



**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

October 3, 2019 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 September 12, and September 19, 2019.](#)
2. [Approve Financial Statements for August 2019.](#)
3. Approve Warrants for October 1, 2019.
4. [SAM Flow Report for August 2019.](#)
5. [Monthly Review of Current Investment Portfolio.](#)
6. [Connection Permit Applications Received.](#)
7. [Monthly Water Production Report for August 2019.](#)
8. [Rain Report.](#)

9. [Solar Energy Report.](#)
10. [Monthly Public Agency Retirement Service Report for July 2019.](#)
11. [Review and Possible Action Appointing Acting District Counsel.](#)
12. [Review and Possible Action Concerning Proposed Sale of Surplus Ford F-250.](#)
13. [Review and Possible Action Approving Consulting Agreement with Singer Associates.](#)

OLD BUSINESS (none)

NEW BUSINESS

1. [Review and Possible Action Concerning Review of Recology 2020 Solid Waste Rate Increase.](#)
2. [Review and Possible Action Concerning Consideration of Composting Services.](#)

REPORTS

1. Sewer Authority Mid-Coastside Meetings (Slater-Carter).
2. MidCoast Community Council Meeting (Slater-Carter).
3. CSDA Report (Lohman).
4. LAFCo Report (Lohman).
5. Attorney's Report (Schricker).
6. Directors' Reports.
7. [General Manager's Report \(Heldmaier\).](#)

FUTURE AGENDAS

1. Collections Contract Status Update

CONVENE IN CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

(Government Code §54956.9(d)(4))

Initiation of Litigation

Number of cases: 1

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

(Government Code §54956.9(d)(1))

Case Name: *City of Half Moon Bay v. Granada Community Services District, et al.*

(Santa Clara County Super. Ct. No. 17CV316927)

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

(Government Code §54957(b)(1))

Title: General Manager

REPORT OF ACTION TAKEN IN CLOSED SESSION, IF ANY ADJOURNMENT

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

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



MONTARA WATER & SANITARY
DISTRICT

BOARD OF DIRECTORS MEETING
September 12, 2019

MINUTES

SPECIAL SESSION BEGAN AT 7:30 p.m.

CALL TO ORDER

ROLL CALL

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

Directors Absent: None

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

Others Present: District Counsel, Christine Fitzgerald
District Water Engineer, Tanya Yurovsky
District Sewer Engineer, Pippin Cavagnaro

PRESIDENT'S STATEMENT – There was a Mid-Coast Community Council meeting last night and it was requested by the Council that Montara Water and Sanitary and Granada Community Service District investigate having weekly compost pick-up from kitchen waste. Under State law you can't have your kitchen waste sit in your compost for two weeks because it is a public health hazard, so we would have to change some of our practices, and it would also be a change in cost. So, Montara and El Granada will be looking into this, and getting back to folks about what the additional costs are. Chris Porter agreed that we should do a survey of the folks who live in Montara, Moss Beach, and El Granada, to see if they are willing to pay the extra money every year. So, we will work on that.

General Manager Heldmaier: We just did a survey like that a year and a half ago—I'm not sure if that was mentioned.

Director Slater-Carter: It was mentioned, but the people who moved here from San Francisco did not think that was recent enough... The other thing is in looking at what Recology in San Francisco, some people may have larger expectations about what can be recycled as food waste. So, again, we need to look at what it means to all the folks who live here. Also, at SAM, Stacey arranged for the Board members to watch a movie called *All the Queen's Horses* which was a fascinating movie in which a small town of about 15,000 people that had a trust-based relationship with their Controller, and over 20 years, she stole 54 million dollars to fund her quarter horse operation. I highly recommend people watch this. It stresses the importance of segregating financial duties, particularly in a public agency, and the importance of financial controls. It's an excellent documentary.

ORAL COMMENTS

Harold Herman, Moss Beach resident: I am here to share some concerns with the Montara Water Board. Some information about my background, I work as an executive in the insurance division of a large corporation. We don't sell home or fire insurance, but other products. Due to my work, I am familiar with risk rating and pricing of insurance products. I want to quote an article from the Sacramento Bee, "two consecutive disastrous wild fire seasons have created an insurance crisis for thousands of Californians who live in and around fire prone areas. Stung by 24 billion in losses, insurers are imposing rate hikes or dumping customers all together leaving home owners to seek replacement policies that can be 2-3 times as expensive. I started to hear about it, talking to neighbors. One entry through Next Door, a neighbor said that he had been with the same company for 25 years, and he got dumped. This is a huge problem. The Mercury News said that 350,000 Californians were dumped by their insurers. What's interesting is that the carriers are not obliged to report that to the State Insurance Department, so the suspicion is that the number is actually higher than what is reported here. Loss ratio, which is basically what you take in as premiums and what you pay as claims. In 2018, the loss ratio was 1.7 dollars. So, for every \$1.00 that came in, they paid out \$1.70 dollars, on average, home owners insurance. So, that's not sustainable. Basically, when we look at the 15 largest insurers, most of them lost money in California. So, at the same time, the renew insurers have re-insurance, and the re-insurers don't like what they see and put pressure on them, which causes State Farm, AIG, etc. to pull back on these fire prone areas, high fire risk. My insurance, for instance, is Travelers, and if I look at the numbers last year, they had a 3% market share, and 220% loss ratio, so for every \$1.00 in, they paid out \$2.22 for claims. So, I am waiting for the letter—I am up for renewal in a couple of months and I'm not sure what they are going to do. This is what happening. All the insurances are looking at the book of business and when you get insurance, they check how close you are to the fire station, clearance around the house, etc. From a risk rating perspective from insurance, it is much more complex, as they look at a lot more

things than what you see as a customer. The triggers are the wild fire areas. Now, if we transfer that to our Coastside, we have the 2018 Fire Threat Met from the California Public Utilities Commission, and that shows us most of the Mid-Coast is either in our surrounded by extreme wild fire threat area, especially Moss Beach, Montara extreme fire danger, and insurance companies don't like that. A couple of months ago there was a study published by Street Light Data, about evacuation routes...and the Coastside made the lists of towns that it would be difficult to evacuate, and that's no surprise. What is new now, it is out in the public domain, everyone is looking at this this...which brings me to the point, that when I look at the fire risk, evacuation, and water, I start looking at Montara Water and what I read was 250,000 gallons in reserve for firefighting that translates to 2 hours x 2,000 gallons per minute. That's what we have now. What makes me nervous, when I look at the neighboring district, CCWD, in an article I read, has 4 million dedicated to fire fighting. I understand it is not apples to apples comparison, as we have 6,000 people here and they have 20,000+ people. We are a quarter of the size. That doesn't explain why we have less than 1/16th of water reserve in our tank to fight fires. Now we have extreme fire danger. If I put my insurance hat on, it makes me question what does that mean? We can't evacuate. We saw with the data from Street light data from Paradise people couldn't get in or out—sounds very familiar-- and people burnt in their cars. The question is, as we are adding new large developments to our systems, are there plans to increase the water reserve? For me, this is all about safety. We want to keep or maintain affordable home owners' insurance policies on the Coastside and have adequate planning for the water system and water reserve to fight fires. That is something I am looking to the Board to consider and plan for.

Director Slater-Carter: A Calfire fireman came out to inspect my area, and I had this very same conversation with them. I would be happy to have Calfire to come to the District and have a discussion from their point of view. Essentially, they said that particular study was based on the transit, and didn't look at the fact that we have the Pacific Ocean right here. Paradise was surrounded by high fire entirely, and we are not in that situation. And to your point about our water storage, when we took over the water district in 2003, there were many hydrants that had no pressure under the private investor-owned utility. We now have a fire protection system that meets the requirements of what we need to do. There was a fire in Daffodil Canyon a couple of years ago. Calfire brought in their tanker airplanes.

Harold Herman, Moss Beach resident: But that doesn't explain why we have 1/16th of what they have in the neighboring...

Director Slater-Carter: But we are also much smaller and more compact. I will be happy to have Calfire come and discuss it. It's been a concern of mine, and I've spoke to the Board of Supervisors. So, we will put that on the agenda.

Director Boyd suggested General Manager Heldmaier explain the number.

General Manager Heldmaier: I'm not sure if this is an apples to apples comparison. I will be happy to look into the 4-million-gallon storage from Coastside County Water District. Our overall storage is 1.4 million gallons that is available for fighting fires. The number of 240,000 gallons is the paper number that is calculated that is exclusively available for fire-fighting, yet our tanks are kept full at all times and that water is turned over due to consumption but it is available to fight fires. I want to learn what this 4 million storage number is at CCWD, but it sounds like the overall storage number that compares to our 1.4 million gallons of storage.

Carlyle (Cid) Young, Moss Beach resident: Quickly, the point that Herman brought up for fire suppression someone mentioned that we have the Pacific Ocean here. Does anyone here know if Calfire has the capability to extract sea water for fire suppression in case of a conflagration, such as Paradise?

Director Slater-Carter: When we put that on the agenda, you can ask them.

Carlyle Young, Moss Beach resident: The reason that I am here for the public comment, is that I was also at the MCC meeting and it seems like they did a very unscientific thing and they used a little Next Door poll to see who would be favor of food waste collection. That makes our district have to vote to have our waste pickup weekly, instead of bi-monthly green waste. One of the MCC members wasn't even sure on the difference between green waste and food waste—one is garbage, the other being yard waste. You can't go for two weeks, because of rodents, smells, etc. My thought is, and the reason I wanted to make a public comment is, because I don't want to see our rates go up again. The Office of Sustainability in San Mateo County has discounted worm bins for indoor composting and yard bins for outdoor composting, and why haul away your debris, either garbage and/or yard waste, when you can return all those nutrients to the soil in your yard? There were two guys that moved here from San Francisco, where a lot of people don't have yards. San Francisco enacted this very large program years ago.... they were very successful in getting a lot of reduction from the landfill but food waste from this tiny district is minimal as far as reducing landfill. I encourage MWSD, before they take on more fees for us to pay in our garbage collection, is to get the Office of Sustainability here with some master composters to give some classes, demonstrations, and maybe even offer some of those worm bins and yard composting bins, as a lot of people didn't even know they exist.

Chris Thoullaug, Montara resident: I have a letter I like to read, and I would like the letter and the attachment put into the minutes. Is that acceptable?

Director Slater-Carter: of, course.

Chris Thoullaug, Montara resident: On September 5th, I received from your General Manager a denial of my public records request dated August 9, 2019 for information regarding your actions and communications regarding the Caltrans

Bypass property in Montara/Moss Beach. My request was filed in response to calls I received last month from residents alarmed at the district laying out four well lease locations on the property. This action was taken by MWSD without prior explanation to constituents or adjoining property owners, and without permission from Caltrans as the owner. The District has been engaged for over four years in attempting to acquire the bypass property and/or its water resources without conforming to the legal land use planning requirements of the San Mateo County Local Coastal Program. MWSD has been informed by Caltrans, the Coastal Commission, and San Mateo County Planning of the LCP requirement for approval of a specific plan prior to any use of the property other than open space. Yet this recent activity—staking out four well lease sites—indicate that the District's efforts to circumvent the LCP legal requirement for a specific plan continues. One of the District's stated purposes in pursuing the bypass property is to provide stewardship of the watershed. I agree with the need to provide stewardship, but I vehemently disagree with the approach that MWSD is pursuing. By conducting all discussion regarding the property in closed session and denying constituents relevant information, the District has concealed its plan and intentions for the bypass property. The specific plan process mandated by the San Mateo County LCP is intended to be transparent and open to the public. In the spirit of encouraging such open process and public dialogue, attached is my draft plan for unification of the Coastsides special districts, a proposal that provides appropriate protections for the bypass property and its resources. I will be circulating this document to the special districts, Half Moon Bay, Coastal Commission, Caltrans, SMC Planning and LAFCo as an alternative to be considered. I encourage the Board to conduct a public agenda item to disclose and review the MWSD plan for the property, and to consider alternatives such as the unification plan I have provided. I also urge you to reconsider your position of withholding information concerning your actions with respect to the Caltrans Bypass property, given that the information concerns public property and work performed with funds provided by your constituents. Continuing to withhold this information reflects poorly on MWSD as an entity operating in the public interest.

District Counsel Christine Fitzgerald: Working with the District's manager, we responded to Mr. Thollaug's Public Records Act request indicating that we will comply. We responded under the Public Records Act to answer Mr. Thollaug's request for records. That was a mis-statement. We absolutely indicated that we would produce all disclosable records that aren't exempt from public disclosure, and we responded with two letters, and asked Mr. Thollaug to let us know when he would be coming to pick up the records, as they are ready for release. I don't think we heard from him, is that correct?

General Manager Heldmaier: That is correct. We have the records available.

District Counsel Christine Fitzgerald: I want to assure the Board, we complied with the Public Records Act.

Robert Buelteman: I was privy to those letters, and it was nowhere in those letters—that you had the records and they were ready to be picked up.

General Manager Heldmaier: Its states specifically “the records are available for pick up after September 10th.”

Robert Buelteman, Montara: Alright. I rise in support Chris’ proposal to consolidate the water and waste systems on the Coastside which was part of his proposal he did not read. I’m one of the lucky people who live adjacent to the easement on Drake Street. I have lived in Montara for over 30 years, and have a landscaping easement from Caltrans for a line of sight barrier for headlights, so I have been working with Caltrans for a couple of decades. My concern is very simple, and it ties in to the concerns of this gentleman (Herman) about insurance and water and the rest. No one is taking care of that property. I have spent untold hours trying to, and I’ve been cited by Calfire for not clearing the property in front of my house that does not belong to me. Caltrans refuses to take care of it, PG&E refuses to trim around the wires and now I am finding that within 100 feet of my home these lease sites, which, based on my conversation with Caltrans, does not exist—there are no lease sites—as far as the Caltrans representative with whom I have worked with on my property all these years. My concern is that I would like to see a plan that can be discussed. If you plan on using that aquifer for the network, some of that money needs to go into managing that property. Right now, I spend my spare time out there with a chain saw trying to cut dead plants away from my home. I too, don’t know what is going to happen when my insurance comes up for renewal. My concern is this valuable asset, and I’ve spent my life in land conservation. I’m on the Advisory Board for Sempervirens, I did all the photography for the San Mateo County Open Space project for over 30 years, so I know a little bit about how these things go. Everybody wants the goods, but nobody wants to pay the bill. All I’m asking that there is a public conversation. If you intend to take benefit from the assets of that property, that a certain amount of stewardship is considered to go along with it. So, those of us--I’m on a well, and I’m not a rate payer—we don’t have that burden fall upon us. So, that is the reason I want to support Chris’ effort in this regard, in getting this story out to those of us who might have something to say about it.

Director Slater-Carter stated that she has also lived in Montara a long time, and has been concerned about the fire hazard of the property. It has been a goal to acquire the property, but has been advised by the attorneys to work on well sites. She would like MWSD to acquire the entire span with a goal to transform it into a wildlife preserve, trails, open space and community use with fire protection. However, they need to conform with the Caltrans requirements first.

Director Lohman: We are not doing this as a subterfuge to the community. There are certain things that we are attempting to do that aren’t public yet and we have some things happening in closed session that we just can’t open up everything to the public at this point.

Robert Buelteman, Montara resident: May I just say, that if I were to yield the easement that I have with Caltrans by one foot, they would be all over me. The idea that you are placing wells sites, claiming them as leases on the signage, and they know nothing about. Here's my concern....

Director Slater-Carter asked District Counsel Christine Fitzgerald to explain the process to Mr. Buelteman.

District Counsel Chris Fitzgerald: Yes. There is public process that the Board needs to follow, and they are just not at that point. Conducting feasibility is what the Board is considering at this time. I don't know what your reference to lease sites mean. You are putting a title on that...

Robert Buelteman, Montara resident: It was the title that was printed on all of the posts.

There was some debate as to the signage and who posted them.

General Manager Heldmaier: I want to assure you we have a permit from Caltrans to enter the property for the purpose of water exploration. We are allowed to drill. You are aware we did that some years back. They are not test wells, they are bore holes, which means we have to back-fill them so there are no remnants left. That's a very important point to get across. We do have permission to enter the property. The work done was not done by staff. It was an outside consultant. I'm assuming they took a template form to post something out there. That was not run by us. I'm not aware of any lease site declaration on site. If that is the case, I have to take a look at it and make sure that it is removed.

Carlyle Young, Moss Beach resident: Are the signs still up?

Robert Buelteman, Montara resident: They are labeled posts; each one has a square saying "Well lease site, A, B, C, and D."

General Manager Heldmaier: I understand the miscommunication and misunderstanding is due to this sign. That is not authorized by us in any way. I assure you we have permission to enter.

Robert Buelteman, Montara resident: Is that document public?

General Manager Heldmaier: It is, and I can send it to you as soon as I can, and also suggest we talk about this more later.

Director Boyd: We've actually discussed it in open public meeting. The last one I can remember was a community meeting in Moss Beach, and we talked about all

sorts of things, and this was one of the topics. Many of us have been talking about the utility that this has now for the community and how much more utility it could have if it had somebody who cared about it and took care of it. I have talked, as have others, individuals at the County in positions of responsibility and have been told that the County Parks does not want this land, and the Board of Supervisors passed a resolution requesting that Caltrans donate the property to Montara for the benefit of the community. In those discussions, foundational to that, is that we would care for that property like it has never been cared for. That was long time ago.

Robert Buelteman, Montara resident: But there is no plan, right?

Director Boyd: How much do you want us to spend on a plan before we are sure that...

Robert Buelteman, Montara resident: my understanding is that a plan is required.

Director Boyd: A plan is required for certain steps. People might have you believe that a lot of things have to be done before you can do any investigation. That is incorrect. That information you have been told may be in pursuit of some other goal, but our goal is to take care of the water needs of this community—that's our charter. And in so doing, if we can take care of watershed and provide water for our community for the long term. If we can build on that, take good care of that property, make good trails. Don Horsley insisted that if we do that, we have to put in a bathroom... In talking to him, we said we would find a way to do that if we are able to come all the way through this. None of this is secret. The machinations of dealing with Caltrans, the County, and others on the regulatory front, property real-estate stuff. All of that has to be done behind closed doors, and that is right and proper under California state law. There is a reason for that. If you do some of that stuff out in the public, the public winds up paying far more than it should than if you do those kinds of negotiations in private. I'm sitting here today, telling you we have been talking about this a long time in public, and have been talking consistently with our public official partners in various places. We've been to Caltrans and over to the San Mateo County. It has always been about what our community needs and that always included being a good caretaker for that property. We've had a lot of discussions about fire danger, and how that property is being improperly cared for by the current property owner. We are in a pretty decent position to do something to improve that, but we have to get through a whole bunch of things. Even to demonstrate feasibility before we can get to that point. I don't think we are going to be shy about talking about what we would like to do. Getting those mechanics done, that we've got to work through.

Director Harvey: Those sites will not necessarily be the exact sites in the process for the test wells. So, those sites are going to be the sites for sure, it is just part of the process to make a mark. It is close to your house. It may not be the exact sites.

Robert Buelteman, Montara resident: It is not close to my house. It is in the neighborhood. The test well drilled on Drake Street that was very productive is probably 100 feet in front of my front door. The new sites are down the hill, up the hill. My best friend's father owned Ocean View Farms in the 1960s. I have truly coming here a long time, when it was truly a cow town. It is no longer a cow town, but a major setter on the Coast. I am making a respectful request that process be followed, and those of us that live next to this, especially those of us on wells, have a voice, in how it's going. Thank you.

Director Slater thanked Mr. Buelteman, and reiterated the Board's desire to acquire and manage the property, and they are following the steps necessary.

Robert Buelteman, Montara resident: You would find very little resistance in our community, if we had some notion that stewardship is leading the way. Right now, things show up—in the case of my neighbors—right outside their front door.

Director Slater-Carter: Stewardship is and has been leading the way. The other problem is that, as a small district, we have been absorbed with the lawsuit filed by Half Moon Bay, and taking care of this district is our first obligation. I see that land as our forever water supply. We don't want be beholden to Hetch-Hetchy.

Director Boyd: Stewardship has to be the very foundation of that. If you look at what we have done with the property that we took when we bought the water system, up above Alta Vista, we improved the trails and made it easier for people to get to the mountain. When the Coastal Commission said we had to do that, we said "yeah, that's not a problem at all." We took a broken-down water system, and made it into something that we are really proud of and this community counts on and when the other towns in California were doing a lot to deal with the drought, we did a lot of work to make sure that wasn't our problem. We were blessed. There are no guarantees, but it reflects the kind of diligence that our staff and consultants have put into to make sure that it what we are doing is good. I want to point out when we did a sewer project in El Granada with the Sewer Authority Mid-Coastside, of which we are a part, there was an engineer who went about the job making sure that what we did was as environmentally non-impactful as possible as we increased our ability to hold wet weather sewage. In doing that project we were convinced we could do that very environmentally responsibly. Our engineer got us a negative declaration, saying "we are going to a construction project, and when you are done, there will be no negative impact." It has been in the ground, operational, projecting the Coastside for many years and if you don't know it's there, you are going to have a hard time finding it. We take joy in doing work like that. And this property back here is very special, its right here by home, and we want to do something really good with it if we can get to that point.

Robert Buelteman, Montara resident: After 20 years of living next to it, and seeing nothing but abuse by everybody it is hard for me to take cheer out of this.

Director Slater-Carter: That's why we need to own it.

Director Slater-Carter encouraged Mr. Buelteman to stay for the rest of the meeting, but Mr. Buelteman declined citing some health issues and left with his wife.

Carlyle Young, Moss Beach Resident: It didn't go past my recognition of the first speaker on that topic. I think he used to be a Board member and I detected sour grapes. And the fact that he putting out that you guys were nefariously keeping this from the public and even though the attorney said that they had offered the public records to him he claimed you didn't. He is in favor of consolidation. I would like to be on the record as completely opposed to consolidating. They want our water, and they don't want us to develop water in the Caltrans Right-of-way. Thank you.

PUBLIC HEARING – None

CONSENT AGENDA

1. Approve Minutes for August 15, 2019 and September 5, 2019
2. Approve Financial Statements for July 2019
3. Approve Warrants for September 1, 2019
4. SAM Flow Report for July 2019
5. Monthly Review of Current Investment Portfolio
6. Connection Permit Applications Received
7. Monthly Water Production Report for July 2019
8. Rain Report
9. Solar Energy Report
10. Monthly Public Agency Retirement Service Report for June 2019
11. Approve Water Main Extension Agreement for New Service Connection at 25 Bernal Avenue, Moss Beach, APN 037-278-070
12. Approve Water Main Extension Agreement for New Service Connection at 1170 Howells Street, Montara, APN 036-282-050
13. Approval of the Big Wave Subdivision Agreement Phase I

Director Slater-Carter stated that Carlyle Young and Gregg Dieguez requested that item 13 Approval of the Big Wave Subdivision Agreement be moved to New Business.

Director Lohman made a motion to approve moving item *13 Big Wave Subdivision Agreement Phase I* to *New Business*, and was seconded by Director Boyd. All were in favor and the motion passed unanimously 5-0.

District Counsel Christine Fitzgerald suggested to do the Consent Agenda first.

Director Slater-Carter indicated this item will be item one in *New Business*.

