



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

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

# AGENDA

## **District Board of Directors**

8888 Cabrillo Highway  
Montara, California 94037

**March 5, 2020 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 Finance Committee Meeting January 28, Regular Scheduled Board Meeting February 6, 2020.](#)
2. [Approve Financial Statements for December 2019, and January 2020](#)
3. Approve Warrants for March 1, 2019.
4. [SAM Flow Report for December 2019.](#)
5. [Monthly Review of Current Investment Portfolio.](#)
6. [Connection Permit Applications Received.](#)
7. [Monthly Water Production Report.](#)
8. [Rain Report.](#)

9. [Solar Energy Report.](#)
10. [Monthly Public Agency Retirement Service Report for November and December 2019.](#)

## **OLD BUSINESS**

1. [Review and Possible Action Concerning Prop 218 Notice for New Water System Reliability Charge and Sewer Service Charge Rate Increase.](#)
2. [Review and Possible Action Concerning Support for National Stewardship Action Council's "Flushable" Wipes Issue.](#)

## **NEW BUSINESS**

1. [Review and Possible Action Concerning Mid-Year Budget Review.](#)
2. [Review and Possible Action Concerning Airport Well 3 Rehabilitation and Treatment Project Completion.](#)
3. [Review and Possible Action Concerning Wagner Wellhead Rehabilitation and Water Main Replacement Project Completion.](#)
4. [Review and Possible Action Concerning March 14, 2020 MWSD System Tours.](#)

## **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. Acting Attorney's Report (Fitzgerald).
6. Directors' Reports.
7. [General Manager's Report \(Heldmaier\).](#)

## **FUTURE AGENDAS**

### **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. Crt. No. 17CV316927)

## **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](http://www.mwsd.montara.org)) subject to staff's ability to post the documents before the meeting.



**MONTARA WATER & SANITARY**  
**DISTRICT**

**FINANCE COMMITTEE MEETING**  
**January 28, 2020**

**MINUTES**

**SPECIAL SESSION BEGAN AT 10:05 a.m.**

Directors Present: Dekker and Harvey

Directors Absent: None

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

Others Present: District Sewer Engineer, Pippin Cavagnaro  
District Financial Advisor, Alex Handlers  
Kastama Strategic Consulting, Alison Kastama

**NEW BUSINESS**

**1. Review of Draft Water System Reliability Charge Study.**

General Manager Heldmaier stated that they will be discussing the details of the Water System Reliability Charge on the water side and the economic hardship financial assistance. District Water Engineer, Tanya Yurovsky is standing by and can be called should a question arise. In reference to the timeline, he is working with District Counsel, Christine Fitzgerald to re-assess District ordinances and ordinance procedures. So, there may be a change in the timeline in which the District will need more time as the ordinance would be introduced at the first meeting and adopted during the second meeting. This could possibly add two to

four weeks to the timeline, if MWSD goes down that path. If they decide to adopt a new Master Fee Schedule with a resolution, then they don't have to do that. He is working this out. Christine is helping the District through the process. The District Code has to be reviewed, at some point, to ensure it is up to date.

Alison Kastama asked what the deadline to get the information to the County is.

General Manager Heldmaier replied that it was August 1, 2020.

District Financial Advisor, Alex Handlers: Some agencies adopt rates by ordinance, which requires two readings, with a 30-day waiting period before it becomes effective, typically, unless it is an urgency ordinance. And a lot of agencies do it by resolution, which I think is what you've done. Then there is a third type, in which the agency has some standard stuff they adopt as an ordinance, but then they allow Appendix B to be updated periodically by resolution, which is the actual rate schedule. So, there may be different approaches, so you don't have to go through an ordinance every time. Now, getting on to the water rate study, and the Water Reliability charge. It sounded like everyone was comfortable with seeking authorization for the one-million-dollar level. You really don't adopt the charge until you have your Prop 218 hearing. And at that point if the Board wants to do something less, they can do less. They just can't exceed what is in the Prop 218 notice. It sounds that everyone is comfortable with fixed charges based on meter size. The third thing we talked about at the prior Finance Committee that we could spent some time talking about the economic hardship discount.

Director Dekker mentioned that on Next Door, a comment was made in reference to having a low-income discount.

District Financial Advisor, Alex Handlers: About the third of the agencies out there have some sort of economic hardship or low-income discount. It is supposed to be economically based.

General Manager Heldmaier said the District does not want the responsibility of verifying financial eligibility. He suggested following Recology's program for this discount. Recology currently uses the information from the PG&E Care program to identify financial hardship cases and bases their eligibility on this. To qualify for the PG&E discount, the income is surprising low. For a one-two-person household, the income must be less than \$33,820 annually, for example. And there are some slow income folks in the District. Recology relies on the PG&E hardship rate, and it has been working. The only requirement is the beneficiary on the PG&E bill must match the account holder. Recology piggy-backs on PG&E, and currently has 24 people in our District, with one participant in Pillar Ridge.

Director Dekker commented that since the number of financial hardship cases have already been defined, the District can determine what the discount should be.

General Manager Heldmaier suggested piggy-backing on Recology. Since this is an annual charge, they can get a list from Recology every year. They also know that Pillar Ridge residents are already receiving a discount, so they should not get additional discount.

Gregg Dieguez, Montara resident, commented that the Pillar Ridge community is getting a huge break already. They are paying 15-21 households worth of water fees and there are over 200 households, and it is dragging down revenues for the District. They should be excluded from this hardship program.

Director Dekker inquired what the amount of the discount should be for the 23 individuals.

General Manager Heldmaier stated that the easiest source would be the property tax revenue, and suggested they consult legal counsel before the next meeting. He also felt that based on what the standard charge will be, and what Recology is doing, that about one third the charge in rebates would be reasonable, but that would be ultimately decided by the Board. He suggested that since the charge will change each year, it may be best to go with a percentage.

Gregg Dieguez, Montara resident, asked how that impacts the property tax revenue and the potential changes in the number of qualified applicants. Will the District take a pool of money and divide it by 23? Will the District commit to something they may not have money for? What if the applicants increase to a 100?

District Financial Advisor, Alex Handlers replied that the discount could be changed year to year, or at any time. A lot of agencies that do have low income households, piggy-back off the PG&E Care program. Other agencies go above and beyond that, allowing participants of other State or Federal funding programs to qualify for their discount. There are probably folks out there that don't even know about the PG&E Care program and could potentially be part of this. Also, if the District chooses to do a volumetric charge, it would be a good idea to have a maximum, so that if a customer gets 20% off their bill, and they use a lot of water, they are not getting a massive discount. Or maybe it could be a fixed amount, then you don't have to worry about it. Also, customers may also complain that if they are getting a discount on water, they should get a discount on sewer. Maybe, you can give \$100 dollars discount on water, and \$100 dollars discount on sewer.

General Manager Heldmaier commented that if the District begins implementing this hardship rate for the Water Reliability charge, they are going to want a hardship rate for other water rates or for the sewer. He suggested implementing a reduction of some sort for both, that is unified. If a renter who has an account with the District applies for the discount, the home owner is still paying for this, but the renter is getting the discount. This is just for the water side, and it is not volumetric based. They are just getting a refund or reduction.

District Sewer Engineer, Pippin Cavagnaro: In agencies you worked with, how many require that the water account be billed to the property owner versus a renter?

District Financial Advisor, Alex Handlers acknowledged that is a challenge for agencies. Some agencies do something similar to what is being proposed here. If your name matches the PG&E Care program, and you are an account holder of ours, we've got a match and you can do it. Its challenging getting a discount to an eligible renter that lives in a multi-family building. The District doesn't want to get involved in the lease agreements, etc., or trying to ensure that discount gets passed on to the renter—it gets way too convoluted.

Gregg Dieguez, Montara resident: Can you do one credit that covers both?

General Manager Heldmaier: The property owner is assessed for the sewer service charge regardless of who lives in the house and this will be for the Water Reliability charge as well. It will depend on how the rental agreement is structured. Some agreements include the water bill, while others require tenants to set up a separate account.

District Sewer Engineer, Pippin Cavagnaro commented that water and sewer should remain separate. Things get very “sticky” to combine, except by policy, any money charged or refunded when water and sewer are together. They are separate corporations and you cannot mix the funds. The policy could be the same if you choose. Some agencies have phased out allowing renters to opening water accounts. It has to be the property owners. It reduces turn-over and delinquency of accounts. It is something to think about in the long term.

General Manager Heldmaier said that they see that once in a while. But that is more common in-house sale scenarios. The new property owner may have to pay an outstanding water bill from the prior property owner, or a sewer service charge based on the prior owner's water usage. Whatever charge is implemented there will be complications. The District does not want to engage in any landlord/tenant or new owner/prior owner issues. It is all between them.

Gregg Dieguez, Montara resident: If water and sewer are to be separate, how is the Board going to choose to give the hardship discount on the water side but not the sewer side.

District Financial Advisor, Alex Handlers suggest giving one for each. It could be \$100 for water, and \$100 for sewer.

Director Dekker said he liked that idea.

General Manager Heldmaier said that if we have a fixed amount, we need to state that we can reconsider the amount with the next Prop 218. So, we get a name and

an address from Recology, and if the applicant is the property owner, he/she will receive both discounts. If the name is a tenant, and only matches the water account, then he or she will only receive the water discount.

Gregg Dieguez, Montara resident asked if the District plans to automatically grant people a discount without them asking for it.

General Manager Heldmaier replied that when the customer approaches Recology, they want Recology to give them a form, allowing Recology to share the information. So, the District is not involved in the vetting process.

District Financial Advisor, Alex Handlers stated that the thought is when the person is applying for a Recology discount, he or she can check a box to authorize Recology to submit the information so they can qualify for the MWSD discount.

Gregg Dieguez, Montara resident asked what if their financial situation changes.

District Financial Advisor, Alex Handlers said they must re-apply every year.

Director Harvey suggested bringing this to the Board, a discount of \$100 for water and \$100 sewer, based on Recology's information.

General Manager Heldmaier confirmed that this would be a fixed annual charge. He inquired about a discount for a renter, who then moves out, and another qualifying renter moves in.

Director Harvey stated that the discount should be only give once, and the General Manager Heldmaier agreed.

District Financial Advisor, Alex Handlers said that on the sewer side it is an annual discount on the property tax. But on the water side it could be on the bi-monthly water bill—maybe \$8 dollars of each bill.

Gregg Dieguez, Montara resident replied you can just give the account a \$100 credit.

District Financial Advisor commented that there may be an occasion where a resident is part of the food stamps program, but not the PG&E care program.

General Manager Heldmaier replied that if the District starts making exceptions, it will turn into a nightmare quickly. They need to be very specific as to which program they are looking at.

Gregg Dieguez, Montara resident said that doing the discount the simple way would be best, given the small staff--then wait for community feedback and maybe they can revisit it.



General Manager Heldmaier reiterated that he does not want the District involved in vetting applicants. All concurred that it would impact staff and could cause problems at the District with disputes with applicants.

Gregg Dieguez, Montara resident commented about the District only asking for one million, when they need two million, not paying back the \$500,000 dollar loan, and not showing what the impact on the reserve balance of the water side is. He thinks that the District either only needs one million, or there is a community relations issue here. The District is trying so hard not to raise rates, that they are not going to spend every dollar that they need to, and here are the projects they are not going to spend it on. There has to be a message to the community that the District is “pinching pennies” on the water side, and wait until you see the sewer side.

Director Harvey replied that the one million is a first step in getting the money, and not getting into the intricacies of the company finances.

Alison Kastama interjected that a newsletter is going out with the billing statement that conveys the Districts continuous need to maintain the system.

Gregg Dieguez, Montara resident says it is more than that. There is a long-term capital deficit, and we need money, and because we know there is a hardship or difficulty to raise the money fast, the District is going to pinch pennies.

Alison Kastama reiterated that the newsletter is going convey the on-going infrastructure needs which has been previously funded by GO Bonds and smart financing.

District Financial Advisor, Alex Handlers stated that the District is taking a huge step for a long term estimated need of roughly two million dollars. No one knows if that tank is going to go out in the year 2027, but just like the AWWA analysis and the District Engineers’ analysis, it looks like this hypothetical long-term need is about two million dollars in cost estimates. It is a huge step in the right direction towards that with the understanding that the District will likely have to take additional steps in future years to generate even more funding. And this can be re-evaluated and adjust as needed.

Director Dekker said that he did an unofficial survey of MWSD’s water and sewer rates to other communities. He found that El Granada pays \$520 in sewer charges, compared to MWSD residents that pay an average of \$1,275 for sewer service. He stressed that people in the community talk to each other, without knowing the details behind it, and think that they are being unfairly charged by MWSD. They need to be careful when approaching people with this charge to ensure it falls in line with what we think is reasonable.

General Manager Heldmaier said that there are two main factors in comparing El Granada and MWSD's sewer systems. The first factor is geography. El Granada is like a bowl—its ocean and top of the hill, and everything drains down. They have one pump station. A smallish pump station, like what Granada has, is about \$500,000-\$600,000 thousand dollars or so, and the larger pump station, like our Kanoff pump station is 4.5 million. Granada has one pump station. We have 13 major pump stations and 21 minor pump stations that the District maintains. There is the sewer maintenance, and the stress on our pipes from the geography. The second half is property taxes. We get our property taxes from the sewer side. But we have two functions, split into water and sewer, and the District's 1% is much less than El Granada's 1% share. The difference is that El Granada's rates are subsidized.

Director Dekker stated that nobody wants to know the background of that. The community residents just want the absolute numbers.

District Financial Advisor, Alex Handlers said they get a much higher share of property tax revenues for the number of customers they have. So MWSD might get \$300,000 in property taxes for their whole customer base. El Granada is only funding the sewer.

Gregg Dieguez asked why they get this money.

General Manager Heldmaier replied that he doesn't completely understand it, but thinks it has to do with the overall assessed valuation of all the properties in the District.

Gregg Dieguez: And this relates to Prop 13 and the fact that the houses aren't re-evaluated?

District Financial Advisor, Alex Handlers replied that there is a 1% limit that the whole County collects and it gets apportions to different cities and schools. A lot of Districts get zero and your District gets a little.

General Manager Heldmaier said it is like comparing the garbage rates in Half Moon Bay and Montara. On the surface, it is somewhat similar, but in reality, Half Moon Bay is more expensive. They have a franchise fee that is much higher than ours.

Alison Kastama said that understanding the rates and the differences between the neighboring districts are part of the challenge, and most people don't understand how the systems work, don't have an interest, and the only time they engage is when their bill goes up. This is why we are putting a newsletter out, and she thought the Board members need to have better information because they will need to balance those conversations. There is an open house planned for March

14<sup>th</sup> the goal being to find enough advocates that recognize how the systems work, the expenses that go along with them, and the validity of those expenses.

Director Dekker said that he is looking at, from an overall point of view, that MWSD is about to set higher rates. These increases are going to be on top of already higher rates to begin with. The reason we are proceeding so cautiously is that we know we have higher rates for very good reasons, we want to make those steps forward, gradually increase rates further, with the eventual idea that we catch up on the two million.

General Manager Heldmaier said he wanted to look at why El Granada's property tax is so much higher. Director Lohman used to live in El Granada and served on GCSD.

Director Dekker commented that it is good to know why their property taxes are allocated in such a different matter that their overall rates are so much lower.

General Manager asked Alex Handlers if he knew the answer.

District Financial Advisor, Alex Handlers stated that he didn't know. Some agencies don't get any money, while others get a lot. He feels that it might be that historically they were able to get their foot in the door to get their share of the allocation. He wasn't certain as to what the reason is.

Director Harvey said that a possible reason could be that a third of El Granada's district is within Half Moon Bay City limits. They have the influence of Half Moon Bay's take.

General Manager Heldmaier stated the sewer service is more expensive in Montara. But they need to think about what the customer are getting out of it.

Alison Kastama suggested a FAQ sheet, with more detail. They can factor in the property taxes and other items with more content.

Director Harvey added that Montara doesn't have commercial or big apartment buildings. It is a special place, and you have to pay a little more.

District Sewer Engineer added that it is a rural area, and it amounts to more miles of piper per customer.

District Financial Advisor, Alex Handlers said a FAQ sheet is a good idea. He suggested not having too many hard questions that the District needs to defend, but questions like: What is the District doing to control costs?

Alison stated that she is working on a draft for water.

Director Harvey and Dekker said it was time to move on to sewer.

## **2. Review of Draft Sewer Rate Study.**

General Manager Heldmaier stated that they will present the information to the Board without asking questions. They presented two scenarios last time, one extreme and other moderate that they will discuss. District Sewer Engineer, Pippin Cavagnaro is present for the first time, and he hopes that District Sewer Engineer, Pippin Cavagnaro can help as Tanya did on the Water Side, so they can streamline the process, and both can run parallel.

District Financial Advisor, Alex Handlers referenced the Sewer Rate Study (dated January 15, 2020). He said this was covered at the last Board meeting. The District has historically done small increases on the water and sewer. However, on the sewer side, a few years ago, due to the capital needs at the District, SAM and the treatment plant (at SAM), the District recognized that the sewer rates needed to be increases substantially to help fund both the District's and SAM's infrastructure. The District took the first two steps in getting to where it needs to go, phasing rates in. The sewer rate in effect now, is the second step up. All together it is about a 50% rate increase phased in over a couple of years. This is two very big steps in the right direction with the understanding that there would be more steps needed. The District was going to come back in two years and re-evaluate and here we are. District Sewer Engineer, Pippin Cavagnaro has done the analysis on the life span of the assets and what is out there, and it worked out to be about 1.90 million dollars per year in rehab replacement needs on average long-term over the next 20 years. A lot of the pipes are over 60 years old. Additionally, the SAM infrastructure is hitting the end of its useful life, and major rehab and replacement is needed, especially on the Coast with the coastal environment. SAM just did an analysis and Dan Child was working with them. Depending on what they do—they can spend 15 million dollars and kick the can down further, and/or eventually replace and reinvest with a need of roughly 40 million over the next 5-10 years.

General Manager Heldmaier said Dan Child's presentation pointed out that a lot of California infrastructure was funded by grants, and people didn't have to pay for the infrastructure. That situation has changed significantly, and now folks must pay for the replacement through rates.

Director Harvey asked if all the costs of the deferred maintenance and capital expenses for the SAM plant is included in the table or is it just general replacement for our District. If it is 1.9 million for our District, how much more is it for the plant?

District Sewer Engineer, Pippin Cavagnaro replied that it is included in the information. How the costs came to be isn't the point of this. They are there. We can repair up to a certain point. SAM has been doing that for a while on those infrastructure items to keep them going. Those needs were qualified by SRT some years ago, and we looked at it independently, with the concept of how we see the

aging and how we see other plants are aging, and our numbers are consistent with SRT and Dan Childs. Its creeping up over time.

District Financial Advisor, Alex Handlers: And SAM put together a 5-year CIP to address the highest priority needs and they also have the consent decree.

General Manager Heldmaier stated that MWSD has no input in the projects that SAM is doing. Do we really want them to move the power generator at the SAM plant for 13 million dollars or is there other things we should do instead?

Director Harvey said for example, the digester is on band-aids. They are things that must be done immediately.

Gregg Dieguez, Montara resident asked questions about table 4 and 5. On the *Summary of Key Issues*, mentions 40 million dollars SAM budget over 5-10 years, and table 4 says SAM and table 5 is Montara stuff. The Montara stuff has a total asset value of 108 million, the SAM stuff has a total asset value, cost of inflation, 2.5 million. He doesn't understand how SAM's budget of 40 million over 5-10 years is reflected in the expenses on table 4 which are so small.

District Financial Advisor, Alex Handlers: It is not the same exactly. What is being proposed by Dan is they should be looking to plan.

Gregg Dieguez, Montara resident replied that on table 4, we've only got 2.5 million in capital.

District Financial Advisor, Alex Handlers said that is the average per year over 5 years.

District Sewer Engineer, Pippin Cavagnaro: These are the projects that have been listed and defined over the last 3-5 years, and some of these things have been on the books for over 5 years. A lot of the big stuff that Dan was talking about isn't addressed here. That is outside the scope. There needs to be an assessment of the plan to decide what to do. Half Moon Bay is talking about buying a whole new plant and moving it somewhere else. That is a political issue that is outside what the District needs to do to keep it running. The red items are for the Consent Decree. These projects must be done, or the District will get fined.

Gregg Dieguez, Montara resident: Only 2.5 million dollars needs to be spent for our share of SAM up through 2024-2025? And Dan Child is asking for 40 million dollars, and none of that has to be shown here? I can't match what he is saying, with what I am seeing here.

District Sewer Engineer, Pippin Cavagnaro: The community needs to decide if this is going to be funded by rates or by bond.

General Manager Heldmaier explained that Dan Child is saying to fix the treatment plant we need 40 million dollars, and not SAM overall. This document for a plan for capital expenditures, based on a draft CIP that comes from SAM. This is our best estimate for the capital improvement costs for the next five years.

District Financial Advisor, Alex Handlers said that Dan's report indicates that you can get by for 15 million by continuing to repair items, but you will have to be rebuilding and replacing and that is where we get into the 40 million. And if there will be a huge chunk to fund, they probably would get a state revolving loan or something similar. And you would have to pay your share of the 2 million in debt service, maybe \$500,000 or so. So, it probably would be a blend of all the above. I don't know if we have enough built in here. We are using SAM's 5-year CIP which is 12.5 million and it is allocated. Your share for certain types of projects are more than others, so that is factored in the table. Any time we do financial projections, it is like having a crystal ball—we just don't know what is going to happen. We look looking in the near term, and you want to be informed if there any other things coming down the pipeline, we want to build in. We are taking steps in the right direction.

General Manager Heldmaier: The only thing we are sure about are the items in red. They are legally binding expenditures. SAM bound this agency to pay that money.

Gregg Dieguez, Montara resident: Is this the lawsuit with the Ecological Rights?

General Manager Heldmaier: yes

Director Harvey asked if we are going to be okay.

District Sewer Engineer, Pippin Cavagnaro replied that all the items listed are keeping things going. He stated that he is worried about the Princeton Pump station. From a regulatory standpoint, it has been a problem for the last 20 years. You can't even get parts for it anymore—it must be custom made. This document represents real potential progress for the District that we haven't seen in the last five years. In the past, we would get bill for repairs after the fact, and they would be things not budgeted for. He was grateful that Kishen put that together.

Gregg Dieguez, Montara resident: Cost of inflation. Do you know if he inflated the 20-21, and 21-22 numbers from the current dollars? If not, these numbers could be understated. Can we confirm this?

There was confusion about whether it was included or not.

District Financial Advisor, Alex Handlers: The District is planning to spend about 2.5 million a year, and your share is going to be about \$770,050 per year.

District Sewer Engineer, Pippin Cavagnaro said that there has been a slight reduction in pipeline costs. However, open cutting and labor is going up, and the electrical and pumping costs are outweighing the savings. We've seen 15% increases in the last couple of years.

Gregg Dieguez, Montara resident: I'm a big believer in knowing where you are before deciding what you are going to do. So, I don't want to minimize these numbers. We may not change what we are doing for rates at all. We may stick with the same rate plan. But I would like to see how far from true capital adequacy we are at. The major question is "is it 40 million dollars?" and if so, why are we only looking at 12.5 million? If we do a bond, it is going to raise rates for all the ratepayers? Can we see what it would be like if we tried to save money, and not pay interest on a bond?

