.

A total of 5 new construction connections sold.

A total of 5 new construction PFP connections sold.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **March 3, 2016**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

SUBJECT: Review and Possible Action Concerning Mid-Year Budget Review.

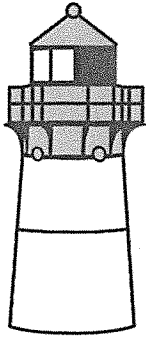
To allow the Board and public to be as well informed as possible regarding the District's financial reporting; a number of steps have been taken over the past 3 years. The Funds Balance Sheet and Revenue & Expenditures Budget vs. Actual line items were renamed and grouped with the intent to make the reports understandable for everyone in the District. In addition a 12 month Revenue & Expenditures Budget vs. Actual was introduced as well as an executive summary that highlight's variances in the Budget line items.

Peter Medina with Maze & Associates has prepared documents that illustrate the comparison of the District's financial position for the period ended December 31, 2015 with the previous fiscal year's period ended December 31, 2014.

RECOMMENDATION:

This is for Board information only.

Attachment



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **March 3, 2016**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

**SUBJECT: Receive Annual Update to Staff Action Plan for
MWSD Strategic Plan.**

This Board approved its first Strategic Plan in early 2015. The Goals and Objectives should be reviewed and a Strategic Plan Update produced by February 2017. Staff has reviewed and updated its Action Plan to implement the Boards direction.

RECOMMENDATION:

This is for information only

Attachments

No.	P.	Action	Lead	Comments	Timing	Status	Feb. 16 Assessment
1.0.0		Goal 1.0 - Water Supply Planning and Source Water Protection: Protect, maintain, and develop existing and new water sources for best quality, cost and productivity, while ensuring the permanent sustainability of the District's water supply and quality.	Goal				
1.1.0		The District will proactively protect and improve water quality and supply, where needed.	Obj				
1.1.1	1	Track development plans of public and private landowners (County, GGNRA, POST, etc.) for potential impacts to watershed, such as septic systems etc.	Clemens		Ongoing	When received	Ongoing
1.1.2		See 1.2.1	NA		NA		Planned progress underway. See 1.2.1
1.1.3	2	Continue to establish groundwater level and stream-gauging programs to improve understanding of District's hydrology.	Clemens	With Balance Hydrologic	Dec-15	Annually	Completed, new timing Dec-16
1.1.4	3	Develop an integrated regional water management plan for watershed protection, increased knowledge base and increased funding opportunities.	Clemens	Obtain Board approval, start negotiating w/ stakeholders by May-15	May-15		Not Completed, new timing (NT) Dec. 16
1.1.5	3	Develop regional groundwater management agency.	Clemens	Obtain Board approval, start negotiating w/ stakeholders by Dec-15	Dec-15		Not Completed, NT Dec. 16
1.2.0		The District will ensure permanent water independence.	Obj				
1.2.1	1	Continue Renewal and Rehabilitation Program for existing groundwater and surface water sources to protect sustainability, water quality, and supply availability	Clemens	Funds currently still available, delayed due to lack of drilling rigs (drought)	Dec-15	Minimum of one well per annum	Portola 3 and Portola 4 Well rehab completed. This year's focus on Wagner Well reconstruction, approval of additional funds in CIP. New timing Feb. 17
1.2.2	1	Proceed with Water Source Exploration on Caltrans Right of Way to ensure water supply reliability, source protection, and continued sustainability	Clemens	5 Boreholes allowed to test drill until April 2015.	Dec-15	Deadline 2015	2 Boreholes successfully completed.
1.2.3	2	Negotiate extension to drill further exploratory wells after April 2015.	Clemens		Mar-15	Start negotiations before April	Change to: Negotiate property acquisition, NT Feb 17
1.2.4	2	Continue developing a Supply and Demand Analysis on an annual basis to understand customer demands and plan future water supply, as necessary.	Tanya		Dec-15	Annually	Completed. NT Dec. 16
1.2.4	2	Prepare Master Plan Update	Clemens/ Tanya	5 year Update	Dec-16		New Action introduced Feb 2016
1.3.0		The District will incorporate phenomena such as seawater rise and weather extremes, and any other identified challenges in its planning and implementation of water programs.	Obj				
1.3.1	3	Work with neighboring agencies to ensure secure long-term regional water supplies that aren't affected by climate change. See 1.1.4 and 1.4.5.	Clemens		NA	Ongoing as needed	Ongoing
1.3.2	2	Support SAM's Recycled Water Project Phase 1 and later, coast-wide, phases that offset use of local water sources, prevent seawater intrusion, creek restoration and improve long term water security.	Board	SAM reps and full Board play critical role. A political effort primarily.	Sep-15	Ongoing as needed. Evaluate annually	Ongoing Support, regular Board updates through committee reports. NT Sep 17
2.0.0		Goal 2 - Communication: Actively communicate with all stakeholders in a clear, factual, timely, two-way manner to foster understanding and alignment between the District and those it serves and works with.	Goal				
2.1.0		Staff will develop core messages and obtain board approval for them.	Obj				
2.1.1	NA	See 2.2.1 and 2.2.2	Martin		May-15		Partially completed through Strategic Plan. NT September 16
2.2.0		Staff will design and implement communication that is consistent with Board-approved messaging.	Obj				
2.2.1	1	Develop an Outreach Plan and budget for Board approval.	Martin	Consultant Support	May-15	Start in March	Not Completed. Proceed with Plan presentation and budget approval in conjunction with District Budget. NT July 16
2.2.2	2	Implement Outreach Plan.	Clemens	Consultant Support	Jun-15	See Plan	Not Completed. See 2.2.1 NT August 16
2.2.3	2	Prepare and distribute initial newsletter, future editions depending on Outreach Plan.	Martin	Consultant Support	Apr-15	Start Now?	2 Newsletters completed, NT ongoing
2.3.0		Staff will develop and follow an outreach plan and budget, and will consider and select among all outreach tools for cost-effectiveness and practicality (e.g. open houses, newsletters, press, social	Obj				
2.3.1	NA	See 2.2.1 and 2.2.2 above	Clemens	Consultant	May-15		NA
2.4.3	3	Complete under construction areas of website	Martin		Apr-15	April	Completed. Change Action to: Keep website up to date and increase online information services. NT ongoing

3.0.0	Goal 3 - Rates and Finance: Use the longest possible outlook for planning revenue needs, finance and rates. Base planning and decisions will be based on a long-term, proactive understanding of finances, capital facility planning, and operational and regulatory needs.	Goal				
3.1.0	Costs will be allocated through rates that are fair by class and customer; and will be developed after evaluating all reasonable options beyond tiers, including how well connection options will influence rates.	Obj				
3.1.1	1 Complete Water Rate Study.	Clemens	With Bartle Wells	Apr-15	Effective July-15	Completed. Change to Evaluate Water Rates and implement necessary rate increases. NT June 16
3.2.0	Add and update new rates.	Obj		FY 15/16		
3.2.1	1 Implement annual solid waste rate changes in accordance with the franchise agreement	Clemens		Dec-15		Completed. NT Dec 16
3.2.2	1 Evaluate Sewer Service Charges and implement necessary rate increases or proposition 218 processes.	Clemens	With Bartle Wells	Apr-15	Annually. Effective July-15	Completed, NT Apr 16
3.3.0	Rates will be sustainable, steady, defensible, understandable and fair.	Obj				
3.3.1	2 See 3.1.1, 3.2.2, and 3.2.1.	Board		NA	NA	NA
3.3.2	2 Prepare Connection Fee Review	Clemens/ Alex		Dec-16		
3.4.0	Use the longest reasonable outlook for planning infrastructure replacement needs, while recognizing that infrastructure planning is in flux.	Obj				
3.4.1	3 Include in the Capital Improvement Program (CIP) future anticipated replacement cost for the upcoming 10 years and evaluate funding possibilities.	Tanya + Pippin		Jun-15		Completed. NT Jun 16
3.5.0	Enable effective Board and public oversight of finances through effective and understandable financial reporting.	Obj				
3.5.1	2 Complete bi-annual finance review by Finance Committee and Board.	Clemens	With Peter	Mar-15		Completed. NT Mar-16
3.5.2	2 Identify key financial highlights and summarize for Board review.	Clemens	Clemens discuss with Board in budget season.	Apr-15	Based on Board Input	Completed. NT May-16
3.6.0	Develop a well conversion program that will promote voluntary conversions and the necessary incentives and communication tools to make it happen.	Obj				
3.6.1	2 Evaluate the possibility of well conversion loan program based on existing models.	Clemens	With Bartle Wells + Schricker	Oct-15	Share with public	In progress. NT Oct 16
3.6.2	3 Consider other strategies to increase voluntary well conversions.	Clemens		Oct-15	Share with public	In progress. NT Oct 16
4.0.0	Goal 4 - Government Relations: Promote collaborative relationships and partnerships.					
4.1.0	Enhance Board and staff relationships with other agencies (Board Work Plan).	Obj				
4.1.1	3 General Manager will develop tangible opportunities for Directors to assist with inter-agency collaboration.	Clemens		Ongoing		Ongoing
4.1.2	3 Create the opportunity for the Board to discuss importance of Director engagement by including the item on future Board Agendas.	Pres.		Mar-15		Not Completed NT August 16
4.1.3	3 Promote staff-level collaboration on inter-agency projects by setting up meetings with local agencies that are critical to project success.	Clemens		Timing		Ongoing
4.2.0	Enhance dialog with other agencies about collaborative opportunities for local parks, etc.	Obj				
4.2.1	1 Seek to make the Caltrans Public Right of Way accessible for groundwater supply and community recreation.	Clemens	Need Board support	Jun-15	Underway. Evaluate progress biannually	In progress. NT Feb 17
4.2.2	3 See 5.1.2 and 5.3.1	NA	NA	NA	NA	NA