Director Lohman made a motion to approve the consent agenda, minus item 13. Director Marshall seconded the motion. All were in favor and the motion passed unanimously 5-0.

OLD BUSINESS –

1. MWSD Collections Contract Status Update

General Manager Heldmaier: It is about the Collections contract that we have with the Sewer Authority Mid-Coastside who is essentially providing field staff and equipment to maintain our sewer collection system. We've added this as a standing item to the second agenda of the month. So, we are reporting on an on-going basis about the contract assessment and negotiation. Since we have an audience today, I will elaborate a little more. We are still under an old contract and the City of Half Moon Bay has a new contract. Granada Community Services has the same contract as we have. So, we are under a self-renewing contract that is based on an outdated scope of services. I see that as the major issue with the contract. However, now we are in a situation where the City of Half Moon Bay is under a different contract with the Sewer Authority Mid-Coastside, and unfortunately this contract is looking at different billing methods. While our billing method is based on hours, the contract with the City is based on partially hours, but mainly on linear feet per cleaning. I think this is where the major problem lies with this contract. So, what we are trying to do is trying to get our collections contract updated. I am very hopeful that we see some movement in a direction where we could actually have a situation again that we had for almost 40 years, where all three agencies have similar contracts. But that doesn't mean the scope of services looks the same. So last time, I wasn't able to present any progress because there was some vacation time involved. This time, both the acting SAM General Manager and I met to discuss how to proceed with this collections contract update. The first step right now is that we prepared a draft scope of services for the sewer services that we would like to see from the Sewer Authority Mid-Coastside and that is now in SAM's hands, and so we are waiting to hear back from SAM on the suggested scope of services. In the meantime, we are also working with our legal counsel in our review of the existing documents, that was held up through Dave's illness right now, so we are looking forward to working with Christine on that. That is a report on the collections update.

Director Slater-Carter: I have a comment. Maybe that's something we can bring up if this contract with Dan Child moves forward and he can perhaps have some suggestions as to how to resolve this, too.

General Manager Heldmaier: That is an excellent idea.

2. Review and Possible Action Concerning Water Rate Study

General Manager Heldmaier: So, we identified this already two years ago. Certainly, with this year's budget process we understood that our water revenues aren't sufficient to cover the expenses. They cover the O & M expenses, but the question is how much money do we want to invest in our infrastructure? We have some clear guidelines that we look at on how to assess this in what we need to spend, and we are currently far from it. We know we need to collect more revenue on the water side, and the Board authorized to initiate a water rate study. We also sent \$500,000 as a loan, from the sewer side to the water side, so we can breathe easier through this coming fiscal year. We presented some ideas for the water rate study at the July 18th meeting, a little over a month ago, and by now the consultant and I have finalized a draft. We are recommending that it go to the District's Finance Committee, so that we can get some guidance in advance before the next Board meeting, and bring something to the Board on October 3rd. We would like to schedule a Finance Committee meeting, maybe next week to get an early start. Maybe there's two committee meetings required—we'll see, and we will try to hone this down so that we have something that can be presented to this Board in October.

The directors on the Finance Committee had conflicts in their schedules, and agreed to work something out with General Manager Heldmaier. He said that he will email them along with Gregg Dieguez (who wanted to participate) to schedule a time that they can get together to work through this.

NEW BUSINESS

Director Slater-Carter announced Item 13 from the Consent Agenda, *Approval of the Big Wave Subdivision Agreement Phase I* has been moved to ***New Business*** Item One.

1. Approval of the Big Wave Subdivision Agreement Phase I

General Manager Heldmaier: I must say that I am a little excited about this item. It has been a very long time. We have been working with Big Wave over a decade now. We have seen some prior Board actions, for example, this Board made clear that we would serve this project. We did this about 7 years ago and issued a will-serve letter for Big Wave. In the meantime, the Big Wave project was approved in 2015 at the County level. The permit was then subsequently amended recently in July 23rd. There is a somewhat revised project that we are looking at. In the meantime, we have worked with Big Wave to prepare a document that is the MWSD Big Wave subdivision agreement for Phase I. What this subdivision agreement does is it allows the extension of a watermain along Airport Road from Los Banos to the frontage of the Big Wave property. There would be some onsite improvements (interior mains) needed as well. I want to make it clear that it is not covered in this agreement, so we will have to amend this agreement or have a second agreement to take this step. What we are also not doing here right now is

we are not issuing a water permit, per say. We are not issuing a meter of some sort. Big Wave has filed an application with us for a wellness center water meter which is currently under review and is processed through staff. What we are really talking about is the approval of simply a water mainline extension. It allows the filing of the Subdivision map at the County level. So, San Mateo County permitted the subdivision in July. However, the Subdivision map hasn't been filed yet. So, there were a number of utilities that had to be involved in this subdivision map—the recordation of the easements, for example, for the internal mains, etc. that is all on the subdivision map. So, we are comfortable recommending to adopt the MWSD resolution to authorize the Board Chair to sign the Big Wave subdivision agreement for Phase I watermain construction. I want to add to that this is all subject to legal council's approval for the final draft. There are obviously some numbers that need to be plugged in and exhibits.

Gregg Dieguez, Montara resident: Kathryn and Clemens received an email from me listing some problems. First, procedurally, there weren't any dollar figures in the draft that is attached to the agenda, so I don't know how you can vote on bonding something with a blank number. There is also a half dozen typos and ambiguities that I pointed out that I suggest be addressed. I used to do some legal review stuff for a living. So, I think you have an incomplete package in front of you. But there are also some substantive issues and I understand that I am late to the game here and Clemens has graciously spent time trying to educate me, but I haven't seen the kind of analysis or due diligence that I would expect for a project of this magnitude. Where are the financial projections that show the cash outlays and exposure, the revenues coming in, the coverage and all that? One thing that relates to the rate study that may be coming up, if you are going to build this extension for millions of dollars, then we are going to have to operate it, and it is going to be, not an asset but a burden on the district. When that thing finishes aging out of its useful life, everybody else is going to have to pay for that. They pay for the first version of the asset, and we have the pay for it the rest of the time. I don't know where the analysis is.

Director Slater-Carter: Just like with SAM.

Gregg Dieguez, Montara resident: SAM is another issue. I put in the email that I sent you guys a half dozen considerations which take too long to explain here. But look at the stress on SAM. We are now going to be adding more sewage, and we already have a problem with SAM staff having to turn off the flow from the north and back up the sewage into the expansion tanks during wet weather events. So how much more wet weather expansion capacity do we need and I don't know. It is probably a bigger problem when you have an office park, but who pays for that... I don't think we can spend the time up here debating the things I wrote, but I would be surprised if you voted in favor of this without considering the issues that were raised. We pay, whether El Granada collects the sewer connection fee, we still pay for our share of the infrastructure. And there is also issues the way the rate study is calculated. It is based on a capital improvement plan, but it doesn't include a

fully loaded evaluation of the asset portfolio. So, I think the rates are going to be impacted, I don't know how, because I haven't done the calculations. So, I view it now as needing more analysis, at least financially. Maybe someone is going to say don't worry about the prices right now, but in the business I used to be in, we would have done this before.

Carlyle Young, Moss Beach resident: As far as the Big Wave mainline extension, is that something they pay for before we start building it or is it in anticipation before breaking ground?

District Counsel Christine Fitzgerald: They pay for construction.

Carlyle Young, Moss Beach resident: And when we start selling them the first drop of water, my understanding was when the residents voted to approve the Bond to buy the water district from Citizens/CAL AM. We spent the money for that Bond, and every time a new connection gets added, they have to pay part of that back to do the District. Is that correct?

Director Slater-Carter: No, they pay into the Bond. The Bond gets added to their tax bill.

Carlyle Young, Moss Beach resident: Yes, but they are only paying whatever portion of that is left of the Bond to pay, and we have been paying all along. So, we kind of helped them to... even if it is a new resident.

Director Boyd: The law is very clear. They pay to build it and as they buy water, they pay more money into the District. Everyone pays money to the District, as we buy water from the system. There is cash flow that not only operates things day-to-day, but also keeps the system in shape.

Carlyle Young, Moss Beach resident: That wasn't my question. My question was "if we, the District, and the citizens who first signed on for the Bond have been paying their Bond in their property taxes all these years, and a new large water user connects, what happens when those connections start up? They have to add on to whatever part of the Bond that is left. Does any of the previous, the fact that we acquired that whole thing, does the money go back to some of us, either in the reduction of a rate, because there is a new big user?"

Director Slater-Carter reminded everyone that they are discussing a minor approval of a subdivision map, and the subdivision has already been approved by all the planning agencies.

Carlyle Young, Moss Beach resident: I know that. I read the documents. My question is, "when they start paying in because they turn on the tap water, and we are supplying them water, how does that affect the District and the past people that have supported the bond?"

Director Slater-Carter: We have more customers.

Director Harvey: Big Wave can't be expected to pay for water use in previous years that they didn't have. They can't go back and pay for water use in the last 20 years.

Carlyle Young, Moss Beach resident: I'm just saying that they are using a resource that we paid to improve over time. How does that affect the current rate payers?

General Manager Heldmaier: I understand that it is about the Bond. The Bond is levied over the District. Big Wave is within our service area. The Bond was taken out for the purchase of the water system and improvements of the water system.

Carlyle Young, Moss Beach resident: We still have it on our tax bills. How much longer does it have to go?

General Manager Heldmaier: About 10 years. In the connection charge study, Big Wave will pay for each individual water connection—a very specific amount. What goes into this study—how we calculate this amount—is what I will call a “buy in.” It is essentially a portion that buys into what is existing. The future rates are going to pay for the water system. Since the mainline becomes part of the water system, every rate payer pays a portion that goes to capital needs. The water rates are making up the replacement of this mainline. So, Big Wave will pay for water main replacement in front of your house, Gregg, as well as any other main. You are paying, through your rates, for replacements located anywhere in the District. That money is put in a pool that is spent to improve the water system.

Carlyle Young, Moss Beach resident: That's after they start using water.

General Manager Heldmaier: In 100 years when that line needs to be replaced.

Director Slater-Carter stated that in Gregg Dieguez's email there are some things that haven't been considered. The typos need to be corrected, and there was a question about adequate fire suppression, water, storage, and adequacy of water supplies.

General Manager Heldmaier: Adequacy of water supply is a very good topic, and I wanted to address this for the Manager's report. I attended a meeting of the Association of Water Agencies for Region 5 the Bay Area last week. This is the big ones-- East Bay MUD, Valley Water, Contra Costa Water, and looking at their water sources and water portfolio and what their needs are, determining now that we are living in a drought scenario with some rain years vs. before we were living in a Mediterranean climate with some drought years. This is turning around. So, folks have to be prepared for drought scenarios—longer drought scenarios, and how do water agencies look at this and how do they cope with this? They all

developed their needs strategy and from there they look at what are the financial impact. They come up with a scenario that doable, and how do they finance it? The first goal all these water agencies had was that they needed to produce 100% of average water demand. Bear in mind, that means they are looking at trying to produce the amount of water to meet the needs of their customers—that is their goal, and then they go into a drought where they look at providing 80% of water to their customers, or 70% and look at how much does it cost to provide 60%, 70%, 80% and so on. And how they develop their water sources is a different topic. This district here has to set aside 50% of our capacity for drought contingency. So while other agencies are looking at how they can provide 100% of their water customers' needs, we have to provide much more of our water customer needs, plus half of that is set aside just so we can supply water during drought. I think that is probably the most conservative approach in California. As I said, when it comes to water availability, Big Wave is subject to what everyone else does, it is first come, first serve basis. So with every water meter application we get from Big Wave—Big Wave will be built in stages—we will have to make the assessment, do we have enough water to supply water for the next phase? There is never a guarantee that we have enough water, but in looking at our supply portfolio, we are pretty safe, and don't plan on running out of water again.

Carlyle Young: They are building the pipeline before a drop one goes through it, right?

Director Slater-Carter: Yes. One of the conclusionary statements in Gregg's letter is "I understand the pressure the County, and the Board of Supervisors is applying to advance Big Wave, but we residents must insist that we do not bear the costs and risks from the project." I would say that is certainly the attitude of the Board. We ask anyone who is doing new construction in this District connecting to either water and/or sewer to bear their costs and the risks and we have to do that within the structures of the law. There are particular laws that special districts have to follow in setting our costs and rates. It is not the same as for investor-owned utilities. This Board is very aware of that. We work with consultants who are very clear that have an understanding of the laws and requirements that a public district must operate under. Comments from the Board?

Director Lohman: I think everybody said it already.

Director Slater-Carter: Do we have a motion?

Director Harvey made a motion to approve Resolution 1660 of the Montara Water and Sanitary District to approve the main extension and authorizing execution of agreement for phased construction and acquisition of subdivision water utility improvements subject to correction of typos. Eric seconded the motion. All were in favor and the motion passed unanimously 5-0.

2. Tracer Study Project Update

General Manager Heldmaier: I would like to thank SRT for their help with the Tracer Study. They have done a tremendous job in recent weeks to take a look at how we can please the State regulator in ensuring that our contact time requirement for the treatment plant is granted.

District Water Engineer, Tanya Yurovsky: We are very happy to report we had a successful run, and the study has proven what we have been telling the Water Board for the past 15 years. Your staff and consultants knew this would be the case, but we couldn't prove it, and they didn't take our word for it. So, the choice was, as you probably recall, to do this Tracer study, which was a huge expense, versus spending 10 times more to build a new tank, which is what the Water Board Division of Drinking Water wanted. We have been very successful, but I would also like to say this study is under budget, due to huge input and participation by District staff who took on a lot of work that we didn't have to pay others to do, and it was much more efficient. There were several hiccups on the way...however, the good news is the study has proven that the district's disinfection system is working correctly and there is enough detention time also called contact time sufficient to disinfect the water. The groundwater mixing with the surface water treated at the Alta Vista treatment plant does not affect that process. We will be sending a report to the State with the hope that they will leave us alone. The District is in full compliance with the surface water treatment rule and all the regulations are thoroughly met. In the Agenda we included some photographs of the study process, and again I want to thank District staff for doing all this work and supporting the study, and we are very happy to report the good results. There will be a more detailed report forthcoming. I will be happy to answer any questions.

The Directors did not have any questions or comments.

3. Progress Report for the Wagner Well Rehabilitation and Water Main Replacement Project.

General Manager Heldmaier: I will hand this back over to you Tanya, to report on the progress of the Wagner well improvement project. But there were also improvements made at the Drake well site.

District Water Engineer, Tanya Yurovsky: So, this project has been in the capital improvement program for a few years and it has reached a point for implementation. Drake and Wagner are good work horses for the District--they are good producing wells. Back in the day, before the District took over, there was some MTB contamination, hydrocarbon contamination—probably from the farm, and GAC (granular activated carbon) filters were installed, that we were able to disconnect, because that contamination was no longer a threat. Working with the County in the early stages of the District taking over in 2005, these vessels were sitting there idle doing nothing. This project will remove them for good. But more

importantly, we rehabilitated both the Wagner and Drake site wells, and we replaced the main that interconnects them which will improve the distribution system substantially, and will repair fences and gates improving access and security, and demolition of an existing dilapidated shed and generator. The project is expected to be finished in October of this year. Thank you.

4. Review and Possible Action Concerning District Minutes Review

General Manager Heldmaier: This was a request prompted by Lou Wall. Our minutes are prepared by our District Clerk, reviewed by me, and approved by the MWSD Board. The District Clerk attended the California Special District Association Board Secretary Conference that has a focus on the preparation of Board minutes. We do this with all our District Clerks. We always record any action taken during the meeting. At minimum, we are taking action minutes. However, we have historically captured conversations that lead up to Board decisions and have received these requests from Board members to expand the minutes to capture the conversations leading up to the decision. I think the discussion minutes is our standard minute format. Sometimes, we have received requests for verbatim minutes where everything, word-by-word, is captured so there is a very thorough understanding of what happened at that meeting for that certain item. We have applied these different forms at our discretion, but mainly focus on discussion minutes to allow a better understanding of how those decisions were made.

Director Lohman: That sounds like a lot of work to put every word into the minutes. Can we say since the entire meeting is video-taped and those records are available also, in the incidences in which, either the Board or the public, wants to know word for word what happened, it seems like the video can handle that.

General Manager Heldmaier: I want to point out that the minutes are an official document, but the recording captures everything.

Director Lohman: I don't think that verbatim is a requirement.

General Manager Heldmaier: No. Again, I want to point out verbatim is not a requirement here. Sometimes we receive a request to capture a specific item verbatim. What we generally do here is discussion minutes, where the discussion is summarized. Action minutes doesn't capture any of the discussion, but simply records the action taken.

Director Slater-Carter: Which really, down the line, doesn't give any history for people who...

Director Lohman: I've been to places, where they have taken that minimal approach.

Director Boyd: When I got on the Board, I read all of the early minutes, and you wouldn't know anything about how it happened, because there was the recording of the vote, and that was it. There was no video back in the day. I think our need for verbatim minutes might be noted if we are in a discussion that might be important to have. I think that is something we could ask for at the time. I think some discussion minutes are always helpful because it helps anyone get a sense of what was happening, and how they arrived at a conclusion. That's really good for the record—that distillation of it. I would be very inclined to just leave verbatim minutes as needed. I would suggest too, videos go up on the net. We can get automated machine learning generated transcripts. They are not bad, especially when in conjunction with the video. So, if there is something garbled, you can try to figure it out. I think for people who want to do textual searches and such, that's not a bad starting point and I would have killed to have that earlier in my career here. But now, I can get some of that on my own, without burdening staff, time and expense. We can have some discussion on this, but I don't want to see verbatim minutes.

Director Marshall: I think action minutes are fine. With the technology that is available to us, you can use that as a means to get more detailed information. I understand why it was needed prior to that. We have a very good back up that is attainable, and if you have verbatim minutes, the District Clerk would have to go back to the video to determine what that verbatim was. I think that it is already in practice. I would support more of an action minutes, with recordings as a backup for any additional requests.

Director Harvey: I agree with Eric.

Director Slater-Carter: I disagree. We had a very angry person--a former Board member--standing here telling us we lack transparency. If I have some actual contextual minutes to send people to. Somebody who is very busy is not going to have time to go through all these meetings, watch them, and try to search out the text. I like the easier to find minutes, and give people a sense of what the Board was doing and why. I spent a whole lot of years, doing records diving through minutes. The other issue is it is tough to maintain access to all of this stuff. We need to make it easy for transparency. I like having contextual discussion minutes.

General Manager Heldmaier: I want to point out that verbatim minutes are rare exceptions as needed. We stick to discussion minutes.

Director Lohman said he fully supports what we are doing right now.

Director Boyd: We just need some context in the minutes. It's really great to read the minutes, and have a pretty good idea of what happened in the meeting. That's really nice. And if people want more detail they can go to the video.

Director Slater-Carter: I will add that Leonard Warren, went through all the minutes on the founding of SAM and they were fairly complete minutes, and they did add a lot to discussion 20-25 years later. It is something that occasionally people do reference.

5. Review and Possible Action Concerning Wastewater Management Specialists Proposal to Sewer Authority Mid-Coastside.

Director Slater-Carter said she asked to have this included in the agenda for a straw poll (not an action vote) to give advice to the SAM Board members and alternates on whether to go forward with the contract.

General Manager Heldmaier added that the Board also wanted to address desirable attributes in a new SAM manager.

Director Slater-Carter: I got a note from Kishen today, and the SAM Board will be interviewing the final two candidates for recruiting companies, engagements, for the agencies to find and choose one to find a new General Manager for SAM.

Director Marshall: For the attributes for the SAM Manager, you want someone who has a well-rounded background. I recommend that it not be an engineer. That is the purpose of hiring an engineer. You rely on them and their expertise, and you are not supposed to be...As a manager, in my mind, you are not the expert, but you have the wherewithal to ask questions. I think that is key in keeping an organization moving toward the right goals. I'd rather see that kind of attribute than I would an engineer or operator, because typically they miss out on a lot of things that are necessary at that level. That includes staff management as well as finances and understanding a lot of other items that come with managing an entire organization.

Director Slater-Carter: I hear you saying a well-rounded background, not necessarily an engineer or operator, with strengths in finance and HR.

Director Lohman: On the wastewater specialist part of that, everyone knows we are involved in a lawsuit with Half Moon Bay, with tons of expenses. As that settles, we will have a better idea of how much money we have. And it would also depend on who we hire as a General Manager. Many of these functions could be taken by a general manager, not necessarily all of them. So there could be some functions for WNS here, even if we do get a general manager. Getting the general manager going is the highly critical thing and then build around whoever the manager is and what functions Wastewater Management can do. I don't think one person can do everything.

Director Slater-Carter: What about strengths/characteristics for a new GM? You are probably going to be one of the people interviewing.

Director Lohman: I liked the idea that we discussed several times, I'm not looking for the world's best engineer. Our original idea during the last round, was that most of the highly technical information can be cooperatively collected from all the managers as a consultant group to the general manager. I think that our engineering power is going to be in the staff and our managers. I think that it is best for the new general manager to pick up all the stuff that's not specifically engineering. I don't expect a licensed operator or anything like that in a general manager. But as Eric said, more financial, HR, general management skills, being able to work in a Joint Powers --I would say that is mandatory--and a prior history of working in tough groups like that. We are a good tough challenge for somebody.

Gregg Dieguez, Montara Resident: I want to make you aware that I did speak to National Engineering Consultants and Wastewater Professionals before this guy spoke last time, and I checked out his background and he is very qualified. But the consensus of all the people I spoke to was you hire the GM first. That is what Ric is saying. You don't spend any money on this guy until the GM is present at the creation to decide whether or not he wants to help and make sure that he is going to agree with what is being done. I would also point out that without going into a whole story, I've had some of these people try to help me find a GM for SAM. You have problem. People know what is going on at SAM. It's going to be hard to find someone. Get those recruiting firms going because you have a real problem getting someone to take that SAM job.

Director Harvey: As far as the general manager I agree with Ric and Eric, that with the situation here on the Coastside, we need to have a good person who is foremost a good manager as opposed to an engineer. Someone who can handle people, the JPA, agencies and be a good problem solver with the situation we have. As far as the district consultant, I tend to disagree with Gregg. I think he was able to discuss the fact, that if brought on board, he would help out, participate in helping us get a general manager. I feel just the opposite. In taking this straw poll, in general, I am for hiring him, and I think it would be better to have him come on board first, and have him help us find a proper general manager. And then work with that new manager initially to help him out to work with this district. So, I think it would be better to have him come first.

Director Boyd: It's no mystery that what SAM has been going through is very much in the public. It's something that we discussed amongst ourselves when I served on the SAM Board and with my colleagues here. And for that reason, having that consultant there to work with us is one of those things we can do to help address some of the issues that have been at play in what makes it a difficult environment. And knowing that we are making that commitment, and doing some things to settle things down, and start working constructively together is part of the pitch. When there is hope coming in, it's going to make some sense. It's not something where things are completely blown up, and we are actually doing what we can to pick up the pieces and put them back in place. If I were looking at this, I would be saying, "these guys are starting to get their house in order, maybe it's okay to

come back in.” When people or organization need to do something to get their act together, sometimes it’s okay to have a crisis to get to where you realize “we are going to have to do some serious work on this.” We’ve invested heavily in this, trying to hold the agency together and try to keep it functioning. I welcome the extra help, and think it will be helpful in landing a new manager. As far as what I would like to see our team do in trying to land a good manager, we need to be diligent about getting to know these people, and looking first hand at their work. We’ve dealt with hiring many managers and one of the things that I wish we had done more consistently is take a look at examples of their budgets, of the minutes, and maybe observe them in a difficult Board meeting. I would like to say “show me a video of a Board meeting where it was difficult,” and something representative of the way you work in trying to navigate those difficult waters. I think these are practical tangible steps we can take that will inform us who these people are.