District Sewer Engineer, Pippin Cavagnaro: This is schematical. We would like to spend at a level rate. And if you don't spend much suddenly you end up paying twice as much. In the early days of Montara, we didn't have to spend much on sewer. And now we are spending more, and we want to smooth this out as much as possible.

Gregg Dieguez, Montara resident: Is the total future capital burden going to be 40 million? How much is that per year? What is our share of that? Is this close to what the 40 million would end up being?

General Manager Heldmaier: Here the IPS is included. In the 40 million it is not included.

District Financial Advisor, Alex Handlers: Dan is not saying you have to spend 40 million right away. He is saying to do it right and replace things, that is a good budget target to aim for. If you want to get by on the low end, the 15 million, you are going to be spending more to repair it, and eventually will have to be replaced anyway. It is a timing thing. Should we build in more for SAM than we have built here? Maybe not next year, but in the future years, 5, 6, 7, 8, add another so many \$100,000 for hypothetical debt service on a 20-million-dollar bond. Not that you are raising rates to fund that, but you are setting your goals higher, taking the next two or three steps along the path and come back and re-evaluate again.

Gregg Dieguez, Montara resident: The language is unclear what I'm looking at is the long-term obligations that the District is going to face.

District Financial Advisor, Alex Handlers: the long-term obligations are unclear themselves.

Gregg Dieguez, Montara resident: Are we going to ignore them and put a zero out there, or we going to put a number that represents the long-term potential burden, whether its debt or whatever?

District Financial Advisor, Alex Handlers: Yes, we will put a placeholder estimates to aim for.

General Manager Heldmaier: And this goes to your prior point about reserves going in and out. Unfortunately, this is not an exact science, and that is why we are repeating this process as often as possible. We are suggesting a three-year run. We are not doing this one time for the 40 million, we are doing this for the next four years, staying within the numbers, and adjust to the changes as needed.

District Financial Advisor, Alex Handler stated that maybe they do need to build in more for SAM—maybe some placeholder estimates in the outer years.

Gregg Dieguez, Montara resident: On table 5, it looks like we are going to replace about 35% of the assets over the next 20 years.

District Sewer Engineer, Pippin Cavagnaro: This would be a goal, based on expected life. The question you just approached me with is one of the fears we have about putting a document like this out there. These are the types of projects that would represent the cost, and these are the types of projects I would expect to probably have to do. One of the things we don't face on the water side, that we face on the sewer side is regulatory pressure. If you say you are going to do something, and for whatever reason you choose not to do it, the District can be fined for the work that wasn't done... So, for the big picture, the goal is to work towards keeping a steady program to reduce SSO and gradually work through the system, focusing on expected life.

Gregg Dieguez, Montara resident: Is the total \$108,725,750 dollars the total current value of all the assets in the sewer system that Montara is responsible for?

District Sewer Engineer, Pippin Cavagnaro: Based on this evaluation that would be approximate. It is everything on our system map if I were to place a dollar value on it.

General Manager Heldmaier: That doesn't match the asset number in our audit.

Gregg Dieguez, Montara resident: Of course not, as that has been depreciated. I got it. Given this ballpark estimate, we are going to replace in 20 years, 35% of the assets. That's good news, but a surprise.

District Sewer Engineer, Pippin Cavagnaro: We've been doing a lot of work from a pipe replacement standpoint. The District has been actively replacing pipes since 2007—and even before that.



General Manager Heldmaier: Before we had a sewer improvement project every 2-3 years. Then in 2007, we increased the frequency, and we put a lot of money in the ground.

Gregg Dieguez, Montara resident: Here is my problem--\$1,891,225 dollars is a 2019- dollar figure. Does that number get used as a basis for setting rates somewhere else in this? If the answer is yes, then it is understated, because that number is going to up 3.5% per year. Why aren't we using what the number will be in the year we are going to be charging the rates rather than the 2019 number?

District Financial Advisor, Alex Handlers: The 1.9 million is a rough estimate of how much should be invested in current dollars per year over the next 20 years. You are not going to get there in three years. You are taking steps along that path. Over the long term, it will increase, but we are not getting there in the next few years.

District Sewer Engineer, Pippin Cavagnaro: The last couple of years, we did spend close to this, and we pulled money from reserves...what we've done with planning, is kind of the same approach with SAM. I would like to replace all the trunk sewer up to Kanoff, but we don't have the money to do that right now. And based on that risk, we know we can allocate more resources to SAM to make sure that it gets cleaned and inspected more often, and that expensive project is going to have to wait and be spaced out over several years. Some years we might spend two million dollars, and other years we might spend \$800,000 as we are building up the reserves. We've been successful at meeting the District's goals. But we have other capital needs that are getting kicked down the road that we need to address. Periodically we are going to have to spend chunks. That's a planning thing we are going to have to do based on balancing those varying needs with this level funding coming in. That is why we have reserves.

Director Harvey asked about Table 5, the \$37,824,500 dollars and whether it is adjusted for inflation.

District Sewer Engineer, Pippin Cavagnaro said it is in today's dollars.

Director Dekker stated that for now, one suggestion for the sewer increase is to come up with the 45% increase or the 9% increase for the next three years.

District Financial Advisor, Alex Handlers replied that the 50% increase is only if you want to get the funding level now, and 40-50% increase was already implemented over the past two years. The District is also doing a water rate increase that equates to about 50%. For the Board, we know the District has on-going financial needs. SAM—We know we have a 5-year CIP, and we know we are going to be more needs after that. Will it be debt funded? We don't know. We know that the funding levels are higher than what your rates will be funding for the next few years. We do think it prudent to take more steps in the right direction,

balanced with “you don’t need a 50% increase tomorrow,” and you will be generating one million for capital from your current rates and the significant steps already done.

Gregg Dieguez commented: So, we don’t need it because you already have enough to fund the next couple of years?

District Financial Advisor, Alex Handlers replied that no one made that suggestion. It is how quickly you are aiming from here to there, and how comfortable are you with rate increases on top of everything else.

Gregg Dieguez said he just wants to understand how short the District is falling. This analysis doesn’t show it and distorts it. It doesn’t inflate the 1.9 million to what the costs will be moving forward, and scenario B is comparing apples to oranges.

District Sewer Engineer, Pippin Cavagnaro said he can’t predict in 20 years if the transfer switch is going to explode. That could happen, inflation or no inflation. There is a push at the State Water Board going to Sacramento right now to go to zero discharge on all coastal communities. How do I factor that in? So, there are factors that exceed predictability. We do our best. If we show some reasonable targets that we know with the information we have and tell people we are going to re-evaluate this every three years, so we don’t have rate shock.

District Financial Advisor, Alex Handlers said that he is going to throw a little more in the long-term stuff. Other agencies try to stay below the double-digit increases, and 9% year after year. With rates it is a now or later scenario—you fund now, then you have a less of need for higher increases later. He didn’t know from the Board side what options they want to come back with.

Director Dekker said he felt comfortable with the 9% increase over the next three years. Then within the next three years, we should have a better idea what is going on at SAM.

District Financial Advisor, Alex Handlers commented that long-term you will need to take more steps in the right direction to address the long-term needs.

Gregg Dieguez asked District Financial Advisor, Alex Handlers for a copy of his spreadsheets.

District Financial Advisor, Alex Handlers asked if everyone was comfortable with 9% or have another scenario?

Everyone was comfortable with the 9% increase for the next three years.

Gregg Dieguez, Montara resident asked why the sewer rates weren’t a fixed charge and building in inflation every year?

District Financial Advisor, Alex Handlers stated that the even though the sewer charge is volumetric, it has a minimum charge of 48 units, so to a certain extent it is fixed.

District Sewer Engineer, Pippin Cavagnaro said that on the water side there is an additional benefit of fire protection.

Gregg Dieguez, Montara resident inquired about changing the wet winter months.

Director Dekker said that we don't want to get less money.

District Financial Advisor, Alex Handlers said it is about what is fair to the customer. Typically, agencies use the lowest months as approximation of what is going to the sewer, without irrigation. Due to the lag of water reading on the water side, it is currently reaching back to a month that is possibly includes some outdoor irrigation, while the subsequent months have lower levels of use. It seems only fair to use those lower levels of usage, understanding that it may reduce revenue a few percent a year.

Director Dekker asked why the District would want to raise the rates, then shift the months to lose revenue again.

General Manager Heldmaier replied that our District Code is specific in what we are supposed to do, and he is looking into it.

District Financial Advisor, Alex Handlers said that it would be a small shift from the the December and February bills to the February and April bills.

Director Dekker said that the 9% increase would be lowered by 2.5%. Then we should charge 12%.

Gregg Dieguez replied the public won't stand for it.

District Financial Advisor, Alex Handlers replied you can do whatever you want with the rate. There are so many moving parts, and this is just a small thing in the big picture. And it will change year to year.

General Manager Heldmaier that the District Code specifies what months of water consumption are supposed to be used. Historically, this has been wrong. It was done by bill, when the bill was read not when the water was consumed.

District Sewer Engineer, Pippin Cavagnaro: So now based on the Code, you have to change it?

General Manager Heldmaier stated that this was his opinion. He has to adjust the Code to clarify this anyway. What we are currently doing, he is not certain it is accordance with the Code.

Gregg Dieguez, Montara resident asked District Financial Advisor, Alex Handlers if the next forecast will reflect this decrease in revenue resulting from this change.

District Financial Advisor, Alex Handlers replied that it is easy to factor in. However, they don't really know what it is going to be, as water use changes every year.

Director Harvey said to hold off on this for now and bring it to the Board.

Director Dekker said that he didn't agree with it. The District is implementing a rate increase, then reducing revenue again. However, if the District needs to do it, then it should be done. It is important to be aware of it.

General Manager Heldmaier explained that the basis for this is fairness. Residents of Montara pay for water consumption in October. And the precipitation in October is much less than in March. This has been recently brought to our attention and the District looked at it. He feels that if a problem is pointed out and it is found to be sound, it should be addressed.

Gregg Dieguez, Montara resident commented that the last sewer rate study had higher rate projections than the one proposed now. We are doing less now. He suggested that as a communication strategy, it might help to convey this to the community.

District Financial Advisor, Alex Handlers: I don't think people are going to remember what happened last time, but it is lower, and you can say it is lower than prior projections.

District Sewer Engineer, Pippin Cavagnaro commented that this does make an impact. He recalls that when the water rate study was done, there was a historical graph that showed Citizen's projections and what MWSD was able to do. It showed that our rates could have been a lot higher.

Alison Kastama expressed that most people are not informed about what goes on at the District. She felt it important to try to inform people of the District needs.

General Manager Heldmaier asked the Directors about bringing the change in the wet winter months to the Board.

Director Harvey and Dekker said yes.

District Financial Advisor, Alex Handlers warned them that there will likely be someone who complains about the switch if their bill is higher because of it.

General Manager Heldmaier said that they will announce it in the newsletter and/or website.

Director Harvey thanked everyone for their input and adjourned the meeting.

**ADJOURNMENT**

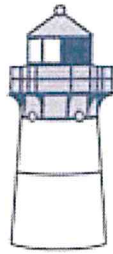
**SPECIAL MEETING ENDED at 12:10 P.M.**

Respectfully Submitted,

Signed \_\_\_\_\_  
Secretary

Approved on the 5, March 2020

Signed \_\_\_\_\_  
President



# Montara Water and Sanitary District



## Water System Reliability Charges

*Revised Draft*

*January 24, 2020*



**BARTLE WELLS ASSOCIATES**  
INDEPENDENT PUBLIC FINANCE ADVISORS



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## Montara Water & Sanitary District Water System Reliability Charges Summary of Key Issues

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### Background

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

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

➤ **Water rate history**

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

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

### Water System Reliability Charges

➤ **Purpose:** Dedicated funding source for water system capital investment needs:

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

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

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

➤ **Proposed Charges**

- Options developed for \$1 million and \$2 million of revenue recovery
  - Even though \$1 million is lower than the water system's long-term annual funding needs, this level of funding would be a substantial step in the right direction
  - MWSD can re-evaluate and potentially phase in higher charges in future years
  - Outstanding GO Bonds reach final maturity on 08/01/28; this may provide opportunity for District to increase the proposed charges after the bond payments end
- Evaluated a range of rate structure alternatives and received preliminary input from MWSD staff, Finance Committee, and Board of Directors
- Preliminary recommendation
  - Establish charges to generate \$1 million per year
  - Fixed annual charges based on meter size
  - Charges for residential accounts with private fire service only would be set at half the charge for the base 5/8"x3/4" meter, charges for larger private fire service connections would be higher based on capacity



## ➤ **Billing Method**

- Preliminary preference for collection via the County property tax rolls
- Nexus: The charge benefits all properties served by the District that benefit from access to the District's water system
- Charge can be implemented starting fiscal year 2020/21
- Property owner responsible for payment (not tenant)

## Potential Economic Hardship Discount

- Under Prop 218, a discount for some customers cannot be funded by higher charges on other customers (no ratepayer subsidy)
- However, funding sources could include non-rate revenues such as property taxes, cell phone tower leases, and/or other non-rate funding sources
- Eligibility could be based on participation in PG&E's CARE program (and/or participation in other programs such as food stamps, WIC, etc.) so MWSD doesn't have to verify income
  - Potential to have PG&E CARE program participation verified by Recology with list of participants sent to MWSD each year...then customer would automatically also be eligible for MWSD's discount
  - Recology requires name on PG&E account to be same as Recology account
  - May need to have customer provide authority for Recology to provide info to MWSD
- Potential to establish both a water and sewer discount
  - Sewer discount applies to property owner who pays the bill
  - Water discount can apply to the tenant of record (which will usually also be the property owner)
- Preliminary recommendation for discount to be a fixed dollar amount
  - Alternative: Could be a percentage of the bill subject to a maximum amount
- Low water use customers also benefit from MWSD's rate structure which includes roughly 70% revenue recovery from water consumption charges and tiered rates
  - Sewer customers also benefits due to MWSD's volumetric sewer rate structure
- Pillar Ridge residents also benefit from an agreement with MWSD that accounts for the master meter & number of dwelling units (Pillar Ridge has its own local distribution system)

## List of Tables (attached)

- Table 1 - Proposed Water System Reliability Charges
- Table 2 - Historical Water Rates
- Table 3 - Water Accounts by Rate Code 2018/19
- Table 4 - Water Consumption by Rate Code 2018/19 (ccf)
- Table 5 - Examples of Other Agencies' Rate Increases

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

Fixed Charges  
Based on Meter Size

Funding Target	\$1,000,000	\$2,000,000
<b>Charge Derivation</b>		
Funding Target \$	\$1,000,000	\$2,000,000
Billing Units (5/8"x3/4" Meter Equivalents)	1,790	1,790
Annual Charge per 5/8"x3/4" Meter or Equivalent	\$558.66	\$1,117.32
<b>Water System Reliability Charges</b>		
<i>Fixed Annual Charges</i>		
<b>Water Service Accounts</b>		
<u>Meter Size</u> <u>Accounts</u> <u>Capacity Ratio</u>		
5/8" x 3/4"	1,555	1.00
3/4"	17	1.50
1"	9	2.50
1-1/2"	2	5.00
2"	4	8.00
3"	0	15.00
4"	3	25.00
	\$558.66	\$1,117.32
	837.99	1,675.98
	1,396.65	2,793.30
	2,793.30	5,586.60
	4,469.28	8,938.56
	8,379.90	16,759.80
	13,966.50	27,933.00
<b>Accounts with Private Fire Service Only</b>		
<u>Connection</u> <u>Accounts</u> <u>Charge Ratio</u>		
Up to 4"	75	0.50
6"	3	1.00
8"	0	1.60
10"	1	2.40
12"	0	3.40
	\$279.33	\$558.66
	558.66	1,117.32
	893.86	1,787.71
	1,340.78	2,681.57
	1,899.44	3,798.89

**Table 2**  
**Montara Water & Sanitary District**  
**Historical Water Rates**

	Jul-1 2009	Dec-1 2010	Jul-1 2012	Oct-1 2013	Jul-1 2014	Jul-1 2015	Jul-1 2016	Jul-1 2017	Jul-1 2018
Quantity Charge Increase			4.0%	4.0%	5.1%	3.0%	3.0%	3.0%	3.0%
Fixed Service Charge Increase		Varies by Tier -40.5%	4.0%	4.0%	13.5%	3.0%	3.0%	3.0%	3.0%
<b>Water System Improvement Charges</b>									
<b>Tier</b>	<b>Bi-Monthly Use</b>								
Tier 1	Prior Rates								
Tier 2	Included								
Tier 3	2-Tiers								
Tier 4									
	\$6.54	\$6.80	\$6.80	\$7.07	\$7.43	\$7.65	\$7.88	\$8.12	\$8.36
	8.72	9.07	9.07	9.43	9.91	10.21	10.52	10.84	11.17
	10.90	11.34	11.34	11.794	12.39	12.76	13.14	13.53	13.94
	15.26	15.87	15.87	16.50	17.35	17.87	18.41	18.96	19.53
Equiv. Rate per 100 glns									
									\$1.12
									1.49
									1.86
									2.61
<b>Service Charge per Meter per Month</b>									
5/8 x 3/4 inch meter	\$35.05	\$20.84	\$21.67	\$22.54	\$25.59	\$26.36	\$27.15	\$27.96	\$28.80
3/4 inch meter	41.81	22.92	23.84	24.79	28.15	28.99	29.86	30.76	31.68
1 inch meter	56.91	29.18	30.46	31.68	35.83	36.90	38.01	39.15	40.32
1-1/2 inch meter	76.02	37.51	39.01	40.57	46.06	47.44	48.86	50.33	51.84
2 inch meter	102.70	60.44	62.85	65.36	74.21	76.44	78.73	81.09	83.52
3 inch meter	189.99	229.24	238.41	247.95	281.49	289.93	298.63	307.59	316.82
4 inch meter	258.41	291.76	303.43	315.57	358.26	369.01	380.08	391.48	403.22
\$ per Day									
									\$0.95
									1.04
									1.33
									1.70
									2.75
									10.42
									13.26
<b>Private Fire Protection Charge per Month</b>									
Up to 4 inch connection	\$13.89	\$13.89	\$14.85	\$15.44	\$15.44	\$15.90	\$16.38	\$16.87	\$17.38
6 inch connection	19.69	19.69	21.05	21.89	21.89	22.55	23.23	23.93	24.65
8 inch connection	26.24	26.24	28.05	29.17	29.17	30.05	30.95	31.88	32.84
10 inch connection	55.31	55.31	59.12	61.48	61.48	63.32	65.22	67.18	69.20
12 inch connection	77.18	77.18	82.51	85.81	85.81	88.38	91.03	93.76	96.57
\$ per Day									
									\$0.57
									0.81
									1.08
									2.28
									3.17

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

**Table 3**  
**Montara Water & Sanitary District**  
**Water Accounts by Class & Meter Size 2018/19**

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

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

**Table 4**  
**Montara Water & Sanitary District**  
**Meter Equivalents**

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

**Table 5**  
**Montara Water & Sanitary District**  
**Example of Other Agencies' Rate Increases**

	Annual Rate Increases (rounded estimates)										Cumulative Increase	Avg Annual Increase
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019		
MWSD Water	2.0%	0.0%	4.0%	4.0%	7.5%	3.0%	3.0%	3.0%	3.0%	0.0%	33.5%	2.9%
MWSD Sewer	14.0%	2.5%	4.3%	3.0%	3.0%	3.0%	3.0%	3.0%	23.0%	21.0%	110.3%	7.7%
Redwood City - Water	9.0%	9.0%	12.0%	9.0%	9.0%	9.0%	7.8%	4.5%	4.5%	0.0%	102.9%	7.3%
Redwood City - Sewer	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	3.0%	3.0%	3.0%	4.5%	91.5%	6.7%
San Bruno - Water	11.8%	11.8%	11.7%	9.8%	9.8%	9.8%	9.8%	9.8%	5.0%	5.0%	145.7%	9.4%
San Bruno - Sewer	10.1%	10.1%	10.1%	10.2%	10.2%	10.2%	10.2%	10.2%	5.0%	5.0%	139.1%	9.1%
San Mateo - Sewer	9.0%	9.0%	8.0%	8.0%	8.0%	10.0%	12.0%	36.0%	14.0%	14.0%	225.9%	12.5%
Mid-Peninsula Wtr (Belmont)	9.0%	9.0%	9.0%	9.0%	9.0%	18.0%	6.0%	0.0%	6.0%	4.0%	112.2%	7.8%
San Carlos Sewer	7.0%	7.0%	6.0%	25.0%	20.0%	10.0%	0.0%	5.0%	5.0%	4.5%	130.7%	8.7%

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



**Montara Water  
and Sanitary District**



# Sewer Rate Study

**Preliminary Findings**

**January 16, 2020**



**BARTLE WELLS ASSOCIATES**  
INDEPENDENT PUBLIC FINANCE ADVISORS

## Presentation Overview



- **Background & Sewer Rate History**
- **Infrastructure Funding Needs**
- **Financial & Rate Projections**
- **Preliminary Recommendations**
- **Objective: Obtain Board input & direction**

# Background

- Sewer utility in sound financial health but rate increases are needed to increase funding for rehabilitation & replacement of aging infrastructure
- District has historically provided strong financial management to keep revenues in line with annual funding needs
  - Balanced funding needs with desire to keep rates affordable
  - MWSD has been proactive in funding maintenance & investing in infrastructure rehabilitation over past decade
  - However, higher levels of funding are needed going forward
- Other regional agencies facing similar challenges with aging facilities
  - Many treatment plants and pipelines are approaching the end of their useful lives
  - Many regional agencies have adopted substantial rate increases in recent years and/or over the past decade to increase funding to address infrastructure needs



# Sewer Rate History

Fiscal Year Ending June 30	2012	2013	2014	2015	2016	2017	2018	2019	2020
Residential Sewer Rate Adjustment	2.5%	4.3%	3.0%	3.0%	3.0%	3.0%	2.9%	21.7%	21.0%

- Last sewer rate study conducted in 2018
  - Adopted 2 years of rate increases as substantial steps of a longer-term plan to phase in adequate funding for infrastructure rehab & replacement
  - Also addressed funding needs for increased SAM operating expenses
  - Plan was to re-evaluate rates this year
- Prior sewer rate study completed in 2010
  - 4 years of planned rate increases were more-slowly phased in over 8 years
  - After an initial bump up, MWSD implemented small, inflationary rate increases from 2011 – 2018 averaging roughly 3% per year
  - Accounting for inflation and conservation, many customers did not experience any increase in sewer charges for many years



# Funding Needs of Aging Facilities

## ■ Sewer Authority Mid-Coastside (SAM) facilities

- Wastewater treatment plant is 40+ years old & in need of substantial rehabilitation
  - Plant was mostly funded by grants; minimal ratepayer investment over past 40 years
- Evaluation recommends \$40 million of upgrades over next 5-10 years
  - Some funding needs may be temporarily deferred by funding add'l rehab
- SAM's Consent Decree with ERP requires completion of approx. \$7.8 million of improvements to the Intertie Pipeline System by June 30, 2024
- MWSD's share of costs over next 4-5 years projected at \$700,000 per year