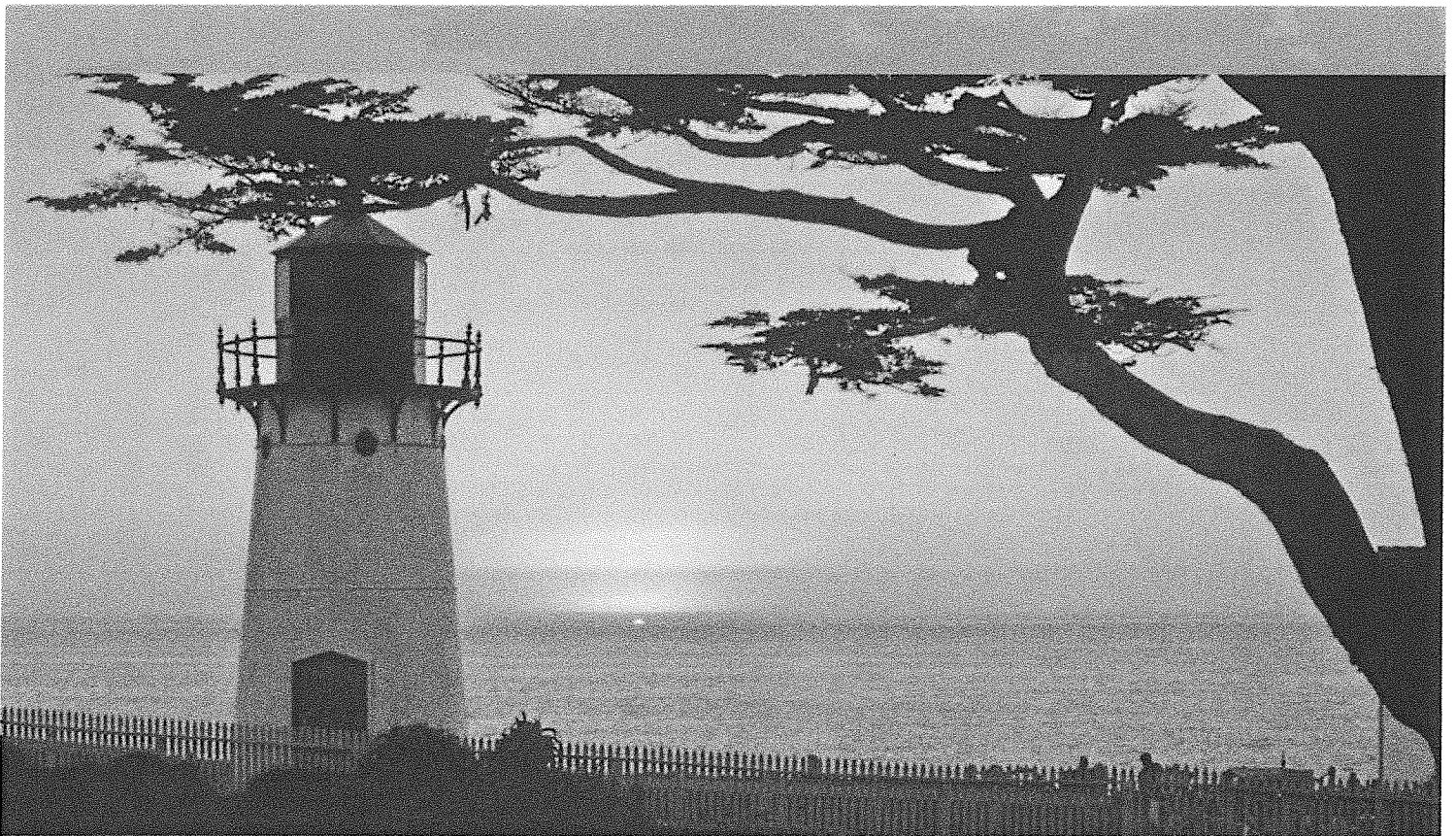
5.0.0	Goal 5 - Additional Services: Be open to providing additional services that are needed and desired within our service area.					
5.1.0	Be responsive to community desires for new services and take a leadership role in considering whether to provide additional services.					
5.1.2	3	Research and track opportunities to collaborate with San Mateo County on providing energy to the Montara and Moss Beach communities.	Clemens	Mostly about tracking and following. Considering seeking a seat at the table.	Aug-15	Ongoing. Annual Board discussion Ongoing. Board discussion completed in early 2015
5.2.0	Examine each opportunity on a case-by-case basis. Evaluate and make clear any impact on quality, availability or cost of existing services.					
5.2.1	2	When opportunities for providing additional services are presented or discovered, each will be considered by a case-by-case basis.	Clemens	Board Support	NA	Ongoing
5.3.0	Seek to provide services collaboratively when mutually beneficial partnerships can be found.					
5.3.1	3	Continue to seek opportunities to collaborate and develop partnerships with local agencies and present viable opportunities to the Board.	Clemens	Board Support	Sep-15	Ongoing. Annual Board discussion Ongoing, completed several Board discussions
6.0.0	Goal 6 - Operations and Administration: Develop and maintain an organizational structure and management policies that foster a high performing, stable and productive organization that learns and improves over time.					
6.1.0	Develop and implement a plan for retaining institutional knowledge.					
6.1.1	1	Complete Salary Study and evaluate implementation strategies for retaining staff, including implementation of effective qualitative strategies, including employee incentives.	IEDA	With Clemens	Apr-15	Partially completed, NT Dec 16
6.1.3	2	Assess staffing levels in terms of stress and reliability to meet District needs. Include succession planning and ability to deal with major personnel interruptions.	Clemens	With IEDA	Nov-15	Partially completed, NT Dec 16
6.2.0	Develop, follow and appropriately update procedures for Administration, Human Resources, and Management.					
6.2.1	2	Review and update Employee Manual.	IEDA	With Clemens	Mar-16	Not Completed, NT Mar 16
6.2.2	3	Review and update all District policies and procedures and suggest additions and updates.	Clemens		Aug-16	Ongoing, NT Aug 17
6.2.3	2	Assess field staff levels to improve system reliability in conjunction with sewer collection system maintenance agreement.	Pippin	with Clemens	Mar-16	In progress, NT May 16
6.3.0	Emergency planning should be appropriately updated with documented procedures and methods in place for coordinating with others.					
6.3.1	2	Update the existing Emergency Response and Recovery Plan (ERRP) to maintain a relevant emergency planning document.	Clemens		Aug-15	Every five years Completed.
6.3.2	3	Become a leader and a hub for local utility emergency planning.	Clemens	Need Board support	Nov-15	Annual update Ongoing NT Nov 16
6.3.3	2	Update drought contingency plan.	Clemens		May-16	Every five Years Not completed NT Dec 16
7.0.0	Goal 7 - Build and Maintain Facilities that are Reliable, Environment, and Efficient: Plan, provide for, and maintain District facilities and other physical assets to achieve long-term reliable, environmentally sound and efficient District operations.					
7.1.0	Manage the wastewater system with the objective of zero spills and zero permit violations.					
7.1.1	1	Continue the implementation of a mainline replacement program, focused on areas prone to leaking and/or overflow.	Tanya	with Pippin	Jun-15	Annually. Review with budget Completed. NT Jun 16
7.1.2	2	Implement improvements at wastewater lift stations to improve reliability and mitigate overflows.	Pippin		Jun-15	Annually. Review with budget Completed. NT Jun 16
7.1.3	3	Evaluate other methods for the reduction of inflow and infiltration (I&I).	Pippin		Jun-15	Annually. Review with budget Completed. NT Jun 16
7.2.0	Asset Management - Consider lifecycle costs in all facility construction, upgrades, maintenance and management decisions and activities. Continue with water and focus attention on sewer.					
7.2.1	3	Include lifecycle cost analysis in the Feasibility Studies for new facilities, facility upgrades, and/or maintenance activities.	Tanya	with Pippin	Jun-15	Annually. Review with budget Completed. NT Jun 16
7.3.0	Creatively seek opportunities to maintain or improve quality while lowering costs.					
7.3.1	3	Research grant opportunities for installation of energy efficient technologies.	Tanya	with Pippin and Clemens	Jun-15	Annually. Review with budget Completed NT Jun 16