Director Slater-Carter: I agree with you. I think Wastewater Management is already making a difference. We approved a \$50,000 check for him at the last SAM Board meeting. On the way in, I saw a woman working on piles of paper in front of her, and I introduced myself, and she said that she with Wastewater Management and was helping with the audit. This is something we have desperately needed to get assistance in to help staff. I believe Wastewater Management is already proving its value to SAM and particularly the member agencies and staff at SAM. We only have 2.5 months left in which Kishen can continue to perform as interim manager, so we are on a short time-line for finding somebody. I agree, having a manager, as you said Jim, with HR and financial skills. We already have a really good engineer and excellent staff. We need a good problem solver. So, someone who can work with Wastewater Management and our agency managers so we can work out the collection systems differences and all of these other differences. Having a new general manager come in and get acclimated, we can’t be asking that person to come in and manager the plant, and solve problems all at the same time. Having an outside person to present options sounds good. My biggest concern with Wastewater Management is that it is a lot of money. We need to find out if the other member agencies are going to support this or not. Not just financially, but if they are going to support the changes that are suggested structurally, and the healing of SAM—getting the staff that is needed. We had a staffing report years ago, it was ignored. We paid for all kinds of studies that have been ignored, and we have to move forward in taking those studies seriously and looking at it them from the point of view from a public agency, not an investor owned agency. Often times, they have an attitude of cost plus, which means that you run something into the ground, then replace it and make 10-20% on top of it. Whereas, if you were just maintaining it, you wouldn’t get that kind of profit. So, we need to look at it from a public agency point of view.

Director Lohman commended Director Boyd for his ideas. He said that the general managers they interviewed mentioned watching our Board meetings, but it was never asked of them to see their Board meetings and how they performed under difficult circumstances.

Director Slater-Carter suggested that when final candidates are chosen, that they request examples of budgets, minutes, or any other documentation we want to see.

REPORTS

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

Director Slater Carter said it was a short meeting and everything was approved. SAM hired a goat herdsman to have the goats graze the SAM property.

Director Harvey added that if you drive by and look at the property, you can see where the goats have been. They did a great job.

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

Director Slater-Carter: We talked about compostable food waste. One of the proponents have set up a Facebook page. For folks interested in joining this and the full discussion, go to Next Door, and look up the comments. The other item was the highway crossing and various highway issues. Somehow, in the middle of the night, a highway crossing appeared. Seton Hospital is for sale, and some concerns were raised. The Wildlife Conservation Public Access Grant for Montara State Beach was discussed. For more details, look on Pacifica TV.

Director Boyd: Is the Council going to be talking to Caltrans about the quality of the crosswalk?

Director Slater-Carter: I left before that item came up. You will need to watch the video.

Director Boyd: I drove over it tonight, and it is the sketchiest painted crosswalk that I've ever seen. It's not appropriate, not wide enough.

Director Slater-Carter: It doesn't meet the Caltrans standards, and there wasn't adequate notice.

3. CSDA Report (Lohman) -- none

4. LAFCo Report (Lohman) – none

5. Attorney's Report (Fitzgerald) – none

6. Directors' Report – none

7. General Manager's Report (Heldmaier) – nothing in addition to submitted report.

Gregg Dieguez, Montara Resident: This is the item that Clemens spoke to before about saying we had 50% of our capacity reserved. I spent more time going through table ES6 in the 2017 Master Plan in trying to understand storage, capacity, and its allocation, and I swear what I see is 2 days of average daily use, 2 hours of fire storage, and 25% of maximum daily use and that's our allocation. I know we have a million four, hundred-two thousand. We can take it off line. If somebody would hand me the table that shows me how we have reserved half of the capacity for fire, I would love to see it. I keep seeing the 240,000 not going up.

General Manager Heldmaier: Gregg, you are looking at storage, and are talking capacity and they are two different things. Storage is what we have in the tanks and capacity is what can the wells produce.

Gregg Dieguez, Montara Resident: Is there another document that explains the statistics you are quoting?

General Manager Heldmaier: Public Works Plan Amendment 2013.

Gregg Dieguez, Montara Resident: Thank you, I will look for it.

Director Boyd: I think it is worth pointing out these documents are available to everyone, not just Gregg. There are some very interesting topics. There are a lot of people that have questions, like Gregg has, and some of it is pretty good reading.

FUTURE AGENDAS

Collections Contract Status update

BRIEF RECESS

SPECIAL MEETING ENDED at 9:30 P.M.

CONVENE IN CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

(Government Code §54956.9(d)(4))

Initiation of litigation

Number of cases: 1

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

(Government Code § 54956.9(d)(1))

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

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

(Government Code §54957(b)(1))

Title: General Manager

REPORT OF ACTION TAKEN IN CLOSED SESSION

ADJOURNMENT

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

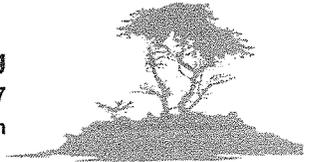
Respectfully Submitted,

Signed _____
Secretary

Approved on the 3, October 2019

Signed _____
President

Chris Thollaug
PO Box 371018, Montara CA 94037
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September 12, 2019

Board of Directors
Montara Water and Sanitary District
8888 Cabrillo Hwy
Montara, CA 94037

Hand delivered, MWSD Board Meeting of 9/12/19

Regarding: Land Use Planning for Caltrans Bypass Property

Directors:

On September 5th I received from your general manager a denial of my Public Records Request dated August 9, 2019 for information regarding your actions and communications concerning the Caltrans bypass property in Montara/Moss Beach. My request was filed in response to calls I received last month from residents alarmed at the district laying out four well lease locations on the property. This action was taken by MWSD without prior explanation to constituents or adjoining property owners, and without permission from Caltrans as the owner.

The district has been engaged for over four years in attempting to acquire the bypass property and/or its water resources *without conforming to the legal land use planning requirements of the San Mateo Local Coastal Program*. MWSD has been informed by Caltrans, the Coastal Commission, and San Mateo County Planning of the LCP requirement for approval of a Specific Plan prior to any use of the property other than open space. Yet this recent activity—staking out four well lease sites—indicate that the district's efforts to circumvent the LCP legal requirement for a Specific Plan continue.

One of the district's stated purposes in pursuing the bypass property is to provide stewardship of the watershed. I agree with the need to provide stewardship, but I vehemently disagree with the approach that MWSD is pursuing. By conducting all discussion regarding the property in closed session and denying constituents relevant information, the district has concealed its plan and intentions for the bypass property.

The Specific Plan process mandated by the SMC LCP is intended to be transparent and open to the public. In the spirit of encouraging such open process and public dialogue, attached is my draft plan for unification of the coastside special districts, a proposal that provides appropriate protections for the bypass property and its resources. I will be circulating this document to the special districts, Half Moon Bay, Coastal Commission, Caltrans, SMC Planning and LAFCO as an alternative to be considered. I encourage the board to conduct a public agenda item to disclose and review the MWSD plan for the property, and to consider alternatives such as the unification plan I have provided.

I also urge you to reconsider your position of withholding information concerning your actions with respect to the Caltrans Bypass property, given that the information concerns public property and work performed with funds provided by your constituents. Continuing to withhold this information reflects poorly on MWSD as an entity operating in the public interest.

Regards,

A handwritten signature in black ink that reads "Chris Thollaug". The signature is stylized and includes a large, sweeping flourish at the end.

Chris Thollaug

cc: Lennie Roberts, Committee for Green Foothills (all via email)
Don Horsley, SMC Board of Supervisors
Grant Semple, Caltrans
Steve Monowitz, SMC Planning
Jeannine Manna, CA Coastal Commission
Martha Poyatos, LAFCO

Coastside Special District Unification San Mateo County

Executive Summary

This document presents a plan to replace the present array of municipal service providers with a new unified entity responsible for water, sanitary, and local park services for the San Mateo County Midcoast and Half Moon Bay. Additionally, the unified district would take responsibility for management of local water resources and aquifers, providing the stewardship necessary to preserve these resources for future generations.

Consolidation of special districts and expansion of the HMB municipality have for decades been inflammatory topics to locals who, on the one hand, are concerned about overdevelopment and the environment, and on the other about district efficiency, reliability of service and support for the local economy. This plan advocates for a solution that addresses concerns on both sides of the debate: truly a win-win for the community.

Special districts on the coastside have an adversarial history, dating back to the complex structure which arose out of a federal grant in 1976 for construction of a new sewage treatment plant. That grant required, as a condition of funding, for Montara/Moss Beach to abandon their fully-operational plant and join with Granada and HMB in a joint powers authority (JPA) to construct and operate a consolidated plant.

In retrospect, both the voting rights for the JPA as well as the operational provisions of the agreement were flawed, and in the long term highly divisive. These problems are at the root of the present litigation between Half Moon Bay and the Montara Water and Sanitary District, as Sewer Authority Midcoastside member agencies continue to advocate for their individual constituencies to the detriment of the service area at large and the environment. The problems are well described by former MWSD board member Bill Huber in a 2019 HMB Review opinion: https://www.hmbreview.com/opinion/five-years-on-board-reveals-need-for-new-sewer-answers/article_909f04c4-1449-11e9-bafb-37431c1c9b5f.html

Case in point: the spill of over 700,000 gallons of sewage into the Monterey Bay Marine Sanctuary in 2017. The SAM board's failure to deal with decades of deferred maintenance caused this spill. Further violations can be expected, given the magnitude of the deferred-maintenance problem and conflict between SAM's member agencies.

Despite the ongoing rancor, there is reason to believe there is now a path to a win-win solution. A key element of the proposed unification is acquisition and use of the surplus Caltrans bypass property in Montara/Moss Beach as a groundwater source and site for parks (see attached map of the area). Exploratory drilling on the bypass property by MWSD has demonstrated significant water resources are present.

Use of the bypass property as a new local water resource can reduce the coastside's dependence on Hetch Hetchy water. This plan recommends doing so, in a manner that would not be growth inducing.

Service Entities Involved

City of Half Moon Bay (HMB).....sewage collection, SAM board, garbage, parks
Coastside County Water District (CCWD).....water
Granada Community Services District (GCSD) ...sewage collection, SAM board, garbage, parks
Montara Water and Sanitary District (MWSD).....water, sewage collection, SAM board, garbage
Sewer Authority Mid-Coastside (SAM).....sewage treatment

Unification Goals

- Governance:** Replace the current structure involving five elected boards with a single governing board. Replace multiple general managers with a single executive and appropriate functional reports.
- Water Resources:** Ensure that unification has no growth-inducing effects with respect to local water utilization. Reduce use of and reliance on external water resources, specifically Hetch Hetchy water. Manage water resources for the benefit of future generations.
- Potential for Municipal Consolidation:** Clarify and strengthen the rights of the unincorporated communities of Montara, Moss Beach, Princeton, and El Granada to vote on any future proposed municipal consolidation with Half Moon Bay.
- Operations:** Reduce cost and improve service by achieving improvements in operational, administrative and management efficiency.
- Finance:** Provide for retirement of the assessment district formed for acquisition of the MWSD water system. Improve the coastside's ability to qualify for federal/state grants and advantageous financing for major capital projects.
- Stewardship:** Assume responsibility for proper long-term stewardship of the area's aquifers and watershed property under district control. Monitor environmental conditions and proactively reduce/mitigate environmental impacts.
- Regulatory Compliance:** Simplify relationships with regulatory agencies by reducing the number of entities involved in compliance, easing the burden of compliance. Establish ombudsperson function to address public issues and concerns.
- Parks:** Establish local control over watershed lands suitable for recreation activities which are restricted or not permitted on state and federal parklands, e.g. picnic areas, off-leash dog walking.

Governance

Discussion

It would be hard to overestimate the negative impact the SAM governance structure has had on member-district relations. By allocating equal voting rights to Half Moon Bay on the one hand, and Montara Sanitary District / Granada Sanitary District on the other, decision-making gridlock became all too common for the SAM board. When important decisions occur, it is often due to a crisis forcing a vote.

This was the case for the SAM board's response to the March 2017 spill of 344,000 gallons of untreated effluent into the Monterey Bay Marine Sanctuary. It was also the case when the \$25 million SAM plant expansion was approved in 1989, forced by threats of EPA fines and environmental lawsuits over sewage spills and overflows. Under such emergency circumstances, decisions address immediate issues but often have long-term negative consequences. In the case of the SAM plant expansion, the immediate issue (massive fines) was overcome but other consequences have done lasting damage. Treatment capacity was overbuilt, as GSD and HMB representatives saw the EPA threat as an opportunity to increase capacity to that necessary to support full buildout—decades away. As a result, much of that expensive treatment capacity went unused and the related millions of capital investment consequentially wasted.

Financing the SAM plant expansion was also highly problematic, as the assessment district formed by the Montara Sanitary District (MWSD prior to its acquisition of the water system) put the entire burden of plant expansion on undeveloped property. That assessment district was thrown out in court, on the basis that the planned increase in peak wet-weather capacity (as opposed to treatment capacity) benefited all users. As a result and given the EPA threat of substantial fines, GSD and HMB advanced millions from their own reserves to cover the MSD shortfall and permit construction to go forward.

Very small districts are a challenge from the perspective of scale of operations. A very small district lacks the staff and other resources necessary to maintain proper separation of staff/board functions. Consequentially board members engage in staff responsibilities, such as contract negotiation and budget preparation—undermining the critical oversight function expected of a governing board.

Lack of scale also increases reliance on outside consulting resources, leading to increased cost and politicized outcomes.

Lack of scale also reduces the interest of potential board members to serve, as does the infighting and legal battles between SAM entities.

The unified district would:

- Be governed by a single five-member board with district elections.
- Clarify roles and train board members and staff in proper governance and oversight practices.

Water Resources

Discussion

The water supplies of CCWD are limited, while those of MWSD are now substantial—after years of a state-imposed connection moratorium due to supply constraint. MWSD reports that their current water supply is sufficient to support the growth projected in its service area for the next 40 years.

Significant new water sources have been located by MWSD by test-drilling in the Caltrans bypass property. MWSD is pursuing acquisition of the property for the stated purpose of watershed protection. The SMC Local Coastal Program, the controlling land-use regulations for the Midcoast, requires a Specific Plan to be developed for the property and approved by both the SMC Board of Supervisors and the CA Coastal Commission prior to transfer of ownership (Section 11.33, SMC LCP).

Finally, efforts to initiate a recycled water program at the SAM plant have been unsuccessful, with SAM board members continuing to debate jurisdiction and planned uses. Given restrictions away from ocean outfalls for disposal of effluent (particularly into marine sanctuaries), alternatives should be studied and pursued.

The unified district would:

- Commence planning for the use of water recycled from the SAM plant, to reduce the draw from local sources and in anticipation of further restrictions on offshore outfall disposal.
- Engage in the Specific Plan process required by Section 11.33 of the SMC LCP to evaluate transfer of the bypass property to the unified district, and to authorize the use of the property for sustainable water extraction and parks.
- Manage the use of water extracted from the bypass property in a manner which reduces coastside dependence on Hetch-Hetchy water. Reductions in Hetch Hetchy allocations resulting from future drought conditions could be offset with water from local wells developed in the bypass lands. Extraction levels from all local sources would be sustainable and subject to ongoing oversight by the CA Coastal Commission, as is currently the case for both MWSD and CCWD's local water sources.
- Use the dollar savings from replacing Hetch Hetchy water with local water extracted from the bypass property for: 1) stewardship and protection of the district's watershed lands; and 2) education and outreach. Allocation between these permitted uses would be established and governed by the board of the unified district.

Potential for Municipal Consolidation

Discussion

Given past plans for massive development in their communities, many Midcoast residents are justifiably skeptical of new development on the coast. It is important to understand how these past efforts to develop the coast have polarized the community and hampered efforts to address SAM problems and special district issues in general.

Environmentalists on the coastside has fought overdevelopment and traffic congestion for decades. The 4,262 acres of the GGNRA's Rancho Corral de Tierra adjoining Montara was in the 1960s owned by Henry Doelger, the developer of major sections of Daly City and the SF Sunset. Doelger planned thousands of apartments on the Montara site complete with retail facilities and golf courses. In the 1970's the site was acquired by Westinghouse, which proposed to build a city of 200,000+ residents near the HMB airport.

In support of projected development, Caltrans' plans for coastside Highway One in 1960 called for a construction of a six-lane freeway by 1980. By 1969 the department had increased that recommendation to eight lanes, with Highway 92 as a four-lane freeway. The inland bypass of Devil's Slide, the subject of decades of litigation before tunnel approval, was originally envisioned as part of the Cabrillo Freeway, running through the San Mateo County coast down to San Luis Obispo. Caltrans' efforts to build an inland bypass of Devil's Slide ended with the passage of Measure T in 1996, which mandated a tunnel be constructed consistent with the CA Coastal Act requirement that Highway 1 remain two-lane in rural areas.

Efforts by San Mateo County to consolidate the Midcoast into Half Moon Bay, or alternatively incorporating a new Midcoast municipality, has been met with intense resistance from residents, which continues today. To be successful unification must not be perceived as an enabling step in that direction.

In fact, achieving the benefits of district unification would reduce the economic incentive for HMB consolidation. The successful outsourcing of fire and police services in HMB to CalFire and the county sheriff has demonstrated the benefits of using outside entities to achieve reduced cost and improved services without municipal consolidation. Unification of sanitary, water, and park services into an independent agency presents a similar opportunity.

The unified district would:

- Take the position that no consolidation is supported nor envisioned beyond the services district unification: land-use policy, regulation and governance remain unchanged—the responsibility of SMC and HMB respectively.
- As a basic tenet of special district unification, support legally strengthening the rights of all coastside communities to vote on any future municipal consolidation of HMB and the Midcoast.

Operations

Discussion

Duplicative services abound in the present structure, increasing operating costs. Personnel management suffers as well, as the smaller districts have insufficient scale to 1) offer meaningful internal advancement opportunities, contributing to employee turnover; and 2) maintain sufficient in-house expertise in engineering, finance and compliance, increasing risk factors and leading to excessive reliance on outside consultants.

Unification would eliminate the highly problematic situation brought on by the present SAM governance structure, where member agencies advocating for themselves fail to address the state of the neglected SAM collection system and treatment plant.

The unified district would:

- Utilize economies of scale to reduce costs where feasible, and make changes that, system-wide, improve service, reduce health risks and reduce environmental impacts.
- Consolidate sewer-service operations and personnel at the SAM plant, and water operations at the present CCWD facilities. Storage facilities for equipment and material in Montara/Moss Beach would be provided at the present MWSD Alta Vista well and tank site.
- Move to assessment of capital improvements based on cost, benefit, and risk reduction for the entire service area, prioritized based on what delivers the best value to the community.
- Utilize the present MWSD headquarters for committee meetings, community events, and visitor-serving functions.
- Vacate the present GCSD office space.

Finance

Discussion

Given its age, deferred maintenance, and vulnerability to rising sea levels, it is likely that major capital investment for SAM's aging treatment plant will be necessary in the not-too-distant future. Given the history of conflict and litigation between SAM's member agencies, it is unlikely that bond markets would fund such investment without unification of the service area, nor would government-subsidized loans be available.

Unification would end a two-tier system of capital improvement funding at SAM, which contributes to the deferred maintenance problems. SAM member agencies currently maintain their financial reserves independently, subjecting SAM's capital improvement funding to annual operating budgets, rather than requiring member districts to make regular periodic payments to a SAM capital reserve account. This leads to conflicts of interest, with member agencies minimizing capital improvement funding and utilizing reserves for their own priorities.

SAM member agencies presently may elect to contract independently of one another for collection-system maintenance. This creates an unstable labor situation for SAM. Additionally, when a member district opts out of SAM-based maintenance, the fixed costs to the remaining SAM-contracted agencies increase.

The unified district would:

- Utilize economies of scale to reduce costs where possible and prioritize expenditures that reduce health risks and environmental harm.
- Assess and prioritize capital improvements based on cost and benefit to the entire unified service area.
- Determine the remaining useful life of the SAM treatment plant and develop alternatives for its replacement in the future.
- Engage in long-term strategic planning in anticipation of major capital investment requirements.

Stewardship

Discussion

CCWD and MWSD have responsibility for aquifer management in their respective service areas. They share responsibility for aquifers along their shared boundary, yet have not engaged to jointly address aquifer management.

The bypass property has not been managed from the perspective of fire suppression—one of the reasons state parks declined to take the property when it was offered to them by Caltrans. Consequentially there are extensive stands of eucalyptus which present an acute fire danger for adjoining private properties.

The unified district would:

- Fully engage in the stewardship and management requirements of the California Sustainable Groundwater Management Act. In consultation with the CA Water Quality Control Board and CA Coastal Commission, develop a long-term plan for watershed stewardship and compliance.
- Implement a forestry plan for the bypass property that reduces the risk of fire.

Regulatory Compliance

Discussion

Presently CCWD and each of the SAM member agencies must individually manage compliance and report activity to regulatory agencies.

The recent years of severe drought in California has prompted legislation mandating new aquifer management standards and practices. The comprehensive stewardship required by the Sustainable Groundwater Management Act has been impeded by the lack of cooperation between MWSD and CCWD.

The unified district would:

- Consolidate and clarify regulatory relationships, increasing efficiency and reducing the likelihood of legal issues.
- Establish an ombudsperson role to provide a recognized channel for the public to get information and address issues.

Parks

Discussion

Midcoast parklands are primarily state and federal properties that offer excellent passive recreation opportunities like hiking and biking. However, there is an acute need for other recreation opportunities that are not permitted on these lands, as evidenced by in-depth studies of the issue: Midcoast Action Plan for Parks and Recreation (SMC, May 2008 update, 28 pages); and the Mid-Coast Recreational Needs Assessment (SMC, October 2002, 190 pages). The Caltrans bypass property represents perhaps the best remaining site on the Midcoast for development of local parks. However, SMC Planning has not prioritized consideration of the bypass property for future county-park use, citing lack of funding and other more immediate needs.

Agencies in the county are experiencing a shortage of park rangers due to the inability of staff to find affordable housing on the peninsula. There are at least three residences on the bypass property—homes that were taken by Caltrans via eminent domain action for highway construction. Use of these residences to maintain ranger presence on the bypass property around the clock would be highly desirable from an operational and public-safety standpoint.