## ■ MWSD sewer collection system

- Engineering analysis identifies need for \$1.9 million (current \$) per year for replacement of aging pipelines & pump stations over next 20 years
  - About 60% of pipelines are now over 60 years old; facilities operating in coastal conditions



## ■ MWSD's needs total about \$2.5 million (current \$) per year over next 20 years

5



# Financial & Rate Projections

## ■ BWA developed draft financial projections for 2 scenarios

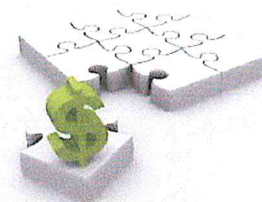
- A Up-Front Increase: Large 45% rate increase to support full capital funding needs
- B Phased Approach: Phase in 9% adjustments to gradually increase capital funding

## ■ 3 years of rate increases proposed at this time

- Next steps toward meeting long-term capital funding needs
- With 9% rate increases, it would take about 6 years to achieve full capital funding needs
- MWSD projected to draw down about \$1.5 million of sewer capital fund reserves over 5 years to help fund near-term needs while rates are being phased in

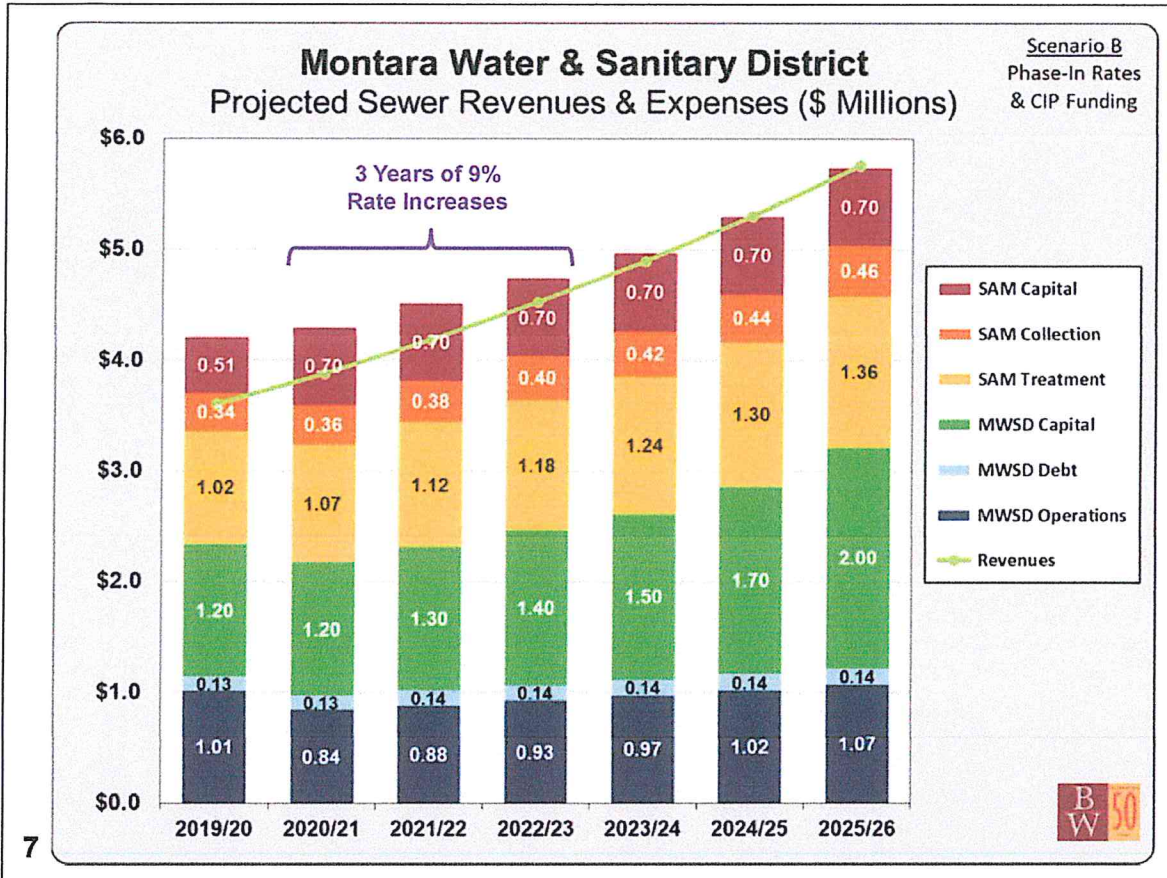
## ■ Re-evaluate rates in 3 years & adjust course as needed

- Lower rate increases in near term result in need for larger rate increases in future, and vice versa



6





## Projected Sewer Rates

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

- Residential bills based on annualized water use from 4 winter months
- Commercial bills based on annual water use
- Sewer charge are collected on the County property tax rolls

8

# Projected Impacts

Customer Class	Monthly Sewer Use (hcf)	Current Sewer Charges	Projected Charges Effective			
			July 1 2020	July 1 2021	July 1 2022	
Rate Adjustment %			9%	9%	9%	
<b>RESIDENTIAL CHARGES</b>						
<u>Monthly Equivalent Charges</u>						
Minimum	50% of bills	4.0	\$84.28	\$91.88	\$100.16	\$109.16
Average	65% at or below	4.5	94.82	103.37	112.68	122.81
Mod-High	Top 10%	7.5	158.03	172.28	187.80	204.68

- Sewer charge are collected on the County property tax rolls
- MWSD's sewer rates are projected to remain in upper-middle range compared to other regional agencies in San Mateo County



# Preliminary Recommendations

- **Draft recommendation to move forward with 3 years of 9% rate increases**
  - Phase in funding for capital improvement needs
  - Re-evaluate rates in 3 years & adjust course as needed
- **No changes to sewer rate structure recommended at this time**
- **Consider shifting the 4 winter months used for sewer bill calculation for customers in Montara area from a) Dec & Feb bills to b) Feb & Apr bills**
  - December water bill reflects metered use from prior 2 months of Oct & Nov, which typically includes some outdoor water use during the dry season
  - April water bill reflects metered use from Feb & Mar, which typically includes minimal outdoor irrigation and is a better reflection of sewer discharge
  - Change could result in roughly 2% - 3% reduction in billed sewer use most years



# Next Steps

- Obtain input & direction from Board & Finance Committee
- Hone sewer rate recommendations as needed over next 2 months
- Mail Proposition 218 Notices: April/May
- Public Hearing & Adoption: June
- Goal: New rates effective July 1



# Questions & Discussion



# Montara Water & Sanitary District



## Sewer Rate Study

PRELIMINARY DRAFT

January 15, 2020



**BARTLE WELLS ASSOCIATES**  
INDEPENDENT PUBLIC FINANCE ADVISORS



# Montara Water & Sanitary District

## Sewer Rate Study 2020

### Summary of Key Issues



#### Background

- MWSD has provided strong financial stewardship by implementing small annual inflationary rate adjustments for many years followed by larger rate increases phased in over the past two years to generate more funding for capital needs of both SAM and MWSD
- The sewer utility is currently in sound financial health but needs to continue increasing funding for rehabilitation and replacement of aging infrastructure
  - Sewer Authority Mid-Coastside: Recent analysis recommends SAM budget \$40 million over next 5-10 years for wastewater treatment plant improvements. Treatment plant is over 40 years old and operates in coastal conditions. Funding needs may be temporarily reduced if SAM opts to fund minimal rehab to defray replacement needs.
  - SAM's Consent Decree with ERP: Requires completion of approximately \$7.8 million of improvements to the Intertie Pipeline System by June 30, 2024
  - MWSD sewer collection system: Engineering analysis identifies need for \$1.9 million per year on average for rehab and replacement of aging facilities over next 20 years. Roughly 60% of sewer pipelines are over 60 years old.
  - Combined capital funding needs for SAM & MWSD total roughly \$2.5 million per year on average over next 20 years
- Last sewer rate study conducted in 2018
  - District adopted 2 years of rate increases as part of a longer-term plan to raise rates to address capital funding needs
    - Plan was to re-evaluate sewer rates in 2020 based on updated information and continue taking gradual steps in the right direction
  - Sewer rates now generate roughly \$3 million per year and provide about \$1.3 million of funding for capital and other needs (after paying regular operating cost and debt service)
- Before 2018, the prior sewer rate study was conducted in 2010
  - Rate increases adopted in 2010 were expected to be phased in over 4 years, but were more slowly implemented over 8 years
  - After an initial bump up in rates in 2010, District implemented inflationary rate increases for 7 years leading up to the 2018 rate study
  - Accounting for inflation and conservation, many customers paid roughly the same in inflation-adjusted terms for many years leading up to the 2018 rate study
- Many other regional agencies are facing similar challenges to increase funding for replacement of aging infrastructure including old pipelines and aging wastewater treatment facilities
  - Many other agencies have adopted substantial rate increases over the past decade to address capital funding needs

## Financial & Rate Projections

- BWA developed updated financial projections to evaluate funding needs and project rate increases
- Key assumptions:
  - Beginning fund balances total roughly \$5.3 million as of July 1, 2019
  - MWSD revenues & expenses based on 2019/20 Budget
  - SAM expenses based on SAM Proposed 2019/20 Budget
  - Operating expenses escalate at 5% per year for financial planning purposes
  - Includes \$700,000 per year MWSD's share of SAM capital improvements starting next year, based on SAM's draft 5-year \$12.1 million capital improvement plan
  - MWSD capital funding phases in to \$1.5 million per year over next 4 years
- Key factors driving the need for future rate increases include:
  - MWSD and SAM capital funding needs for rehabilitation and replacement of aging infrastructure
  - SAM operating expenses have increased in recent years
  - Ongoing and capital cost inflation

## Draft Financial & Rate Scenarios

- A. **Large Up-Front Rate Increase:** Adopt 45% rate increase next year to fund \$1.9 million per year of MWSD capital improvements and \$700K per year of SAM capital contributions
- B. **Phase-in Rates & CIP Funding:** Move forward with 9% annual rate increases and gradually ramp up capital funding to \$1.5 million per year for MWSD (on top of \$700K per year for SAM). Draw down an estimated \$1.5 million of fund reserves over 5 years to help fund capital needs while rate increases are gradually phased in. Additional future rate adjustments would likely be needed to continue phasing in capital funding to meet MWSD's infrastructure needs.

	2020/21	2021/22	2022/23
<b>A) Large Up-Front Rate Increase</b>	45%	3%	3%
<b>B) Phase-In Rates &amp; CIP Funding</b>	9%	9%	9%

## Preliminary Recommendations

- Move forward with the next 3 years of rate increases and subsequently re-evaluate in future years. This would enable MWSD to take additional steps toward meeting long-term capital funding needs while preserving flexibility to adjust course in future years.
- No change to sewer rate structure recommended at this time; rate increases would be applied on an across-the-board basis with the same percentage rate increases to all customers
- Potential consideration of change in 4 winter months used for sewer bill calculation for customers in Montara area from Dec & Feb bills to Feb & Apr bills
- Obtain Board input and move forward with Prop 218 notice & rate increase process

Table 1  
 Montara Water & Sanitary District  
 Current Sewer Rates

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

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

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



Table 2  
 Montara Water & Sanitary District  
 Historical Sewer Rates

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

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

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

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

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

Table 5  
Montara Water & Sanitary District  
Sewer Replacement Program

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

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

Source: Nute Engineering

Table 6  
Montara Water & Sanitary District  
Outstanding Sewer Debt

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

*Debt service rounded to nearest \$100*

Table 7  
Montara Water & Sanitary District  
Historical Sewer Finances

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

Table 8  
Montara Water & Sanitary District  
Sewer Cash Flow Projections

**Scenario A**  
Large Rate Increase to Support \$1.9 Million  
Per Year of MWSD Capital Improvements

	Projected				
	2019/20	2020/21	2021/22	2022/23	2023/24
Rate Adjustment Effective Date	July 1	July 1	July 1	July 1	July 1
Rate Adjustments	21%	45%	3%	3%	3%
New Sewer Connections (EDUs)	5	5	5	5	5
Sewer Capacity Charges (EDU)	\$26,378	\$26,906	\$27,444	\$27,993	\$28,553
Interest Earnings Rate	2.0%	2.0%	2.0%	2.0%	2.0%
Cost Escalation	-	5.0%	5.0%	5.0%	5.0%
<b>Beginning Sewer Fund Balances</b>	\$5,292,000	\$4,683,000	\$4,652,000	\$4,656,000	\$4,696,000
<b>REVENUES</b>					
Sewer Service Charges	3,006,000	4,371,000	4,515,000	4,664,000	4,818,000
Property Taxes (+2%)	275,000	281,000	287,000	293,000	299,000
Connection/Remodel Fees	142,000	145,000	147,000	150,000	153,000
Interest Earnings (est.)	106,000	94,000	93,000	93,000	94,000
Cell Phone Tower Lease	35,000	36,000	37,000	38,000	39,000
Other Revenues	40,000	40,000	40,000	40,000	40,000
<b>Total Revenues</b>	3,604,000	4,967,000	5,119,000	5,278,000	5,443,000
<b>EXPENSES</b>					
<b>Operating Expenses</b>					
Personnel	350,000	368,000	386,000	405,000	425,000
Professional Services	500,000	300,000	315,000	331,000	348,000
Other Operating Expenses	164,000	172,000	181,000	190,000	200,000
SAM Wastewater Treatment	1,017,000	1,068,000	1,121,000	1,177,000	1,236,000
SAM Collection Services	342,000	359,000	377,000	396,000	416,000
Subtotal	2,373,000	2,267,000	2,380,000	2,499,000	2,625,000
<b>Debt Service</b>					
PNC Equipment Lease	72,000	76,000	80,000	84,000	87,000
I-Bank Loan	55,000	55,000	55,000	55,000	55,000
Subtotal	127,000	131,000	135,000	139,000	142,000
<b>Non-Operating Expenses</b>					
MWSD Capital Improvements	1,200,000	1,900,000	1,900,000	1,900,000	1,900,000
SAM WWTP Improvements	513,000	700,000	700,000	700,000	700,000
Subtotal	1,713,000	2,600,000	2,600,000	2,600,000	2,600,000
<b>Total Expenses</b>	4,213,000	4,998,000	5,115,000	5,238,000	5,367,000
<b>Revenues Less Expenses</b>	(609,000)	(31,000)	4,000	40,000	76,000
<b>Ending Fund Balances</b>	4,683,000	4,652,000	4,656,000	4,696,000	4,772,000
Rsrv Target 50% O&M + 2M	3,187,000	3,134,000	3,190,000	3,250,000	3,313,000
Debt Service Coverage: $\geq 1.20$	9.69	20.61	20.29	19.99	19.85
Funds Generated for Capital	1,104,000	2,569,000	2,604,000	2,640,000	2,676,000

Table 9  
Montara Water & Sanitary District  
Sewer Cash Flow Projections

**Scenario B**  
Phase In Rates & CIP Funding

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



**Scenario B**  
Phase-In Rates  
& CIP Funding

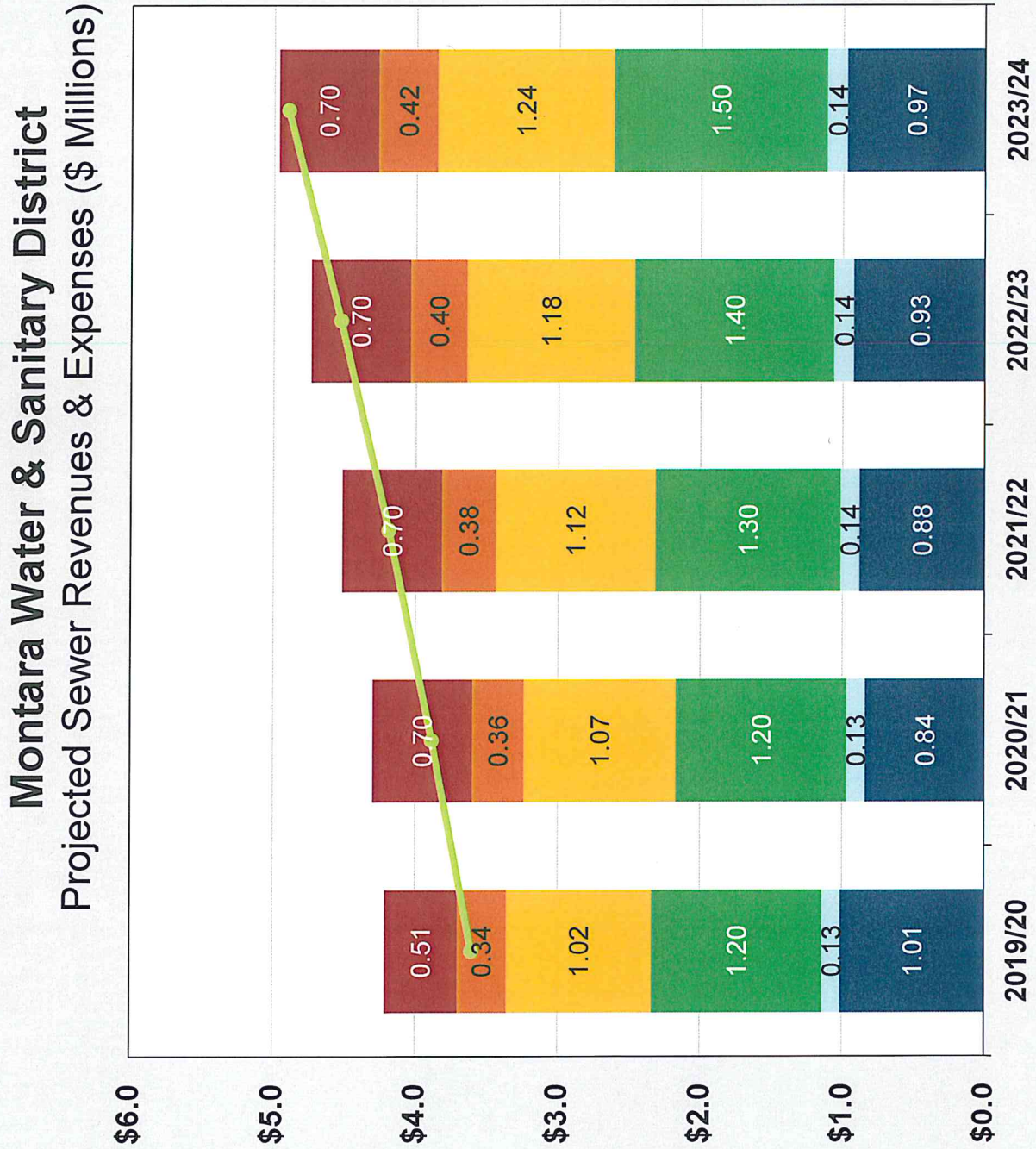


Table 10  
 Montara Water & Sanitary District  
 Projected Sewer Rates

*Assumes District adopts  
 3 years of rate increases*

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

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

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

Table 11  
 Montara Water & Sanitary District  
 Projected Residential Rate Impacts

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

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

Table 12

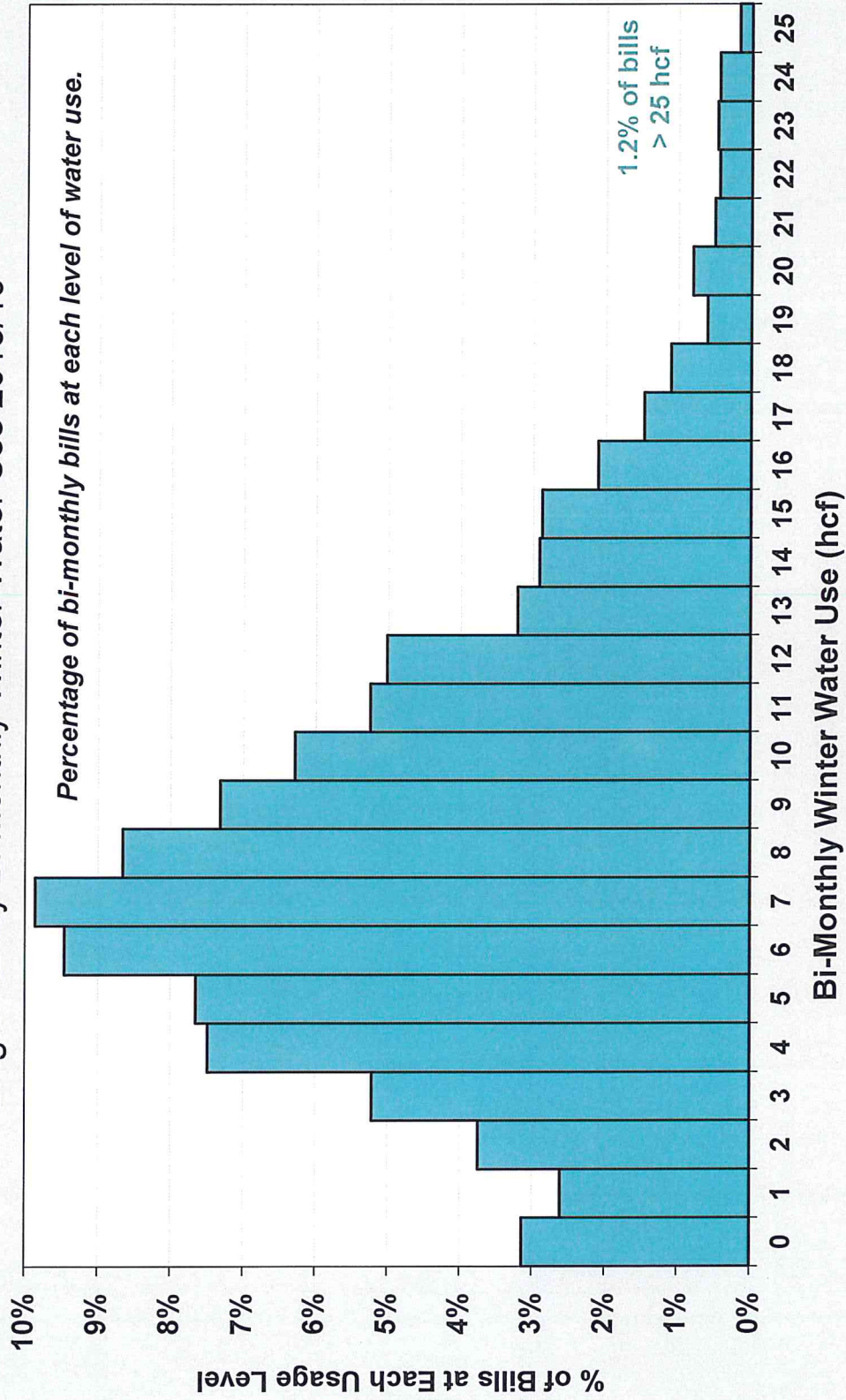
Montara Water & Sanitary District  
 Consumption Block Analysis  
 Single Family Residential Winter Water Use 2018/19

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

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

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

**Montara Water & Sanitary District**  
**Single Family Bi-Monthly Winter Water Use 2018/19**





**MONTARA WATER & SANITARY**  
**DISTRICT**

**BOARD OF DIRECTORS MEETING**  
**February 6, 2020**

**MINUTES**

**REGULAR SESSION BEGAN AT 7:35 p.m.**  
**CALL TO ORDER**  
**ROLL CALL**

Directors Present: Boyd, Dekker, Harvey, Lohman, and Slater-Carter (via teleconference)

Directors Absent: None

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

Others Present: District Counsel, Christine Fitzgerald  
District Financial Advisor, Alex Handlers  
Kastama Consulting, Alison Kastama  
National Stewardship Action Council, Heidi Sanborn  
Executive Director (via teleconference)

**PRESIDENT'S STATEMENT – none**

Director Slater-Carter requested Director Harvey to act as President Pro-Tem and conduct the meeting as she was participating via teleconference.