8.0.0	Goal 8: Governance. The Board will govern lawfully, with an emphasis on (a) outward vision rather than internal preoccupation; (b) encouragement of diversity in viewpoints; (c) strategic leadership more than administrative detail; (d) clear distinction of Board and general manager roles; (e) collective rather than individual decision-making; (f) future rather than past or present; and (g) proactivity rather than reactivity	Goal				
8.1.0	The Board will invest in itself and its members' training and governance capacity.	Obj				
8.1.1	2 Board consider need for additional training	Board		Oct-15		Not Completed. NT Oct 16
8.2.0	Continued Board development is to include orientation of new board memers, and periodic consideration of Board governance effectiveness, including enhancing communication between Board members and between the Board and general manager	Obj				
8.2.1	2 Board will evaluate its own governance effectiveness, including its communciation with the GM and consider changes.	Board		Feb-15	Annually	Not Completed. NT May 2016
8.2.2	2 Initiate discussion about selection and preparation of officers early in the year.	Board		Oct-15	Annually	Not Completed. NT Oct 2016
8.2.3	2 Board will review strategic Plan Annually	Board		Feb-15	Annually	Completed. NT March 2016



Montara Water and Sanitary District

2015 STRATEGIC PLAN



Prepared by: Rauch Communication Consultants Inc.

DIRECTORS

Scott Boyd, President
Jim Harvey, President pro tem
Kathryn Slater-Carter, Treasurer
Dwight Wilson, Secretary
Bill Huber, Director

GENERAL MANAGER

Clemens Heldmaier

8888 Cabrillo Hwy • Montara, CA 94037 • (650) 728-3545 • mwsd.montara.org

PARTICIPANTS:

BOARD OF DIRECTORS

Scott Boyd, President, SAM representative

Jim Harvey, President pro tem, SAM representative

Kathryn Slater-Carter, Treasurer, SAM alternate

Dwight Wilson, Secretary

Bill Huber, Director

DISTRICT MANAGEMENT STAFF

Clemens Heldmaier, General Manager

CONSULTANT

Martin Rauch, Managing Consultant

Contents

1. Introduction

Purpose

Strategic Plan Framework

How Plan Elements Relate (Graphic)

2. Developing the Plan

Strategic Planning Process

Rating the District Today

Challenges and Opportunities

Priority Issues

3. The Strategic Plan

Mission

Vision for the Future

Values

Strategic Goals and Objectives

4. Staff Work Plan

5. Expectations and Results

Achieving Expectations

Ensuring Results

1. INTRODUCTION: Purpose of the Plan

Planning is strategic when it helps move an organization forward from its current situation to its desired future.

This Strategic Plan is the District's highest level planning document, and represents the Board's direction for the future, and the staff's work plan for implementing it.

It was developed through a step-by-step process that included recognizing the District's operating environment, strengths and weaknesses of the organization, as well as opportunities and challenges.

It identifies the agency's mission, vision, and values, while providing a set of goals and objectives that becomes a framework for all decision-making.

The Plan is also a practical working tool that provides clear direction to the staff about the Board's goals and objectives, and includes a work plan developed by the staff to meet those goals and objectives. As such, it is referred to regularly as a guide to District actions during the period covered.

To keep it fresh, it must be updated annually and rolled forward so that there is always a five-year guide to the future.

1. INTRODUCTION: Strategic Framework

The Strategic Plan is built from a series of logical components, described below and shown in the graphic.

Mission. The mission statement explains why the organization exists. It articulates the organization's essential work in a brief sentence or two.

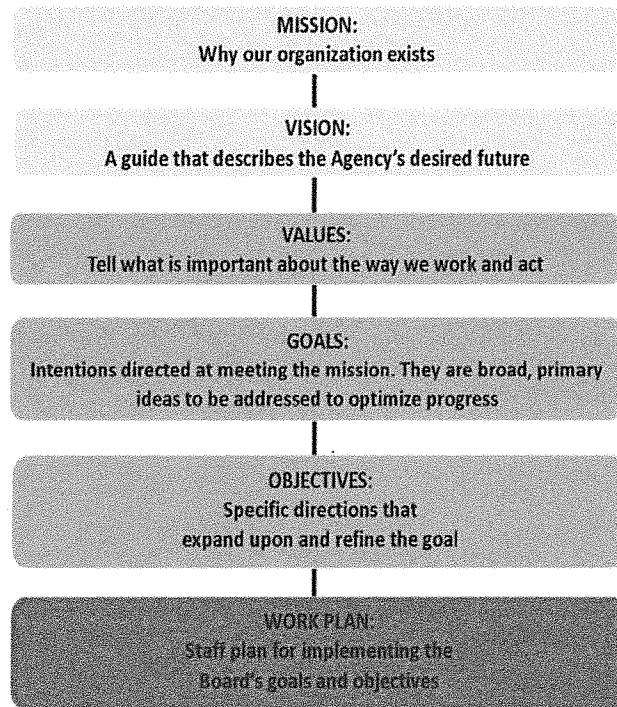
Vision. The vision articulates what the agency will become at a given time in the future. It is the strategic target which, when achieved, is the fulfillment of the agency's mission. As such, it is at the heart of the strategic planning process.

Values provide guidance when an agency is faced with challenging decisions that require tradeoffs, options and alternatives. Values are set by the Board, govern attitudes and behaviors, and generally remain constant over time.

Goals describe broad, primary areas of management, operations and planning that need to be addressed in accomplishing the mission. Goals are not connected to timelines.

Objectives are more specific directions that expand upon the goals. They are set by the Board. There may be multiple objectives for each goal. Objectives are SMART: Specific, Measurable, Attainable, Related to Goals, Time Certain.

Strategic Work Plan contains measurable, precise timetables and actions to accomplish the mission, goals, and objectives. They are assigned to individuals or departments. There may be multiple tasks for each objective that can be crossed off as finished.



2. PLAN DEVELOPMENT: Strategic Planning Process

The strategic planning process was carried out in the series of steps as outlined below.

Background Research. The consultants began by holding discussions with the General Manager.

Confidential Interviews. This was followed by a series of confidential interviews carried out by the consultant. The goal is for the interviewees to candidly express their interests and perspectives on the District's and its priorities.

The interviewees included the entire Board of Directors as well as numerous stakeholders, including leaders of neighboring local governments, customers and others as outlined below.

STAFF: Clemens Heldmaier, GM, and Julian Martinez, Superintendent of Water Operations

BOARD: Scott Boyd, Director; Dwight Wilson, Director; Bill Huber, Director; Jim Harvey, Director; and Kathryn Slater-Carter, Director

OTHER STAKEHOLDERS: David Dickson, Coastside County Water District GM; Gary Warhaftig, Montara Moss Beach Water Improvement Association; Leonard Woren, Granada Sanitary District Director; Peter Grenell, San Mateo County Harbor District; Paul Cole, Assistant Fire Chief; Robert Hopkins, Sewer Authority MidCoast GM; and Don Horsley, San Mateo County Supervisor.

CUSTOMERS: Lou Wall, Ex Director, Customer; Susan Hayward, Customer; Bill Kehoe, Customer; Michael Gasser, Customer; and Lisa Ketcham, Pillar Pointe Mobile Home Community.

Two Board Planning Workshops. The Board of Directors and senior management staff participated in two strategic planning workshops. At these workshops, the group reviewed the results of the interviews, undertook a number of exercises to examine the current state of the District, and identified critical issues and opportunities expected to confront the District in the future. Ultimately a plan was developed from this work that included an updated mission statement, vision, values, and strategic goals and objectives.

Community Meeting. On July 24, 2014 the District held a community meeting to obtain public input on the public planning process. The meeting was held at Cypress Meadows and about 70 members of the community participated. There was a very active exchange and sharing of ideas facilitated and recorded by Martin Rauch with support of District staff. Topics of discussion included:

- How should we prioritize investments?
- What improvements would you like to see in our services?
- What challenges and opportunities should we focus on?
- What is your long-range vision for the District and community?

Staff Work Plan. Once the policy level portions of the plan were completed in the Board workshops, the management team worked with the consultant to develop a detailed staff work plan designed to meet the mission of the District and strategic goals and objectives.

2. PLAN DEVELOPMENT: Rating the District Today

Before considering where the District wants to go in the future, it is important to understand where it is today. The group worked together to identify and rate a number of key features of the District as summarized below.

Each participant in the workshop was asked to rate various aspects of the District based on its performance as it stands today. Each participant selected aspects of the District to rate, graded them on a scale of 1 to 10 (10 being excellent), and included words to explain the reason for the rating. The results were averaged and summarized.