The unified district would:

- Utilize for community and visitor-serving services the historic building on Highway 1 in Montara that currently houses MWSD operations. Explore cooperative programs with the adjoining Point Montara Lighthouse Hostel.
- With most MWSD sewer and water equipment relocated, move the route of the California Coastal Trail to the ocean-side of the present MWSD property, rather than its present alignment through a parking lot next to Highway 1.
- Explore providing park ranger services under contract with a third party until and if the scale of operations of the unified district supports taking the function in-house.
- Explore utilizing housing currently in the bypass property for ranger housing, following preparation and approval of a Specific Plan for the property.



MONTARA WATER & SANITARY
DISTRICT

BOARD OF DIRECTORS MEETING
September 19, 2019

MINUTES

REGULAR SESSION BEGAN AT 7:35 p.m.

CALL TO ORDER

ROLL CALL

Directors Present: Boyd, Harvey, Lohman, and Marshall

Directors Absent: Slater-Carter

Staff Present: General Manager, Clemens Heldmaier

Others Present: District Counsel, Christine Fitzgerald

PRESIDENT'S STATEMENT – None

ORAL COMMENTS

Justine Cable, Montara resident: I am a new resident of Montara and I want to make a public comment about curbside compost pick-up. The MWSD "*How we protect the environment*" pages state in its bullets "the residents and business owners of the of the Montara coastal area live here because of the beauty, serenity, and sustainable lifestyle. For these reasons, the Directors and staff of the Montara Water and Sanitary District value and respect the environment. We enjoy by placing a high priority on recycling and ecology through our partnership with Recology of the Coast and strive to protect our environment for our generation and future generations. Some facts from the Institute of Local Self Reliance suggests

50% of typical municipal garbage set out on the curb is compostable, 21% is food scraps, and 29% is non-food scraps. And by making one addition to our service, the Coastside communities have an opportunity to divert 50% of compostable waste that is currently filling our landfills. Remember, those that are currently composting at home are only composting 21% of the 50% of compostable items, such as scraps of meat or compostable containers—you can't compost in your back yard. The Mid Coast Community Council provided a very sobering report on September 11th, that the Ox Mountain landfill has approximately 18-19 years left, before it is at 100 % capacity. This landfill services all of San Mateo County and we have an opportunity to help mitigate the estimated life span by bringing curbside compost pick up which Recology can provide to our community. And it is great to know that part of the community is able to do some composting at home, but by denying composting pick up service to the areas in our community that may not currently have the time or means to compost. I'm talking about people who work full-time, over-time, have families to raise, live in apartments or condos or have landlords that don't allow yard compost at all, or restaurant workers that have to throw away food every day. The change is bigger than our minor individual inconveniences, and this is about helping our environment and doing it as soon as possible so we can affect real change. For the amount of maybe the cost a cup of coffee or a couple of cups of coffee, that helps the environment with one small adjustment to our Recology service and we can truly stand behind the MWSD's environmental commitment. Thank you.

The directors thanked Ms. Cable, and invited her to speak at the meeting in October when it is televised.

Director Lohman: In parallel, a new design review, we've had Coastside Design review standards that started with documents from the 1970s. The County and the Mid-Coast Council and everybody are sponsoring a complete new re-write or adjustment of our Coastside Design standards. These are on-going. They've already had two meetings. I encourage the community to attend these meetings—all the information is on the Mid Coast Council website. There will be surveys coming out, people at the post office asking opinions to allow different kinds of things coming in. Our zoning doesn't include things like liquor stores, farmer's markets, smoke shops—a whole bunch of things—that are in other peoples' standards, but not in our Mid-Coast standards. So, we will be defining over the next many months what the community wants for these kinds of things. So, I would watch for people, watch for surveys, and get your community input, because this is based upon what the community wants. This is not being imposed by the County. So, please participate, and watch for the polls coming out...It was a great meeting today. As soon as somebody said we are changing design standards, I immediately break out in a cold sweat and say "here we go again." But this meeting, with three County people, our design review people, our local reps, Mid-Coast Council reps. We were all there, and I think this is heading in a great direction. I walked out feeling good...There are lots of things are on the table. It's

not like we are expanding to increase development, but focused on doing what the community wants.

Director Boyd: Did they have County facilitators too?

Director Lohman: Yes, there were County people, a planner and Camille Leung.

Director Boyd: Did they have a hired facilitator like they did 10 years ago?

Director Lohman: Not at this one...the only thing we heard was when the developers came in, they were upset, because they wanted more of the residential and commercial stuff, and even more residential stuff stuck onto the commercial stuff because they said residential is where they make money. That's nice, but our community is not designed just so people can make as much money as they can. There could be some significant stuff coming down. I think it is super important. There is good stuff that can come out of this. There is another meeting on Monday at 10:30am coming up in El Granada at GCSD. I will attend as many meetings as I can. Their problem is how to get community input. I pushed to do as much as we can—post it at Mid-Coast Council, at the agencies, talk to people at farmer's markets, go to the post office, etc. I said "you never get public input, until you make a decision and say 'this is how it is going to be,' then everyone freaks out."

Director Boyd: I think that we can get input on things that we haven't even thought about.

Director Lohman: There was a thought about putting in a theater. It's open ended. The County people were just taking notes. It looks like we are going to be in control. I can't see the County saying "no, no, no, you can do that," or they would have told them that a long time ago. The big thing is getting public input and getting people excited about this.

Director Harvey: So, the meetings—will they be sending us forms to fill in?

Director Lohman: They will be sending surveys out, but probably not mailing them—that's very expensive. They will probably be at the post offices, the harbor, and farmer's markets handing them out. They have a good approach, to do what you possibly can to get people to give input. They will probably stay off of Next Door other than encouraging people to seek out information. People are too busy. We are going to try to intercept peoples' comments. If, for example, people want a smoke shop, there is no zoning now. So, it can be subtracted or added, so we have a defined list of what you can build, where you can build it, and how high to build it. This is the first time in 20 years that they have done this.

General Manager Heldmaier: There sounds like there is some re-zoning planned as well.

Director Lohman; what they are creating picks off of what is called C-1 zoning, which is commercial. They are actually launching and creating a category called C-1 Coastside, which will only apply to the Coastside. It will not apply to the whole County, and nothing the County has will apply to us. They are actually developing a Coastside standard—that is what the Planner said. There will be commercial Coastside, then CCR—I think that is Community Coastside Recreation, and some other zonings. Farmers markets have a specific zoning, and some other things. But this will only be for the Coastside. So, what can you put in commercial, where can you put it, how high can it be, how much residential can you stick on it—all of that will apply to C-1 Coastside. Yes, it is a brand new zoning, but only for us.

General Manager Heldmaier: This is an expansion of the plan Princeton, essentially.

Director Lohman: They are working off the community plan which is I think 1970 is the latest official document. Everything we do has to agree to the Coastal program. You can't do something which is illegal under the Coastal program. It will be very specific. If we want road side stands, we can do that. If we want to ban liquor and smoke shops, we can do that. It's "what do you want on the Coast (Montara, Moss Beach, and El Granada)?" And that could even be, they said, subdivided by region. Granada which has sidewalks, can tweak it differently. Generally, Moss Beach and Montara are together on their zoning and things. The big mission is getting the word out and trying to get public input. I will bring this up again at the meeting in October.

PUBLIC HEARING – None

CONSENT AGENDA -- None

OLD BUSINESS - none

NEW BUSINESS - none

REPORTS - none

REGULAR MEETING ENDED at 8:00 P.M.

CONVENE IN CLOSED SESSION

**CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Government Code § 54956.9(d)(1))**

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

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

(Government Code §54957(b)(1))
Title: General Manager

REPORT OF ACTION TAKEN IN CLOSED SESSION

ADJOURNMENT

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

Respectfully Submitted,

Signed _____
Secretary

Approved on the 3rd, October 2019

Signed _____
President

To the Board of Directors:

Thank you for taking the time to listen and record my public comment regarding curbside composting pick up during your special edition board meeting. I value this consideration immensely and will return for the next meeting, slated for the first week of October.

Also, I appreciated the opportunity to chat with Ric Lohman and Clemens Heldmair in a little more detail on my topic. As a new resident and homeowner in Montara, it's very refreshing and uplifting to have leaders that take the extra time to speak with their residents. I look forward to continued dialog and potential partnership in the areas the MWSD represents.

Below, per Clemens' request is my statement, that I read last night during public comment.

The MWSD "How We Protect the Environment" pages states in in bullets:

The residents and business owners of the Montara coastal area live here because of the beauty, serenity and sustainable lifestyle. For these reasons, the directors and staff of the Montara Water and Sanitary District value and respect the environment we enjoy:

- *by placing a high priority on recycling and ecology through our partnership with Recology of the Coast, we strive to protect our environment for our generation and future generations.*

<http://mwsd.montara.org/about/how-we-protect-the-environment>

Every year, US landfills and trash incinerators receive 167 million tons of garbage. Every bag contributes to pollution of the soil, air and water.*

50% of typical municipal garbage set out at the curb is compostable.

21% is food scraps alone.

29% is nonfood scrap compostable waste

*Institute for local self-reliance <https://ilsr.org/compost-impacts-infographic/>

By making this one addition to our service, the coast side communities have an opportunity to divert 50% of compostable waste that is currently filling our landfills. And remember, those that currently composting at home are possibly only composting 21% of that 50% of compostable items that are filling their trash cans. There are items that we simply cannot compost at home, such as meat scraps or compostable take-away containers. The Midcoast Community Council provided a very sobering report at the September 11 that the Ox Mountain landfill has approximately 18-19 years left before it is at 100% capacity. This landfill services all of San Mateo County. We have an opportunity to help mitigate the estimated lifespan by bringing curbside compost pickup, which Recology can provide, to our community.

It's great to know that part of the community is able to do some composting at home, but by denying composting curbside pickup service to the area denies a huge part of the community that may not currently have the means or time to compost. I'm talking about people that work full time, overtime, have families to raise, live in in apartments or condos, or have landlords that don't allow yard composting or restaurant workers that have to throw away food every day, that could have been composted.

This change is bigger than minor individual inconveniences. This is about helping the environment and doing it as soon as possible. We can effect real change, for the amount of the cost of a couple of cups of

coffee, that helps the environment with this small adjustment in our Recology service. And we can truly stand behind the MWSD's environmental commitment.

Justine Cable

[Redacted signature]



MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: **October 3, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager *CH*

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

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

- 4710 Sewer Service Charges, \$501,206 below Budget – First County apportionment arrives in November or December.
- 4720 Sewer Service Refunds, customer, \$5,431 above Budget – Sewer service adjustments posted to various properties.
- **Overall Total Operating Income for the period ending August 31, 2019 was \$506,338 below budget. Total income received to date is \$8,214.**
- 5400 Legal, \$68,670 below Budget – No activity in the current fiscal year, due to the timing of billing.
- 5620 Audit, \$2,167 below Budget – Audit cost not billed until reports have been issued, currently scheduled to take place in October or November.
- 5630 Consulting, \$4,740 below Budget – Rate studies to take place later in fiscal year.
- 5800 Labor, \$5,281 below Budget – Difference due to timing in benefit expenses paid.
- 6170 Claims, Property Damage, \$3,333 below Budget – No claims paid in current fiscal year.
- 6200 Engineering, \$6,712 below Budget – Minimal activity in the current fiscal year, due to the timing of billing.
- 6400 Pumping \$4,121 below budget – Minimal activity in the current fiscal year, PG&E sends a “catch-up” bill later in the fiscal year.
- 6910 SAM Collections, \$28,462 below Budget – Due to timing differences.
- 6920 SAM Operations, \$127,428 below Budget – Due to timing differences.
- 6940 SAM Maintenance, Collection Sys, \$6,666 below Budget – No activity to date.
- 6950 SAM Maintenance, Pumping, \$3,992 below Budget – No activity in August.
- **Overall Total Operating Expenses for the period ending August 31, 2019 were \$183,497 below Budget.**
- **Total overall Expenses for the period ending August 31, 2019 were \$272,789 below budget. For a net ordinary loss of \$233,549, budget vs. actual. Actual net ordinary loss is \$226,468.**



MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: October 3, 2019

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- 7100 Connection Fees, \$25,511 below Budget – No connections issued in August.
- 7200 Interest Income, LAIF, \$20,209 above budget – Issue has been identified in the booking of the transaction that will be further investigated.
- 8000 CIP, \$222,594 below Budget – Minimal activity in the current fiscal year.
- 9200 I-Bank Loan, \$3,764 below budget – difference due to timing.



MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: **October 3, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- **Budget vs. Actual – Water July thru June 2020 Variances over \$2,000:**
- 4740 Testing, Backflow, \$2,886 below Budget – Difference due to timing.
- 4810 Water Sales, Domestic, \$35,026 above budget – Fluctuations caused by usage and timing of bill payments.
- **Overall Total Operating Income for the period ending August 31, 2019 was \$88,463 above budget. Total revenue received to date is \$423,963.**
- 5240 CDPH fees, \$2,625 below Budget – No activity in the current fiscal year.
- 5400 Legal, \$38,500 below Budget – Difference due to timing in billing.
- 5530 Membership, \$3,862 below Budget – Membership dues typically paid at the beginning of the calendar year.
- 5620 Audit, \$2,167 below Budget – Audit cost not billed until reports have been issued, currently scheduled to take place in October or November.
- 5630 Consulting, \$15,573 below Budget – Rate studies to take place later in fiscal year.
- 5800 Labor, \$23,200 below Budget – The District budgeted to have a 4th water operator in the current fiscal year. This has not yet happened.
- 6180 Communications, \$2,167 below Budget – No activity in current fiscal year. SCADA maintenance costs expected later in fiscal year.
- 6200 Engineering, \$32,820 below Budget – Water Quality engineering expenses have been below expectations.
- 6330 Facilities, \$8,856 below Budget – Maintenance projects have not yet taken place.
- 6400 Pumping, \$3,448 below Budget – Minimal activity in the current fiscal year, PG&E sends a “catch-up” bill later in the fiscal year.
- 6500 Supply, \$7,916 below Budget – No water purchases in July.
- 6600 Collection/Transmission, \$12,150 below Budget – No activity in August.
- 6700 Treatment, \$9,488 below Budget – Minimal activity in August.
- **Overall Total Operating Expenses for the period ending August 31, 2019 were \$79,576 below Budget.**
- **Total overall Expenses for the period ending August 31, 2019 were \$171,811 below budget. For a net ordinary income of \$260,275, budgeted vs. actual. Actual net ordinary income is \$228,023.**
- 7100 Connection Fees, \$26,686 below Budget – No new construction connection fees issued. One PFP connections sold in August.



MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: October 3, 2019

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- 7600 Bond Revenues, GO Bond, \$186,689 below Budget – Difference due to timing.
- 8000 CIP, \$49,838 below Budget – \$41,746 of invoices paid in August.
- 9100 Interest Expense – GO Bonds \$38,423 below Budget – Difference due to timing.

RECOMMENDATION:

This is for Board information only

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

	Jul - Aug 19	Sewer Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
4220 · Cell Tower Lease	6,306.52	6,166.66	139.86
4400 · Fees			
4410 · Administrative Fee (New Constr)	1,084.00	600.00	484.00
4420 · Administrative Fee (Remodel)	0.00	333.34	-333.34
4430 · Inspection Fee (New Constr)	1,024.00	583.34	440.66
4440 · Inspection Fee (Remodel)	0.00	666.66	-666.66
4460 · Remodel Fees	114.00	1,333.34	-1,219.34
Total 4400 · Fees	2,222.00	3,516.68	-1,294.68
4510 · Grants	112.00		
4610 · Property Tax Receipts	853.45		
4710 · Sewer Service Charges	496.20	501,702.00	-501,205.80
4720 · Sewer Service Refunds, Customer	-6,097.21	-666.66	-5,430.55
4760 · Waste Collection Revenues	4,304.32	3,833.34	470.98
4990 · Other Revenue	16.75		
Total Income	8,214.03	514,552.02	-506,337.99
Gross Profit	8,214.03	514,552.02	-506,337.99
Expense			
5000 · Administrative			
5190 · Bank Fees	796.83	1,250.00	-453.17
5200 · Board of Directors			
5210 · Board Meetings	670.96	500.00	170.96
5220 · Director Fees	225.00	666.66	-441.66
5230 · Election Expenses	0.00	833.34	-833.34
Total 5200 · Board of Directors	895.96	2,000.00	-1,104.04
5250 · Conference Attendance	0.00	833.34	-833.34
5270 · Information Systems	75.00	666.66	-591.66
5300 · Insurance			
5310 · Fidelity Bond	0.00	83.34	-83.34
5320 · Property & Liability Insurance	0.00	333.34	-333.34
Total 5300 · Insurance	0.00	416.68	-416.68
5350 · LAFCO Assessment	0.00	333.34	-333.34
5400 · Legal			
5430 · General Legal	0.00	68,750.00	-68,750.00
5440 · Litigation	80.00		
Total 5400 · Legal	80.00	68,750.00	-68,670.00
5510 · Maintenance, Office	260.00	1,333.34	-1,073.34
5530 · Memberships	138.50		
5540 · Office Supplies	870.19	1,333.34	-463.15
5550 · Postage	0.00	441.66	-441.66
5560 · Printing & Publishing	36.97	833.34	-796.37

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

	Jul - Aug 19	Sewer Budget	\$ Over Budget
5600 · Professional Services			
5610 · Accounting	5,150.00	5,000.00	150.00
5620 · Audit	0.00	2,166.66	-2,166.66
5630 · Consulting	1,093.75	5,833.34	-4,739.59
5640 · Data Services	899.50	1,033.34	-133.84
5650 · Labor & HR Support	427.00	416.66	10.34
5660 · Payroll Services	152.80	166.66	-13.86
Total 5600 · Professional Services	7,723.05	14,616.66	-6,893.61
5710 · San Mateo Co. Tax Roll Charges	0.00	166.66	-166.66
5720 · Telephone & Internet	2,371.37	4,000.00	-1,628.63
5730 · Mileage Reimbursement	0.00	250.00	-250.00
5740 · Reference Materials	0.00	33.34	-33.34
5800 · Labor			
5810 · CalPERS 457 Deferred Plan	2,781.71	2,833.66	-51.95
5820 · Employee Benefits	3,908.30	8,051.16	-4,142.86
5830 · Disability Insurance	141.66	233.50	-91.84
5840 · Payroll Taxes	2,453.93	3,096.66	-642.73
5850 · PARS	2,719.34	2,747.84	-28.50
5900 · Wages			
5910 · Management	17,492.48	18,622.16	-1,129.68
5920 · Staff	23,133.31	21,087.66	2,045.65
5930 · Staff Certification	300.00	300.00	0.00
5940 · Staff Overtime	142.77	470.16	-327.39
Total 5900 · Wages	41,068.56	40,479.98	588.58
5960 · Worker's Comp Insurance	0.00	912.16	-912.16
Total 5800 · Labor	53,073.50	58,354.96	-5,281.46
Total 5000 · Administrative	66,321.37	155,613.32	-89,291.95
6000 · Operations			
6170 · Claims, Property Damage	0.00	3,333.34	-3,333.34
6195 · Education & Training	0.00	166.66	-166.66
6200 · Engineering			
6210 · Meeting Attendance, Engineering	0.00	333.34	-333.34
6220 · General Engineering	3,621.50	10,000.00	-6,378.50
Total 6200 · Engineering	3,621.50	10,333.34	-6,711.84
6320 · Equipment & Tools, Expensed	0.00	166.66	-166.66
6330 · Facilities			
6335 · Alarm Services	910.62	950.00	-39.38
6337 · Landscaping	218.00	600.00	-382.00
Total 6330 · Facilities	1,128.62	1,550.00	-421.38
6400 · Pumping			
6410 · Pumping Fuel & Electricity	3,379.03	7,500.00	-4,120.97
Total 6400 · Pumping	3,379.03	7,500.00	-4,120.97
6600 · Collection/Transmission			
6660 · Maintenance, Collection System	0.00	1,666.66	-1,666.66
Total 6600 · Collection/Transmission	0.00	1,666.66	-1,666.66

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

	Jul - Aug 19	Sewer Budget	\$ Over Budget
6800 · Vehicles			
6810 · Fuel	0.00	166.66	-166.66
6820 · Truck Equipment, Expensed	0.00	26.66	-26.66
6830 · Truck Repairs	0.00	166.66	-166.66
Total 6800 · Vehicles	0.00	359.98	-359.98
6900 · Sewer Authority Midcoastside			
6910 · SAM Collections	28,462.42	56,924.84	-28,462.42
6920 · SAM Operations	127,428.28	254,856.50	-127,428.22
6940 · SAM Maintenance, Collection Sys	0.00	6,666.66	-6,666.66
6950 · SAM Maintenance, Pumping	4,341.08	8,333.34	-3,992.26
Total 6900 · Sewer Authority Midcoastside	160,231.78	326,781.34	-166,549.56
Total 6000 · Operations	168,360.93	351,857.98	-183,497.05
Total Expense	234,682.30	507,471.30	-272,789.00
Net Ordinary Income	-226,468.27	7,080.72	-233,548.99
Other Income/Expense			
Other Income			
7000 · Capital Account Revenues			
7100 · Connection Fees			
7110 · Connection Fees (New Constr)	964.00	25,000.00	-24,036.00
7120 · Connection Fees (Remodel)	6,857.50	8,333.34	-1,475.84
Total 7100 · Connection Fees	7,821.50	33,333.34	-25,511.84
7200 · Interest Income - LAIF	28,542.13	8,333.34	20,208.79
Total 7000 · Capital Account Revenues	36,363.63	41,666.68	-5,303.05
Total Other Income	36,363.63	41,666.68	-5,303.05
Other Expense			
8000 · Capital Improvement Program			
8075 · Sewer	25,087.21	247,680.84	-222,593.63
Total 8000 · Capital Improvement Program	25,087.21	247,680.84	-222,593.63
9000 · Capital Account Expenses			
9125 · PNC Equipment Lease Interest	2,653.57	2,536.84	116.73
9200 · I-Bank Loan	0.00	3,763.66	-3,763.66
Total 9000 · Capital Account Expenses	2,653.57	6,300.50	-3,646.93
Total Other Expense	27,740.78	253,981.34	-226,240.56
Net Other Income	8,622.85	-212,314.66	220,937.51
Net Income	-217,845.42	-205,233.94	-12,611.48