**ORAL COMMENTS**

## **ORAL COMMENTS**

Gregg Dieguez, Montara resident, wanted the Board to know that he had written to Jim Eggemeyer, the Director of the Office of Sustainability of San Mateo County, in reference to sustainability concerns he had for the County of San Mateo, and received a response. The reason he is bringing this up to the Board is because they are asking the District to accept more population without allowing expansion of water rights. He is happy to cc anyone who is interested in his response to Mr. Eggemeyer and encouraged the Board to give him input.

## **PUBLIC HEARING –**

## **CONSENT AGENDA**

- 1. Approve Minutes for Finance Committee Meeting January 7th, and Regular Scheduled Board Meeting January 16, 2020.**
- 2. Approve Warrants for February 1, 2020**
- 3. Monthly Review of Current Investment Portfolio**
- 4. Connection Permit Applications Received**
- 5. Monthly Water Production Report for December 2019**
- 6. Rain Report**
- 7. Solar Energy Report**

General Manager Heldmaier pointed out that the Financial Report, PARS report, and SAM Flow report are not included, and will be put in the Consent Agenda for the next meeting.

Director Lohman made a motion to approve the consent agenda and was seconded by Director Boyd. All were in favor and the motion passed unanimously 5-0.

## **OLD BUSINESS**

- 1. Review and Possible Action Concerning Water System Reliability Charge Study.**

General Manager Heldmaier stated that they have been discussing the proposal of the Water Reliability charge for several months—almost a year—to finance infrastructure needs. The Finance Committee met twice this month, discussed some of the questions brought up at the last meeting, and have brought forth some suggestions based on that input, focusing on the issues discussed at the Finance Committee.

District Financial Advisor, Alex Handlers said they have talked about this at length during prior meetings and today is more of a summary. The Water System

Reliability Charge will be a dedicated funding source for water system improvements. What is being proposed is a charge targeted to generate one million dollars annually and would be a fixed charge based on water meter size, with the private fire service connections paying half of what a single-family home would pay. On the one-page summary that was in the Board packets there are the details of what the charge would look like. Most of the Montara Water and Sanitary District's (MWSD) accounts are served by 5/8" meters, and the annual charge will be \$558.66 dollars; the other charges would be ratcheted based on meter size. To adopt these charges MWSD must go through the 218 process and to get these charges on the property tax rolls, similar to the sewer rates, there is a parallel process that could happen with the same Prop 218 notice to authorize the charges to be collected on the tax roll.

General Manager Heldmaier said that the economic hardship rate was also discussed at the Finance committee meeting. He suggested following Recology's practice of using the PG&E Care program participants as a basis for eligibility. This eliminates the need to verify financial records. Recology requires proof of participation in the PG&E Care program, and the name on the bill that is submitted proving they are participating in this program must match the Recology account (usually the property owner). Recology is willing to work with the District and share information, so MWSD can put those participants on a list. On the Sewer side, it is an annual fee, affecting the property owners. The suggestion is to consider this for both the water and sewer side. So, for each side, there would be an annual \$100 dollar discount. On the water side, the discount would be applied bi-monthly, because that is the way customers are billed. Once in a while, there may be a need to verify a PG&E Care bill, because MWSD may have a tenant participating in the program who is also responsible for the water bill. This hardship discount will be funded by property tax revenue. And residents of Pillar Ridge will be ineligible for this hardship discount. This is due to the meter agreement and arrangement with Pillar Ridge, giving the residents an already substantial discount.

Director Boyd asked if the idea was for Pillar Ridge to do something similar.

General Manager Heldmaier replied that the financial impact is much less for Pillar Ridge residents because MWSD is serving them through a one-meter charge, rather than separately, resulting in substantial savings.

Director Boyd said Pillar Ridge is a low-income community and that was considered when they established the arrangement.

General Manager Heldmaier pointed out that Pillar Ridge owns their own water system, and MWSD supplies them with water; that is why MWSD has this arrangement with them.

District Financial Advisor, Alex Handlers added that in the Board packet attached to the summary, is an information page showing the PG&E eligibility requirements.



There are various ways to qualify for the program, such as income thresholds and participation in various public assistance programs. The list from Recology contains less than 25 participants. Maybe there are more folks that are eligible and aren't taking advantage of this program. But at that level, a \$200 dollars savings for water and sewer, will be about a \$5,000 dollars financial contribution which would come from the property taxes.

General Manager Heldmaier requested authorization from the Board to begin drafting the Prop 218 notice to bring to the next meeting.

Gregg Dieguez, Montara resident Dieguez stated that everyone recognizes the need for a rate increase and he viewed this analysis as incomplete. He recalled at the last meeting the District explained the need for two million dollars for capital expenditures, and the Board agreed to fund one million. This analysis doesn't forecast the water reserves, nor does it address the half million-dollar loan. He would like to see as a pro-forma matter the projections carried out that show the impacts of this on the District water finances, even though he is aware that the District is not going to ask for more money in the short run because people won't stand for it, but he wants to see how far we are from where we ought to be.

Director Dekker said they will address that at the next Finance Committee meeting, because they don't have the year-end numbers yet.

Gregg Dieguez, Montara resident Dieguez stated that he requested from Bartle Wells some of the worksheet they used and will be doing his own "what-if" analysis and is happy to share the information with the Board. There is a table included which shows 30 million dollars of capital expenses over the next 20 years. But that raised the question, is that all the assets? Or if there are other assets, none of them are going to require any reserves because they are going to age? He suspects there are longer-term assets that may have longer lives, but is wondering if the District is understating the needs for reserves by not looking at assets beyond 20 years. He also suggested the Prop 218 should have an inflation index in it. He understands that it is probably for two years, but thought it a good idea to get in practice of doing it.

Director Boyd made a comment about the reserves being an on-going fund, and the reserves we just described have to do with anticipated within a time frame with the kinds of risks that we might face. So, for example, operating reserves provide a cash flow during periods when income to the District might fluctuate, but that reserve should never need to more than any reasonable anticipation of cut-off cash flow. When it comes to infrastructure that ages and times out, we've got an ongoing analysis of the capital facilities—a list of everything in the District- and a prioritized based list heavily influenced by the age, its expected life span, or other information that might inform us about risks to that infrastructure. For example, if we observe something aging faster than we expected we will accelerate that in our estimation of our capital improvement needs. The rolling nature of this, with a

constant refresh of what is going on with the infrastructure is a mitigation against that. When we set reserve levels, it should always be with the latest information about what we know about the age and risks of the individual components in the facilities. If today, things are brand new, and twenty years later when things are older, some will be close to end of life, while others may have a 50-75-year expected life span. There are a lot of pieces. He appreciated the fact that the engineers on both sides keep a list updating them about the condition of things. There are always things floating to the top of the list that we have to look at. In a year where things go bad all of a sudden, what would that add up to? That's what we have to make we have the reserves or the ability to get funds at that time. Also, if we have projects slated for a given year, we know to start building towards that, instead of trying to do it all in one year. So, those might be specific reserves we might be building up for an individual capital project.

Director Boyd moved to authorize the General Manager to commence working on a draft for the Prop 218 notice, and Director Dekker seconded the motion. All Directors were agreement.

## **2. Review and Possible Action Concerning Sewer Rate Study.**

General Manager Heldmaier stated that they discussed this with the Finance Committee and will be talking about some of the key points and recommendations.

District Financial Advisor, Alex Handlers summarized the background. The sewer is facing a similar situation as the water—you have a lot of aging infrastructure in Montara, and you have a wastewater treatment plant that is operated by SAM. It is over 40 years old now, and many of the components are approaching the end of its useful life. The District did its own analysis, as was done on the water side, looking at the age, the life span of the facilities, and when these replacements are going to take place and looking forward at the next 20 years or so. The number worked out, in present value, to be 1.9 million dollars per year of investment would be needed over time for the Districts own sewer facilities. It doesn't mean you have to start spending this next year, it means you have to continue to ramp up the funding on the sewer side to address these needs. The District, over the last two years, took a substantial step in the right direction with rate increases that almost totaled 50% to generate more sewer capital funding. What is being proposed now, is to build upon that with additional rate increases. Then on the SAM side, there was a recent engineer evaluation done that gave a whole range of costs that could be invested at the SAM level from 15-40 million dollars over the next 5-10 years. The 15 million dollars was to keep fixing things to keep going a bit longer, but longer term the 40 million dollars was proposed for doing a lot more rehab, rebuilding, or replacement. And some of it has to do with SAM's location on the Coast. SAM does not know how it is going to fund these facilities. They may be issuing debt at some point for a chunk of projects, in which case you would have to fund your share. We built sewer cash flow projections to fund operating needs, your own capital needs, phasing in funding towards eventually getting to the

current dollar value of 1.9 million plus inflation. You are not going to get that in the next few years, but you are going to be generating significant funding for capital needs with what you've done with the rate increases in the past, and if you keep those rate increases moving in the right direction. And we do have SAM's draft version of their 5-year CIP which includes some of the improvements of treatment plant and some of the mandatory improvements they have to make on the force main under a consent decree that they have ERP, an environmental group, and those projects have to be done in the next 4-5 years. We built projections, with a one-time sewer increase to get the rates where they need to be, and it would have to be over 50% rate increase. And at the same time, you are generating more for capital, thanks to the rate increase you did in the past. You are already doing a rate increase on the water side with the Water System Reliability charge, and putting a lot of burden on the rate-payers. So, if the District can continue to phase in on rate increases at the single digit level of 9% per year you are going to keep building upon what you did, moving towards the longer-term goal of generating more funding. The recommendation is to keep moving forward with the rate increases with the steady gradual 9% rate increases for the next few years, and come back and re-evaluate with the understanding that you will likely have to keep gradual rate increases moving in the right direction to meet your longer term capital infrastructure needs. The proposal is for three 9% rate increases on the sewer side. They would go on the same Prop 218 notice as the Water System Reliability Charge and would be collected on the property tax roll.

Director Harvey confirmed that the Finance Committee reviewed this and support this proposal.

Gregg Dieguez, Montara resident said he is getting a copy of District Financial Advisor, Alex Handler's worksheet, and what is missing is the 2-3% decrease in revenue due to the change in the wet winter months water usage. This analysis show reserve balances, and they are 50% of O&M plus 2 million, which sounds like operating and emergency reserves, and not capital. The bigger issue here is what is not shown. Pippin did a great job showing 108 million in capital over 20 years could potentially need to be replaced. Again, is there more that would need replacement beyond the 20-year estimate? The other thing is what are we going to owe SAM—don't we need to consider in our rates what we might owe SAM?

Director Dekker said they want to figure out with SAM more accurately the monthly billing and haven't quite figured that out yet. With a new General Manager in place he was confident that in a forthcoming meeting they will ask that question.

General Manager Heldmaier said a large portion of the rate increase is due to the increases at SAM. This is similar to the situation that Director Boyd commented about on the water side. This is a continuous process of re-evaluating and adjusting at SAM and here in the District, as things come up. They do their best to plan for the future, but it is difficult to look further than two years, due to the changing costs and circumstances.

Director Harvey said that not everything is being considered at SAM and if we could we would. He reiterated Gregg's question about whether we should include more in consideration.

District Financial Advisor, Alex Handlers replied that in the near term there has been an engineering assessment that has been reasonably done that talked about SAM from 15-40 million, and we don't know how they are going to finance it yet. If they use a State Revolving loan or debt service, that makes your annual payments lower, but then that is less money they have for future rehab and replacement. At least for a number of years, you have pretty good sense of where it is going to go. You're building on the rate increases you did last time. The best you can do in this industry is look term, and move things in the right direction understanding you will have to re-evaluate and will probably have to keep your foot on the gas pedal in future years. You did a lot already, and you don't have a dire need to double the rates overnight now. There is a balance of objectives, and you want to consider your rate payers as well. You are taking steps in the right direction and will come back. You will probably have to do more rate increases, and see what realities unfold in the future. You are always going to adjust course to stay on top of it, like the plan is.

Director Dekker stated that he is confident that with the management change at SAM, they will have an opportunity to get a better idea of what is going on. We don't know now.

General Manager Heldmaier concurred and said that SAM is focusing on how to address their future needs right now.

Director Harvey commented that this is a first step, and it is reasonable under the circumstances.

Director Boyd stated that they are always course correcting. They have really good staff, and like what is happening at SAM now. it won't be easy, but a lot of the uncertainties will fall away as we get crisper information.

The Directors all agreed to direct staff to initiate a draft Prop 218 notice for Board review.

## **NEW BUSINESS-**

- 1. Review and Possible Action Concerning Support for National Stewardship Action Council's "Flushable" Wipes Issue.**

General Manager Heldmaier stated that Heidi Sanborn Sanborn, the Executive Director of the National Stewardship Action Council (NSAC), will be making a presentation via phone in coordination with the general manager handling the power point.

Heidi Sanborn thanked everyone for the opportunity to speak remotely. She is the Executive Director of the National Stewardship Action Council. It is a non-profit company formed 5 years ago in California, and their goal is to drive a circular economy, where manufacturers of products must be responsible for the end-of-life of those products. They were asked by the California Association of Sanitation Agencies to help them pass a bill on flushable wipes, which is of great interest to the sanitation agencies. In order to help, the NSAC needs help funding and to gather a big enough coalition that we can pass the bill this year. They asked the NSAC to help because they are extremely effective. The NSAC is a 501©4 non-profit affiliated with the California Product Stewardship Council. She formed that in 2007, as the founding director. They were so successful at passing what they call "extended producer responsibility" legislation, they started getting requests from other states for help. So, they formed the national coalition so that they could work across the country to pass this kind of legislation and be more effective in changing the entire industry. Their vision is that the United States attains a circular economy and their mission is that they collaborate with the public and private sectors to advance product stewardship. A circular economy is taking what nature already taught us, and everything is recycled. The waste from one system becomes the feedstock for the next. And that is what we have to do with our industrial manufactured materials that don't belong in nature because they disturb and create pollution. We need, if we produce them, to keep them in a circle—to design them to keep them out of the landfill, in a closed system where they can be reused over and over again. The three principles are that we design waste out of the system, keep products and materials in use, and go back and fix what we broke with natural systems. She gave example of some successful campaigns, such as the *ReFuel Your Fun & Save* campaign, in which they partnered with a California manufacturer to create a one pound propane cylinder that is reusable for ten years, encouraging people to buy and re-fill their one-pounders; this has been very successful. They want to partner with public and private sectors, and this is a win win for everyone. There is also the *Don't Rush to Flush* campaign, started in 2010, promoting safe disposal and storage of unwanted medications. She talked about their successes in passing various bills in California. They have a great lobbyist, and every bill they have introduced has been passed and signed into law. This year the priority is flushable wipes. They received a letter from the California Association of Sanitation Agencies (CASA) asking for assistance. Now that they are in partnership with CASA, these bills take resources—you must have a lobbyist, a campaign, you must be coordinated, etc. They have a unique credible voice in the capital. They are also taking on single use tobacco products, to prohibit the sale of single use cigarette filters and plastic filters on tiparillos, requiring take backs for all vaping products. They are also working on national legislation on packaging wage and a campaign to end the FDA Medication Flush

list, when the public is instructed to flush certain medications if there are controls and no medication bin nearby. She asked for an annual donation of \$1,000 dollars that is a contribution. Not only does it come with many benefits, but they will be reaching out directly so that when the bill is drafted, it is written in a way that is supported by MWSD. They are also working on other things that would benefit the district. She reiterated their successes and the need for funds to move forward. There are a lot of good plans out there, but the devil is in the details—it all comes down to execution. They would be grateful to have the District's support. They are working with Kimberly Clark right now. They changed the direction of the bill a little bit. They got it out of Appropriations, and they got it off the assembly floor. They are now in the Second House, and are ready to begin negotiations.

Director Harvey asked if they can affect change for product labels to be changed to non-flushable wipes.

Heidi Sanborn said they discussed this with Kimberly Clark, and they were against the definition of flushable as far as biodegradable. Her lobbyist suggested that Kimberly Clark's science they have is better, and if they argue the flushability standard they would lose. So, they have been strategizing on how to get the public not to flush these wipes without going head on into a buzz saw with the flushability standards. They talked to Kimberly Clark and said "if you come to the table, they will back off on the flushability standard. Here's the deal. We don't want plastic going into the water and don't want plastic being labeled as flushable and make it clear to the consumer that it is trash. They have to be clearly labeled." They were open to that. The negotiations are going to start now. If the NSAC does this, it will be to get a bill to initiate change. They are also thinking about requesting the industry to pay for a study. Kimberly Clark is telling them that most of the clogs are due to other wipes. If the study shows that other wipes are part of the problem, that is good, because it sets them up to expand to all of these things, or have Kimberly Clark, which has multiple product lines, they can negotiate on all of them.

Director Lohman commented that he also serves as the SAM rep and saw her there. He said if one of our engineers might serve as a consultant to describe the problems we see here.

Heidi Sanborn said they would love that. Pictures say a thousand words, and that would be extremely helpful. That would be a great partnership.

Director Lohman stated that previously he suggested writing letters but has since changed his mind and would rather support Heidi Sanborn's group who is actively working in the legislature right now, because this is real action that would get results.

Gregg Dieguez, Montara resident Dieguez asked if she had any contacts with any of the agencies in San Mateo County and what efforts were made there

Heidi Sanborn recalled that she has been in touch with the County of San Mateo and just received a donation from them from two different departments but couldn't recall what the departments were.

Director Lohman said that he is a representative of the San Mateo County chapter of special districts which include several sanitary districts that meets every three months. He will put it on the agenda to draft a letter of support from the organization which has 26 special districts, 8-9 which have sanitary functions. They don't have finances but would get a letter of support drafted from the San Mateo County chapter of CSDA.

Director Slater-Carter stated that she heard it said that Kimberly Clark said that flushable wipes aren't the only problem. Why aren't they willing to tell us what the whole campaign about only flush the appropriate items? We see in several public restroom signs requesting people to only flush human waste and toilet paper. Kimberly Clark makes several products that gets flushed, and we need to express that this is important.

Heidi Sanborn said that was a good idea. She tries to get to the source of the problem. If a product is used in a way that makes people think it is flushable, they must make it out of something biodegradable so the system can handle it. The labeling is the first step. It is really hard to get full compliance from people. These are the kinds of things that she can bring up in the negotiations. And if she has point people from your agency, she can let them know "these are the questions that are coming up; what do you think?" they can make sure that everyone on the same page.

Director Boyd said on the biodegradable point, what really matters to the District is if it fouls pumps, clogs pumps. Biodegradable only matters if it is quickly biodegradable and shreddable by the pumps. If something fouls the pump, no matter label it has on it, they are going to be against it. There are a lot of things that are biodegradable, over a span of time. It can't be that. It can't foul the pumps, snag on roots, or other things that serve as a place of build-up. He has seen some wipes that break down very quickly, and others that you can wash your car with every week. The biodegradable term is a cop-out

Heidi Sanborn agreed. They have the same problem with composting.

Director Harvey thanked Heidi Sanborn for her presentation and all her work, and they look forward to working with her organization in the future.

General Manager Heldmaier reminded the Board that staff recommends that they donate in support of AB 1672.

Director Lohman said he was in favor of donating \$1,000 to get started on this.

Director Slater-Carter suggest that they not donate at this time, as they are already donating through SAM.

Director Harvey suggested that this be agendized on the next meeting to consider what they want to donate.

All directors agreed they will need to discuss this further.

## **2. Review and Possible Action to Amend Salary Schedule and Approve Adjustment to the General Manager's Compensation.**

District Counsel, Christine Fitzgerald presented this item to approve an adjustment to the General Manager salary and other fringe benefits. She pointed out that an amended agenda report was submitted to the Board members, and there were no substantive changes made, only the addition of the list of fringe benefits and the amounts, which was not available earlier in the week. She gave a summary of the report, indicating that the General Manager's performance was satisfactory, entitling him to a minimum salary increase based on the Consumer Price Index. The Board also found his performance to qualify as exceptional and exemplary, the standard set forth in his employment contract, also entitling him to receive a one-time payment to his deferred compensation payment plan. The Board also considered a one-time payment as a performance bonus. The forgoing payments are in addition to the fringe benefits that the General Manager receives for retirement and health coverage. All the specific amounts are set forth in the agenda report and will be orally reported by the President Pro-tem. The action tonight is to consider adoption of the resolution of the Montara Water and Sanitary District approving the General Manager compensation adjustment resulting from his annual performance evaluation in amending the district salary schedule to reflect the same. She requested President Pro-tem Harvey to orally report the exact payments that will constitute the General Manager's compensation effective January 1, 2020.

President Pro-Tem Harvey: In accordance with government code section §54953C3, I am providing an oral summary of the recommended action. The item before the Board tonight is to amend the salary schedule and approve the adjustment to the General Manager's compensation. The recommended action is to amend the General Manager's annual salary and set the new salary at \$215,956 dollars effective January 1, 2020. The total annual salary increases \$6,346.35 from the prior years' salary. This action item will also authorize a one-time payment of \$6,000 dollars to the General Manger's 457 deferred compensation benefit retirement plan account, and a one-time cash payment of \$15,000 dollars in recognition of the General Manager's continued performance. Additional information, including a listing of fringe benefits are set forth in the amended agenda report associated with this item. Copies of the amended agenda report and related materials have been distributed to all Board members and are also



available in the public binder and will be incorporated into the minutes of tonight's meeting. To summarize, the additional compensation in the form of fringe benefits to the General Manager also includes a PARs contribution in the amount of \$8,739.34, a 457 Retirement Plan Contribution of \$15,116.92, health coverage (including dental, vision & life) \$27,128.64, and wellness program \$300 dollars. Are there any questions from the Board or members of the public regarding this item before the Board considers this item before us?

There were no comments from the public.

Director Slater-Carter said that she and Director Harvey, as part of the Personnel Committee, looked at comparable wages for similar positions in similar districts and we are well within the mid-range. They are working on a standardized quantifiable employee evaluation and this is the first year they are going to be working with the General Manager in refining it and his job description.

Director Lohman stated that with the past, present and impending costs from the Half Moon Bay lawsuit and other rate increases coming up, he can't support the General Manager's bonuses being proposed. If it is a package, he is voting no. He would support the 3% raise, but not the other items. He thinks it is the wrong thing at the wrong time.

Director Harvey said the 3% increase is reasonable and the 6% is also reasonable. But due to the huge rate increase that the ratepayers will be burdened with on water and sewer, he did not think the \$15,000 dollar bonus was appropriate. Since this came out on the 3<sup>rd</sup>, he has had direct comment from his constituents on this issue. For the rate payers on fixed incomes, with small increase from the government, this is not a good time to give that bonus. He reiterated his gratitude for Clemens' work and wants him to stay, but feels they need to skip this bonus this year-- it just isn't a good time this year.