BELOW ARE THE CATEGORIES AND RATINGS PROVIDED BY THE PARTICIPANTS	
Avg. 8.6 9, 9, 8	Administration. Good job replacing mains and tanks compared to the past when the system was held together by rubber bands. While it is generally good, could do better.
Avg. 8+ 9, 8	Operations. Our small size makes us vulnerable due to the small number of staff and limited backup for personnel.
Avg. 9.5 9.5	Progress. We have made a lot of progress on infrastructure: water system, SSOs, pipe cleaning, financing of the sewer system. We also have good representatives on SAM.
Avg. 8+	Sewer. We need to continue working to reduce SSOs.
Avg. 8+	Water Quality. We have made tremendous improvement in water quality.
Avg. 7	Board Governance. There is opportunity for improvement here.
Avg. 6.6+ 6, 6, 7, 7, 7, 7	Rates and Finance. We developed a well-designed tiered rate. But the rate structure should be looked at again. The District generally has good controls, but there is room for improvement. District has a deficit and there is a need to address that.
Avg. 6	Watershed Protection. There are no immediate concerns, but we need to remain proactive to protect the groundwater and prevent degradation.
Avg. 5.2 2, 4, 5, 5, 7, 8	Customer Service, Stakeholder Support and Customer Relations. The District generally has positive support, good customer service and is close to customers. However, our public is unaware of the constraints we operate under and our achievements. In addition, the perception of customers on wells is out of sync with reality. We need to explain better to them and reach out to all customers more. Board can help.
Avg. 5 5, 5	Intergovernmental Relations. There have been improvements, but it remains a difficult area. This is an area where both staff and board can work on and make improvements
Avg. 5 5, 5	Staff to Board Communication. There is room for improvement in the Manager's communication to the Board.
Avg. 5 5	Maturity. The District has matured in many ways administratively, in terms of engineering and finance, etc. But there is more work to do.
Avg. 4 6, 2	Emergency Planning. Need to update emergency planning, documentation and procedures. Need to develop plans for coordinating with others in emergencies.

2. PLAN DEVELOPMENT: Challenges & Opportunities

Below is a list of key issues and challenges identified in the process that are expected to face the District in the future. Each participant was asked to predict what issues the District would confront in the future. That list follows:

RATE STRUCTURE AND CHARGES

- Our rates are stable but on the high side and need to be raised.
- There will be a challenge to balance the needs of our customers and keeping costs affordable.
- The tiered system is not meeting needs and needs to be evaluated and reconsidered.
- Consider new financial options such as using property taxes 100% for water to help pay off the debt.
- Providing adequate reserves.

WATER SUPPLY

- Maintaining our sources of water and water independence.
- Increasing the water supply is critical both in the hills and at the airport.

PRIVATE WELLS

- Need to deal with wells drawing on the aquifer
- Well conversions. If people understood the costs, quality, testing, they may be happy to hook up.
- Need to clarify our policies. We don't force people to connect, but it is better for the groundwater aquifer, better for many landowners in the long-run and better for District revenue if they do.
- Need to improve how we work with the County to ensure seamless permits.

MAINTAINING LOCAL GOVERNANCE AND RELATIONSHIPS WITH OTHERS.

- There are always pressures from outside to do this or that and it is distracting. Need to square away relationships so our status is accepted and we have positive relationships.

WATER QUALITY

- Dealing with water quality issues at the airport.

PARTICIPATION IN SAM

- Changeover of SAM representatives and staff causes a challenge with maintaining a historical view and continuity.
- Changeovers also provide an opportunity to develop relationships with new people.
- Ever rising regulations increases costs and complexity.

STAFFING

- Having a small staff makes it difficult to have adequate breadth of expertise and depth to schedule efficiently and provide backup

DROUGHT AND CLIMATE CHANGE

- Our water supply independence is a good thing. Hetch-Hetchy crosses major faults.
- But we have to ensure groundwater is maintained for future.
- Need conservation strategy.
- Needs plan for managing wells.

OUTREACH

- We have made progress but need to communicate more with the public.
- We have work to do to build positive public understanding.
- If we could provide funding, the hospital and school could probably reduce use more.

CONSIDER BEING A CSD

- There are a range of possibilities: internet income, solar power to reduce costs, develop recycled water, etc.

COMMUNITY SUSTAINABILITY

- There are limited resources.
- Ensuring growth is managed by land use authorities (County). Districts position is that it should provide services to approve growth and not be dragged into land use.

2. PLAN DEVELOPMENT: Priority Issues

The group was asked to identify the five most important issues that MSWD must resolve in the coming years. The results are shown below, with 1 being the highest priority. Priorities are important since in practice it is not possible to accomplish everything at once and that there are limits on time, money and personnel resources.

HIGHEST PRIORITY ISSUES	
Avg. 1 1, 1, 1	Water Rate Structure and Rates. Need adequate rates to cover expenses, encourage well connections, and resolve the deficit.
Avg. 1.5 1, 2	Finances, Rates and Economic Health. Determine if we can encourage voluntary connections and help improve income and reserves.
Avg. 2 1, 2, 3	Well Connections. The sooner the District can resolve well connection issues the better. Bringing in Pillar Ridge and new well conversions lowers costs for all. Need to integrate new customers well.
Avg. 2 1, 3	Infrastructure Planning based on a long-term replacement model. Since we provide a service from source to release, we should be able to undertake long-term, informed planning based on lifecycle costs.
Avg. 2.5 2, 2, 3, 3	Developing and maintain the sources and quality of water. Need to improve our portfolio of water sources (more varied wells), improve redundancy, and maintain the watershed.
Avg. 2 2	Community Sustainability Plans. What are our long-term demographics? Be prepared for growth or decline, changes in income, age, needed services, etc.
Avg. 2.7 1, 3, 4	Communication: Need to develop a marketing and public relations plan. Public needs to understand what we are doing and we need to hear from them.
Avg. 3.3 3, 4, 4, 4, 4, 5	Effective Intergovernmental Relationships. Establishing our primacy for carrying out our mission. Develop better, more positive intergovernmental relationships with others.
Avg. 4 4	Smarter Wastewater Treatment. The current system works, but could it be better or lower cost? What are best long term options for upgrades or changes that provide lowest lifecycle cost?
Avg. 5 5, 5	Internal Operations and Administration. Do we need to develop a needs assessment, evaluate staffing, internships, training for staff?
Avg. 5.5 5, 6	Regional and Local Emergency Plans. The long sewage pipe to Half Moon Bay is at risk. Recycling? (5, 6)

2. PLAN DEVELOPMENT: Input from Community Forum

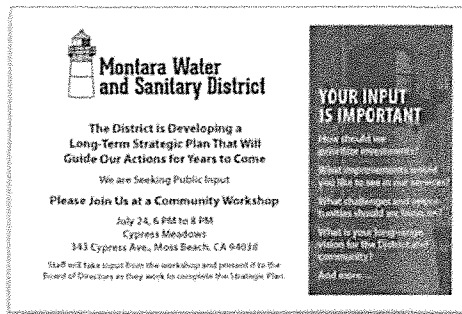
Montara Water and Sanitation District reached out to obtain public input through direct one-on-one interviews, by asking for input via advertisements, press and web coverage, and by holding a community forum. About 70 members of the public participated in the meeting.

PUBLIC INPUT FROM THE FINAL COMMUNITY FORUM QUESTION IS SUMMARIZED BELOW:

“Five, ten or more years into the future, if you were granted power over the District, what three things would you change or keep the same.”

Note: topics with zero votes were nominated by the group but received no votes.

Total Votes	Priority Topic
35	No Consolidation
21	Develop Community Parks District
20	Develop our own internet service
18	Infrastructure Development
16	Water Quantity
11	Water Quality
9	Water Conservation Education
8	Keep (happy with) Staff
7	Lower Rates
6	Disaster Preparedness Ed.
4	SAM: Cost Control/more accountability
3	Bring back senior discount from Recology
1	Garbage Sustainability
0	Storm Water Usage
0	Cell Tower for better service
0	Compost Program Initiated
0	Drought Management
0	Improve sewer system
0	More press releases/outreach
0	Governance Quality



View of a postcard used to advertise the community forum.

3. STRATEGIC PLAN: Mission

A good mission statement should accurately explain why your organization exists and what it hopes to achieve in the future. It articulates the organization's essential work. The Board drafted and approved the following mission statement:

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.

3. STRATEGIC PLAN: Vision for the Future

A critical responsibility of the Board of Directors is to identify a vision for the District's future and then set goals and objectives to achieve it. This is the heart of the governance role, and starts with creations of a vision statement. The following vision statement was developed:

The Vision for the Montara Water and Sanitary District Board of Directors is:

Trusted and proven to cost-effectively provide our customers with the services they need.

3. STRATEGIC PLAN: Values

VALUES are what we consider important—what we believe is right and wrong. The Board is responsible for identifying values and being the guardian of values. Effective organizations identify and develop a clear, concise and shared meaning of values/beliefs, priorities, and direction so that every employee understands and can contribute in the right way. If defined, disseminated and followed, values will impact every aspect of the organization.

The following values emerged from the workshop discussion.

The values can be written as simple statements or posed as questions to help make difficult decisions.