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

July through August 2019

	Jul - Aug 19	Water Budget		\$ Over Budget
Ordinary Income/Expense				
Income				
4220 · Cell Tower Lease	6,306.52	6,166.66		139.86
4400 · Fees				
4410 · Administrative Fee (New Constr)	1,084.00	833.34		250.66
4430 · Inspection Fee (New Constr)	1,024.00	666.66		357.34
4450 · Mainline Extension Fees	0.00	500.00		-500.00
4460 · Remodel Fees	760.00	333.34		426.66
4470 · Other Fees	822.40			
Total 4400 · Fees	3,690.40	2,333.34		1,357.06
4510 · Grants	112.00			
4610 · Property Tax Receipts	853.44			
4740 · Testing, Backflow	114.00	3,000.00		-2,886.00
4810 · Water Sales, Domestic	359,525.80	324,500.00		35,025.80
4850 · Water Sales Refunds, Customer	-1,061.41	-500.00		-561.41
4990 · Other Revenue	54,423.00			
Total Income	423,963.75	335,500.00		88,463.75
Gross Profit	423,963.75	335,500.00		88,463.75
Expense				
5000 · Administrative				
5190 · Bank Fees	0.00	625.00		-625.00
5200 · Board of Directors				
5210 · Board Meetings	670.96	666.66		4.30
5220 · Director Fees	225.00	550.00		-325.00
Total 5200 · Board of Directors	895.96	1,216.66		-320.70
5240 · CDPH Fees	0.00	2,625.00		-2,625.00
5250 · Conference Attendance	0.00	1,000.00		-1,000.00
5270 · Information Systems	75.00	500.00		-425.00
5300 · Insurance				
5310 · Fidelity Bond	0.00	83.34		-83.34
5320 · Property & Liability Insurance	0.00	416.66		-416.66
Total 5300 · Insurance	0.00	500.00		-500.00
5350 · LAFCO Assessment	0.00	458.34		-458.34
5400 · Legal				
5430 · General Legal	0.00	38,500.00		-38,500.00
Total 5400 · Legal	0.00	38,500.00		-38,500.00
5510 · Maintenance, Office	319.46	1,333.34		-1,013.88
5530 · Memberships	138.50	4,000.00		-3,861.50
5540 · Office Supplies	870.14	1,333.34		-463.20
5550 · Postage	567.75	1,500.00		-932.25
5560 · Printing & Publishing	891.59	500.00		391.59

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

July through August 2019

	Water Jul - Aug 19	Water Budget	\$ Over Budget
5600 · Professional Services			
5610 · Accounting	5,150.00	5,000.00	150.00
5620 · Audit	0.00	2,166.66	-2,166.66
5630 · Consulting	1,093.75	16,666.66	-15,572.91
5640 · Data Services	899.50		
5650 · Labor & HR Support	427.00	416.66	10.34
5660 · Payroll Services	152.79	166.66	-13.87
Total 5600 · Professional Services	7,723.04	24,416.64	-16,693.60
5720 · Telephone & Internet	2,958.80	4,500.00	-1,541.20
5730 · Mileage Reimbursement	0.00	333.34	-333.34
5740 · Reference Materials	0.00	133.34	-133.34
5800 · Labor			
5810 · CalPERS 457 Deferred Plan	6,381.68	7,205.84	-824.16
5820 · Employee Benefits	6,323.56	14,685.00	-8,361.44
5830 · Disability Insurance	284.98	577.84	-292.86
5840 · Payroll Taxes	6,898.02	8,177.00	-1,278.98
5850 · PARS	5,502.94	6,272.66	-769.72
5900 · Wages			
5910 · Management	17,492.48	18,622.16	-1,129.68
5920 · Staff	67,917.71	74,473.34	-6,555.63
5930 · Staff Certification	1,761.25	1,900.00	-138.75
5940 · Staff Overtime	7,669.27	8,017.50	-348.23
5950 · Staff Standby	4,262.08	3,874.84	387.24
Total 5900 · Wages	99,102.79	106,887.84	-7,785.05
5960 · Worker's Comp Insurance	0.00	3,887.34	-3,887.34
Total 5800 · Labor	124,493.97	147,693.52	-23,199.55
Total 5000 · Administrative	138,934.21	231,168.52	-92,234.31
6000 · Operations			
6160 · Backflow Prevention	0.00	166.66	-166.66
6170 · Claims, Property Damage	0.00	1,666.66	-1,666.66
6180 · Communications			
6185 · SCADA Maintenance	0.00	2,166.66	-2,166.66
Total 6180 · Communications	0.00	2,166.66	-2,166.66
6195 · Education & Training	0.00	1,500.00	-1,500.00
6200 · Engineering			
6210 · Meeting Attendance, Engineering	0.00	83.34	-83.34
6220 · General Engineering	12,389.54	5,000.00	7,389.54
6230 · Water Quality Engineering	18,207.50	58,333.34	-40,125.84
Total 6200 · Engineering	30,597.04	63,416.68	-32,819.64
6320 · Equipment & Tools, Expensed	204.96	1,333.34	-1,128.38
6330 · Facilities			
6335 · Alarm Services	127.02	133.34	-6.32
6337 · Landscaping	483.00	9,333.34	-8,850.34
Total 6330 · Facilities	610.02	9,466.68	-8,856.66
6370 · Lab Supplies & Equipment	0.00	416.66	-416.66

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

July through August 2019

	Water		
	Jul - Aug 19	Budget	\$ Over Budget
6400 · Pumping			
6410 · Pumping Fuel & Electricity	6,536.56	15,000.00	-8,463.44
6420 · Pumping Maintenance, Generators	7,631.82	1,666.66	5,965.16
6430 · Pumping Maintenance, General	0.00	833.34	-833.34
6440 · Pumping Equipment, Expensed	0.00	116.66	-116.66
Total 6400 · Pumping	14,168.38	17,616.66	-3,448.28
6500 · Supply			
6510 · Maintenance, Raw Water Mains	0.00	416.66	-416.66
6520 · Maintenance, Wells	0.00	833.34	-833.34
6530 · Water Purchases	0.00	6,666.66	-6,666.66
Total 6500 · Supply	0.00	7,916.66	-7,916.66
6600 · Collection/Transmission			
6610 · Hydrants	0.00	166.66	-166.66
6620 · Maintenance, Water Mains	0.00	8,333.34	-8,333.34
6630 · Maintenance, Water Svc Lines	0.00	3,333.34	-3,333.34
6640 · Maintenance, Tanks	0.00	166.66	-166.66
6650 · Maint., Distribution General	0.00	1,333.34	-1,333.34
6670 · Meters	1,599.42	416.66	1,182.76
Total 6600 · Collection/Transmission	1,599.42	13,750.00	-12,150.58
6700 · Treatment			
6710 · Chemicals & Filtering	3,165.89	3,333.34	-167.45
6720 · Maintenance, Treatment Equip.	574.99	3,333.34	-2,758.35
6730 · Treatment Analysis	937.80	7,500.00	-6,562.20
Total 6700 · Treatment	4,678.68	14,166.68	-9,488.00
6800 · Vehicles			
6770 · Uniforms	761.41	333.34	428.07
6810 · Fuel	539.98	1,666.66	-1,126.68
6820 · Truck Equipment, Expensed	2,926.85	166.66	2,760.19
6830 · Truck Repairs	919.99	833.34	86.65
Total 6800 · Vehicles	4,386.82	2,666.66	1,720.16
Total 6000 · Operations	57,006.73	136,583.34	-79,576.61
Total Expense	195,940.94	367,751.86	-171,810.92
Net Ordinary Income	228,022.81	-32,251.86	260,274.67
Other Income/Expense			
Other Income			
7000 · Capital Account Revenues			
7100 · Connection Fees			
7110 · Connection Fees (New Constr)	4,072.72	25,000.00	-20,927.28
7130 · Conn. Fees, PFP (New Constr)	15,908.11	21,666.66	-5,758.55
Total 7100 · Connection Fees	19,980.83	46,666.66	-26,685.83
7600 · Bond Revenues, G.O.	2,050.10	191,739.34	-189,689.24
Total 7000 · Capital Account Revenues	22,030.93	238,406.00	-216,375.07
Total Other Income	22,030.93	238,406.00	-216,375.07

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Accrual Basis

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

July through August 2019

	Jul - Aug 19	Water Budget	\$ Over Budget
Other Expense			
8000 · Capital Improvement Program			
8100 · Water	41,745.72	91,583.34	-49,837.62
Total 8000 · Capital Improvement Program	41,745.72	91,583.34	-49,837.62
9000 · Capital Account Expenses			
9100 · Interest Expense - GO Bonds	0.00	38,423.16	-38,423.16
9125 · PNC Equipment Lease Interest	2,653.56	2,536.84	116.72
9150 · SRF Loan	0.00	12,145.50	-12,145.50
9210 · Conservation Program/Rebates	0.00	500.00	-500.00
Total 9000 · Capital Account Expenses	2,653.56	53,605.50	-50,951.94
Total Other Expense	44,399.28	145,188.84	-100,789.56
Net Other Income	-22,368.35	93,217.16	-115,585.51
Net Income	205,654.46	60,965.30	144,689.16

Montara Water & Sanitary District
Balance Sheet
 As of August 31, 2019

	<u>Aug 31, 19</u>
ASSETS	
Current Assets	
Checking/Savings	
Sewer - Bank Accounts	
Wells Fargo Operating - Sewer	958,547.87
LAIF Investment Fund	
Capital Reserve	3,893,688.18
Connection Fees Reserve	194,600.00
Operating Reserve	406,882.00
Total LAIF Investment Fund	<u>4,495,170.18</u>
Total Sewer - Bank Accounts	5,453,718.05
Water - Bank Accounts	
Wells Fargo Operating - Water	1,067,125.08
Capital Reserve	398,249.00
Operating Reserve	46,009.00
SRF Reserve	48,222.00
Restricted Cash	
Connection Fees Reserve	253,020.00
GO Bonds Fund	1,447,509.18
Total Restricted Cash	<u>1,700,529.18</u>
Total Water - Bank Accounts	<u>3,260,134.26</u>
Total Checking/Savings	8,713,852.31
Accounts Receivable	
Sewer - Accounts Receivable	
Accounts Receivable	-3,343.80
Sewer - Accounts Receivable - Other	8,403.21
Total Sewer - Accounts Receivable	<u>5,059.41</u>
Water - Accounts Receivable	
Accounts Receivable	-4,377.79
Accounts Rec. - Backflow	13,657.11
Accounts Rec. - Water Residents	215,147.35
Unbilled Water Receivables	258,319.70
Total Water - Accounts Receivable	<u>482,746.37</u>
Total Accounts Receivable	487,805.78
Other Current Assets	
Due from Kathryn Slater-Carter	614.62
Maint/Parts Inventory	42,656.32
Total Other Current Assets	<u>43,270.94</u>
Total Current Assets	9,244,929.03
Fixed Assets	
Sewer - Fixed Assets	
General Plant	6,023,243.87
Land	5,000.00
Other Capital Improv.	
Sewer-Original Cost	685,599.18
Other Cap. Improv.	2,564,810.39
Total Other Capital Improv.	<u>3,250,409.57</u>
Seal Cove Collection System	995,505.00
Sewage Collection Facility	
Collection Facility - Org. Cost	1,349,064.00
Collection Facility - Other	3,991,243.33
Total Sewage Collection Facility	<u>5,340,307.33</u>

Montara Water & Sanitary District Balance Sheet As of August 31, 2019

	Aug 31, 19
Treatment Facility	244,539.84
Accumulated Depreciation	-8,871,583.00
Total Sewer - Fixed Assets	6,987,422.61
Water - Fixed Assets	
General Plant	27,314,280.48
Land & Easements	734,500.00
Surface Water Rights	300,000.00
Water Meters	1,058,985.00
Fixed Assets - Other	48,171.78
Accumulated Depreciation	-11,800,511.00
Total Water - Fixed Assets	17,655,426.26
Total Fixed Assets	24,642,848.87
Other Assets	
Sewer - Other Assets	
Def'd Amts Related to Pensions	101,367.00
Joint Power Authority	
SAM - Orig Collection Facility	981,592.00
SAM - Expansion	1,705,955.08
Total Joint Power Authority	2,687,547.08
Total Sewer - Other Assets	2,788,914.08
Water - Other Assets	
Def'd Amts Related to Pensions	190,536.00
Due from Sewer	290,312.00
Bond Acquisition Cost OID	42,978.40
Bond Issue Cost	46,268.60
Total Water - Other Assets	570,095.00
Total Other Assets	3,359,009.08
TOTAL ASSETS	37,246,786.98
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable - Sewer	-43,009.66
Accounts Payable - Water	166,969.06
Total Accounts Payable	123,959.40
Other Current Liabilities	
Water - Net Pension Liability	-52,155.00
Sewer - Net Pension Liability	-27,826.00
Sewer - Current Liabilities	
Accrued Vacations	5,943.33
Deposits Payable	27,014.13
I-Bank Loan - Current	29,929.31
Interest Payable	10,265.32
PNC Equip. Loan - S/T	48,032.11
Total Sewer - Current Liabilities	121,184.20
Water - Current Liabilities	
Accrued Vacations	15,964.24
Deposits Payable	9,631.13
GO Bonds - S/T	919,897.41
Interest Payable	98,256.59
PFP Water Deposits	4,302.50
PNC Equip. Loan - S/T	48,032.11
SRF Loan Payable X102 - Current	42,901.29
SRF Loan Payable X109 - Current	168,622.04
Temporary Construction Meter	11,122.92
Total Water - Current Liabilities	1,318,730.23

**Montara Water & Sanitary District
 Balance Sheet
 As of August 31, 2019**

	<u>Aug 31, 19</u>
Payroll Liabilities	
Employee Benefits Payable	10,411.05
Total Payroll Liabilities	<u>10,411.05</u>
Total Other Current Liabilities	<u>1,370,344.48</u>
Total Current Liabilities	1,494,303.88
Long Term Liabilities	
Sewer - Long Term Liabilities	
Due to Water Fund	290,312.00
Accrued Vacations	10,294.06
I-Bank Loan	725,417.82
PNC Equip. Loan - L/T	484,682.77
Total Sewer - Long Term Liabilities	<u>1,510,706.65</u>
Water - Long Term Liabilities	
Accrued Vacations	11,967.24
Deferred on Refunding	-169,190.00
GO Bonds - L/T	8,785,232.11
PNC Equip. Loan - L/T	484,682.83
SRF Loan Payable - X102	-0.66
SRF Loan Payable - X109	3,047,628.79
Total Water - Long Term Liabilities	<u>12,160,320.31</u>
Deferred Inflows (Pensions)	
Sewer	21,452.00
Water	40,208.00
Total Deferred Inflows (Pensions)	<u>61,660.00</u>
Total Long Term Liabilities	<u>13,732,686.96</u>
Total Liabilities	15,226,990.84
Equity	
Sewer - Equity Accounts	
Capital Assets Net	3,408,252.20
Fund Balance - Unrestricted	8,646,292.87
Retained Earnings	273,503.51
Total Sewer - Equity Accounts	<u>12,328,048.58</u>
Water - Equity Accounts	
Capital Assets Net	2,868,858.70
Restricted Debt Service	1,384,997.90
Unrestricted	-1,562,801.59
Retained Earnings	-273,503.51
Total Water - Equity Accounts	<u>2,417,551.50</u>
Equity Adjustment Account	7,286,387.02
Net Income	-12,190.96
Total Equity	<u>22,019,796.14</u>
TOTAL LIABILITIES & EQUITY	<u><u>37,246,786.98</u></u>



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **October 3, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

SUBJECT: SAM Flow Report for August 2019

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

- Flow Report for August 2019.
- Collection System Monthly Overflow Report – August 2019.

The Average Daily Flow for Montara was 0.248 MGD in August 2019. There was no reportable overflow in August in the Montara System. SAM indicates there were 0.26 inches of rain in August 2019.

RECOMMENDATION:

Review and file.

Attachments

Sewer Authority Mid-Coastside

Monthly Collection System Activity/SSO Distribution Report, August 2019

Attachment C

August 2019

	Number of S.S.O.'s				
	Total	HMB	GCSD	MWSD	SAM
Roots	0	0	0	0	0
Grease	0	0	0	0	0
Mechanical	1	1	0	0	0
Wet Weather	0	0	0	0	0
Other	0	0	0	0	0
Total	1	1	0	0	0
		100%			

12 Month Moving Total

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

Reportable SSOs

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

SSOs / Year / 100 Miles

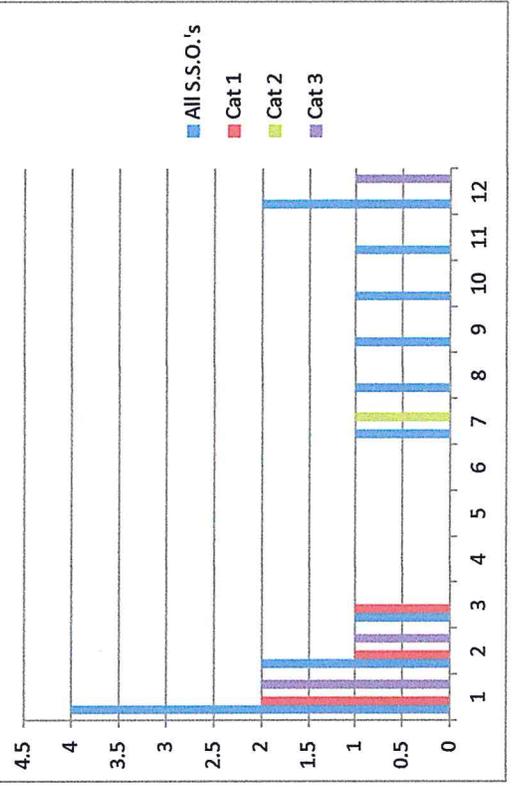
	Number of S.S.O.'s / Year/100 Miles				
	Total	HMB	GCSD	MWSD	SAM
August 2019	1.0	2.7	0.0	0.0	0.0
12 Month Moving Total	1.9	2.7	0.0	0.0	13.7
Category 1	0.0	0.0	0.0	0.0	0.0
Category 2	1.0	0.0	0.0	0.0	13.7
Category 3	1.0	2.7	0.0	0.0	0.0
Miles of Sewers	104.5	37.0	33.2	27.0	7.3
		35.4%	31.8%	25.8%	7.0%

12 Month Rolling Total Sewer Cleaning Summary

Month	HMB	GCSD	MWSD	Total Feet	Total Miles
Sep - 18	15,448	16,407	11,416	43,271	8.2
Oct - 18	21,189	10,969	14,786	46,944	8.9
Nov - 18	19,571	27,546	10,338	57,455	10.9
Dec - 18	27,756	17,357	9,422	54,535	10.3
Jan - 19	17,682	11,504	11,240	40,426	7.7
Feb - 19	10,374	9,126	11,371	30,871	5.8
Mar - 19	11,777	10,890	10,020	32,687	6.2
Apr - 19	12,934	10,801	11,247	34,982	6.6
May - 19	11,193	12,786	10,094	34,073	6.5
June - 19	14,529	18,431	10,419	43,379	8.2
July - 19	8,754	18,560	9,511	36,825	7.0
Aug - 19	8,042	22,405	15,720	46,167	8.7
Annual ft	179,249	186,782	135,584	501,615	

Annual Mi.	33.9	35.4	25.7	95.0
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12 Month Moving SSO Totals Through August 2019



Attachment A

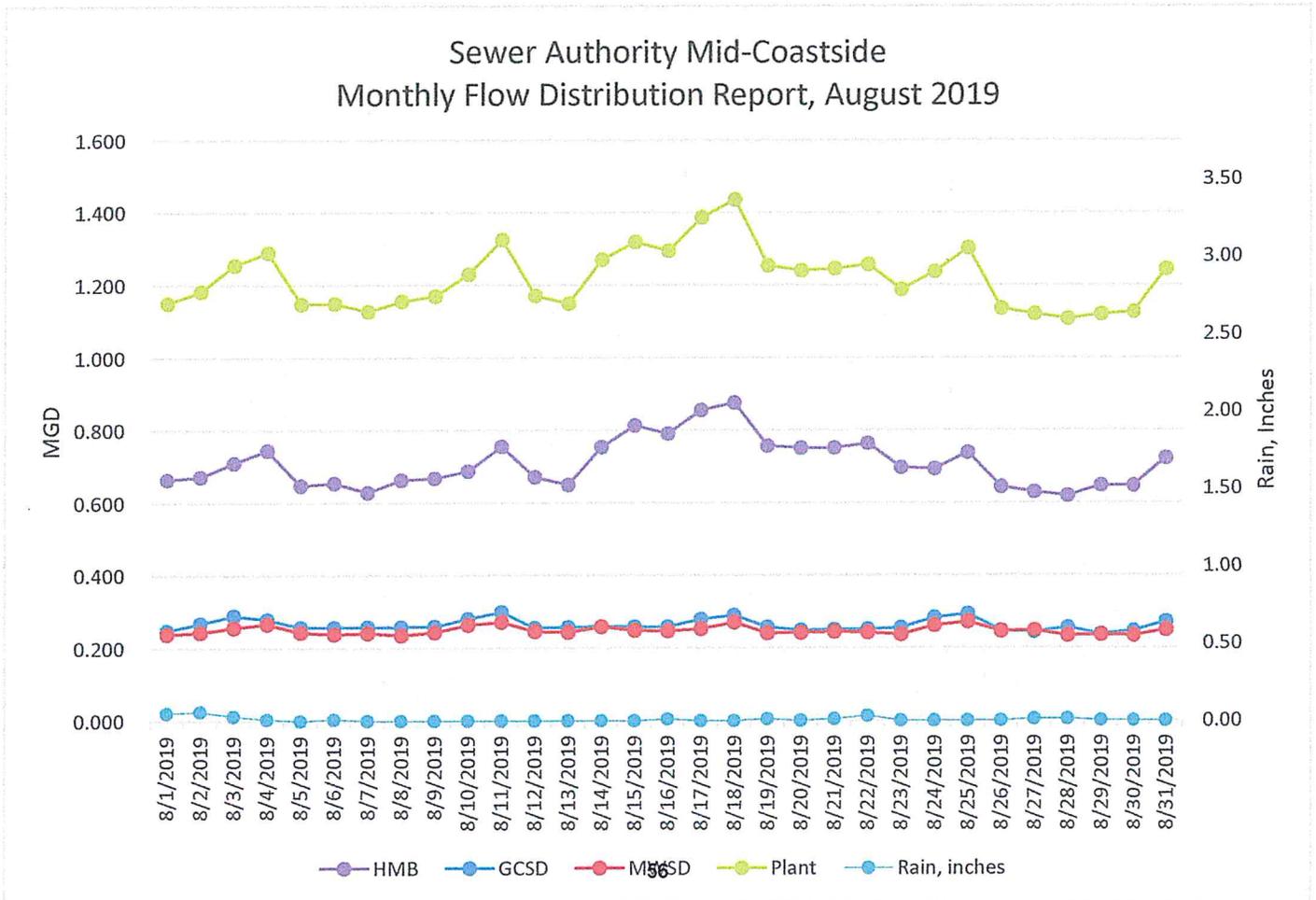
Flow Distribution Report Summary for August 2019

The daily flow report figures for the month of August 2019
have been converted to an Average

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

The summary of the ADF information is as follows:

	<u>MGD</u>	<u>%</u>
The City of Half Moon Bay	0.708	58.1%
Granada Community Services District	0.263	21.6%
Montara Water and Sanitary District	<u>0.248</u>	<u>20.3%</u>
Total	1.219	100.0%