Director Boyd stated that the contractual requirement is largely centered around keeping pace with inflation. He understands that the government does not keep up with the actual rate of inflation, and one of the beauties of local control, is that we are not controlled at a great distance by a body that doesn't see the faces that are impacted by it. When the contract was set up with the general manager, with adequate performance we keep that in line with inflation, so they don't earn effectively earn less every year as inflation goes up. They know that Clemens is doing a good job—that is not even up for debate. They've had a practice over the last few years, in keeping to the contract, and bonusing on top of that. For the last three years, he has received a bonus. Part of that is cost containment mechanism. Rather than putting that in base and having the inflation rate do the exponential increase on that year over year, they felt this was a mechanism where they have that additional revenue to reflect the caliper of the job he is doing but try to decouple a little of that from inflation. They've been doing that for the past three years. Were they not to stick to that practice, we would be cutting his pay by

\$15,000 dollars based on what is going on. He strongly supports what was put forward, which is the contractual plus the \$15,000 dollars bonus. That is based on performance. They have a very challenging year ahead and need their A game going into this year. It is real money, but up against the magnitude of problems they are trying to solve, it is a marginal amount, and this is not the year to make a pay cut to somebody that is at the helm trying to lead this agency. He strongly supports doing what is intended.

Director Dekker concurred. Since he came in as a new Board member, he has been working with Clemens, and felt that he is doing a good job, and he fully supports the bonus, by virtue of the fact that the Board has previously express their appreciation for the good job that Clemens has done, by giving him a bonus. And to take that away, would be a bad sign for Clemens, because it doesn't reward him for the good work he has done. He fully supports this.

Director Harvey stated that he took issue with the terminology of Director Boyd's reference to a pay cut. The General Manager is going from \$209,000 to \$216,000 plus a \$6,000 dollar increase. A lot of people only get 3% wage increases. He lived all his life with 3% increases and other people do—it's not a pay cut.

Director Lohman agreed.

Director Slater-Carter agreed with Director Boyd and Dekker.

Director Boyd made a motion to vote on the proposed increases, and Director Dekker seconded the motion. A roll-call vote was taken. Director Boyd -aye, Director Decker -aye, Director Slater-Carter- aye, Director Harvey- no, Director Lohman- no. The motion passes 3-2.

### **3. Review and Possible Action Concerning Cancellation of Next Regular Scheduled Meeting February 20, 2020.**

General Manager Heldmaier stated that the next regularly scheduled meeting on February 20, 2020 will be canceled, and the next meeting regularly scheduled meeting is set for March 5, 2020.

## **REPORTS**

**1. Sewer Authority Mid-Coastside Meeting (Slater-Carter) –**  
Director Slater-Carter will not be able to attend the next meeting, and Director Dekker will be attending in her place along with Director Lohman.

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

**3. CSDA Report (Lohman) – none**

4. LAFCo Report (Lohman) – none
5. Attorney’s Report (Fitzgerald) – nothing
6. Directors’ Report – nothing
7. General Manager’s Report (Heldmaier) - nothing

**FUTURE AGENDAS**

**BRIEF RECESS**

**REGULAR MEETING ENDED at 9:15 P.M.**

**CONVENE IN CLOSED SESSION**

**CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

(Government Code §54956.9(d)(4))

Initiation of litigation

Number of cases: 1

**CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**

(Government Code § 54956.9(d)(1))

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

**REPORT OF ACTION TAKEN IN CLOSED SESSION**

**ADJOURNMENT**

**PARTICIPATION BY TELECONFERENCE**

The following Director participated by teleconference in all or a portion of the meeting of the Board, including Closed Session, from the following location:

Director Slater-Carter – 616 Lake Shore Blvd, Incline Village, Nevada, 89450

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 5th, March 2020

Signed \_\_\_\_\_  
President



**NATIONAL  
STEWARDSHIP  
ACTION COUNCIL**

**ADVOCATING FOR A CIRCULAR ECONOMY**

**Partnership to Protect Water Quality  
and Reduce Costs**

Montara Water & Sanitary District

February 6, 2020

**NSAC'S VISION:** The United States attains a circular economy.

# Who is NSAC?



**NATIONAL  
STEWARDSHIP  
ACTION COUNCIL**  
ADVOCATING FOR A CIRCULAR ECONOMY

The National Stewardship Action Council (NSAC) is a 501©4, affiliated with the California Product Stewardship Council (CPSC). NSAC is a network of committed proponents comprised of governments, non-government organizations, businesses, and consumers who advocate that producers fairly share responsibility in a circular economy.

Vision: The United States attains a circular economy.

Mission: Collaborate with public and private stakeholders to advance product stewardship and extended producer responsibility.

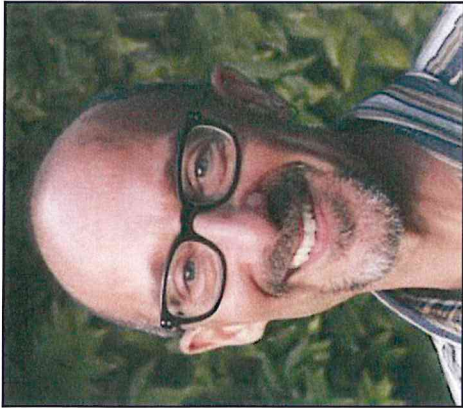


*2017 NSAC Strategic Planning Meeting*



# NSAC Board/Organization

## Executive Board



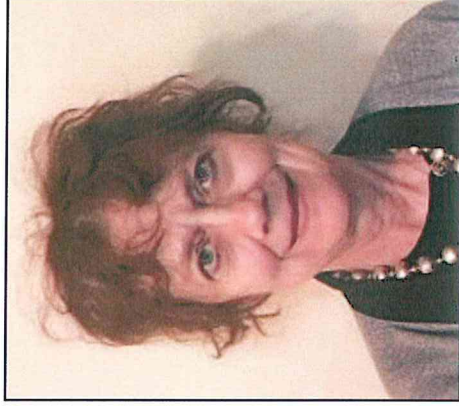
David Stitzhal, President  
Full Circle Environmental, Inc.



Tim Goncharoff, Vice-President  
County of Santa Cruz



Patty Garbarino, Treasurer  
Marin Sanitary Service



Constance Hornig, Secretary  
Constance Hornig Law Offices



# © NSAC Board/Organization (cont.)

## Advisory Board of 9



Jordan Fengel  
State of Texas Alliance for Recycling



Paul Gao  
California Electronic  
Asset Recovery



Beverly Hanstrom  
Colorado Medical Waste

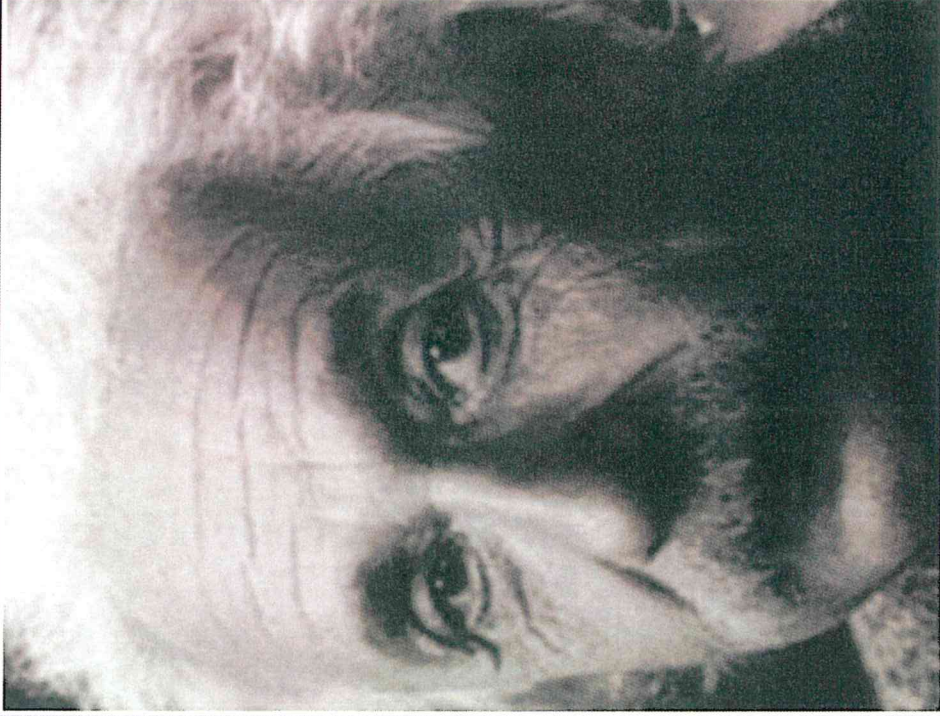


Chris Ripley  
Smarter Sorting





# We Have to Think Differently...



The true definition of madness is repeating the same action, over and over, hoping for a different result.

— *Albert Einstein* —

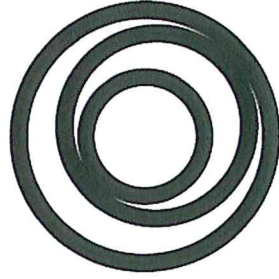
**AZ QUOTES**



# What is a Circular Economy?

Multi-faceted with a focus on producers embracing sustainable design, using regenerative materials and collecting end of life products and materials for continuous use in the economy. It is based on three principles:

1. Design out waste and pollution
2. Keep products and materials in use
3. Regenerate natural systems



**ELLEN  
MACARTHUR  
FOUNDATION**

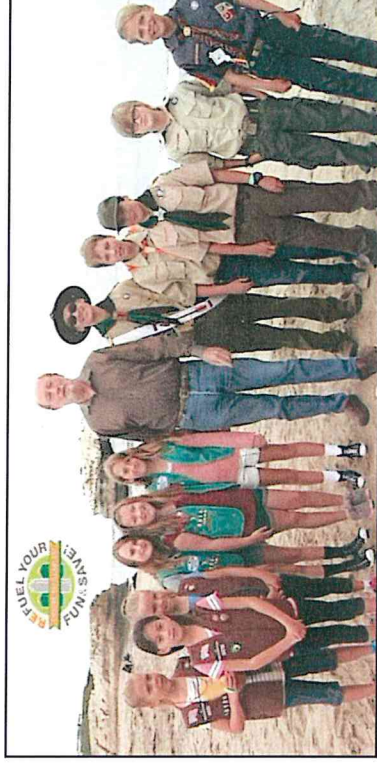
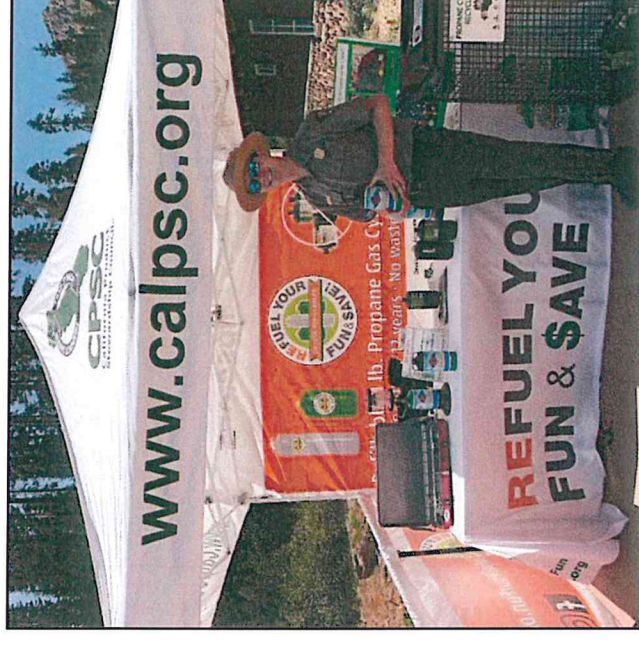


# ReFuel Your Fun & Save Campaign

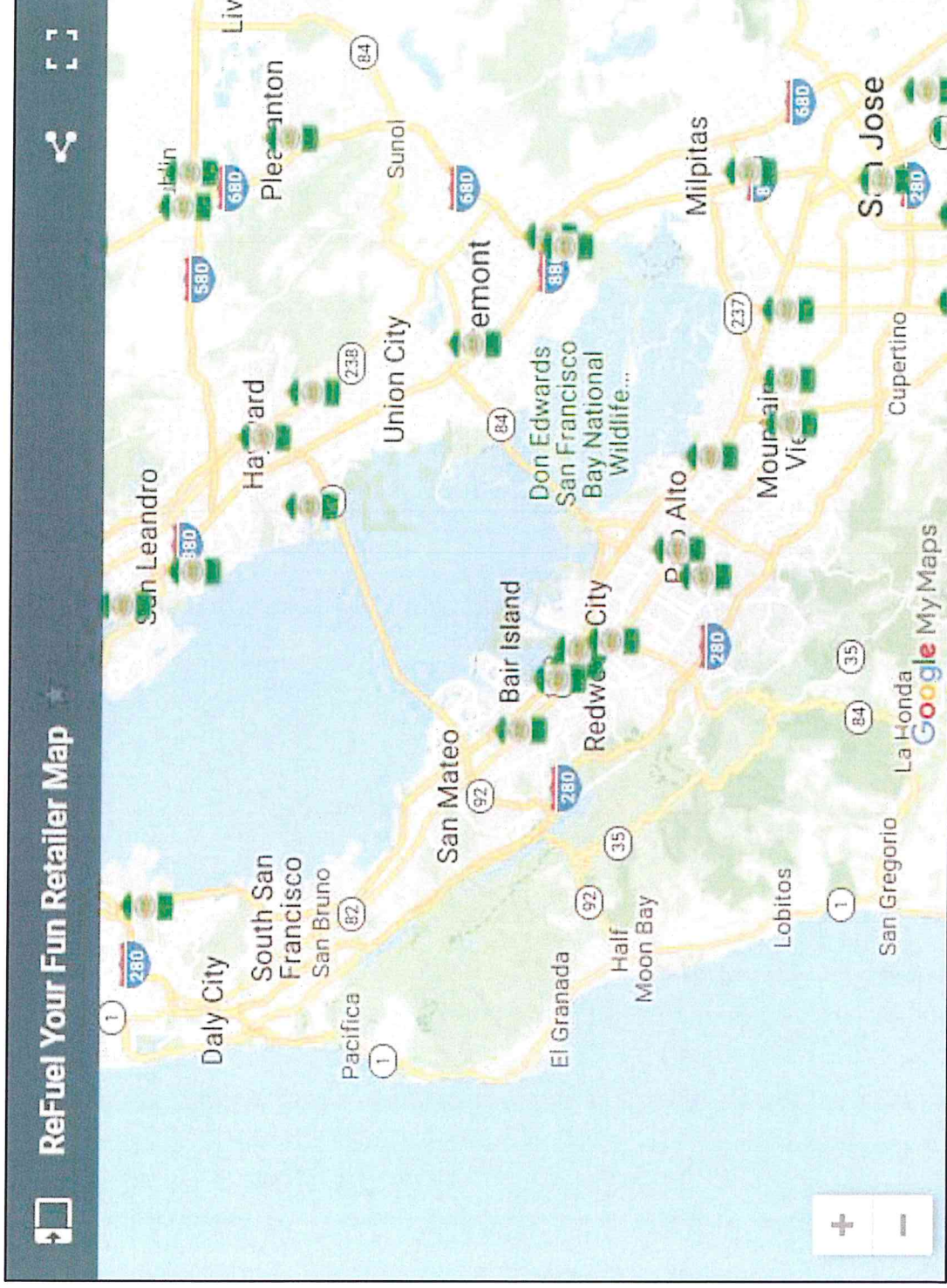
Promotes the use of reusable 1 lb. propane cylinders

1. Recruitment of locations to sell/refill/exchange reusables such as hardware stores, sports/camping supply stores, universities & outdoor education programs, & more!
2. Public education – billboards, newspaper inserts, PSAs & whiteboard videos, social media, & more!
3. Exchange events – bring a single-use & take home a reusable
4. Safe collection of cylinders at high-use areas

[www.ReFuelYourFun.org](http://www.ReFuelYourFun.org)



# ReFuel Your Fun & Save (cont.)



# Don't Rush to Flush, Meds in the Bin We ALL Win!

Promotes the safe disposal & storage of unwanted medications

1. Recruitment of authorized locations to take-back controlled & non-controlled medications
2. Public education
3. Press events

[www.DontRushToFlush.org](http://www.DontRushToFlush.org)



NATIONAL STEWARDSHIP ACTION COUNCIL

# County of San Mateo

## Medicine EPR Ordinance 4/28/2015



- <https://www.youtube.com/watch?v=gq7-zloOYzk>

Ordinance introduced and heard at April 14<sup>th</sup> Board of Supervisors Meeting and passed with a 5-0 vote. Waymond Wong, Program Manager, Environmental Health and Heather Forshey, Director of Environmental Health



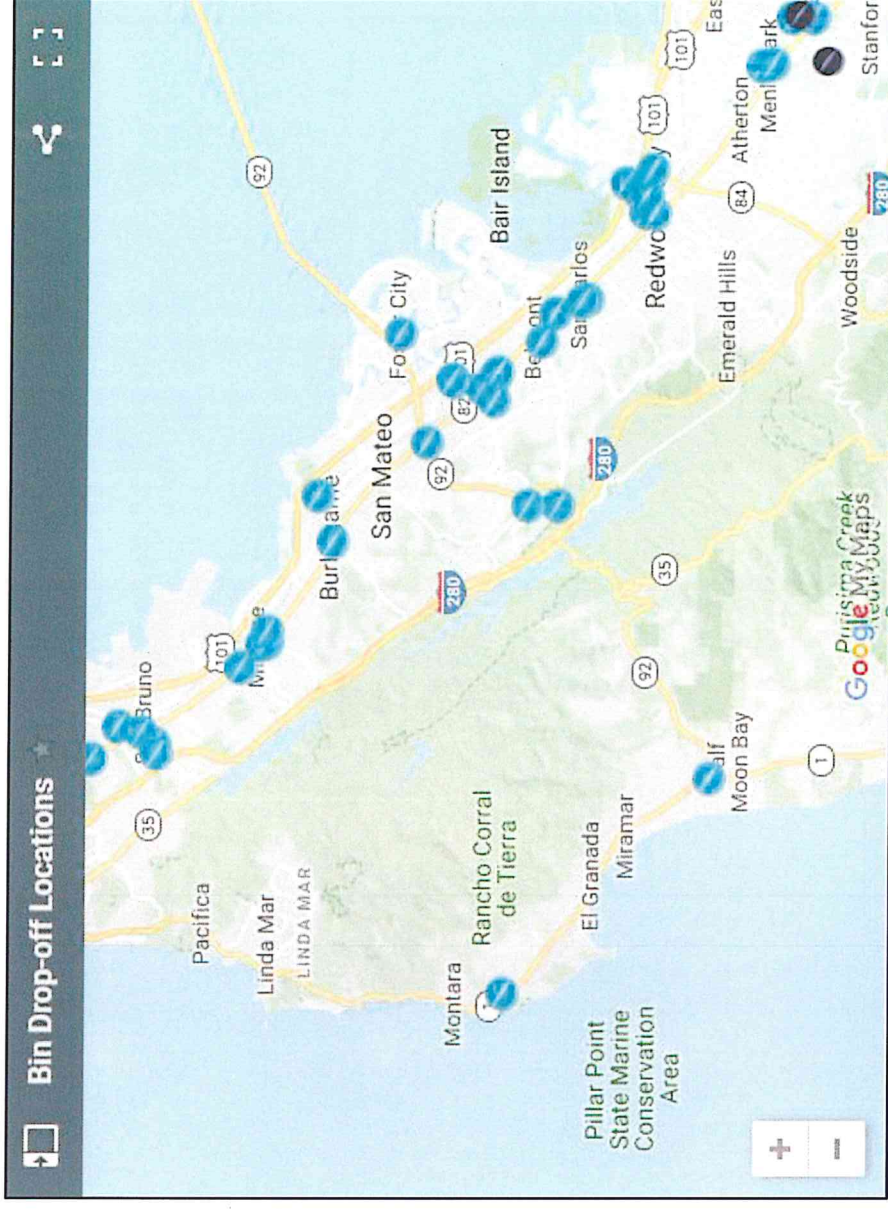
NATIONAL STEWARDSHIP ACTION COUNCIL

# Don't Rush to Flush (cont.)

## Participating locations:

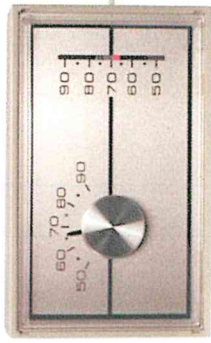
1. San Mateo County Sheriff's North Coast Sub-Station – Moss Beach
2. CVS Pharmacy (60 Cabrillo Hwy North) - Half Moon Bay

Both locations accept controlled & non-controlled medications



# Legislated EPR/Stewardship in CA

1. Bottles & Cans
2. Ag Pesticide Containers
3. Recalled Products
4. Mercury Thermostats
5. Paint
6. Carpet
7. Mattresses
8. Medications & Sharps



**Mattress  
Recycling  
Council**



**California Carpet  
Stewardship Program**  
An initiative of CARE: Carpet America Recovery Effort

**MED-Project™**

Medication Education & Disposal



© copyright National Stewardship Action Council, 2019

**NATIONAL STEWARDSHIP ACTION COUNCIL**

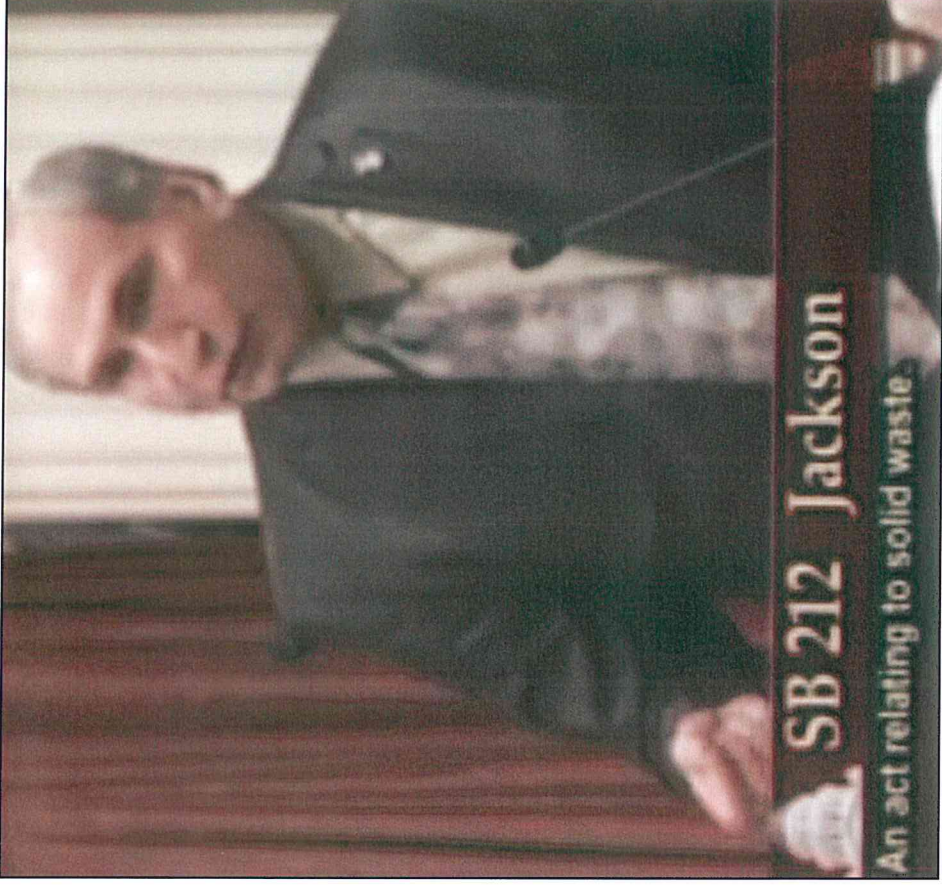


# CA Statewide Meds & Needle Disposal

**Signed into Law 9/2018!**  
**39-0 Vote off Senate Floor!**  
**Pharma/Sharps producers support!**

Key provisions:

- Meds: 1 med bin for every 50k residents or minimum 5/county – any eligible site can opt in – ALL LOCATIONS CAN GET A BIN!;
- Needles/Sharps: Requires free safe disposal sharps containers with every needle sold and any sharps collected in public programs will have disposal paid for by producers!