Value Statements:	Values Posed as Questions
<i>To be trusted by the community</i>	<i>Will it enhance customers' trust in the District?</i>
<i>Represent and serve our community</i>	<i>Will it enable the District to better represent and serve our community?</i>
<i>Local control</i>	<i>Will it increase local control?</i>
<i>To provide quality services</i>	<i>Will it improve service quality?</i>
<i>To be responsive to the community and its changing needs</i>	<i>Will it result in better responsiveness to the community and its changing needs?</i>
<i>To be open and available to the public we serve</i>	<i>Will it make the District more open and available to the public we serve?</i>
<i>To use customer funds sustainably</i>	<i>Will it be cost-effective over time?</i>

3. STRATEGIC PLAN: Strategic Goals and Objectives

The goals and objectives are presented on the following pages. They, along with the mission, vision and values represent the core strategic direction provided in this plan.

GOAL 1. WATER SUPPLY PLANNING AND SOURCE WATER PROTECTION

Protect, maintain and develop existing and new water sources for best quality, cost and productivity, while ensuring the permanent sustainability of the District's water supply and quality.

#	Objectives
1.1	The District will proactively protect and improve water quality and supply, where needed.
1.2	The District will ensure permanent water independence.
1.3	The District will incorporate phenomena such as seawater rise and weather extremes, and any other identified challenges in its planning and implementation of water programs.

GOAL 2. COMMUNICATION

Actively communicate with all stakeholders in a clear, factual, timely, two-way manner to foster understanding and alignment between the District and those it serves and works with.

#	Objectives
2.1	Staff will develop core messages and obtain board approval for them.
2.2	Staff will design and implement communication that is consistent with Board-approved messaging.
2.3	Staff will develop and follow an outreach plan and budget, and will consider and select among all outreach tools for cost-effectiveness and practicality (e.g. open houses, newsletters, press, social media, radio interviews, etc.)

GOAL 3. RATES AND FINANCE

Use the longest possible outlook for planning revenue needs, finances and rates. Base planning and decisions on a long-term, proactive understanding of finances, capital facility planning and operational and regulatory needs.

#	Objectives
3.1	Costs will be allocated through rates that are fair; and will be developed after evaluating all reasonable options beyond tiers, including how well connection options will influence rates.
3.2	Adopt and update new Rates by FY 2015/16.
3.3	Rates will be sustainable, steady, defensible, understandable and fair.
3.4	Use the longest reasonable outlook for planning infrastructure replacement needs, while recognizing that infrastructure planning is in flux.
3.5	Enable effective Board and public oversight of finances through effective and understandable financial reporting.
3.6	Develop a well conversion program that will promote voluntary conversions and the necessary incentives and communication tools to make it happen.

GOAL 4. GOVERNMENTAL RELATIONS

Promote collaborative relationships and partnerships

#	Objectives
4.1	Enhance board and staff relationships with other agencies (board work plan).
4.2	Enhance dialog with other agencies about collaborative opportunities for local parks, etc.

GOAL 5. ADDITIONAL SERVICES

Be open to providing additional services that are needed and desired within our service area.

#	Objectives
5.1	Be responsive to community desires for new services and take a leadership role in considering whether to provide additional services.
5.2	Examine each opportunity on a case-by-case basis. Evaluate and make clear any impact on quality, availability or cost of existing services.
5.3	Seek to provide services collaboratively when mutually beneficial partnerships can be found.

GOAL 6. OPERATIONS AND ADMINISTRATION

Develop and maintain an organizational structure and management policies that foster a high performing, stable and productive organization that learns and improves over time.

#	Objectives
6.1	Develop and implement a plan for retaining institutional knowledge.
6.2	Develop, follow and appropriately update procedures for Administration, Human Resources, and Management.
6.3	Emergency planning should be appropriately updated with documented procedures and methods in place for coordinating with others.

GOAL 7. BUILD AND MAINTAIN FACILITIES THAT ARE RELIABLE, ENVIRONMENTAL AND EFFICIENT

Plan, provide for and maintain District facilities and other physical assets to achieve long-term, reliable, environmentally sound, and efficient District operations.

#	Objectives
7.1	Manage the wastewater system with the objective of zero spills and zero permit violations.
7.2	Asset Management - Consider lifecycle costs in all facility construction, upgrades, maintenance and management decisions and activities. Continue with water and focus attention on sewer.
7.3	Creatively seek opportunities to maintain or improve quality while lowering costs.

GOAL 8. GOVERNANCE

The Board will govern lawfully, with an emphasis on (a) outward vision rather than internal preoccupation, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of board and general manager roles, (e) collective rather than individual decisions, (f) future rather than past or present, and (g) proactivity rather than reactivity.

#	Objectives
8.1	The Board will invest in itself and its members' training and governance capacity.
8.2	Continued Board development is to include orientation of new board members, and periodic consideration of Board governance effectiveness, including enhancing communication between Board members and between the Board and general manager

4. WORK PLAN: Staff Work Plan

The following pages contain the staff work plan, a linked series of actions developed by staff that, when accomplished, will meet the mission, vision, goals and objectives identified by the Board of Directors. The work plan is organized in a table format with the following features:

Priorities:

There are two kinds of priorities assumed in this work plan: 1) Importance; and 2) Time. It is possible for a priority to be critical in importance but not due for a long time. Conversely a priority may have low importance but be due promptly. The 1-3 numbering system incorporates a bit of both. The timing column indicates due dates. The numbering system is as follows:

1. Critical project that must be accomplished on Time.
2. Important project that can be delayed if needed to complete a #1 priority project.
3. Desirable project that can be delayed or cancelled to complete a #1 or #2 priority project.

1	No.	P.	Action	Lead	Comments	Timing	%	Status
2	1.0.0		Goal 1.0 - Water Supply Planning and Source Water Protection: Protect, maintain, and develop existing and new water sources for best quality, cost and productivity, while ensuring the permanent sustainability of the District's water supply and quality.	Goal				
3	1.1.0		The District will proactively protect and improve water quality and supply, where needed.	Obj				
4	1.1.1	1	Track development plans of public and private landowners (County, GGNRA, POST, etc.) for potential impacts to watershed, such as septic systems etc.	Clemens		Ongoing		When received
5	1.1.2		See 1.2.1	NA		NA		
6	1.1.3	2	Continue to establish groundwater level and stream-gauging programs to improve understanding of District's hydrology.	Clemens	With Balance Hydrologic	Dec-15		Annually
7	1.1.4	3	Develop an integrated regional water management plan for watershed protection, increased knowledge base and increased funding opportunities.	Clemens	Obtain Board approval, start negotiating w/ stakeholders by May-15	May-15		
8	1.1.5	3	Develop groundwater sustainability agency.	Clemens	Obtain Board approval, start negotiating w/ stakeholders by Dec-15	Dec-15		Due complete by 2022. Make annual status report
9	1.2.0		The District will ensure permanent water independence.	Obj				
10	1.2.1	1	Continue Renewal and Rehabilitation Program for existing groundwater and surface water sources to protect sustainability, water quality, and supply availability	Clemens	Funds currently still available, delayed due to lack of drilling rigs (drought)	Dec-15		Minimum of one well per annum
11	1.2.2	1	Proceed with Water Source Exploration on Caltrans Right of Way to ensure water supply reliability, source protection, and continued sustainability	Clemens	5 Boreholes allowed to test drill until April 2015. Extension can be requested	Dec-15		Deadline 2015
12	1.2.3	2	Negotiate extension to drill further exploratory wells after April 2015.	Clemens		Mar-15		Start negotiations before April
13	1.2.4	2	Continue developing a Supply and Demand Analysis on an annual basis to understand customer demands and plan future water supply, as necessary.	Tanya		Dec-15		Annually
14	1.3.0		The District will incorporate phenomena such as seawater rise and weather extremes, and any other identified challenges in its planning and implementation of water programs.	Obj				
15	1.3.1	3	Work with neighboring agencies to ensure secure long-term regional water supplies that aren't affected by climate change. See 1.1.4 and 1.4.5.	Clemens		NA		Ongoing as needed
16	1.3.2	2	Support SAM's Recycled Water Project Phase 1 and later, coast-wide, phases that offset use of local water sources, prevent seawater intrusion, creek restoration and improve long term water security.	Board	SAM reps and full Board play critical role. A political effort primarily.	Sep-15		Ongoing as needed. Evaluate annually
17	2.0.0		Goal 2 - Communication: Actively communicate with all stakeholders in a clear, factual, timely, two-way manner to foster understanding and alignment between the District and those it serves and works with.	Goal				
18	2.1.0		Staff will develop core messages and obtain board approval for them.	Obj				
19	2.1.1	NA	See 2.2.1 and 2.2.2	Martin		May-15		
20	2.2.0		Staff will design and implement communication that is consistent with Board-approved messaging.	Obj				
21	2.2.1	1	Develop an Outreach Plan and budget for Board approval.	Martin	Consultant Support	May-15		Start in March
22	2.2.2	2	Implement Outreach Plan.	Clemens	Consultant Support	Jun-15		See Plan
23	2.2.3	2	Prepare and distribute initial newsletter, future editions depending on Outreach Plan.	Martin	Consultant Support	Apr-15		Start Now?
24	2.3.0		Staff will develop and follow an outreach plan and budget, and will consider and select among all outreach tools for cost-effectiveness and practicality (e.g. open houses, newsletters, press, social media, radio interviews, etc.)	Obj				