Sewer Authority Mid-Coastside

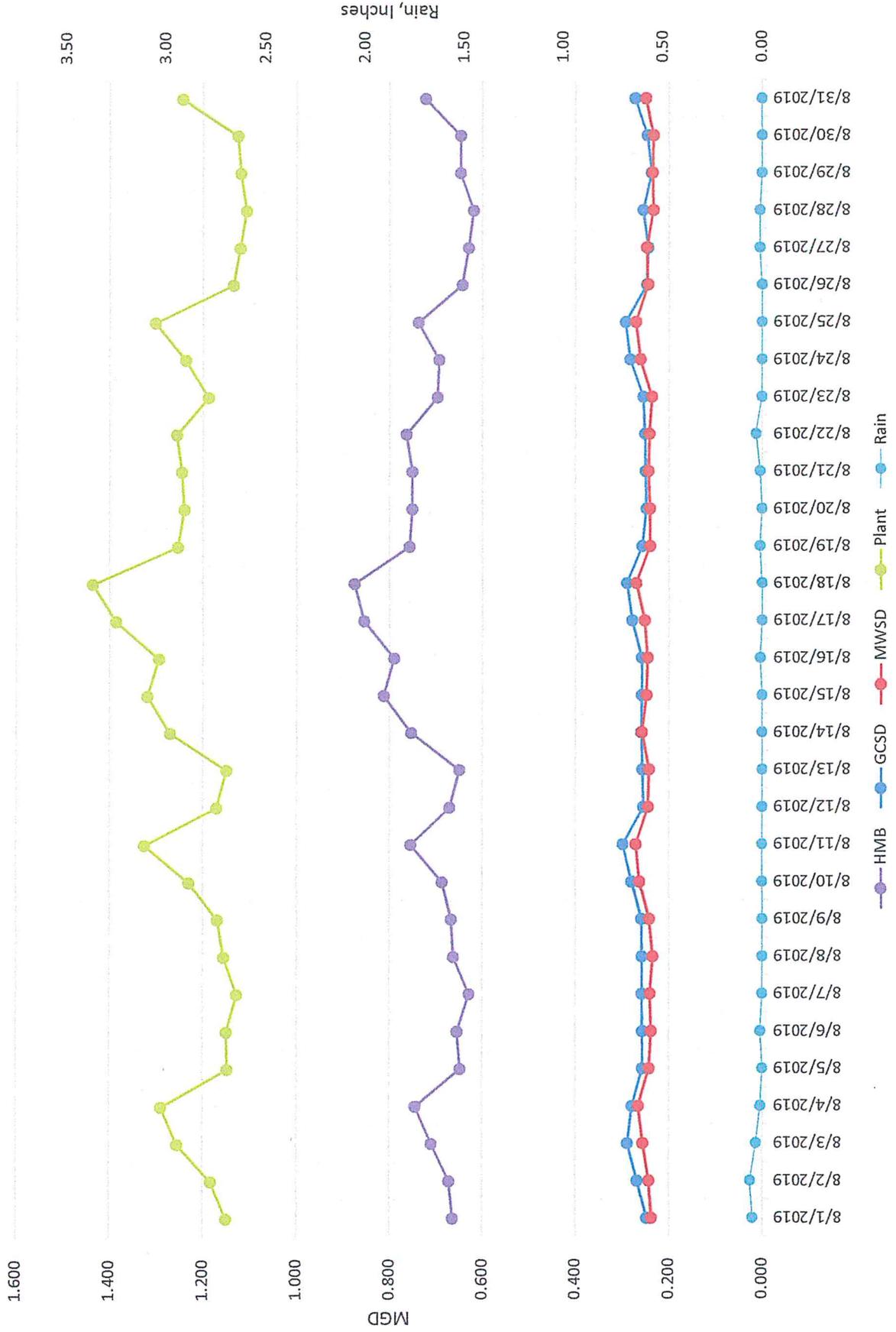
Monthly Flow Distribution Report for August 2019

<u>Date</u>	<u>HMB</u>	<u>GCSD</u>	<u>MWSD</u>	<u>Plant</u>	<u>Rain Plant</u>	<u>Rain Portola</u>	<u>Rain Montara</u>
8/1/2019	0.664	0.248	0.238	1.150	0.05	0.07	0.07
8/2/2019	0.672	0.268	0.243	1.183	0.06	0.09	0.13
8/3/2019	0.710	0.289	0.256	1.255	0.03	0.02	0.02
8/4/2019	0.745	0.279	0.266	1.290	0.01	0.01	0.02
8/5/2019	0.648	0.257	0.243	1.148	0.00	0.00	0.00
8/6/2019	0.655	0.257	0.238	1.150	0.01	0.00	0.00
8/7/2019	0.629	0.258	0.241	1.128	0.00	0.00	0.00
8/8/2019	0.663	0.258	0.235	1.156	0.00	0.00	0.00
8/9/2019	0.668	0.259	0.243	1.170	0.00	0.00	0.00
8/10/2019	0.687	0.280	0.263	1.230	0.00	0.00	0.00
8/11/2019	0.755	0.299	0.271	1.325	0.00	0.00	0.00
8/12/2019	0.671	0.255	0.245	1.171	0.00	0.00	0.00
8/13/2019	0.649	0.257	0.243	1.149	0.00	0.00	0.00
8/14/2019	0.753	0.259	0.258	1.270	0.00	0.00	0.00
8/15/2019	0.813	0.258	0.248	1.319	0.00	0.00	0.00
8/16/2019	0.790	0.258	0.246	1.294	0.01	0.00	0.00
8/17/2019	0.855	0.279	0.252	1.386	0.00	0.00	0.00
8/18/2019	0.876	0.290	0.270	1.436	0.00	0.00	0.00
8/19/2019	0.757	0.257	0.240	1.254	0.01	0.00	0.00
8/20/2019	0.751	0.248	0.241	1.240	0.00	0.00	0.00
8/21/2019	0.751	0.250	0.244	1.245	0.01	0.00	0.00
8/22/2019	0.763	0.251	0.242	1.256	0.03	0.02	0.02
8/23/2019	0.697	0.255	0.236	1.187	0.00	0.00	0.00
8/24/2019	0.693	0.283	0.261	1.237	0.00	0.00	0.00
8/25/2019	0.738	0.293	0.271	1.302	0.00	0.00	0.00
8/26/2019	0.643	0.247	0.245	1.135	0.00	0.00	0.00
8/27/2019	0.629	0.244	0.247	1.120	0.01	0.00	0.00
8/28/2019	0.619	0.255	0.233	1.107	0.01	0.00	0.00
8/29/2019	0.647	0.237	0.235	1.119	0.00	0.00	0.00
8/30/2019	0.646	0.246	0.233	1.125	0.00	0.00	0.00
8/31/2019	0.722	0.272	0.249	1.243	0.00	0.00	0.00
Totals	21.958	8.144	7.676	37.778	0.24	0.21	0.26

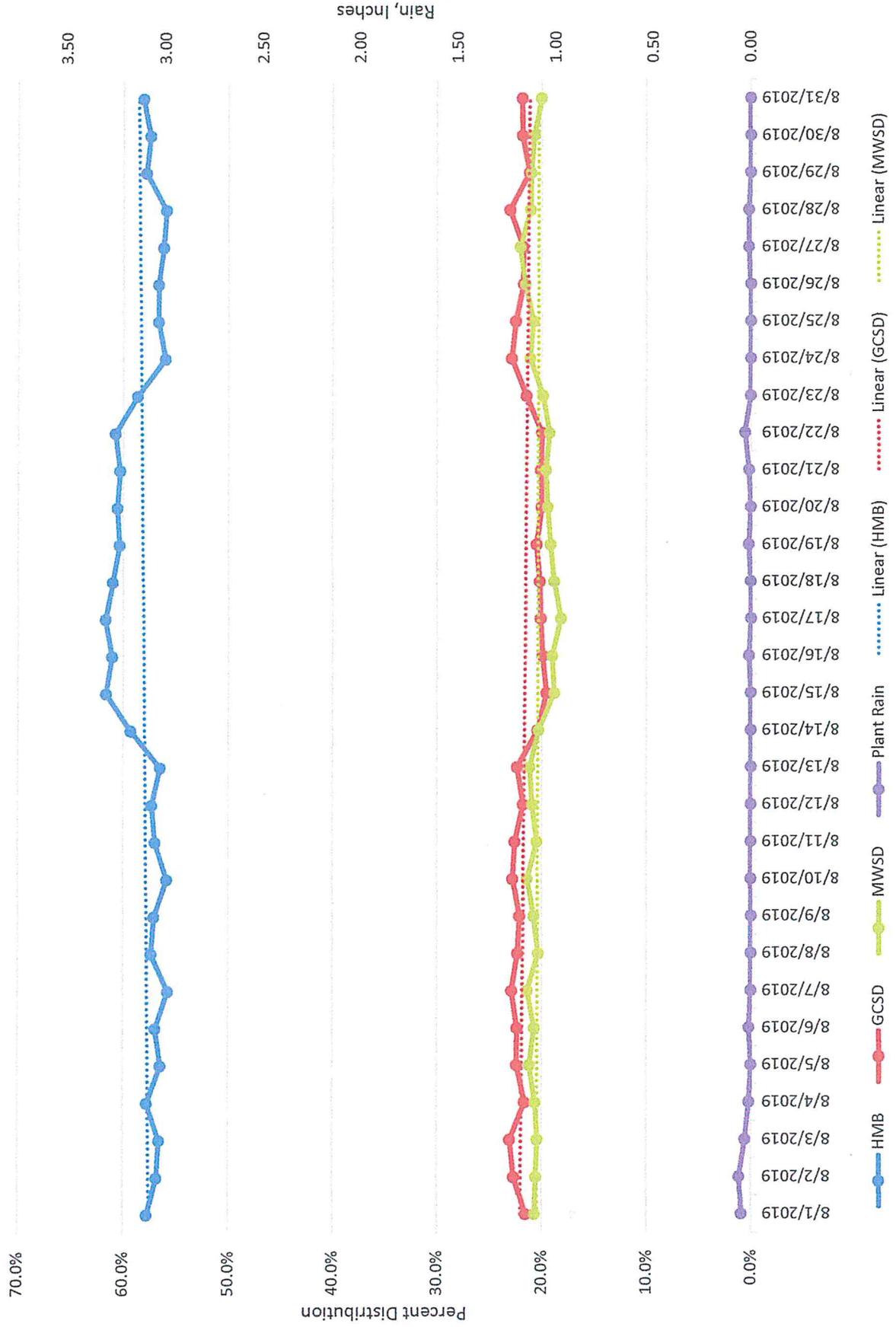
Summary

	<u>HMB</u>	<u>GCSD</u>	<u>MWSD</u>	<u>Plant</u>
Minimum	0.619	0.237	0.233	1.107
Average	0.708	0.263	0.248	1.219
Maximum	0.876	0.299	0.271	1.436
Distribution	58.1%	21.6%	20.3%	100.0%

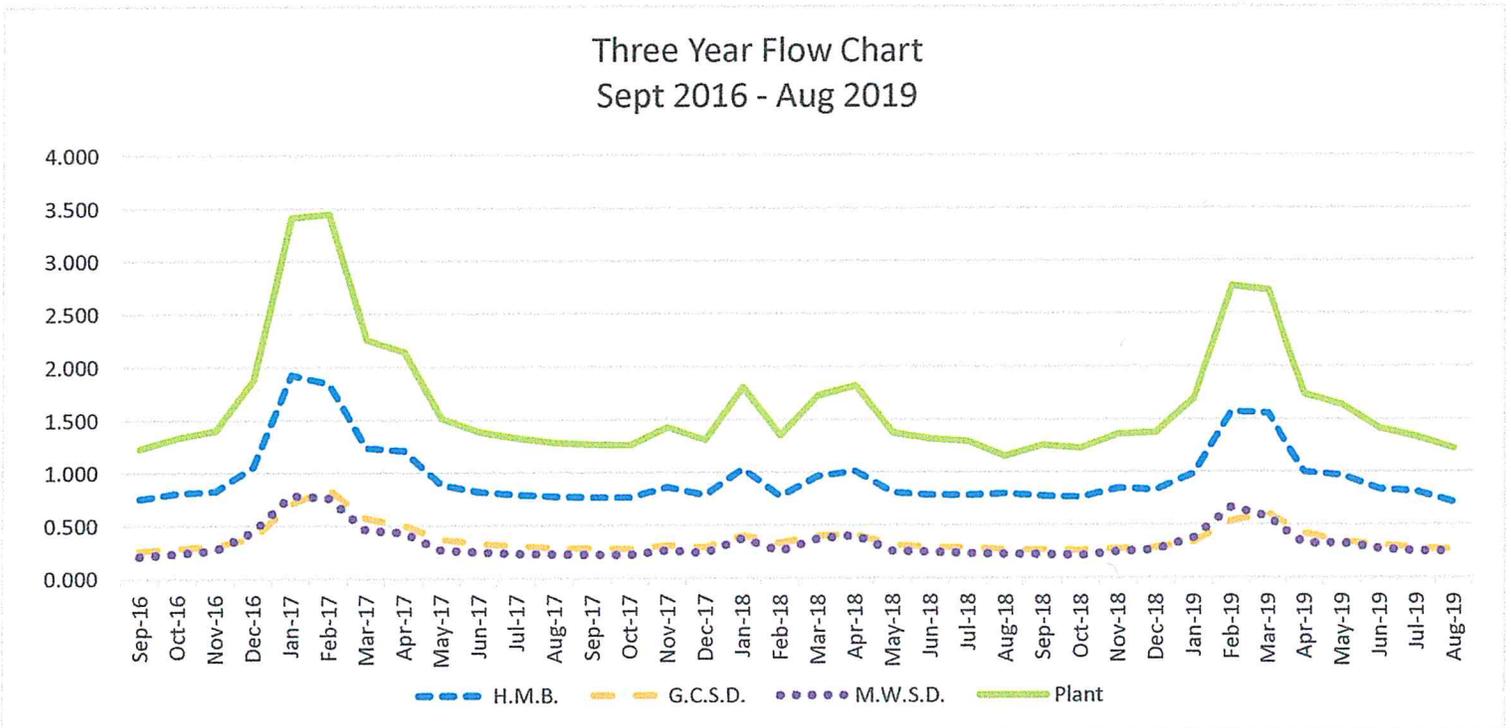
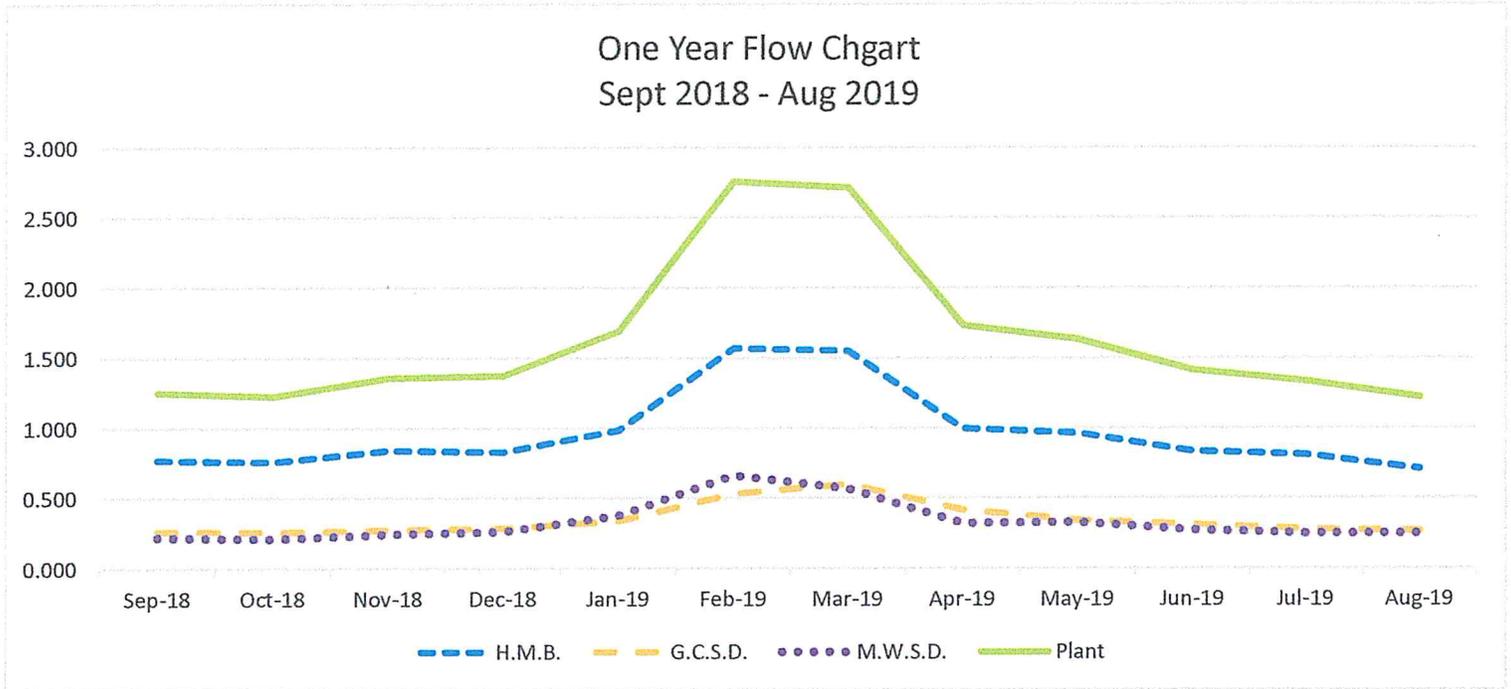
Sewer Authority Mid-Coastside Monthly Flow Distribution Report, August 2019



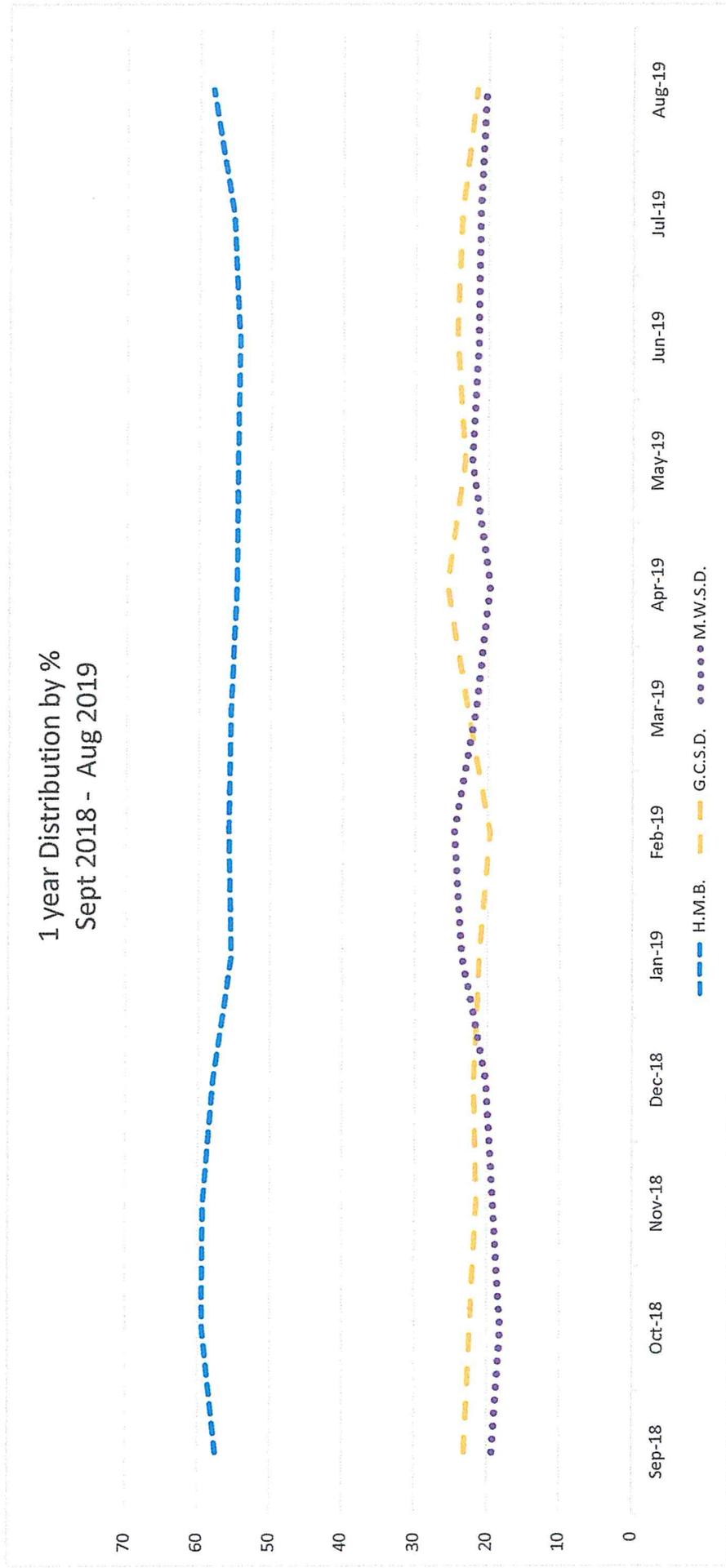
Percent Distribution August 2019



Most recent flow calibration April 2018 PS, April 2018 Plant



Flow based percent distribution based for past year



Montara Water and Sanitary District Water Supply Capacity

	Water Supply (Gallons Per Minute, GPM)	Current Regular Year	Water Supply Projection In Dry Years		
			Year 1	Year 2	Year 3
A	Surface Water	70	0	0	0
B	Ground Water • Alluvium Wells ¹	365	274	183	183
C	• Fractured Granite Wells	31	0	0	0
D	• Proposed Ala Vista Well ²	150	0	0	0
E	Total Available Supply E = A+B+C	466	274	183	182
F	Total Reliable Supply ³ F = E - 225 GPM	241	49	0	0
G	Average Daily Demand ⁴	271	271	271	271
H	Maximum Daily Demand ⁴	423	423	423	423
I	Supply Shortfall During Average Day Demand I = F - G	(30) ⁵	(222)	(271)	(271)
J	Supply Shortfall During Maximum Day Demand J = F - H	(182)	(374)	(423)	(423)

¹ Assumed 25 percent reduction in capacity in a single dry year, 50 percent reduction in multiple dry years.
² Well not yet in service but before the Coastal Commission for approval to conduct testing.
³ Department of Health Services defines *total reliable supply* as the total supply with the largest source out of service -- the three Airport Wells, with a total production of 225 gpm, is considered as one source for the Montara water system.
⁴ Demand numbers are from the 2004 Master Plan; current demands may be higher
⁵ Number in parenthesis indicates a negative number, i.e. shortfall



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: October 3, 2019

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 August 2019 the rate was 2.341.
- 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: **October 3, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

SUBJECT: Connection Permit Applications Received

As of October 3, 2019 the following new Sewer Connection Permit application was received since the last report:

Date of Application	Property Owner	Site Address	Home Size
09-13-19	Marsha Moutrie	0 Bernal Ave, MB	SFD
09-25-19	Sandra Goldstein	0 Stetson, MB	SFD

As of October 3, 2019 the following new Water (Private Fire Sprinkler) Connection Permit application was received since the last report:

Date of Application	Property Owner	Site Address	Home Size
09-13-19	Marsha Moutrie	0 Bernal Ave, MB	SFD
09-25-19	Sandra Goldstein	0 Stetson, MB	SFD

As of October 3, 2019 the following new Water Connection Permit application was received since the last report:

Date of App.	Property Owner	Site Address	Home Size	Type of Connection
09-13-19	Marsha Moutrie	0 Bernal Ave, MB	SFD	Domestic
09-25-19	Sandra Goldstein	0 Stetson, MB	SFD	Domestic

RECOMMENDATION:

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



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: October 3rd, 2019

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

SUBJECT: Monthly Water Production Report

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

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

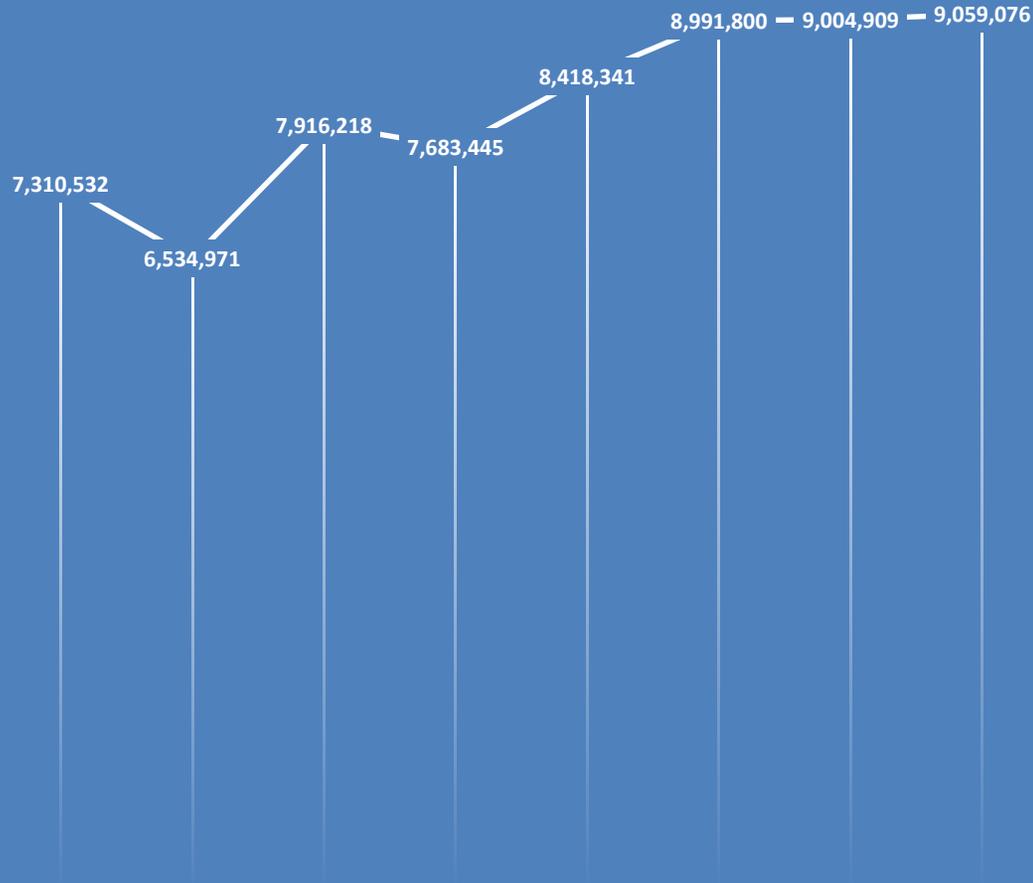
RECOMMENDATION:

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

Attachments: 2

TOTAL PRODUCTION 2019(GALLONS)

GALLONS



	January	February	March	April	May	June	July	August	September	October	November	December
Total Production (Gallons)	7,310,532	6,534,971	7,916,218	7,683,445	8,418,341	8,991,800	9,004,909	9,059,076				

MONTH



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting of: October 3rd, 2019

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

SUBJECT: Rain Report

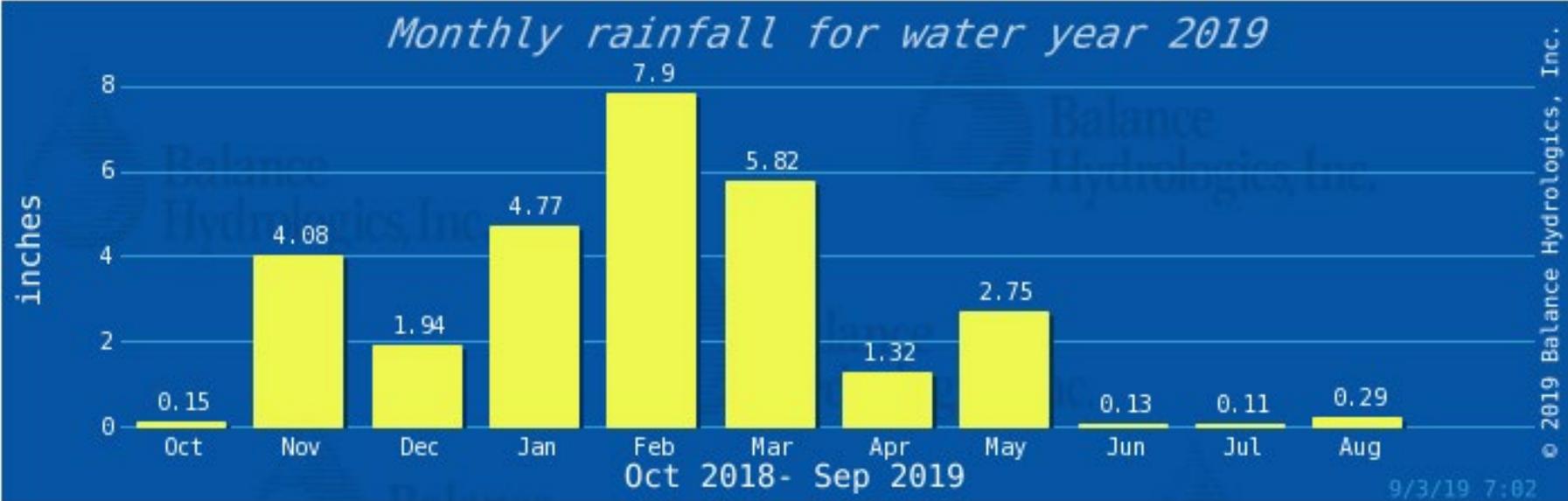
The attached chart shows the monthly rainfall at Alta Vista Treatment Plant for the current and prior water years along with seven-year average rain fall.

RECOMMENDATION:

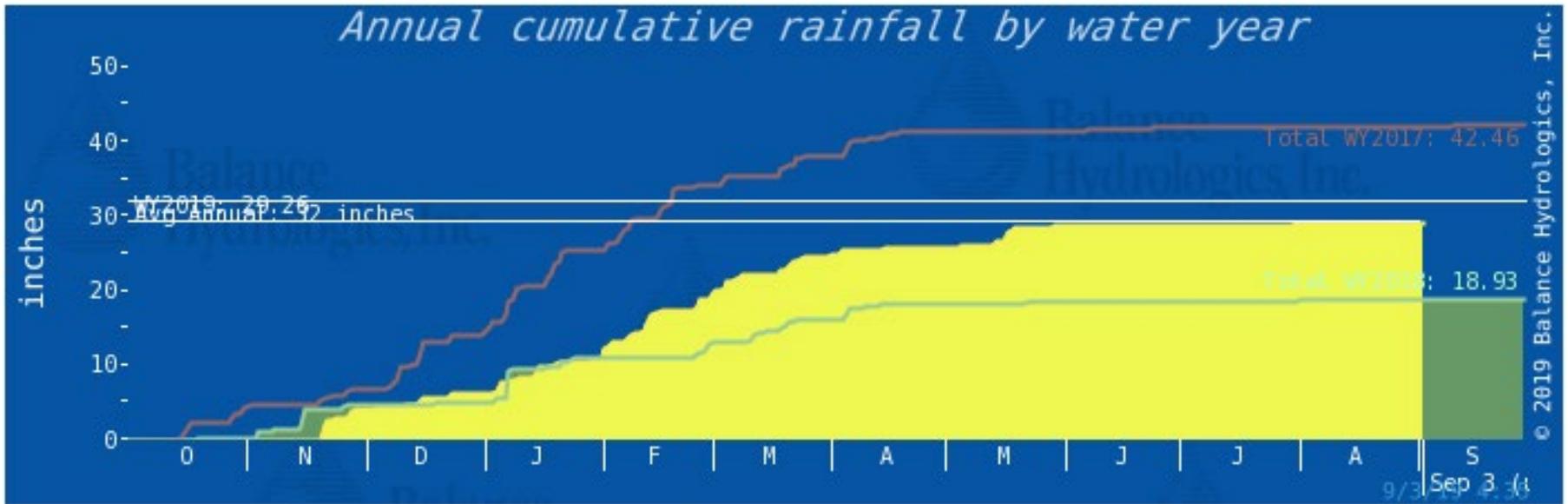
No action is required. These reports are provided for the Board's information only.

Attachments: 2

Monthly Cumulative Rainfall



Annual Cumulative Rainfall





MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: October 3rd, 2019

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

SUBJECT: Monthly Solar Energy Report

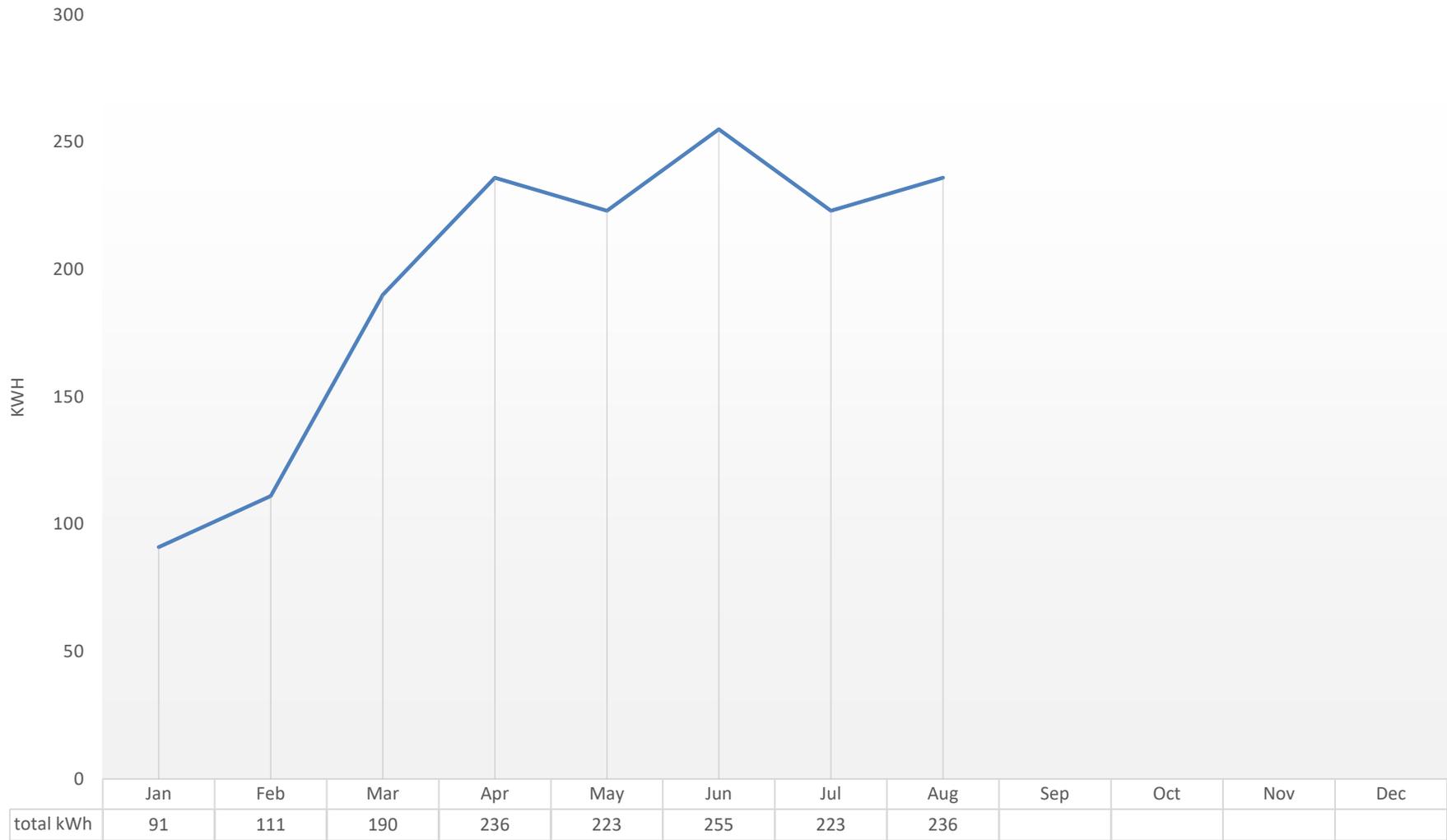
The attached chart summarizes the monthly solar production at the Alta Vista Array. Since the installation of the solar panels the District produced 43,503 kWh and saved 73,956 lbs of CO₂.

RECOMMENDATION:

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

Attachments: 1

SOLAR ENERGY PRODUCED IN 2019 (kWh)





MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **October 3, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

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

The District has received the monthly PARS report for July 2019.

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

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

RECOMMENDATION:

This is for Board information only.

Attachment



**Montara Water and San
Retirement Enhancement Plan**

**Monthly Account Report for the Period
7/1/2019 to 7/31/2019**

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

Plan ID: P7-REP15A

Account Summary

Source	Beginning Balance as of 7/1/2019	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 7/31/2019
Contributions	\$759,292.16	\$7,760.00	\$4,288.72	\$345.37	\$1,073.74	\$0.00	\$769,921.77
TOTAL	\$759,292.16	\$7,760.00	\$4,288.72	\$345.37	\$1,073.74	\$0.00	\$769,921.77

Investment Selection

PARS Capital Appreciation INDEX PLUS

Investment Objective

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

Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
GENERAL	0.56%	1.13%	4.6%	8.71%	-	-	03/08/16

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

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

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

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

MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **October 3, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

**SUBJECT: Review and Possible Action Appointing Acting
District Counsel**

The Montara Water and Sanitary District's (MWSD or District) current legal advisor is David E. Schricker of the Law Offices of David E. Schricker, appointed by the District in 1986. Mr. Schricker is temporarily unavailable and in order to maintain consistency in the legal representation of the District, he recommends that the Board appoint Christine C. Fitzgerald of Fitzgerald Law Offices as Acting District Counsel during his absence. For the past 20 years, Ms. Fitzgerald has represented the District as special counsel on various matters as well as provided support to Mr. Schricker on all District general matters. Consequently, she has the experience and requisite knowledge of the District's business matters and will ensure there is no interruption in providing legal services to the District, including working closely with Mr. Schricker's office for access to the District's legal files if necessary.

RECOMMENDATION:

Appoint Christine C. Fitzgerald of Fitzgerald Law Offices as Acting District Counsel pending the return of District Counsel David E. Schricker and authorize execution of legal services agreement with Fitzgerald Law Offices.

RESOLUTION NO. _____

RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT APPOINTING ACTING DISTRICT COUNSEL AND APPROVING AND AUTHORIZING EXECUTION OF LEGAL SERVICES AGREEMENT

WHEREAS, the Montara Water and Sanitary District (“District”) requires a legal counselor and attorney in conducting its operations and for representation in litigation and other legal proceedings to which it may become a party; and

WHEREAS, David E. Schricker is the District’s current legal counselor and attorney, appointed to said position by the District Board pursuant to Resolution No. 763; and

WHEREAS, due to Mr. Schricker’s temporary unavailability, the District requires an acting legal counselor and attorney for an interim period; and

WHEREAS, Christine C. Fitzgerald and Fitzgerald Law Offices (“Attorney”) is willing and qualified to provide such legal services and to serve as the District’s acting legal counselor and attorney; and

WHEREAS, there has been presented to, and reviewed by this Board an agreement providing for the furnishing of such legal services by Attorney.

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

1. Attorney is hereby appointed and employed as the District’s acting legal counselor and attorney for furnishing the legal services hereinafter specified.
2. That certain professional services agreement entitled “Legal Services Agreement” (form dated October 3, 2019), by and between Montara Water and Sanitary District, a public agency, and Fitzgerald Law Offices, pursuant to which said Attorney is retained as the District’s legal counselor and attorney for an interim period, is hereby approved, and the President of the Board is hereby authorized to execute, and the Secretary to attest thereto, said agreement for and on behalf of the District.

President, Montara Water and Sanitary District

COUNTERSIGNED:

Secretary, Montara Water and Sanitary District

RESOLUTION NO. _____

**RESOLUTION OF THE MONTARA WATER AND SANITARY
DISTRICT APPOINTING ACTING DISTRICT COUNSEL AND
APPROVING AND AUTHORIZING EXECUTION OF LEGAL
SERVICES AGREEMENT**

* * * *

I HEREBY CERTIFY that the foregoing Resolution No. _____ duly and regularly adopted and passed by the Board of the Montara Water and Sanitary District, County of San Mateo, California, at a Regular Adjourned Meeting thereof held on the 3rd day of October 2019, by the following vote:

AYES, Directors:

ABSTENTION:

NOES, Directors:

ABSENT, Directors:

Secretary, Montara Water and Sanitary District

LEGAL SERVICES AGREEMENT

This Agreement is made and entered into as of the 3rd day of October, 2019 (“Effective Date”) by and between the MONTARA WATER AND SANITARY DISTRICT (“MWSD or District”) and Fitzgerald Law Offices (“Attorney”). District and Attorney are hereinafter collectively referred to as the “Parties” and singularly as a “Party”.

RECITALS

WHEREAS, District requires a legal advisor and attorney in conducting its business and with respect to litigation or other legal proceedings to which the District may become a party; and,

WHEREAS, Attorney is willing, qualified and experienced to furnish such legal services and to service as District’s legal advisor in accordance with the terms and conditions hereinafter set forth;

NOW, THEREFORE, the parties hereto agree as follows:

1. **Appointment.** Attorney, and specifically Christine C. Fitzgerald, who is employed by Attorney, is appointed and employed as legal counsel for the District for the furnishing of legal services as hereinafter specified.
2. **Services.** The services to be performed by Attorney under this Agreement shall include those services set forth in Exhibit A, which is, by this reference, incorporated herein and made a part hereof as though it were fully set forth herein. Performance of the work specified in said Exhibit is hereby made an obligation of Attorney under this Agreement, subject to any changes that may be made subsequently hereto upon the mutual written agreement of the said parties.
3. **Compensation.** District shall compensate Attorney for the services described in paragraph 2 of this Agreement at the rates specified in Exhibit A, and reimbursable costs and expenses as set forth in Exhibit B, which is, by this reference incorporated herein and made a part hereof as though it were fully set forth herein; subject, however, to adjustment in accordance with paragraph 11 of this Agreement. Compensation for Attorney’s services are generally billed monthly with payment due within thirty (30) days of such billing. The monthly billing statements for fees and costs shall indicate the basis of the fees, including a detailed and auditable breakdown of the hours worked, the billable rates charged and description of the work performed. Attorney shall keep and maintain accurate records of all time expended and costs and expenses incurred relating to services to be performed by Attorney hereunder which shall be available to District for review and copying during regular business hours at Attorney’s place of business or as otherwise agreed upon by the parties.
4. **Term; Termination.** The term of this Agreement shall commence upon the date hereinabove written and shall continue in effect until or unless terminated by either of the Parties in accordance with the terms herein; notwithstanding, District reserves the right to review this Agreement and the services being provided hereunder within six (6) months from its Effective Date. Notwithstanding the foregoing, either Party may terminate this Agreement without cause

by giving written notice not less than sixty (60) days prior to the effective date of termination, which date shall be included in said notice.

5. **Authorization.** This Agreement becomes effective when endorsed by the Parties in the space provided below.

6. **Relationship of Parties.** It is understood that the relationship of Attorney to the District is that of an independent contractor and all persons working for or under the direction of Attorney are its agents or employees and not agents or employees of the District.

7. **Indemnity.** Attorney agrees to indemnify District, its officers, employees and agents against, and will hold and save each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the work, operations or activities of Attorney, its agents, employees, subcontractors, or invitees, provided for herein or arising from the acts or omissions of Attorney hereunder, or arising from Attorney's performance of or failure to perform any term, provision, covenant or condition of this Agreement, except to the extent such claims or liabilities arise from the negligence or willful misconduct of District, its officers, agents or employees.

District acknowledges that Attorney is appointed as the District's legal advisor pursuant to Health and Safety Code Section 6493 and Water Code Section 30544 and, as such, has the position of that office. Accordingly, District is responsible under Government Code section 825 for providing a defense for Attorney for actions within the scope of its engagement hereunder. Therefore, District agrees to undertake its statutory duty and indemnify Attorney, its officers, employees and agents against and will hold and save each of them harmless from, any and all claims or liabilities that may be asserted or claims by any person, firm or entity arising out of or in connection with the work, operations or activities of Attorney within the course and scope of its employment hereunder, but nothing herein shall require District to indemnify Attorney for liability arising from its own negligence.

8. **Insurance.** Attorney shall acquire and maintain Workers' Compensation, employer's liability, commercial general liability, owned and non-owned and hired automobile liability, and professional liability insurance coverage relating to Attorney's services to be performed hereunder covering District's risks. The minimum amounts of coverage corresponding to the aforesaid categories of insurance per insurable event, shall be as follows:

<u>Insurance Category</u>	<u>Minimum Limits</u>
Workers' Compensation	statutory minimum
Employer's Liability	\$1,000,000 per accident for bodily injury or disease
Commercial General	\$1,000,000 per occurrence and \$2,000,000

Liability	aggregate for bodily injury, personal injury and property damage
Automobile Liability	\$1,000,000 per accident for bodily injury and property damage (coverage required to the extent applicable to Attorney's vehicle usage in performing services hereunder)
Professional Liability	\$1,000,000 per claim and aggregate

Concurrently with the execution of this Agreement, Attorney shall furnish District with certificates and copies of information or declaration pages of the insurance required hereunder and, with respect to evidence of commercial general liability and automobile liability insurance coverage, original endorsements:

- (a) Precluding cancellation or reduction in coverage before the expiration of thirty (30) days after District shall have received written notification of cancellation or reduction coverage by first class mail;
- (b) Providing that Attorney'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 the District, its Board of Directors, officers, employees, and agents, as additional insureds; and
- (d) Providing that Attorney's insurance coverage shall be primary insurance with respect to District, its Board of Directors, officers, employees, and agents, as additional insureds, and any insurance or self-insurance maintained by District for itself, its Board of Directors, officers, employees, and agents, shall be in excess of Attorney's insurance and not contributory with it.