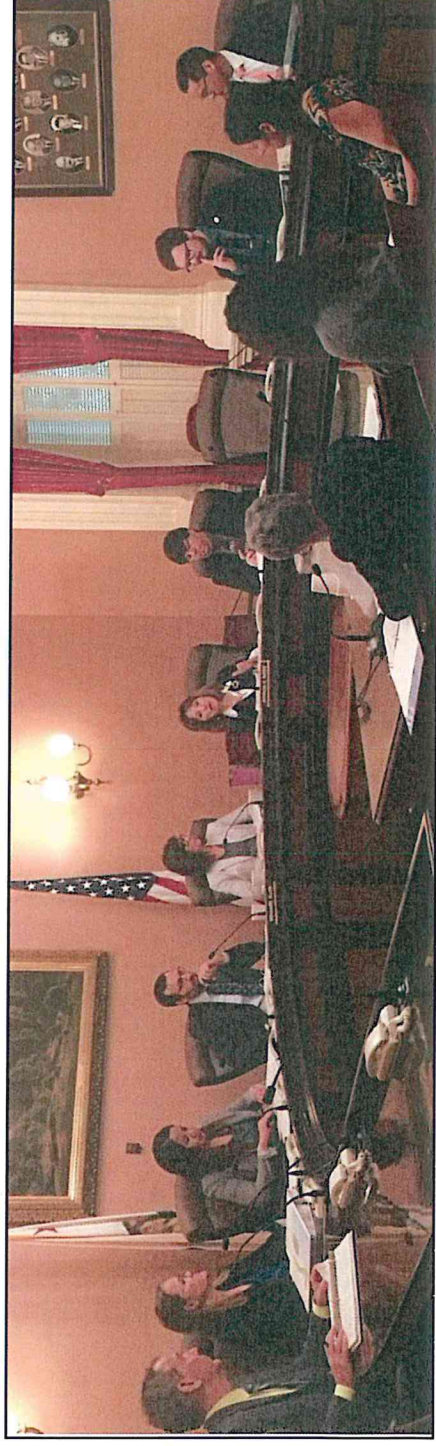


*Senator Jeff Stone (R -Temecula) a pharmacist, speaking on the senate floor supporting SB 212!*

# Legislative Track Record: 4/4 Success

NSAC has sponsored the following bills, which have all been signed into law:

1. [SB 212 \(Jackson, Gray, Ting\)](#) 2018 - meds & sharps EPR: **First in the nation to cover both meds & needles!**
2. [AB 1158 \(Chu\)](#) 2017 – carpet: **First in the world!**
  - Stewardship organization cannot use fee money to sue the state, pay fines, or incinerate carpet & set recycling rates & dates
3. [AB 729 \(Chu\)](#) 2019- carpet: **first eco-modulated fees in the U.S.**
  - Plan to return visible fee money back to the state to continue the program if the stewardship organization is failing
  - Creation of a trust for stewardship fee money
4. [SB 726 \(Caballero & Berman\)](#) 2019:**First in US supports & expands HHW reuse**



# 2020 Legislation:

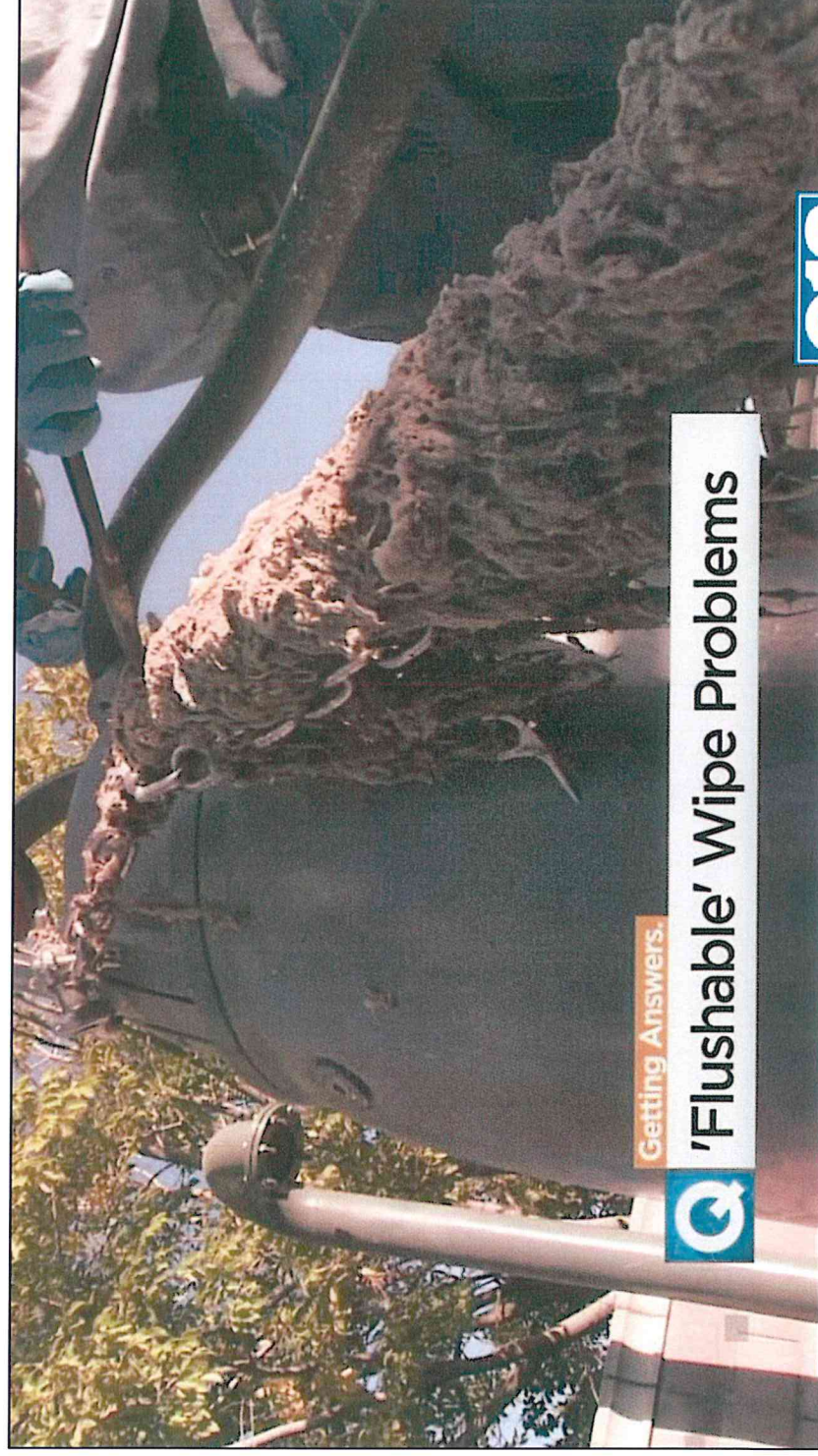
## AB 1672 (Bloom): Wet Wipe Labeling

“Flushable” wipes

– Labeling



[casaweb.org/wipes/](http://casaweb.org/wipes/)



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CBS Sacramento

NATIONAL STEWARDSHIP ACTION COUNCIL

# 2020 Legislation (cont.): AB 1672 (Bloom)

NSAC has been requested by CASA to co-sponsor AB 1672 and “elevate and effectuate legislative action” due to NSAC’s “unique and credible voice on consumer protection issues, and in recognition of your shared interest in protecting the environment from harmful products”



1225 8th Street, Suite 505 - Sacramento, CA 95814 • TEL: (916) 446-0365 • [www.CASAsan.org](http://www.CASAsan.org)

November 15, 2019

Heidi Sanborn  
Executive Director  
National Stewardship Action Council  
1822 21st Street, Suite 200  
Sacramento, CA 95811

Subject: Request for Co-sponsorship of AB 1672 (Bloom): Wet Wipe Labeling

Dear Heidi,

Thank you for your continued collaborative partnership on many issues with the California Association of Sanitation Agencies (CASA). As you know, our organizations are aligned on many pertinent and important public policy initiatives, including source control of contaminants in the waste stream, producer responsibility and product stewardship. In light of these shared goals we are proposing that National Stewardship Action Council partner with CASA to elevate and effectuate legislative action to provide clear and consistent consumer information about a product that is wreaking havoc on public infrastructure and the environment: flushable and non-flushable wet wipes.

The vast majority of wet wipes available to consumers are single-use plastics that are very frequently flushed down toilets due to a lack of consistent consumer misinformation. Many wet wipes products have no clear information about proper disposal included on their packaging, and some packages are intentionally misleading. Exacerbating the problem is the rising popularity of wet wipes being promoted as “flushable,” which often don’t break down in public systems. The so-called “flushable” wipes are nearly identical in look and feel to the plastic based non-flushable wipes, and also contain synthesized natural fibers like lycell and rayon. It is clear that consumer misinformation regarding proper disposal is driving this problem and we are proposing legislative action to promote clear and consistent consumer messaging. Furthermore, we believe it is time to hold manufacturers of these products accountable for the damage being inflicted on the environment and our public investments by requiring them to demonstrate that their “flushable” products actually break up and pose no harm to our water systems.

Based on your organization’s unique and credible voice on consumer protection issues, and in recognition of your shared interest in protecting the environment from harmful products, we think that your involvement would be instrumental in moving the legislative effort forward.

Thank you for your consideration and we look forward to our continued partnership on this any other important policy issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Jessica Gauger".

Jessica Gauger  
Director of Legislative Advocacy

CC: Andrew Aldama, Office of Assembly Member Richard Bloom

# 2020 Legislation (cont.)

## SB 424 (Jackson): Tobacco Waste

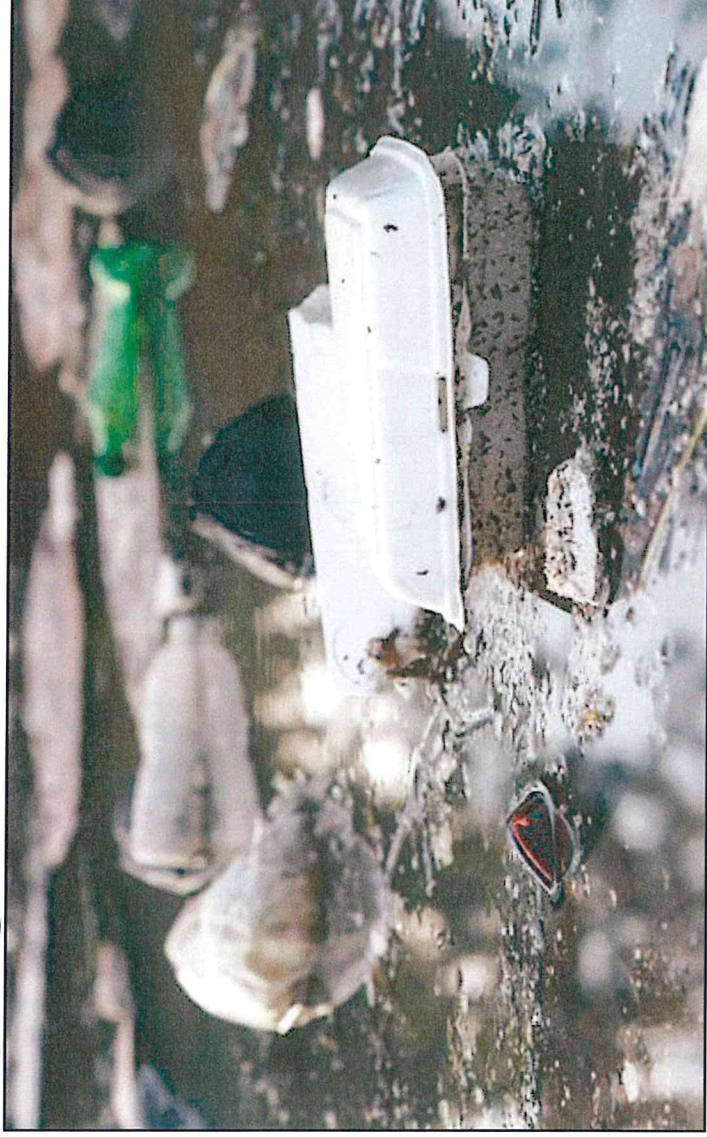
- Prohibit sale of single-use:
  1. Integrated filters
  2. eCigarettes or vaporizer devices
  3. Attachable plastic devices (plastic tips)
- Require take-back for reusable components:
  1. Take-back bins
  2. Mail-back
  3. eCigarette collection & recycling



# 2020 Legislation (cont.)

## SB 54 (Allen) & AB 1080 (Gonzalez)

- Companion bills
- Encourages producer responsibility
- Working with the Governor's Office and authors on the bill language



# 2020 Legislation (cont.)

## Senator Udall and Rep. Lowenthal's National Packaging Waste Bill



# Campaign to End the FDA Medication “Flush List”



Originally submitted January 26, 2016  
Updated sign ons delivered February 2, 2016  
Updated sign ons delivered February 12, 2016  
Updated sign ons delivered February 16, 2016  
Updated sign ons delivered April 19, 2016

Dr. Robert M. Califf, M.D.  
Commissioner  
U.S. Food and Drug Administration  
10903 New Hampshire Avenue  
Silver Spring, MD 20993

**RE: FDA Recommendations to Flush Certain Medications and Harmonize Federal Messaging on Safe Medicine Disposal**

Dear Commissioner Califf:

To protect public health and environmental quality, the signatories to this letter urge the FDA to end its recommendation that certain medications be disposed by flushing, and that secure medicine take-back programs provide the best disposal method for leftover medications.

We appreciate the FDA's efforts to protect people from leftover medications that can be

**Right:**  
**Response from the Food & Drug Administration (FDA)**

**Left:**  
**Coalition letter(s) with 100+ signatories (primarily sanitation agencies & local governments)**



DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration  
Silver Spring, MD 20993

Ms. Heidi Sanborn  
Executive Director  
National Stewardship Action Council  
1822 21<sup>st</sup> Street, Suite 200  
Sacramento, CA 95811

Dear Ms. Sanborn:

Thank you for your letter of January 22, 2016 to Dr. Stephen Ostroff, Acting Commissioner of Food and Drugs, and your letter of April 19, 2016 to Dr. Robert Califf, Commissioner of Food and Drugs, regarding safe disposal of unused drugs. Your letter was forwarded to me for response.

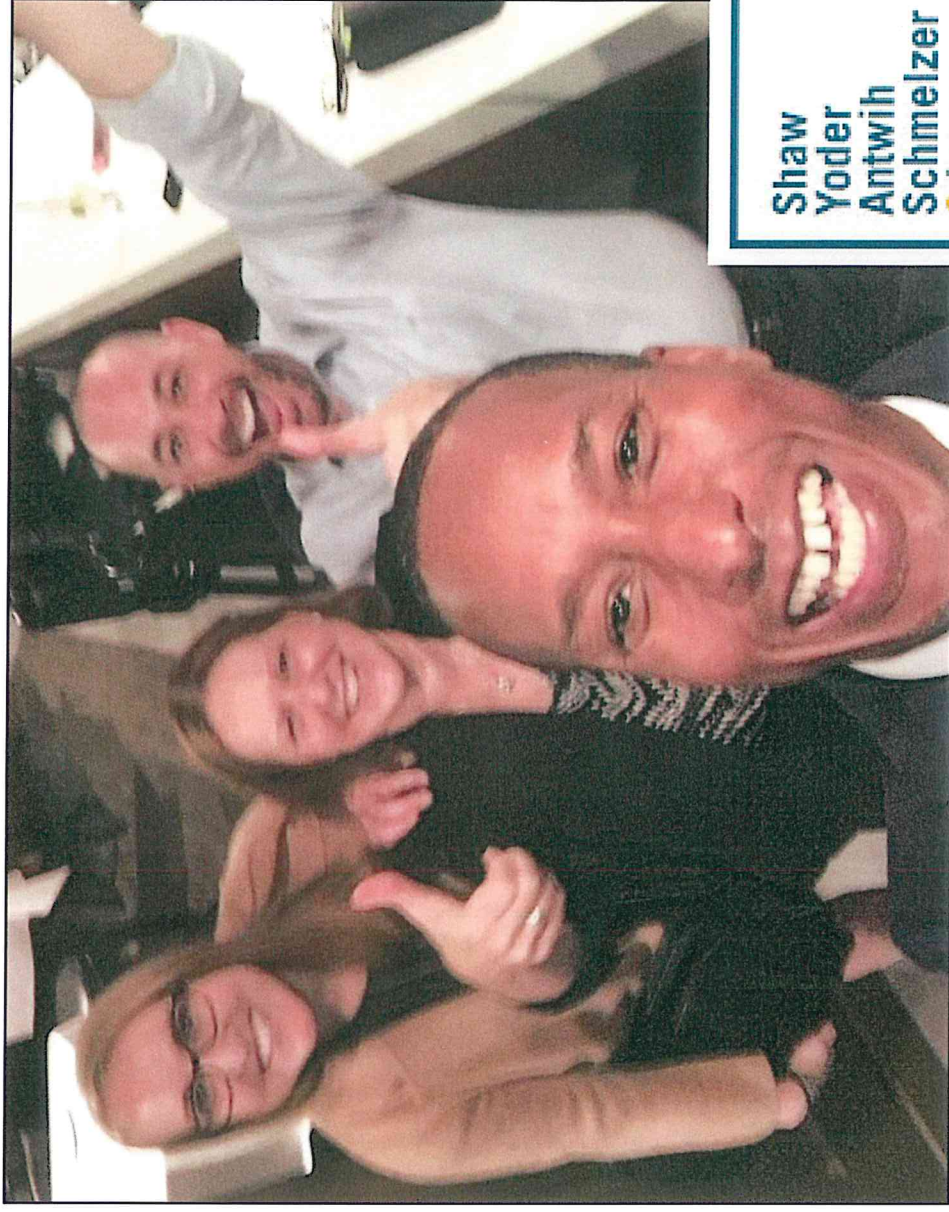
**042816**

As reflected in the language on our website<sup>1</sup>, we agree with the majority of your suggested messaging on safe medicine disposal. For example, the U.S. Food and Drug Administration (FDA or the Agency) is very supportive of medicine take-back programs which are a good way to safely dispose of unneeded medicines. However, FDA continues to recommend that, when other recommended disposal options are not available, a small number of medicines that can be particularly harmful or even fatal with just one dose be flushed down the sink or toilet as soon as they are no longer needed.





# Shaw Yoder Antwih Schmelzer & Lange



Shaw  
Yoder  
Antwih  
Schmelzer  
& Lange

- Right to Left:  
Melissa Immel, (Deputy Legislative Secretary at Office of Governor Gavin Newsom);  
Heidi Sanborn, Executive Director of NSAC;  
Jason Schmelzer (Lobbyist);  
Anthony Williams (Legislative Secretary at Office of Governor Gavin Newsom)

<https://syaslparkers.com/>



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NATIONAL STEWARDSHIP ACTION COUNCIL

# Partnership Benefits:

1. Fund NSAC at \$1,000/year

## Benefits:

- We support, author, provide technical assistance and testimony, support letters, etc. on bills of interest
- Regular product specific email updates and conference calls
- Product-specific listserv access (meds/sharps, packaging, flushable wipes, carpet)
- Free webinar registrations (5-6/year – this Thursday meds/sharps)
- Quarterly newsletters
- Logo on website (optional)
- Free national calls (twice per year and as needed)
- Qualify to have a representative apply to sit on the Board or be an Advisor
- Free technical assistance as needed!

**Working together we will make a big difference!**



# The Devil is in the Details!



# QUESTIONS?





**NATIONAL  
STEWARDSHIP  
ACTION COUNCIL**

**ADVOCATING FOR A CIRCULAR ECONOMY**



**Heidi Sanborn**

Executive Director

Office: (916) 431-7804

Cell: (916) 217-1109

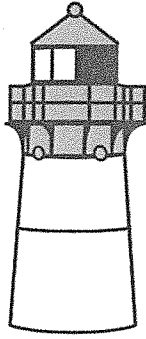
[Heidi@nsaction.us](mailto:Heidi@nsaction.us)

*Connect with us!*

***www.nsaction.us***



**YouTube**



# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **February 6, 2020**

TO: BOARD OF DIRECTORS

FROM: Christine C. Fitzgerald, General Counsel

Subject: Review and Possible Action To Amend Salary Schedule  
and Approve Adjustment to the General Manager's  
Compensation - AMENDED

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Under the Employment Contract between the District and the General Manager, dated January 1, 2017, Section 8 provides that the Board of Directors shall conduct an annual evaluation of the General Manager, and based on satisfactory performance, the General Manager will be granted a minimum amount based on the annual increase in the Consumer Price Index published by the Bureau of Labor Statistics of the United States Department of Labor for all Urban Consumers (1982-1984 = 100), San Francisco-Oakland-San Jose, California Consolidation Statistical Area ("CPI-U Indicator").<sup>1</sup>

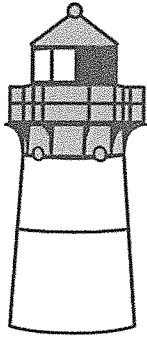
On January 30, 2020, the Board met with the General Manager and determined that the General Manager's performance satisfies the requirements set forth under Section 8 of the Employment Contract, and accordingly, formal Board action is requested to set the new salary for the General Manager classification, retroactive to January 1, 2020, consistent with the terms of the General Manager's Employment Contract. The new salary is calculated using as follows:

$\$209,609.65 \times 1.03027552$   
(the difference between October 2019, CPI-U 298.443 and October 2018, CPI-U  
289.673) = **\\$215,956.00**  
(Rounded to the nearest dollar)

With regards to fiscal impact, the total annual salary increase is \$6,346.35. In addition, below is a table of fringe benefits provided to the General Manager:

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<sup>1</sup> Specifically, the Employment Contract provides for the method of calculating any increases as follows: "The salary increases shall be determined by dividing the CPI-U Indicator that was published nearest in time before the Anniversary Date of the Employment Year to which the adjustment pertains by the CPI-U Indicator published nearest to one (1) year prior to that Anniversary Date, and multiplying the resultant number by General Manager's salary for the then current Employment Year." *Id.* at page 4.



# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **February 6, 2020**

TO: BOARD OF DIRECTORS

FROM: Christine C. Fitzgerald, General Counsel

<b>Compensation</b>	<b>\$215,956</b>
<b>PARS Contribution</b>	<b>\$8,739.34</b>
<b>457 Retirement Plan Contribution</b>	<b>\$15,116.92</b>
<b>Health Coverage (Includes Dental, Vision &amp; Life)</b>	<b>\$27,128.64</b>
<b>Wellness Program</b>	<b>\$300</b>

Additionally, Section 8 of the Employment Contract also provides that in recognition of exceptional and exemplary job performance resulting in benefits to the District and its customers, the General Manager may be entitled to an additional \$6,000 in Deferred Compensation contribution under the District's 457 Deferred Compensation Benefit Retirement Plan. The Board has made such a finding as a result of its review of the General Manager's performance, and Board authorization is also requested to grant a one-time payment of \$6,000 to the General Manager's 457 Deferred Compensation Benefit Retirement Plan account.

Lastly, as a result of the Board's negotiation with the General Manager, the parties have agreed to a one-time cash payment of \$15,000 in recognition of the General Manager's continued performance. This one-time payment is not included as base compensation for payroll or retirement calculation purposes.

**RECOMMENDATION:** Set the salary for the General Manager and approve additional terms as follows:

- i) an annual salary of \$215,956.00 retroactive to January 1, 2020;
- ii) a one-time payment of \$6,000 to the General Manager's 457 Deferred Compensation Benefit Retirement Plan account; and,
- iii) a one-time cash payment of \$15,000 to the General Manager;

And, approve the corresponding resolution adopting the amended salary schedule and approving adjustment to the General Manager's compensation.

Attachments



# MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: March 5, 2020

TO: BOARD OF DIRECTORS

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

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

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## **Budget vs. Actual – Sewer July thru December 2019 Variances over \$2,000:**

- 4460 Remodel Fees, \$3,344 below Budget – Only two fees collected in current fiscal year.
- 4610 Property Tax Receipts, \$53,762 above Budget – County apportionment received in December. ERAF collections totals \$139,294.
- 4710 Sewer Service Charges, \$39,477 above Budget – First County apportionment received in December, \$1.54M.
- 4720 Sewer Service Refunds, customer, \$4,245 above Budget – Sewer service adjustments posted to various accounts.
- **Overall Total Operating Income for the period ending December 31, 2019 was \$86,333 above budget. Total income received to date is \$1,767,490.**
- 5200 Board of Directors, \$2,415 below Budget – Election expense not expected in current fiscal year.
- 5250 Conference Attendance, \$2,500 below Budget – No activity in current fiscal year.
- 5270 Information Systems, \$6,187 above Budget – Parcel management software for sewer service charges implemented and paid for in September. Variance will decrease as fiscal year moves forward.
- 5400 Legal, \$158,018 below Budget – Expense line item expected to grow as on-going legal matters move forward.
- 5510 Maintenance, office, \$2,470 below Budget – Larger maintenance projects expected during the fiscal year.
- 5540 Office supplies, \$2,052 below Budget – Costs have been held below expected.
- 5560 Printing & Publishing, \$2,257 below Budget – Major announcement mailers have not been sent in current fiscal year.
- 5620 Audit, \$6,500 below Budget – Audit cost not billed until fieldwork takes place, currently scheduled for June.
- 5630 Consulting, \$5,933 below Budget – Sewer rate study is currently underway and will run concurrently with the Water rate study. Bills will be paid when deliverables have been accepted by the board.
- 5640 Data Services, \$3,100 below Budget – No activity in current fiscal year.





# MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: **March 5, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- 5800 Labor, \$8,605 below Budget – Major decrease is due to timing in employee benefits payments. Management wages are also less than budgeted.
- 6170 Claims, Property Damage, \$10,000 below Budget – No claims paid in current fiscal year.
- 6200 Engineering, \$19,288 below Budget – Minimal activity in the current fiscal year, due to the timing of billing.
- 6400 Pumping, \$10,192 below Budget – PG&E cost has been lower than expected in current fiscal year. Large “catch-up” bill to arrive in the Spring.
- 6600 Collection/Transmission, \$5,000 below Budget – No activity to date.
- 6910 & 6920 – SAM Collections & Operations, \$155,890 below Budget – Difference due to timing in billing and payments.
- 6940 SAM Maintenance, Collection Sys, \$20,000 below Budget – No activity to date.
- 6950 SAM Maintenance, Pumping, \$30,416 above Budget – Payment made to SAM for pump and lift station repairs. Costs to be capitalized at fiscal year end.
- **Overall Total Operating Expenses for the period ending December 31, 2019 were \$192,932 below Budget.**
- **Total overall Expenses for the period ending December 31, 2019 were \$383,639 below budget. For a net ordinary income of \$469,972, budget vs. actual. Actual net ordinary income is \$628,715.**
- 7100 Connection Fees, \$49,003 below Budget – No new construction connection issued, nor remodel connection issued in December. Only one new construction connection issued in the current fiscal year.
- 7200 Interest Income, LAIF, \$31,231 above budget – LAIF has been outperforming projections.
- 8000 CIP, \$568,569 below Budget – additional construction projects to begin later in fiscal year.
- 9200 I-Bank Loan, \$11,079 below budget – difference due to timing.



# MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: **March 5, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

## **Budget vs. Actual – Water July thru December 2019 Variances over \$2,000:**

- 4430 Inspection Fee (New Constr), \$10,560 above Budget – \$10K check for Water Main inspection relating to Big Wave received in November.
- 4610 Property Tax Receipts, \$53,762 above Budget – County apportionment received in December. ERAF collections totals \$139,294.
- 4740 Testing, Backflow, \$8,079 above Budget – Difference due to timing.
- 4810 Water Sales, Domestic, \$21,314 above budget – Fluctuations caused by usage and timing of bill payments.
- 4990 Other Revenue, \$54,439 – revenue is from Big Wave for application cost reimbursement (\$44K) & an insurance reimbursement (\$10K).
- **Overall Total Operating Income for the period ending December 31, 2019 was \$150,797 above budget. Total revenue received to date is \$1,294,797.**
- 5240 CDPH fees, \$7,875 below Budget – No activity to date.
- 5250 Conference Attendance, \$2,955 below Budget – Minimal activity in current fiscal year.
- 5400 Legal, \$84,271 below Budget – Expense line item expected to grow as on-going legal matters move forward.
- 5510 Maintenance, office, \$2,410 below Budget – Larger maintenance projects expected during the fiscal year.
- 5530 Membership, \$14,275 above Budget – Membership expenses typically paid in December and January. Variance decreases as the year fiscal year progresses.
- 5540 Office Supplies, \$2,052 below Budget – Costs have been held below expected.
- 5620 Audit, \$6,500 below Budget – Audit cost not billed until fieldwork takes place, currently scheduled for June.
- 5630 Consulting, \$32,040 below Budget – Sewer rate study is currently underway and will run concurrently with the Water rate study. Bills will be paid when deliverables have been accepted by the board.
- 5800 Labor, \$54,629 below Budget – The District budgeted to have a 4<sup>th</sup> water operator in the current fiscal year. This has not yet happened.
- 6170 Claims, Property Damage, \$5,000 – No claims paid in current fiscal year.
- 6180 Communications, \$6,451 below Budget – Minimal activity in current fiscal year. SCADA maintenance costs expected later in fiscal year.
- 6200 Engineering, \$126,345 below Budget – Water Quality engineering expenses have been held in check.



# MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: March 5, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- 6320 Equipment & tools, Expensed, \$8,687 above Budget – Expenses to be investigated further for possible capitalization.
- 6330 Facilities, \$24,469 below Budget – Maintenance & landscaping tree projects have not yet taken place.
- 6370 Lab supplies & equipment, \$5,063 above Budget – Large bill paid in September, variance expected to decrease as fiscal year moves forward.
- 6400 Pumping, \$72,607 above Budget – Payment made to Herc rentals for the purchase of a new generator will be capitalized.
- 6500 Supply, \$13,959 below Budget – One payment made to the County for water purchases at Airport Well.
- 6600 Collection/Transmission, \$5,662 – below Budget – Due to minimal activity in Maintenance, water mains & Maintenance, water svc lines.
- 6700 Treatment, \$21,030 above Budget – More chemical purchases than anticipated through December.
- 6770 Uniforms, \$2,034 above Budget – More activity then anticipated in the current year.
- 6800 Vehicles, \$2,587 above Budget – Several repairs made to damaged vehicles in October.
- **Overall Total Operating Expenses for the period ending December 31, 2019 were \$72,096 below Budget.**
- **Total overall Expenses for the period ending December 31, 2019 were \$249,301 below budget. For a net ordinary income of \$400,097, budgeted vs. actual. Actual net ordinary income is \$440,842.**
- 7100 Connection Fees, \$96,508 below Budget – No new Construction connections, or PFP connections issued in December. Only one new connection sold in current fiscal year.
- 7600 Bond Revenues, GO Bond, \$10,055 above Budget – two San Mateo payments receive in December.
- 8000 CIP, \$255,667 above Budget – \$166,384 in capital improvements paid for in December.
- 9150 SRF Loan, \$127,469 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 December 2019

	Jul - Dec 19	Sewer Budget	\$ Over Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
4220 · Cell Tower Lease	18,919.56	18,499.98	419.58
4400 · Fees			
4410 · Administrative Fee (New Constr)	2,710.00	1,800.00	910.00
4420 · Administrative Fee (Remodel)	542.00	1,000.02	-458.02
4430 · Inspection Fee (New Constr)	2,560.00	1,750.02	809.98
4440 · Inspection Fee (Remodel)	512.00	1,999.98	-1,487.98
4460 · Remodel Fees	656.00	4,000.02	-3,344.02
<b>Total 4400 · Fees</b>	<b>6,980.00</b>	<b>10,550.04</b>	<b>-3,570.04</b>
4510 · Grants	112.00		
4610 · Property Tax Receipts	191,261.61	137,500.00	53,761.61
4710 · Sewer Service Charges	1,544,583.98	1,505,106.00	39,477.98
4720 · Sewer Service Refunds, Customer	-6,244.71	-1,999.98	-4,244.73
4760 · Waste Collection Revenues	11,844.25	11,500.02	344.23
4990 · Other Revenue	32.82		
<b>Total Income</b>	<b>1,767,489.51</b>	<b>1,681,156.06</b>	<b>86,333.45</b>
<b>Gross Profit</b>	<b>1,767,489.51</b>	<b>1,681,156.06</b>	<b>86,333.45</b>
<b>Expense</b>			
5000 · Administrative			
5190 · Bank Fees	2,678.89	3,750.00	-1,071.11
5200 · Board of Directors			
5210 · Board Meetings	1,934.71	1,500.00	434.71
5220 · Director Fees	1,650.00	1,999.98	-349.98
5230 · Election Expenses	0.00	2,500.02	-2,500.02
<b>Total 5200 · Board of Directors</b>	<b>3,584.71</b>	<b>6,000.00</b>	<b>-2,415.29</b>
5250 · Conference Attendance	0.00	2,500.02	-2,500.02
5270 · Information Systems	8,187.05	1,999.98	6,187.07
5300 · Insurance			
5310 · Fidelity Bond	0.00	250.02	-250.02
5320 · Property & Liability Insurance	0.00	1,000.02	-1,000.02
<b>Total 5300 · Insurance</b>	<b>0.00</b>	<b>1,250.04</b>	<b>-1,250.04</b>
5350 · LAFCO Assessment	0.00	1,000.02	-1,000.02
5400 · Legal			
5430 · General Legal	10,396.50	206,250.00	-195,853.50
5440 · Litigation	37,835.20		
<b>Total 5400 · Legal</b>	<b>48,231.70</b>	<b>206,250.00</b>	<b>-158,018.30</b>
5510 · Maintenance, Office	1,530.51	4,000.02	-2,469.51
5520 · Meetings, Local	35.00		
5540 · Office Supplies	1,947.86	4,000.02	-2,052.16
5550 · Postage	465.75	1,324.98	-859.23
5560 · Printing & Publishing	243.42	2,500.02	-2,256.60

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

	Jul - Dec 19	Sewer Budget	\$ Over Budget
<b>5600 · Professional Services</b>			
5610 · Accounting	16,200.00	15,000.00	1,200.00
5620 · Audit	0.00	6,499.98	-6,499.98
5630 · Consulting	11,566.82	17,500.02	-5,933.20
5640 · Data Services	0.00	3,100.02	-3,100.02
5650 · Labor & HR Support	1,281.00	1,249.98	31.02
5660 · Payroll Services	456.08	499.98	-43.90
<b>Total 5600 · Professional Services</b>	<b>29,503.90</b>	<b>43,849.98</b>	<b>-14,346.08</b>
5710 · San Mateo Co. Tax Roll Charges	0.00	499.98	-499.98
5720 · Telephone & Internet	13,009.93	12,000.00	1,009.93
5730 · Mileage Reimbursement	127.99	750.00	-622.01
5740 · Reference Materials	0.00	100.02	-100.02
5790 · Other Administrative	126.85		
<b>5800 · Labor</b>			
5810 · CalPERS 457 Deferred Plan	8,332.30	8,500.98	-168.68
5820 · Employee Benefits	19,605.36	24,153.48	-4,548.12
5830 · Disability Insurance	708.30	700.50	7.80
5840 · Payroll Taxes	6,427.87	9,289.98	-2,862.11
5850 · PARS	8,066.35	8,243.52	-177.17
<b>5900 · Wages</b>			
5910 · Management	52,477.44	55,866.48	-3,389.04
5920 · Staff	67,671.53	63,262.98	4,408.55
5930 · Staff Certification	1,025.00	900.00	125.00
5940 · Staff Overtime	1,443.50	1,410.48	33.02
<b>Total 5900 · Wages</b>	<b>122,617.47</b>	<b>121,439.94</b>	<b>1,177.53</b>
5960 · Worker's Comp Insurance	701.92	2,736.48	-2,034.56
<b>Total 5800 · Labor</b>	<b>166,459.57</b>	<b>175,064.88</b>	<b>-8,605.31</b>
<b>Total 5000 · Administrative</b>	<b>276,133.13</b>	<b>466,839.96</b>	<b>-190,706.83</b>
<b>6000 · Operations</b>			
6170 · Claims, Property Damage	0.00	10,000.02	-10,000.02
6195 · Education & Training	0.00	499.98	-499.98
<b>6200 · Engineering</b>			
6210 · Meeting Attendance, Engineering	0.00	1,000.02	-1,000.02
6220 · General Engineering	11,712.50	30,000.00	-18,287.50
<b>Total 6200 · Engineering</b>	<b>11,712.50</b>	<b>31,000.02</b>	<b>-19,287.52</b>
6320 · Equipment & Tools, Expensed	0.00	499.98	-499.98
<b>6330 · Facilities</b>			
6335 · Alarm Services	2,657.34	2,850.00	-192.66
6337 · Landscaping	968.00	1,800.00	-832.00
<b>Total 6330 · Facilities</b>	<b>3,625.34</b>	<b>4,650.00</b>	<b>-1,024.66</b>
<b>6400 · Pumping</b>			
6410 · Pumping Fuel & Electricity	12,308.28	22,500.00	-10,191.72
<b>Total 6400 · Pumping</b>	<b>12,308.28</b>	<b>22,500.00</b>	<b>-10,191.72</b>
<b>6600 · Collection/Transmission</b>			
6660 · Maintenance, Collection System	0.00	4,999.98	-4,999.98
<b>Total 6600 · Collection/Transmission</b>	<b>0.00</b>	<b>4,999.98</b>	<b>-4,999.98</b>

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

	Jul - Dec 19	Sewer Budget	\$ Over Budget
6770 · Uniforms	125.80		
6800 · Vehicles			
6810 · Fuel	0.00	499.98	-499.98
6820 · Truck Equipment, Expensed	0.00	79.98	-79.98
6830 · Truck Repairs	0.00	499.98	-499.98
<b>Total 6800 · Vehicles</b>	<b>0.00</b>	<b>1,079.94</b>	<b>-1,079.94</b>
6900 · Sewer Authority Midcoastside			
6910 · SAM Collections	142,312.10	170,774.52	-28,462.42
6920 · SAM Operations	637,141.40	764,569.50	-127,428.10
6940 · SAM Maintenance, Collection Sys	0.00	19,999.98	-19,999.98
6950 · SAM Maintenance, Pumping	55,416.37	25,000.02	30,416.35
<b>Total 6900 · Sewer Authority Midcoastside</b>	<b>834,869.87</b>	<b>980,344.02</b>	<b>-145,474.15</b>
<b>Total 6000 · Operations</b>	<b>862,641.79</b>	<b>1,055,573.94</b>	<b>-192,932.15</b>
<b>Total Expense</b>	<b>1,138,774.92</b>	<b>1,522,413.90</b>	<b>-383,638.98</b>
<b>Net Ordinary Income</b>	<b>628,714.59</b>	<b>158,742.16</b>	<b>469,972.43</b>
<b>Other Income/Expense</b>			
<b>Other Income</b>			
7000 · Capital Account Revenues			
7100 · Connection Fees			
7110 · Connection Fees (New Constr)	27,342.00	75,000.00	-47,658.00
7120 · Connection Fees (Remodel)	23,655.36	25,000.02	-1,344.66
<b>Total 7100 · Connection Fees</b>	<b>50,997.36</b>	<b>100,000.02</b>	<b>-49,002.66</b>
7200 · Interest Income - LAIF	56,231.05	25,000.02	31,231.03
<b>Total 7000 · Capital Account Revenues</b>	<b>107,228.41</b>	<b>125,000.04</b>	<b>-17,771.63</b>
<b>Total Other Income</b>	<b>107,228.41</b>	<b>125,000.04</b>	<b>-17,771.63</b>
<b>Other Expense</b>			
8000 · Capital Improvement Program			
8075 · Sewer	174,473.09	743,042.52	-568,569.43
<b>Total 8000 · Capital Improvement Program</b>	<b>174,473.09</b>	<b>743,042.52</b>	<b>-568,569.43</b>
9000 · Capital Account Expenses			
9125 · PNC Equipment Lease Interest	7,822.12	7,610.52	211.60
9200 · I-Bank Loan	0.00	11,290.98	-11,290.98
<b>Total 9000 · Capital Account Expenses</b>	<b>7,822.12</b>	<b>18,901.50</b>	<b>-11,079.38</b>
<b>Total Other Expense</b>	<b>182,295.21</b>	<b>761,944.02</b>	<b>-579,648.81</b>
<b>Net Other Income</b>	<b>-75,066.80</b>	<b>-636,943.98</b>	<b>561,877.18</b>
<b>Net Income</b>	<b>553,647.79</b>	<b>-478,201.82</b>	<b>1,031,849.61</b>

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

July through December 2019

	Jul - Dec 19	Water Budget		\$ Over Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4220 · Cell Tower Lease	18,919.56	18,499.98		419.58
4400 · Fees				
4410 · Administrative Fee (New Constr)	2,710.00	2,500.02		209.98
4420 · Administrative Fee (Remodel)	542.00			
4430 · Inspection Fee (New Constr)	12,560.00	1,999.98		10,560.02
4440 · Inspection Fee (Remodel)	512.00			
4450 · Mainline Extension Fees	0.00	1,500.00		-1,500.00
4460 · Remodel Fees	2,140.38	1,000.02		1,140.36
4470 · Other Fees	822.40			
<b>Total 4400 · Fees</b>	<b>19,286.78</b>	<b>7,000.02</b>		<b>12,286.76</b>
4510 · Grants	112.00			
4610 · Property Tax Receipts	191,261.58	137,500.00		53,761.58
4740 · Testing, Backflow	17,079.00	9,000.00		8,079.00
4810 · Water Sales, Domestic	994,814.15	973,500.00		21,314.15
4850 · Water Sales Refunds, Customer	-1,115.26	-1,500.00		384.74
4990 · Other Revenue	54,439.07			
<b>Total Income</b>	<b>1,294,796.88</b>	<b>1,144,000.00</b>		<b>150,796.88</b>
<b>Gross Profit</b>	<b>1,294,796.88</b>	<b>1,144,000.00</b>		<b>150,796.88</b>
<b>Expense</b>				
5000 · Administrative				
5190 · Bank Fees	316.78	1,875.00		-1,558.22
5200 · Board of Directors				
5210 · Board Meetings	1,934.70	1,999.98		-65.28
5220 · Director Fees	1,650.00	1,650.00		0.00
<b>Total 5200 · Board of Directors</b>	<b>3,584.70</b>	<b>3,649.98</b>		<b>-65.28</b>
5240 · CDPH Fees	0.00	7,875.00		-7,875.00
5250 · Conference Attendance	45.00	3,000.00		-2,955.00
5270 · Information Systems	1,913.50	1,500.00		413.50
5300 · Insurance				
5310 · Fidelity Bond	0.00	250.02		-250.02
5320 · Property & Liability Insurance	1,173.00	1,249.98		-76.98
<b>Total 5300 · Insurance</b>	<b>1,173.00</b>	<b>1,500.00</b>		<b>-327.00</b>
5350 · LAFCO Assessment	0.00	1,375.02		-1,375.02
5400 · Legal				
5430 · General Legal	31,228.75	115,500.00		-84,271.25
<b>Total 5400 · Legal</b>	<b>31,228.75</b>	<b>115,500.00</b>		<b>-84,271.25</b>
5510 · Maintenance, Office	1,589.96	4,000.02		-2,410.06
5520 · Meetings, Local	198.01			
5530 · Memberships	26,275.16	12,000.00		14,275.16
5540 · Office Supplies	1,947.76	4,000.02		-2,052.26
5550 · Postage	3,859.92	4,500.00		-640.08
5560 · Printing & Publishing	1,098.04	1,500.00		-401.96

**Montara Water & Sanitary District**  
**Revenue & Expenditures Budget vs. Actual - Water**  
 July through December 2019