24	No.	P.	Action	Lead	Comments	Timing	%	Status
25	2.3.1	NA	See 2.2.1 and 2.2.2 above	Clemens	Consultant	May-15		
26	2.4.3	3	Complete under construction areas of website	Martin		Apr-15		April
27	3.0.0		Goal 3 - Rates and Finance: Use the longest possible outlook for planning revenue needs, finance and rates. Base planning and decisions will be based on a long-term, proactive understanding of finances, capital facility planning, and operational and regulatory needs.	Goal				
28	3.1.0		Costs will be allocated through rates that are fair by class and customer; and will be developed after evaluating all reasonable options beyond tiers, including how well connection options will influence rates.	Obj				
29	3.1.1	1	Complete Water Rate Study.	Clemens	With Bartle Wells	Apr-15		Effective July-15
30	3.2.0		Add and update new rates by FY 2015/16	Obj		FY 15/16		
31	3.2.1	1	Implement annual solid waste rate changes in accordance with the franchise agreement	Clemens		Dec-15		
32	3.2.2	1	Evaluate Sewer Service Charges and implement necessary rate increases or proposition 218 processes.	Clemens	With Bartle Wells	Apr-15		Annually. Effective July-15
33	3.3.0		Rates will be sustainable, steady, defensible, understandable and fair.	Obj				
34	3.3.1	2	See 3.1.1, 3.2.2, and 3.2.1.	Board		NA		
35	3.4.0		Use the longest reasonable outlook for planning infrastructure replacement needs, while recognizing that infrastructure planning is in flux.	Obj				
36	3.4.1	3	Include in the Capital Improvement Program (CIP) future anticipated replacement cost for the upcoming 10 years and evaluate funding possibilities.	Tanya + Pippin		Jun-15		
37	3.5.0		Enable effective Board and public oversight of finances through effective and understandable financial reporting.	Obj				
38	3.5.1	2	Complete bi-annual finance review by Finance Committee and Board.	Clemens	With Peter	Mar-15		
39	3.5.2	2	Identify key financial highlights and summarize for Board review.	Clemens	Clemens discuss with Board in budget season.	Apr-15		Based on Board Input
40	3.6.0		Develop a well conversion program that will promote voluntary conversions and the necessary incentives and communication tools to make it happen.	Obj				
41	3.6.1	2	Evaluate the possibility of well conversion loan program based on existing models.	Clemens	With Bartle Wells + Schricker	Oct-15		Share with public
42	3.6.2	3	Consider other strategies to increase voluntary well conversions.	Clemens		Oct-15		Share with public
43	4.0.0		Goal 4 - Government Relations: Promote collaborative relationships and partnerships.					
44	4.1.0		Enhance Board and staff relationships with other agencies (Board Work Plan).	Obj				
45	4.1.1	3	General Manager will develop tangible opportunities for Directors to assist with inter-agency collaboration.	Clemens		Ongoing		
46	4.1.2	3	Include suggestions for Boardmember engagement in the community and region in future Board agendas as opportunities arise.	Pres.		Mar-15		
47	4.1.3	3	Promote staff-level collaboration on inter-agency projects by setting up meetings with local agencies that are critical to project success.	Clemens		Timing		
48	4.2.0		Enhance dialog with other agencies about collaborative opportunities for local parks, etc.	Obj				
49	4.2.1	1	Seek to make the Caltrans Public Right of Way accessible for groundwater supply and community recreation.	Clemens	Need Board support	Jun-15		Underway. Evaluate progress biannually
50	4.2.2	3	See 5.1.2 and 5.3.1					
51	5.0.0		Goal 5 - Additional Services: Be open to providing additional services that are needed and desired within our service area.					
52	5.1.0		Be responsive to community desires for new services and take a leadership role in considering whether to provide additional services.	Obj				

52	No.	P.	Action	Lead	Comments	Timing	%	Status
53	5.1.2	3	Research and track opportunities to collaborate with San Mateo County on providing energy to the Montara and Moss Beach communities.	Clemens	Mostly about tracking and following. Considering seeking a seat at the table.	Aug-15		Ongoing. Annual Board discussion
54	5.2.0		Examine each opportunity on a case-by-case basis. Evaluate and make clear any impact on quality, availability or cost of existing services.	Obj				
55	5.2.1	2	When opportunities for providing additional services are presented or discovered, each will be considered by a case-by-case basis.	Clemens	Board Support	NA		
56	5.3.0		Seek to provide services collaboratively when mutually beneficial partnerships can be found.	Obj				
57	5.3.1	3	Continue to seek opportunities to collaborate and develop partnerships with local agencies and present viable opportunities to the Board.	Clemens	Board Support	Sep-15		Ongoing. Annual Board discussion
58	6.0.0		Goal 6 - Operations and Administration: Develop and maintain an organizational structure and management policies that foster a high performing, stable and productive organization that learns and improves over time.					
59	6.1.0		Develop and implement a plan for retaining institutional knowledge.	Obj				
60	6.1.1	1	Complete Salary Study and evaluate implementation strategies for retaining staff, including implementation of effective qualitative strategies, including employee incentives.	IEDA	With Clemens	Apr-15		
61	6.1.3	2	Assess staffing levels in terms of stress and reliability to meet District needs. Include succession planning and ability to deal with major personnel interruptions.	Clemens	With IEDA	Nov-15		
62	6.2.0		Develop, follow and appropriately update procedures for Administration, Human Resources, and Management.	Obj				
63	6.2.1	2	Review and update Employee Manual.	IEDA	With Clemens	Mar-16		
64	6.2.2	3	Review and update all District policies and procedures and suggest additions and updates.	Clemens		Aug-16		
65	6.3.0		Emergency planning should be appropriately updated with documented procedures and methods in place for coordinating with others.	Obj				
66	6.3.1	2	Update the existing Emergency Response and Recovery Plan (ERRP) to maintain a relevant emergency planning document.	Clemens		Aug-15		Every five years
67	6.3.2	3	Become a leader and a hub for local utility emergency planning.	Clemens	Need Board support	Nov-15		Annual update
68	6.3.3	2	Update drought contingency plan.	Clemens		May-16		Every five Years
69	7.0.0		Goal 7 - Build and Maintain Facilities that are Reliable, Environment, and Efficient: Plan, provide for, and maintain District facilities and other physical assets to achieve long-term reliable, environmentally sound and efficient District operations.					
70	7.1.0		Manage the wastewater system with the objective of zero spills and zero permit violations.					
71	7.1.1	1	Continue the implementation of a mainline replacement program, focused on areas prone to leaking and/or overflow.	Tanya	with Pippin	Jun-15		Annually. Review with budget
72	7.1.2	2	Implement improvements at wastewater lift stations to improve reliability and mitigate overflows.	Pippin		Jun-15		Annually. Review with budget
73	7.1.3	3	Evaluate other methods for the reduction of inflow and infiltration (I&I).	Pippin		Jun-15		Annually. Review with budget
74	7.2.0		Asset Management - Consider lifecycle costs in all facility construction, upgrades, maintenance and management decisions and activities. <i>Continue with water and focus attention on sewer.</i>	Obj				
75	7.2.1	3	Include lifecycle cost analysis in the Feasibility Studies for new facilities, facility upgrades, and/or maintenance activities.	Tanya	with Pippin	Jun-15		Annually. Review with budget
76	7.3.0		Creatively seek opportunities to maintain or improve quality while lowering costs.	Obj				
77	7.3.1	3	Research grant opportunities for installation of energy efficient technologies.	Tanya	with Pippin and Clemens	Jun-15		Annually. Review with budget

77	No.	P.	Action	Lead	Comments	Timing	%	Status
78	8.0.0		Goal 8: Governance. The Board will govern lawfully, with an emphasis on (a) outward vision rather than internal preoccupation; (b) encouragement of diversity in viewpoints; (c) strategic leadership more than administrative detail; (d) clear distinction of Board and general manager roles; (e) collective rather than individual decision-making; (f) future rather than past or present; and (g) proactivity rather than reactivity	Goal				
79	8.1.0		The Board will invest in itself and its members' training and governance capacity.	Obj				
80	8.1.1	2	Board consider need for additional training	Board		Oct-15		
81	8.2.0		Continued Board development is to include orientation of new board memers, and periodic consideration of Board governance effectiveness, including enhancing communication between Board members and between the Board and general manager	Obj				
82	8.2.1	2	Board will evaluate its own governance effectiveness, including its communciation with the GM and consider changes.	Board		Feb-16		Annually
83	8.2.2	2	Initiate discussion about selection and preparation of officers early in the year.	Board		Oct-16		Annually
84	8.2.3	2	Board will review strategic plan annually	Board		Feb-16		Annually

5. EXPECTATIONS AND RESULTS: Achieving Expectations

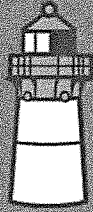
At the beginning of the first workshop, participants were each asked to share their expectations for the process—the expectations of individual participants are listed below. One goal of this process was to meet these expectations and we believe that we did.