9. **Notice.** All notices required by this Agreement shall be given to the District and Attorney in writing, by first class mail, postage prepaid, addressed as follows:

DISTRICT: Montara Water and Sanitary District
8888 Cabrillo Hwy.
Montara, CA 94037
Attention: General Manager

ATTORNEY: Fitzgerald Law Offices
345 Lorton Ave., Ste. 301
Burlingame, CA 94010
Attention: Christine C. Fitzgerald

10. **Non-Assignment.** This Agreement is not assignable either in whole or in part.
11. **Review/Amendment.** The provisions of this Agreement may be reviewed upon the request of either Party from time to time while this Agreement is in effect. Such review may include, but not be limited to, the compensation provisions of paragraph 3 hereof. This Agreement may be amended or modified only by written agreement signed by the Parties.
12. **Validity.** The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
13. **Governing Law.** This Agreement shall be governed by the laws of the State of California and any suit or action initiated by either party shall be brought in the County of San Mateo, California. In the event of litigation between the Parties hereto to enforce any provision of the Agreement, the unsuccessful party will pay the reasonable Attorney's fees and expenses of litigation of the successful party.
14. **Mediation.** Should any dispute arise out of this Agreement, the Parties shall meet in mediation and attempt to reach a resolution with the assistance of a mutually acceptable mediator. Neither Party shall be permitted to file legal action without first meeting in mediation and making a good faith attempt to reach a mediated resolution. The costs of the mediator, if any, shall be paid equally by the Parties. If a mediated settlement is reached neither Party shall be deemed the prevailing party for purposes of the settlement, and each Party shall bear its own legal costs.
15. **Conflict of Interest.** Attorney represents and warrants that a diligent effort has been made to determine whether there are actual or potential conflicts of interest that would preclude or interfere with Attorney's performance of this Agreement and that no such conflict of interest exists.
16. **Entire Agreement.** This Agreement, including Exhibits A and B, comprise the entire Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first above written by their respective officers duly authorized in that behalf.

MONTARA WATER AND SANITARY DISTRICT
a public agency of the State of California

By: _____
President, Montara Water and Sanitary District

ATTEST:

Secretary, Montara Water and Sanitary District

FITZGERALD LAW OFFICES

By: _____

Print Name: Christine C. Fitzgerald

Print Title: President, Fitzgerald Law Offices

EXHIBIT A

GENERAL LEGAL SERVICES

Attorney shall provide, through its own services or those of such members or associates of Attorney's law firm or associated with Attorney's law firm, the following routine services (not intended to be exhaustive) at the rate of \$300.00/hr:

- Render legal advice (both oral and written, as requested of, or determined by, Attorney) to the District, MWSD General Manager, staff and consultants on all legal matters pertaining to District business and operations;
- Attend all regularly scheduled and special District meetings, unless excused therefrom by the President; attend staff and/or consultant meetings, workshops, technical committee meetings as requested by the District or MWSD General Manager, as needed;
- Prepare and/or review agendas, resolutions, staff reports, agreements, contracts, forms, notices, declaration, certificates, deeds, leases and similar legal documents necessary or appropriate for conducting MWSD's business;
- Assist with Public Records Act requests;
- Advise on labor and employment matters not included in special services;
- Provide advice on conflicts of interest, whether relating to the Political Reform Act, the Brown Act, the Government Claims Act, or other areas;
- Perform routine legal work, supervise and administer negotiations pertaining to property acquisition, property disposal, public improvements, public rights of way and easements, and matters relating to public entities;
- Make recommendations concerning the selection of outside legal counsel on appropriate matters and supervise such outside legal counsel handling transactional or litigation matters on behalf of MWSD;
- Provide legal services on-site during regularly scheduled office hours as otherwise mutually agreed or requested by the MWSD General Manager;
- Monitor new legislative developments and provide updates on new legislation and case law which could affect MWSD;
- Perform research and interpret laws, court decisions and other legal authorities in order to prepare legal opinions and to advise the District Board of Directors, the MWSD General Manager and MWSD Department Heads on legal matters pertaining to District operations;
- Represent MWSD in litigation and/or arbitration or other judicial proceedings, including activities preliminary to such proceedings with respect to which MWSD is or may become a party either at the institution of MWSD or instituted against MWSD;
- Represent the District with respect to proceedings of other public agencies held in a quasi-judicial, legislative or other capacity, including but not limited to permitting, licensing and enforcement proceedings;
- Represent and advise MWSD with respect to such matters as contract or other negotiations regarding disputes in avoidance of litigation and similar such matters.

SPECIAL OUTSIDE COUNSEL SERVICES*

The following special counsel services that may be necessary by MWSD require the retention of outside counsel upon approval by the District's Board of Directors:

- Complex litigation;
- Employment- related advice and hearings, including PERB hearings, arbitrations, grievance hearings, fact-finding hearings, and disciplinary hearings;
- Complex CEQA and environmental issues consultation and litigation;
- Construction litigation
- Bond counsel and specialized finance services;
- Regulatory and administrative hearings before other public agencies;
- Other special counsel work approved by the District Board.

*Attorney will maintain a pool of qualified legal specialists, available as needed.

EXHIBIT B

REIMBURSABLE COSTS AND EXPENSES

Reimbursable costs and expenses will be advanced by Attorney and include all costs and expenses directly connected with the performance of the legal services including, but not limited to, litigation costs, court filing fees, jury fees, deposition, reporter and transcript fees; electronic legal research, long distance or conference telephone calls, messenger and other delivery fees and postage; general office photocopy, facsimile and printing costs are charged at a flat monthly rate.

Reimbursable expenses also include travel costs, including mileage, parking, airfare, lodging, meals, and incidentals are charged in connection with administrative or judicial proceedings, or when traveling outside of Northern California. Travel time may also be charged in connection with such proceedings.

All costs and expenses incurred shall be itemized separately and supported by detailed expense records.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: October 3, 2019

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

**SUBJECT: Review and Possible Action Concerning Proposed Sale of
Surplus Ford F-250 Truck**

The District is currently in possession of a 2006 Ford F-250 with 25,600 miles. This truck was originally purchased to serve as a dedicated leak truck, with an auxiliary fuel tank for the generators and ladder racks for transporting full lengths of pipe. A new auxiliary fuel tank and new ladder racks have been added to the District's other F-250 purchased in 2011.

A typical usage life for a fleet vehicle is 5-7 years depending on conditions. This vehicle is thirteen years old. Although its mileage is low, the severe deterioration of the body and other components require increased maintenance to keep it running. Because of these factors, this vehicle should be disposed of.

RECOMMENDATION:

Adopt RESOLUTION NO. _____, RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT DECLARING CERTAIN PROPERTY AS SURPLUS AND AUTHORIZING ITS SALE.

Attachments

Attachments : 2006 F-250



RESOLUTION NO. _____

RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT
DECLARING CERTAIN PROPERTY AS SURPLUS AND AUTHORIZING ITS
SALE.

WHEREAS, the District has purchased the equipment listed on the attached
Exhibit "A"; and

WHEREAS, the equipment on Exhibit "A" is surplus to the needs of the District;

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:

The equipment described on the attached Exhibit "A" is declared surplus to
the needs of the District. Staff is instructed to sell all items for the best
available price or properly dispose of items that it is unable to sell.

President, Montara Water and Sanitary District

COUNTERSIGNED:

Secretary, Montara Water and Sanitary District

* * * *

I HEREBY CERTIFY that the foregoing Resolution No. _____ was duly
and regularly adopted and passed by the Board of the Montara Water and
Sanitary District, San Mateo County, California, at a meeting thereof held on the
3rd day of October 2019, by the following vote:

AYES, Directors:

NOES, Directors:

ABSENT, Directors:

Secretary, Montara Water and Sanitary District

Montara Water & Sanitary District

Surplus Property

Description	Model	Vehicle Identification Number
2006 Ford Truck with Utility Box	F-250	1FDSX21597EA22999

MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **October 3, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

**SUBJECT: Review and Possible Action Approving
Agreement with Singer Associates.**

The MWSD board previously indicated interest in engaging with Singer Associates as Public Outreach Firm for MWSD. Singer will be providing assistance with important outreach documents like upcoming prop 218 notices, website updates and more.

MWSD's legal counsel reviewed and approved the Singer agreement to form.

RECOMMENDATION:

Approve the Agreement dated September 24, 2019 and authorize the manager to work sign and execute the contract.

SINGER ASSOCIATES, INC.
PUBLIC AFFAIRS & CORPORATE COMMUNICATIONS
47 KEARNY STREET, SECOND FLOOR
SAN FRANCISCO, CALIFORNIA 94108

September 24, 2019

Mr. Clemens Heldmaier
Montara Water & Sanitary District
8888 Cabrillo Highway
Montara, CA 94037

Dear Mr. Heldmaier:

Thank you for selecting Singer Associates, Inc. (hereinafter called "Singer", "we" or "us") as your communications agency. We look forward to working with Montara Water & Sanitary District. This letter will confirm your appointment of Singer as your public relations/public affairs agency and constitutes our agreement. All services which we have performed for Montara Water & Sanitary District, (hereinafter called "Company," or "you") relating to the subject matter of this agreement prior to the signing of this agreement are subject to the same terms and conditions provided herein.

SERVICES

We will devote our skill, experience and expertise to further your interests and will work with you to develop and carry out a successful communications program for Company. We will provide communications counseling services to you and your organization.

COMPENSATION

In consideration of the services to be performed by us, you will compensate us in accordance with the following:

FEES

All fees under this contract are based on hourly time charges for the staff time devoted to your account. A current non-profit rate schedule is attached (Attachment A). Per the attached Scope of Work (Attachment B), Singer estimates professional services to be between \$5,000 and \$10,000 per month, not to exceed \$40,000 for the time frame of September 2019 - June 2020.

Singer Associates, Inc. will bill you at the end of each month for fees and expenses, which will be payable upon receipt.

OUT-OF-POCKET EXPENSES

We charge all clients a flat rate 5% technology fee to cover all local and long distance phone calls, fax charges, online services, online research fees, and other technology services.

Transportation, accommodations and related expenses for trips authorized by you, and all other expenses incurred in connection with providing our services, including overnight mail, cable, messenger, mass mailing charges, etc., will be billed to you at cost.

Costs of advertising and collateral production, printing and creative services will be billed to you monthly after we have received the supplier invoices and have satisfied ourselves that they are correct. Supporting documentation for these expenses will be retained on file and will be provided on request. These items will be marked up by the standard advertising industry rate of 17.65%.

We reserve the right to request payment in advance for any large out-of-pocket expenses and typically ask for a 50% deposit prior to beginning work on any collateral materials.

All fee and expense invoices are assumed to be undisputed unless you advise us otherwise in writing within ten (10) days of receipt of the invoice.

PAYMENTS

All invoices are payable upon receipt by you. Invoices not paid within thirty (30) days are subject to a service charge of 1.5% per month (18% per year). You will be liable for any costs, including reasonable attorney fees and interest, incurred in connection with the collection of any past due amounts on your account.

We reserve the right to discontinue all services if payment is more than sixty (60) days overdue.

GENERAL PROCEDURES

You reserve the right to modify, reject, cancel or stop any and all plans, schedules or work in process, and in such event, we shall immediately take proper steps to carry out your instructions. In turn, you agree to assume our liability for all such commitments and to pay us, in accordance with the provisions of this agreement, any and all proper charges earned and incurred by us in connection with such work up to the time of its discontinuance, cancellation, or modification. You also agree to indemnify us for all claims and actions by third parties for damages in consequence of our carrying out your instructions.

All copy, layouts, scripts, art work, photography, designs or other materials or documents prepared, purchased or furnished by us in connection with your account and paid for by you, and produced during the term hereof, become your property, and shall be delivered to you on request.

We will rely, without independent verification, on the accuracy and completeness of all information that is publicly available and all information furnished by or on behalf of the Company. The Company understands and agrees that we will not be responsible for the accuracy or completeness of such information, and will not be liable for any inaccuracy or omissions therein. Any advice which we offer (whether written or oral) to you pursuant to this agreement is intended solely for the use of the Company, and may not be relied upon by any other person or used for any purpose other than as provided herein. You agree that we may, at our own expense, include on our corporate website or in other advertising, the disclosure, such as a "tombstone" advertisement, which may include the Company's logo or other identifying marks, disclosing that we have performed services for benefit of the Company. Subject to prior acquisition of your approval, which approval shall not be unreasonably withheld, we may include on our corporate website or other advertising, a description of services provided by us to you. You understand that we are being engaged hereunder as an independent contractor to provide the services described in this letter agreement to the Company, and that we are not acting as an agent or fiduciary of the Company or other person or entity in connection with this engagement. Any duties which we have by reason of this agreement or as a result of the services rendered to the Company hereunder, will be owed solely to the Company.

We will use commercially reasonable efforts to maintain the confidential nature of data you entrust to us through strict control of its distribution and use. We may disclose confidential data to third parties to the extent we determine such disclosure to be necessary in the performance of our services for benefit of the Company hereunder provided that any such third party agrees to comply with the obligation to maintain such data in confidence.

INDEMNIFICATION

By Company:

Company shall defend (with counsel reasonably acceptable to Singer) indemnify and hold Singer and its affiliates and their respective owners, officers, directors, agents, and representatives harmless from and against any and all claims, demands, damages, liabilities, legal proceedings, costs and expenses (including reasonable attorneys' fees) made against or incurred by Singer arising from or relating to the engagement of Singer hereunder unless the subject claim or expense is materially the result of Singer's gross negligence or willful misconduct.

By Singer Associates:

Singer shall defend (with counsel reasonably acceptable to Company), indemnify and hold Company and its affiliates and their respective owners, officers, directors, agents, and representatives harmless from and against any and all claims, demands, damages, liabilities, legal proceedings, costs and expenses (including reasonable attorneys' fees) made against or incurred by Company arising from or relating to the gross negligence or willful misconduct of Singer unless the subject claim or expense is materially the result of or based on:

- I. Information provided to Singer by Company
- II. Information published by Singer which was approved by Company prior to such publication
- III. Company's business activities (including without limitation third party use of Company's products and services)
- IV. The negligence or willful misconduct of Company.

Any party or parties entitled to indemnification pursuant to the foregoing is hereunder referred to as the "Indemnified Party" and any party obligated to provide defense to an Indemnified Party hereunder shall herein be referred to as the "Indemnitor". Neither party hereto shall settle, compromise, or consent to the entry of any judgment or to seek to terminate any pending or threatened action, suit, dispute, or proceeding arising out of, or relating to the engagement of Singer hereunder, or any matter referred to in this agreement, without the prior written consent of the other, not to be unreasonably withheld or delayed, except that no consent of the other party shall be required in the event that such settlement, compromise, consent to termination contains a full and complete release of such other party. The Indemnified Party shall be entitled to participate in any defense of the Indemnified Party by the Indemnitor with counsel of the Indemnified Party's choice, at the Indemnified Party's cost and expense.

Any party hereto seeking indemnification hereunder from the other with respect to any matter shall provide written notice thereof to the other, provided that the failure to give such written notice shall not relieve Indemnitor from its obligations hereunder except to the extent such failure prejudices the rights or defenses of the Indemnitor. Notwithstanding any other provision of this agreement, in no event shall Singer be obligated, with respect to any indemnification obligation hereunder, for any amount which exceeds the aggregate fees actually paid to Singer hereunder. In no event shall Singer be obligated for any consequential, indirect or special damages.

In the event that Singer or any one or more officers, directors, or employees of Singer provides support of any nature, including, without limitation, as a witness, for document production or otherwise, in regard to any claim, action, dispute or other matter for which Singer is not the Indemnitor, and without regard to whether Singer is an Indemnitee, the Company shall pay to Singer fees and reimburse it for costs for such support in accordance with this agreement.

TERMS AND TERMINATION OF AGREEMENT

This agreement shall be considered in effect immediately and shall remain in full force until completion of the project or termination of the professional relationship by either party. Termination by either party must be given with 30 days prior written notice.

After the completion or termination of our professional relationship, we shall transfer, assign and make available to you or your representative all property and materials in our possession or control belonging to and paid for by you. We also agree to give all reasonable cooperation to transferring approval of third parties in interest and reservations, contracts and agreements yet to be used and all rights and claims thereto and therein, upon being duly released from the obligation thereof.

This agreement sets forth the entire agreement between us and supersedes all previous agreements or understandings regarding the same, whether written or oral. This Agreement may not be amended, and no portion hereof may be waived, except in writing duly executed by the parties hereto.

The invalidity or unenforceability of any provision of this agreement shall not affect the validity or enforceability of any other provision of this agreement, which shall remain in full force and effect pursuant to the terms hereof.

This agreement is governed by and shall be construed in accordance with the laws of the State of California without regard to principles of conflicts of laws.

This agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which will constitute one and the same instrument.

The provisions of this agreement captioned "Indemnification" and "Terms and Termination of Agreement" shall survive the termination of this agreement.

Thank you for the opportunity to work for you and your company. We look forward to a productive and enjoyable relationship.

Please sign one copy of this agreement and return it to me. Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read "Sam Singer", with a large, stylized initial "S" and a long, sweeping flourish extending to the right.

Singer Associates, Inc.
BY: Sam Singer, President

ACCEPTED BY: _____
Montara Water & Sanitary District
BY: Clemens Heldmaier

ATTACHMENT A

NON-PROFIT RATE SCHEDULE

HOURLY RATES

PRESIDENT	400.00
PARTNERS	350.00
SENIOR CONSULTANT	350.00
VICE PRESIDENT	300.00
SENIOR ACCOUNT DIRECTOR	275.00
ACCOUNT DIRECTOR	250.00
SENIOR ACCOUNT EXECUTIVE	200.00
ACCOUNT EXECUTIVE	150.00
ASSISTANT ACCOUNT EXECUTIVE	125.00
ACCOUNT COORDINATOR	100.00
ACCOUNT ASSISTANT	75.00

ATTACHMENT B

SCOPE OF SERVICES

September 24, 2019

To: Clemens Heldmaier, Montara Water and Sanitary District
From: Alison A. Kastama, Vice President, Singer Associates, Inc.
Re: Strategic Counsel and Communications Proposal

Thank you for the opportunity to address the District's pressing financial and water supply security challenges. I'm happy to provide this proposal for how Singer Associates can assist you.

Singer has more than 19 years of experience delivering public relations and communications services to a broad cross section of public agencies in California and particularly the San Francisco Bay Area. In addition, I have ten years of direct experience addressing public affairs, outreach (including rates), issues and crisis management for two of the largest public water agencies here in the Bay Area: the San Francisco Public Utilities Commission – Hetch Hetchy Regional Water System and the East Bay Municipal Utility District. I look forward to bringing our expertise in public affairs, issues management, outreach and communications to serve your district.

Based on my understanding, we have identified the following scope of work:

- **Strategic Counsel and Issues Management:** Singer Associates will work in coordination with the General Manager, District Legal Counsel, and Board of Directors to advise the District's on actions related to your rates package and next steps in water supply and infrastructure planning. These discussions will include considerations for messaging, public affairs, and outreach plan development.
- **Key Message Development:** Singer will develop clear messaging for each effort, ensuring that the information and tone is accurate to the District's decided direction and sensitive to the local community.
- **Public Affairs advocacy with elected officials and representatives:** Singer will work to identify and connect the District with various elected officials, representatives and regional stakeholders to properly position the District's efforts.
- **Community Advocacy:** Singer will work with the District to plan an appropriate schedule of outreach to ensure the local Montara and coast-side communities are informed and proactively engaged on each issue and action of the District. This will include planning oversight of staff and Board engagement with residents and local organizations.

- **Media and Press:** Singer will provide:
 - **Media Monitoring:** Throughout our contract period, Singer will monitor local media for Montara WSD and water rates-related news and content.
 - **Local Media:** Singer will advise on interactions with local and countywide news publications, including identifying opportunities to pitch stories and content.
- **Communications Materials Development:** Singer will develop content and coordinate limited graphic design services for outreach materials as discussed with the District. These materials will be provided in electronic form for the printing and distribution by the District and its Board of Directors.
 - This can include:
 - District mailers, fact sheets, postcards
 - District website content
 - Community newsletter content
 - Social media content

Budget

Agency Fees

Singer's fees from September 2019 through June 2020 will average between \$4,000 to \$6,000 per month dependent on activity and consultation with the District. All charges will be based on actual work and in accordance with the attached rate sheet.

Out-of-Pocket Fees

We anticipate limited out-of-pocket costs unless discussed and agreed to with the District.

Total Budget 2019-2020: \$45,000 (September 2019 - June 2020)

Thank you for your consideration of this scope of work. I look forward to moving forward on this project with the District.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **October 3, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

**SUBJECT: Review and Possible Action Concerning Review
of Recology 2020 Solid Waste Rate Increase**

In accordance with the existing franchise agreement, Recology provided financial information to the District for the requested 4.71% 2020 rate increase.

Recology has found a cost savings method on the transportation of the recycling materials to the secondary market as well as savings in other areas of their operations to offset the loss of recycling revenues. Therefore the increase for 2020 is solely based on the deferred rate increase amount from the 2019 calculation.

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

The District's accountant Maze & Associates was asked to apply procedures to identify any mistakes associated with documents and calculations used by Recology to determine the 2020 Rate year adjustment factor.

RECOMMENDATION:

Receive Maze & Associates presentation on the review of the suggested rate increase and associated information, and authorize the General Manager to prepare and distribute a Prop 218 notice and notice a Public Hearing for January 16, 2020.

Attachments

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

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

Honorable Members
of the Board of Directors
Montara, California

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

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

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

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

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

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

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

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

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

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

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

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

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

Mage & Associates

September 18, 2019

MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **October 3, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

CH

**SUBJECT: Review and Possible Action Concerning
Consideration of Composting Services.**

The District received a letter from the Midcoast Community Council (MCC) asking to reconsider the discussion with the community on the subject of green waste pickups. In the recent weeks community members approached the MCC and initiated a discussion to consider green waste services. The District currently provides for two green waste pickups per month.

The District renegotiated the solid waste franchise agreement with Recology in 2016. At the time the addition of green waste services was considered. However, community input received at public meetings indicated a strong desire to avoid additional cost. At the time Recology estimated that the addition of the services would result in a monthly cost increase of around 3\$ per household. Current 2019 solid waste disposal cost based on 32 gallon can is \$29.31. The financial hardship rate for qualifying customers is \$24.11.

Over one year ago the District and Recology responded to customer inquiries about the addition of green waste services with a survey. With 46% customers participation the survey clearly peaked interest in the subject. Only 16% of the customers were in favor of adding composting services, 32% indicated that they already compost on their own and are happy with the current green waste program. 46% indicated that they are happy with the existing green waste program. 6% don't use the green waste program and rely on gardening services for green waste disposal.

RECOMMENDATION:

This item was placed on the agenda to allow for public comment, board discussion and staff direction.

Attachment

From: CLAIRE TOUTANT <midcoast.claire@gmail.com>
Subject: MCC letter regarding compost collection
Date: September 16, 2019 at 4:23:00 PM PDT
To: dcomito@granada.ca.gov, mwsd@coastside.net
Cc: Don Horsley <dhorsley@smcgov.org>, Elizabeth Dallman <EDallman@smcgov.org>, MCC <midcoastcommunitycouncil@gmail.com>

Please see the attached letter. We appreciate your input.

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Claire Toutant
Midcoast Community Council chair
midcoastcommunitycouncil.org



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **October 03, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

SUBJECT: General Manager's Report

Operations: Operations Department has been preparing and assisting with the, Airport Treatment Plant 3, and Wagner rehabilitation project.

Projects: Construction of the new Airport 3 Treatment Plant is close to completion. Plumbing corrections to fit new hoses are currently implemented. Testing the Treatment Plant will follow the vessel installation.

The Highway 1 crossing Sewer Project is also close to completion. Hydroseeding on MWSD property is still outstanding. A possible change order to further improve the MWSD access road runoff may be brought to the MWSD board soon.

The Wagner Well site and pipeline replacement project is implemented and scheduled to be complete by mid-October.

RECOMMENDATION:

This is for Board information only.

Attachment