- Keep open minds and clearly elaborate goals
- Bring the Board together on a well thought out course
- Achieve a full sharing of ideas, identify challenges and provide direction
- Get to know individual thoughts and perspectives
- No expectations
- Identify strengths and weaknesses. Set goals and priorities. Develop a vision that we can jointly work on
- Ultimately develop a plan to meet our needs for water, sewer, and garbage, in a way that is affordable and sustainable.

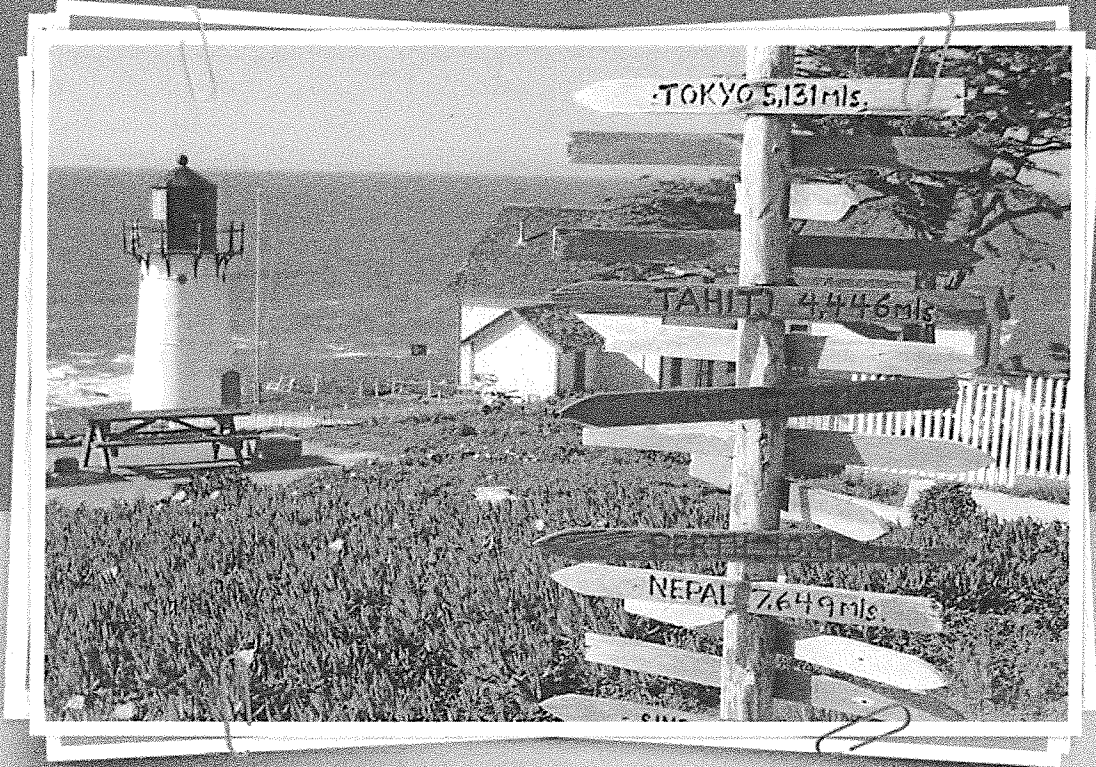
5. EXPECTATIONS AND RESULTS: Ensuring Results

In order to ensure that the plan is implemented and results are achieved, the District plans to take the following steps:

- Publish the Mission, Vision, Values Goals and Objectives on posters and handouts, and display them around the District.
- Incorporate the Mission, Vision, Values, Goals and Objectives into the employee handbook, as well as orientation and training materials for new employees.
- Actively implement the Work Plan by the management team.
- Incorporate Strategic Plan monitoring by Board committees as appropriate and provide a semi-annual report to the entire Board on progress.
- Review and update the Strategic Plan annually and roll it forward.



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

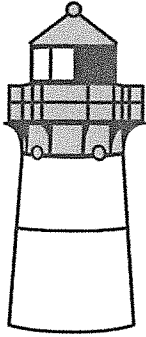


Montara Water and Sanitary District
2015 STRATEGIC PLAN

Prepared by:



936 Old Orchard Rd., Campbell, CA 95008 • 408.391.3117 • www.rauchcc.com



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **March 3, 2016**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

SUBJECT: Review and Possible Action Concerning Agreement with Bodega Marine Laboratory for Ocean Current Measurement Instrumentation on District Property.

This Board approved an agreement with the Romberg Tiburon Center for the installation and maintenance of High Frequency Radar Equipment to measure Ocean Currents in the Gulf of Farallones. The data is not only utilized for basic research projects, but also has practical application for NOAA and Coast Guard in regards to marine navigation and search and rescue/recovery operations.

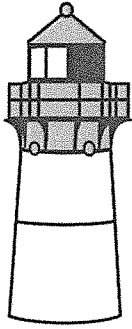
The responsible administrator with the Romberg Center has left the United States to implement similar systems in Australia. Therefore the Romberg Center has handed the responsibility on to the Bodega Marine Laboratory.

Legal Counsel has prepared a new agreement for the same purpose with the Bodega Marine Laboratory and accompanying resolution.

RECOMMENDATION:

Adopt Resolution, next in order, Resolution of the Montara Water and Sanitary District Approving and Adopting Policy Regarding Acquisition and Use of Electronic Readers.

Attachments



Montara Water & Sanitary District

Serving the Communities of Montara and Moss Beach

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Montara, CA 94037-0131

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Visit Our Web Site: <http://www.mwsd.montara.com>

To: UC Davis Bodega Marine Laboratory
PO Box 247
2099 Westshore Road
Bodega Bay, CA 94923
Attention: Tara N. Barbier

From: Clemens Heldmaier, General Manager
Montara Water and Sanitary District ("MWSD")

Subject: Revocable Permit to Enter Property

PERMISSION IS HEREBY GRANTED to the Regents of the University of California, a California corporation, on behalf of the Bodega Marine Laboratory ("Permittee"), to enter upon and use that portion of MWSD's property defined hereinafter as the "Premises" to conduct activities related to Permittee's radar ocean current monitoring project ("Project") subject to the following terms and conditions.

1. Term. The Term of this permit ("Permit") is three (3) years commencing on January 1, 2016 and expiring on December 31, 2019.

2. Premises. The Premises ("Premises") includes, collectively, unimproved portions of MWSD's property upon and within which a pole-mounted radar transmitter and a pole-mounted radar receiver have been installed as described and depicted in Exhibit "A," entitled "CODAR/CENCOOS SFSU Site Assessment Report," dated September 26, 2014, attached hereto and incorporated herein. Permittee's activities shall be conducted solely on the Premises, except that Permittee shall have reasonable pedestrian ingress and egress privileges to and from the Premises and use of MWSD's vehicle parking area in conjunction with use of the Premises.

3. Permission Revocable. This Permit does not constitute a deed, grant of easement, lease, conveyance, or transfer of any property interest in or to the Premises or any other portion of MWSD's property. This Permit is revocable, and may be terminated without cause at any time at the will of MWSD, effective upon not less than twenty four (24) hours' prior notice thereof. Notwithstanding the foregoing, this Permit may be terminated for cause immediately upon notice from MWSD to Permittee. Subject to the provisions of paragraph 6 regarding restoration of the Premises, Permittee shall terminate its use of the Premises upon conclusion of the Project upon giving MWSD not less than thirty (30) days' prior written notice thereof.

4. Notification Prior to Entry. Permittee shall notify MWSD in writing by mail, facsimile or e-mail of Permittee's commencement of its activities hereunder not less than three (3) business days prior to Permittee's initial entry upon the Premises. Permittee shall notify MWSD by telephone, e-mail or facsimile not less than twenty four hours prior to Permittee's subsequent entry upon the Premises; provided that, on occasions when Permittee intends to visit the Premises on an uninterrupted daily basis, Permittee may give a single notification of the estimated duration of those visits and Permittee's estimated time of arrival and departure on each day thereof.

5. No Interference. Permittee shall conduct all activities permitted hereunder in an efficient and expeditious manner. Permittee's activities shall be conducted so as not to interfere in any manner with MWSD's activities, business and related operations conducted on and within MWSD's property and improvements.

6. Condition, Maintenance of Premises. Permittee hereby accepts the Premises in its "as is" condition, and assumes all risks associated therewith. Except for the structures depicted in Exhibit A, Permittee shall not construct, install or place any improvements, structures, supplies, materials or equipment in, upon, over or under the Premises, and shall not alter the Premises or otherwise change the configuration thereof. Permittee shall maintain the Premises in a clean, neat and orderly condition. Upon expiration of the duration of the use permitted hereunder or earlier expiration of the Term or termination of this Permit, Permittee shall restore the Premises to the condition substantially conforming to that existing upon commencement of Permittee's use thereof.

7. Hazardous Substances. Permittee shall not use, generate, store or dispose of any Hazardous Material on, under, over, about or within the Premises in violation of any law or regulation. Permittee agrees to defend, indemnify and hold harmless MWSD, its governing Board, officers, employees, and agents from and against any and all losses, liabilities, claims and/or costs (including reasonable attorneys, consultants, and experts fees and costs associated with litigation) arising from any breach of Permittee's

agreement contained in the first sentence of this paragraph. The foregoing provisions shall not be deemed a limitation upon the provisions of paragraph 9 (Hold Harmless). As used in this paragraph, "Hazardous Material" shall mean petroleum or any petroleum product, asbestos, any substance known by the State of California to cause cancer and/or reproductive toxicity, and/or any substance, chemical or waste that is identified as hazardous, toxic or dangerous in any applicable federal, state or local law or regulation. The provisions of this paragraph shall survive the expiration of the Term or termination of this Permit.

8. Release. Permittee hereby acknowledges that MWSD's property is used for conducting the business and operation of its publicly owned water and sewerage systems and that portions of the property within which the Premises is located are unimproved, may contain vehicles, machines, equipment, materials and supplies used by MWSD for conducting the business and operation of those systems and that such operation is of an industrial or commercial nature involving risks of personal injury and property damage. Permittee further acknowledges that it is familiar with MWSD's operations and properties, and that Permittee has inspected the Premises. Permittee hereby assumes any and all risks associated with entering upon, occupying, and using the Premises and all other portions of MWSD's property used or traversed in conjunction with this Permit, and hereby releases MWSD, its governing Board, officers, employees, consultants and agents (collectively, "Indemnitees") from any and all liabilities arising from Permittee's use and occupancy of the Premises and from entering and traversing any other portions of MWSD's property.

Permittee hereby expressly waives any rights which may accrue to Permittee under the provisions of California Civil Code Section 1542, which provides:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

9. Hold Harmless. Permittee hereby agrees to defend, indemnify, and save harmless MWSD, its governing Board, officers, employees, consultants and agents (collectively, "Indemnitees") from and against any and all claims, suits, actions, liability, loss, damage, expense, or costs (including reasonable attorneys, consultants, and experts fees and costs associated with litigation) of every nature, kind, or description, which may be brought against, suffered, or sustained by Indemnitees arising out of or in connection with Permittee's entry upon, use and occupancy of the Premises, or otherwise arising out of Permittee's exercise of the privileges granted hereunder, but only in proportion to and to the extent such claims, suits, actions, liability, loss, damage, expense, or costs are caused by or result from the negligent or intentional acts or omissions of Permittee.

The duty of Permittee to indemnify and save harmless as set forth herein includes the duty to defend as set forth in Section 2778 of the California Civil Code; provided, however, that nothing herein contained shall be construed to require Permittee to indemnify Indemnitees against any responsibility or liability in contravention of Section 2782 of the California Civil Code.

10. Insurance. Permittee shall acquire and maintain under a policy or policies provided by an insurer or insurers admitted in California, or provide under a self-insurance program approved by MWSD, public liability insurance covering the activities of Permittee, its employees, volunteers, agents or representatives conducted pursuant to this Permit that provides a combined limit of not less than One Million Dollars (\$1,000,000) per occurrence and aggregate.

Prior to initial entry upon the Premises, Permittee shall furnish MWSD with:

(i) Certificate(s) and (ii) copy(ies) of information or declaration pages of the policy or policies of insurance required hereunder or (iii) other evidence of coverage satisfactory to MWSD, with original endorsements:

(a) Precluding cancellation or reduction in coverage before the expiration of thirty (30) days after MWSD shall have received written notification of cancellation or reduction in coverage by first class mail;

(b) Providing that Permittee's Insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability (cross liability endorsement);

(c) Naming MWSD, its governing Board, officers, employees, consultants and agents as additional insureds; and

(d) Providing that Permittee's Insurance shall be primary insurance with respect to MWSD, its its governing Board, officers, employees, consultants and agents, and that any insurance or self-insurance maintained by them shall be in excess of Permittee's Insurance and not contributory with it.

11. Abandonment. In the event that Permittee fails to use the Premises for the use permitted hereunder, or otherwise shall fail to exercise its privileges hereunder, or shall fail to comply with any of the conditions herein contained, or in the event that this Permit shall be revoked, then all privileges of Permittee hereunder shall forthwith cease and terminate.

12. Notices. Written notices required or convenient hereunder to MWSD shall be addressed to:

Montara Water and Sanitary District
P.O. Box 370131
Montara, CA 94037

Attn: General Manager

Phone: (650) 728-3545
Facsimile: (650) 728-8556
E-mail: mwsd@coastside.net

and to Permittee, Real Estate Services
University of California Davis
255 Cousteau Place
Davis, CA 95618
Attn: Executive Director

Phone: (707) 754-7897
E-mail: tbooker@ucdavis.edu

13. Transferability. This Permit or the privileges granted to Permittee hereunder shall not be assigned or otherwise transferred by Permittee without the prior written consent of MWSD which may be granted or denied solely at MWSD's absolute discretion.

14. Prior Permit. The parties acknowledge that a prior permit for substantially the same purpose as under this Permit had been granted by MWSD to the San Francisco State University Romberg Tiburon Center ("Romberg"). Permittee hereby represents to and assures MWSD that Permittee has agreed to undertake the activities previously performed by Romberg, that Romberg has relinquished all interests it had in the prior permit and that as between Permittee and Romberg, this Permit supersedes the prior permit. Permittee hereby agrees to, and shall, assume all responsibility for the consequences of its transaction with Romberg in assuming the activities and use permitted hereunder and agrees that the provisions of Paragraph 9 (Hold Harmless) includes such consequences.

Dated: March 3, 2016

Clemens Heldmaier, General Manager

The foregoing Permit and its terms and conditions are hereby acknowledged and accepted.

UC Davis Bodega Marine Laboratory.

March 3, 2016

Page 6

Dated: _____

Regents of the University of California, a California
corporation

By: _____

Dave Lawlor, Vice Chancellor and
Chief Financial Officer

RESOLUTION NO. _____

RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT APPROVING AND AUTHORIZING EXECUTION OF PERMIT FOR SCIENTIFIC OCEAN CURRENT MONITORING (UC Davis Bodega Bay Marine Laboratory)

WHEREAS, the University of California Davis Bodega Bay Marine Laboratory proposes to undertake the responsibilities for operating and maintaining an ocean current radar monitoring project ("Project") and facilities located on this District's property and formerly owned and operated by the San Francisco State University Romberg Center; and

WHEREAS, the Project is operated in conjunction with similar monitoring stations along the State's coastline and provides valuable scientific information; and

WHEREAS, this Board encourages scientific endeavors advancing knowledge of the earth's natural conditions; and

WHEREAS, this Board desires to approve and authorize execution of the permit hereinafter referenced;

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

That certain document entitled, "Revocable Permit to Enter Property" by and between the Regents of the University of California, on behalf of the Bodega Bay Marine Laboratory, a copy of which permit is on file in the Administrative Offices of the District, to which copy reference is hereby made for the full particulars thereof, is hereby approved and the General Manager is hereby authorized and directed to execute said permit for and on behalf of the Montara Water and Sanitary District.

President, Montara Water and Sanitary District

COUNTERSIGNED:

Secretary, Montara Water and Sanitary District

RESOLUTION NO. _____

**RESOLUTION OF THE MONTARA WATER AND SANITARY
DISTRICT APPROVING AND AUTHORIZING EXECUTION OF
PERMIT FOR SCIENTIFIC OCEAN CURRENT MONITORING
(UC Davis Bodega Bay Marine Laboratory)**

* * * *

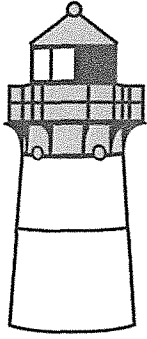
I HEREBY CERTIFY that the foregoing Resolution No. _____ was duly and regularly adopted and passed by the Board of the Montara Water and Sanitary District, County of San Mateo, California, at a meeting thereof held on the 3rd day of March, 2016, by the following vote:

AYES, Directors:

NOES, Directors:

ABSENT, Directors:

Secretary, Montara Water and Sanitary District



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **March 3, 2016**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

SUBJECT: General Manager's Report

Conferences: The General Manager will attend the Association of California Water Agencies Spring Conference in Monterey from May 3-5.

The General Manager attended the meet and greet with new ACWA president and local water managers on February 19, in Westborough.

Manager Leave: The General Manager will be out of the office from April 5 through April. 15.

RECOMMENDATION:

This is for Board information only.