	<b>Jul - Dec 19</b>	<b>Water Budget</b>	<b>\$ Over Budget</b>
<b>5600 · Professional Services</b>			
5610 · Accounting	16,200.00	15,000.00	1,200.00
5620 · Audit	0.00	6,499.98	-6,499.98
5630 · Consulting	17,960.25	49,999.98	-32,039.73
5650 · Labor & HR Support	1,281.00	1,249.98	31.02
5660 · Payroll Services	456.03	499.98	-43.95
<b>Total 5600 · Professional Services</b>	<b>35,897.28</b>	<b>73,249.92</b>	<b>-37,352.64</b>
5720 · Telephone & Internet	15,153.44	13,500.00	1,653.44
5730 · Mileage Reimbursement	423.13	1,000.02	-576.89
5740 · Reference Materials	0.00	400.02	-400.02
5790 · Other Administrative	3,145.12		
<b>5800 · Labor</b>			
5810 · CalPERS 457 Deferred Plan	19,245.25	21,617.52	-2,372.27
5820 · Employee Benefits	31,740.13	44,055.00	-12,314.87
5830 · Disability Insurance	1,424.90	1,733.52	-308.62
5840 · Payroll Taxes	19,721.12	24,531.00	-4,809.88
5850 · PARS	16,246.44	18,817.98	-2,571.54
<b>5900 · Wages</b>			
5910 · Management	52,477.45	55,866.48	-3,389.03
5920 · Staff	197,610.73	223,420.02	-25,809.29
5930 · Staff Certification	5,583.13	5,700.00	-116.87
5940 · Staff Overtime	28,115.60	24,052.50	4,063.10
5950 · Staff Standby	12,836.43	11,624.52	1,211.91
<b>Total 5900 · Wages</b>	<b>296,623.34</b>	<b>320,663.52</b>	<b>-24,040.18</b>
5960 · Worker's Comp Insurance	3,450.24	11,662.02	-8,211.78
<b>Total 5800 · Labor</b>	<b>388,451.42</b>	<b>443,080.56</b>	<b>-54,629.14</b>
<b>Total 5000 · Administrative</b>	<b>516,300.97</b>	<b>693,505.56</b>	<b>-177,204.59</b>
<b>6000 · Operations</b>			
6160 · Backflow Prevention	0.00	499.98	-499.98
6170 · Claims, Property Damage	0.00	4,999.98	-4,999.98
<b>6180 · Communications</b>			
6185 · SCADA Maintenance	48.06	6,499.98	-6,451.92
<b>Total 6180 · Communications</b>	<b>48.06</b>	<b>6,499.98</b>	<b>-6,451.92</b>
6195 · Education & Training	2,761.24	4,500.00	-1,738.76
<b>6200 · Engineering</b>			
6210 · Meeting Attendance, Engineering	0.00	250.02	-250.02
6220 · General Engineering	12,389.54	15,000.00	-2,610.46
6230 · Water Quality Engineering	51,515.67	175,000.02	-123,484.35
<b>Total 6200 · Engineering</b>	<b>63,905.21</b>	<b>190,250.04</b>	<b>-126,344.83</b>
6320 · Equipment & Tools, Expensed	12,687.46	4,000.02	8,687.44
<b>6330 · Facilities</b>			
6335 · Alarm Services	306.54	400.02	-93.48
6337 · Landscaping	3,624.28	28,000.02	-24,375.74
<b>Total 6330 · Facilities</b>	<b>3,930.82</b>	<b>28,400.04</b>	<b>-24,469.22</b>
6370 · Lab Supplies & Equipment	6,313.38	1,249.98	5,063.40
6380 · Meter Reading	9.95		



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

July through December 2019

	Water		
	Jul - Dec 19	Budget	\$ Over Budget
<b>6400 · Pumping</b>			
6410 · Pumping Fuel & Electricity	29,686.56	45,000.00	-15,313.44
6420 · Pumping Maintenance, Generators	90,004.11	4,999.98	85,004.13
6430 · Pumping Maintenance, General	0.00	2,500.02	-2,500.02
6440 · Pumping Equipment, Expensed	5,766.48	349.98	5,416.50
<b>Total 6400 · Pumping</b>	<b>125,457.15</b>	<b>52,849.98</b>	<b>72,607.17</b>
<b>6500 · Supply</b>			
6510 · Maintenance, Raw Water Mains	0.00	1,249.98	-1,249.98
6520 · Maintenance, Wells	-815.00	2,500.02	-3,315.02
6530 · Water Purchases	10,606.31	19,999.98	-9,393.67
<b>Total 6500 · Supply</b>	<b>9,791.31</b>	<b>23,749.98</b>	<b>-13,958.67</b>
<b>6600 · Collection/Transmission</b>			
6610 · Hydrants	0.00	499.98	-499.98
6620 · Maintenance, Water Mains	18,896.44	25,000.02	-6,103.58
6630 · Maintenance, Water Svc Lines	3,519.11	10,000.02	-6,480.91
6640 · Maintenance, Tanks	4,146.03	499.98	3,646.05
6650 · Maint., Distribution General	7,426.95	4,000.02	3,426.93
6670 · Meters	1,599.42	1,249.98	349.44
<b>Total 6600 · Collection/Transmission</b>	<b>35,587.95</b>	<b>41,250.00</b>	<b>-5,662.05</b>
<b>6700 · Treatment</b>			
6710 · Chemicals & Filtering	39,577.85	10,000.02	29,577.83
6720 · Maintenance, Treatment Equip.	12,271.92	10,000.02	2,271.90
6730 · Treatment Analysis	11,680.64	22,500.00	-10,819.36
<b>Total 6700 · Treatment</b>	<b>63,530.41</b>	<b>42,500.04</b>	<b>21,030.37</b>
<b>6770 · Uniforms</b>	<b>3,034.37</b>	<b>1,000.02</b>	<b>2,034.35</b>
<b>6800 · Vehicles</b>			
6810 · Fuel	3,576.08	4,999.98	-1,423.90
6820 · Truck Equipment, Expensed	2,926.85	499.98	2,426.87
6830 · Truck Repairs	4,084.49	2,500.02	1,584.47
<b>Total 6800 · Vehicles</b>	<b>10,587.42</b>	<b>7,999.98</b>	<b>2,587.44</b>
<b>6890 · Other Operations</b>	<b>9.06</b>		
<b>Total 6000 · Operations</b>	<b>337,653.79</b>	<b>409,750.02</b>	<b>-72,096.23</b>
<b>Total Expense</b>	<b>853,954.76</b>	<b>1,103,255.58</b>	<b>-249,300.82</b>
<b>Net Ordinary Income</b>	<b>440,842.12</b>	<b>40,744.42</b>	<b>400,097.70</b>
<b>Other Income/Expense</b>			
<b>Other Income</b>			
<b>7000 · Capital Account Revenues</b>			
<b>7100 · Connection Fees</b>			
7110 · Connection Fees (New Constr)	22,177.72	75,000.00	-52,822.28
7130 · Conn. Fees, PFP (New Constr)	21,314.11	64,999.98	-43,685.87
<b>Total 7100 · Connection Fees</b>	<b>43,491.83</b>	<b>139,999.98</b>	<b>-96,508.15</b>

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Accrual Basis

**Montara Water & Sanitary District**  
**Revenue & Expenditures Budget vs. Actual - Water**  
 July through December 2019

	Jul - Dec 19	Water Budget	\$ Over Budget
7600 · Bond Revenues, G.O.	585,272.64	575,218.02	10,054.62
Total 7000 · Capital Account Revenues	628,764.47	715,218.00	-86,453.53
Total Other Income	628,764.47	715,218.00	-86,453.53
Other Expense			
8000 · Capital Improvement Program			
8100 · Water	530,416.91	274,750.02	255,666.89
Total 8000 · Capital Improvement Program	530,416.91	274,750.02	255,666.89
9000 · Capital Account Expenses			
9100 · Interest Expense - GO Bonds	117,108.56	115,269.48	1,839.08
9125 · PNC Equipment Lease Interest	7,822.13	7,610.52	211.61
9150 · SRF Loan	163,905.22	36,436.50	127,468.72
9210 · Conservation Program/Rebates	500.00	1,500.00	-1,000.00
Total 9000 · Capital Account Expenses	289,335.91	160,816.50	128,519.41
Total Other Expense	819,752.82	435,566.52	384,186.30
Net Other Income	-190,988.35	279,651.48	-470,639.83
Net Income	<b>249,853.77</b>	<b>320,395.90</b>	<b>-70,542.13</b>

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

	Dec 31, 19
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
<b>Sewer - Bank Accounts</b>	
Wells Fargo Operating - Sewer	2,286,080.52
<b>LAIF Investment Fund</b>	
Capital Reserve	3,921,377.10
Connection Fees Reserve	194,600.00
Operating Reserve	406,882.00
<b>Total LAIF Investment Fund</b>	4,522,859.10
<b>Total Sewer - Bank Accounts</b>	6,808,939.62
<b>Water - Bank Accounts</b>	
Wells Fargo Operating - Water	627,029.30
Capital Reserve	398,249.00
Operating Reserve	46,009.00
SRF Reserve	48,222.00
<b>Restricted Cash</b>	
Connection Fees Reserve	253,020.00
GO Bonds Fund	896,853.63
<b>Total Restricted Cash</b>	1,149,873.63
<b>Total Water - Bank Accounts</b>	2,269,382.93
<b>Total Checking/Savings</b>	9,078,322.55
<b>Accounts Receivable</b>	
<b>Sewer - Accounts Receivable</b>	
Accounts Receivable	-190.54
Sewer - Accounts Receivable - Other	-10,061.79
<b>Total Sewer - Accounts Receivable</b>	-10,252.33
<b>Water - Accounts Receivable</b>	
Accounts Receivable	-1,224.53
Accounts Rec. - Backflow	17,350.61
Accounts Rec. - Water Residents	180,735.03
Unbilled Water Receivables	258,319.70
<b>Total Water - Accounts Receivable</b>	455,180.81
<b>Total Accounts Receivable</b>	444,928.48
<b>Other Current Assets</b>	
Due from Kathryn Slater-Carter	614.62
Maint/Parts Inventory	42,656.32
<b>Total Other Current Assets</b>	43,270.94
<b>Total Current Assets</b>	9,566,521.97
<b>Fixed Assets</b>	
<b>Sewer - Fixed Assets</b>	
General Plant	6,161,441.87
Land	5,000.00
<b>Other Capital Improv.</b>	
Sewer-Original Cost	685,599.18
Other Cap. Improv.	2,564,810.39
<b>Total Other Capital Improv.</b>	3,250,409.57
<b>Seal Cove Collection System</b>	995,505.00
<b>Sewage Collection Facility</b>	
Collection Facility - Org. Cost	1,349,064.00
Collection Facility - Other	3,991,243.33
<b>Total Sewage Collection Facility</b>	5,340,307.33

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

	Dec 31, 19
Treatment Facility	244,539.84
Accumulated Depreciation	-8,871,583.00
<b>Total Sewer - Fixed Assets</b>	<b>7,125,620.61</b>
<b>Water - Fixed Assets</b>	
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
<b>Total Water - Fixed Assets</b>	<b>17,655,426.26</b>
<b>Total Fixed Assets</b>	<b>24,781,046.87</b>
<b>Other Assets</b>	
<b>Sewer - Other Assets</b>	
Def'd Amts Related to Pensions	92,939.00
Joint Power Authority	
SAM - Orig Collection Facility	981,592.00
SAM - Expansion	1,705,955.08
<b>Total Joint Power Authority</b>	<b>2,687,547.08</b>
<b>Total Sewer - Other Assets</b>	<b>2,780,486.08</b>
<b>Water - Other Assets</b>	
Def'd Amts Related to Pensions	174,114.00
Due from Sewer	290,312.00
Bond Acquisition Cost OID	42,978.40
Bond Issue Cost	46,268.60
<b>Total Water - Other Assets</b>	<b>553,673.00</b>
<b>Total Other Assets</b>	<b>3,334,159.08</b>
<b>TOTAL ASSETS</b>	<b>37,681,727.92</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
Accounts Payable - Sewer	100,070.34
Accounts Payable - Water	166,969.06
<b>Total Accounts Payable</b>	<b>267,039.40</b>
<b>Other Current Liabilities</b>	
Water - Net Pension Liability	-60,375.00
Sewer - Net Pension Liability	-32,045.00
<b>Sewer - Current Liabilities</b>	
Accrued Vacations	5,943.33
Deposits Payable	30,001.63
I-Bank Loan - Current	29,929.31
Interest Payable	10,265.32
PNC Equip. Loan - S/T	28,960.68
<b>Total Sewer - Current Liabilities</b>	<b>105,100.27</b>
<b>Water - Current Liabilities</b>	
Accrued Vacations	15,964.24
Deposits Payable	2,926.09
GO Bonds - S/T	461,787.93
Interest Payable	98,256.59
PFP Water Deposits	4,302.50
PNC Equip. Loan - S/T	28,960.66
SRF Loan Payable X102 - Current	42,901.29
SRF Loan Payable X109 - Current	168,622.04
Temporary Construction Meter	12,378.69
<b>Total Water - Current Liabilities</b>	<b>836,100.03</b>

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

	<u>Dec 31, 19</u>
Payroll Liabilities	
Employee Benefits Payable	10,143.60
<b>Total Payroll Liabilities</b>	<u>10,143.60</u>
<b>Total Other Current Liabilities</b>	<u>858,923.90</u>
<b>Total Current Liabilities</b>	1,125,963.30
<b>Long Term Liabilities</b>	
<b>Sewer - Long Term Liabilities</b>	
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
<b>Total Sewer - Long Term Liabilities</b>	<u>1,510,706.65</u>
<b>Water - Long Term Liabilities</b>	
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
<b>Total Water - Long Term Liabilities</b>	<u>12,160,320.31</u>
<b>Deferred Inflows (Pensions)</b>	
Sewer	20,838.00
Water	39,012.00
<b>Total Deferred Inflows (Pensions)</b>	<u>59,850.00</u>
<b>Total Long Term Liabilities</b>	<u>13,730,876.96</u>
<b>Total Liabilities</b>	14,856,840.26
<b>Equity</b>	
<b>Sewer - Equity Accounts</b>	
Capital Assets Net	3,408,252.20
Fund Balance - Unrestricted	8,646,292.87
Retained Earnings	273,503.51
<b>Total Sewer - Equity Accounts</b>	<u>12,328,048.58</u>
<b>Water - Equity Accounts</b>	
Capital Assets Net	2,868,858.70
Restricted Debt Service	1,384,997.90
Unrestricted	-1,562,801.59
Retained Earnings	-273,503.51
<b>Total Water - Equity Accounts</b>	<u>2,417,551.50</u>
<b>Equity Adjustment Account</b>	7,275,786.02
<b>Net Income</b>	803,501.56
<b>Total Equity</b>	<u>22,824,887.66</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>37,681,727.92</u></u>



# MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: **March 5, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

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

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

- 4460 Remodel Fees, \$3,740 below Budget – Only two application fees collected in current fiscal year.
- 4610 Property Tax Receipts, \$131,911 above Budget – County apportionment received in December. ERAF collections totals \$139,294.
- 4710 Sewer Service Charges, \$211,373 below Budget – No apportionments received in January.
- 4720 Sewer Service Refunds, customer, \$3,911 above Budget – Sewer service adjustments posted to various accounts.
- **Overall Total Operating Income for the period ending January 31, 2020 was \$87,052 below budget. Total income received to date is \$1,851,380.**
- 5200 Board of Directors, \$2,643 below Budget – Election expense not expected in current fiscal year.
- 5250 Conference Attendance, \$2,713 below Budget – Minimal activity in January.
- 5270 Information Systems, \$5,854 above Budget – Parcel management software for sewer service charges implemented and paid for in September.
- 5400 Legal, \$183,428 below Budget – Expense line item expected to grow as on-going legal matters move forward.
- 5510 Maintenance, office, \$3,036 below Budget – Larger maintenance projects expected during the fiscal year.
- 5540 Office supplies, \$2,261 below Budget – Minimal activity in the current fiscal year.
- 5560 Printing & Publishing, \$2,623 below Budget – Minimal activity in January.
- 5630 Consulting, \$5,393 below Budget – Sewer rate study is currently underway and will run concurrently with the Water rate study. Bills will be paid when deliverables have been accepted by the board.
- 5640 Data Services, \$3,617 below Budget – No activity in current fiscal year.



# MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: **March 5, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- 5800 Labor, \$8,548 below Budget – Major decrease is due to timing in employee benefits payments. Management wages are also less than budgeted.
- 6170 Claims, Property Damage, \$11,667 below Budget – No claims paid in current fiscal year.
- 6200 Engineering, \$22,594 below Budget – Minimal activity in the current fiscal year, due to the timing of billing.
- 6400 Pumping, \$10,957 below Budget – PG&E cost has been lower than expected in current fiscal year. Large “catch-up” bill to arrive in the Spring.
- 6600 Collection/Transmission, \$5,833 below Budget – No activity to date.
- 6910 & 6920 – SAM Collections & Operations, \$155,890 below Budget – Difference due to timing in billing.
- 6940 SAM Maintenance, Collection Sys, \$23,333 below Budget – No activity to date.
- 6950 SAM Maintenance, Pumping, \$28,234 above Budget – Payment made to SAM for pump and lift station repairs. Costs to be capitalized at fiscal year end.
- **Overall Total Operating Expenses for the period ending January 31, 2020 were \$205,197 below Budget.**
- **Total overall Expenses for the period ending January 31, 2020 were \$415,522 below budget. For a net ordinary income of \$328,469, budget vs. actual. Actual net ordinary income is \$490,752.**
- 7100 Connection Fees, \$54,710 below Budget – No new construction connection issued, one remodel connection issued in January.
- 7200 Interest Income, LAIF, \$53,047 above budget – LAIF has been outperforming projections.
- 8000 CIP, \$690,736 below Budget – additional construction projects to begin during the fiscal year.
- 9200 I-Bank Loan, \$13,173 below budget – difference due to timing.



# MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: **March 5, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

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

- 4430 Inspection Fee (New Constr), \$10,739 above Budget – \$10K check for Water Main inspection relating to Big Wave received in November.
- 4610 Property Tax Receipts, \$131,911 above Budget – County apportionment received in December. ERAF collections totals \$139,294.
- 4740 Testing, Backflow, \$7,526 above Budget – Difference due to timing.
- 4810 Water Sales, Domestic, \$6,316 above budget – Fluctuations caused by usage and timing of bill payments.
- 4990 Other Revenue, \$54,439 – revenue is from Big Wave for application cost reimbursement (\$44K) & an insurance reimbursement (\$10K).
- **Overall Total Operating Income for the period ending January 31, 2020 was \$244,266 above budget. Total revenue received to date is \$1,556,016.**
- 5250 Conference Attendance, \$3,252 below Budget – Minimal activity in January.
- 5400 Legal, \$93,959 below Budget – Expense line item expected to grow as on-going legal matters move forward.
- 5510 Maintenance, office, \$2,977 below Budget – Larger maintenance projects expected during the fiscal year.
- 5530 Membership, \$12,275 above Budget – ACWA & CA rural memberships received in December.
- 5540 Office Supplies, \$2,262 below Budget – Minimal activity in the current year.
- 5630 Consulting, \$36,916 below Budget – Sewer rate study is currently underway and will run concurrently with the Water rate study. Bills will be paid when deliverables have been accepted by the board.
- 5720 Telephone & Internet, \$2,485 above Budget – Service provider's continually raise rates after initial promotion ends. GM to re-evaluate.
- 5800 Labor, \$61,193 below Budget – The District budgeted to have a 4<sup>th</sup> water operator in the current fiscal year. This has not yet happened.
- 6170 Claims, Property Damage, \$5,833 – No claims paid in current fiscal year.
- 6180 Communications, \$7,535 below Budget – Minimal activity in current fiscal year. SCADA maintenance costs expected later in fiscal year.
- 6195 Education & training, \$2,153 below Budget – Under budget due to District not having 4<sup>th</sup> operator to send to cert training.
- 6200 Engineering, \$148,705 below Budget – Water Quality engineering expenses have been held in check.





# MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: March 5, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- 6320 Equipment & tools, Expensed, \$10,210 above Budget – Expenses to be investigated further for possible capitalization.
- 6330 Facilities, \$28,546 below Budget – Maintenance & landscaping tree projects have not yet taken place.
- 6370 Lab supplies & equipment, \$5,574 above Budget – Large bill paid in September, variance expected to decrease as fiscal year moves forward.
- 6400 Pumping, \$71,932 above Budget – Payment made to Herc rentals for the purchase of a new generator will be capitalized.
- 6500 Supply, \$17,917 below Budget – One payment made to the County for water purchases at Airport Well.
- 6700 Treatment, \$15,984 above Budget – More chemical purchases than anticipated through December.
- 6770 Uniforms, \$2,036 above Budget – More activity than anticipated in the current year.
- **Overall Total Operating Expenses for the period ending January 31, 2020 were \$105,419 below Budget.**
- **Total overall Expenses for the period ending January 31, 2019 were \$288,605 below budget. For a net ordinary income of \$532,871, budgeted vs. actual. Actual net ordinary income is \$557,490.**
- 7100 Connection Fees, \$115,640 below Budget – Four new Construction meter upgrades sold, no PFP connections or new full connections sold in January.
- 7600 Bond Revenues, GO Bond, \$83,463 below Budget – One minimal San Mateo payments receive in January.
- 8000 CIP, \$383,762 above Budget – \$173,886 in capital improvements paid for in January.
- 9100 Interest Expense-GO Bonds, 17,373 below Budget – Difference due to timing.
- 9150 SRF Loan, \$121,396 below Budget – Difference due to timing.

## RECOMMENDATION:

This is for Board information only

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

	Jul '19 - Jan 20	Sewer Budget	\$ Over Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
4220 · Cell Tower Lease	22,072.82	21,583.31	489.51
4400 · Fees			
4410 · Administrative Fee (New Constr)	3,252.00	2,100.00	1,152.00
4420 · Administrative Fee (Remodel)	542.00	1,166.69	-624.69
4430 · Inspection Fee (New Constr)	3,072.00	2,041.69	1,030.31
4440 · Inspection Fee (Remodel)	512.00	2,333.31	-1,821.31
4460 · Remodel Fees	927.00	4,666.69	-3,739.69
<b>Total 4400 · Fees</b>	8,305.00	12,308.38	-4,003.38
4510 · Grants	112.00		
4610 · Property Tax Receipts	269,411.68	137,500.00	131,911.68
4710 · Sewer Service Charges	1,544,583.98	1,755,957.00	-211,373.02
4720 · Sewer Service Refunds, Customer	-6,244.71	-2,333.31	-3,911.40
4760 · Waste Collection Revenues	13,106.15	13,416.69	-310.54
4990 · Other Revenue	32.82		
<b>Total Income</b>	1,851,379.74	1,938,432.07	-87,052.33
<b>Gross Profit</b>	1,851,379.74	1,938,432.07	-87,052.33
<b>Expense</b>			
5000 · Administrative			
5190 · Bank Fees	3,109.38	4,375.00	-1,265.62
5200 · Board of Directors			
5210 · Board Meetings	2,257.17	1,750.00	507.17
5220 · Director Fees	2,100.00	2,333.31	-233.31
5230 · Election Expenses	0.00	2,916.69	-2,916.69
<b>Total 5200 · Board of Directors</b>	4,357.17	7,000.00	-2,642.83
5250 · Conference Attendance	203.30	2,916.69	-2,713.39
5270 · Information Systems	8,187.05	2,333.31	5,853.74
5300 · Insurance			
5310 · Fidelity Bond	0.00	291.69	-291.69
5320 · Property & Liability Insurance	0.00	1,166.69	-1,166.69
<b>Total 5300 · Insurance</b>	0.00	1,458.38	-1,458.38
5350 · LAFCO Assessment	0.00	1,166.69	-1,166.69
5400 · Legal			
5430 · General Legal	19,361.76	240,625.00	-221,263.24
5440 · Litigation	37,835.20		
<b>Total 5400 · Legal</b>	57,196.96	240,625.00	-183,428.04
5510 · Maintenance, Office	1,630.51	4,666.69	-3,036.18
5520 · Meetings, Local	35.00		
5540 · Office Supplies	2,405.33	4,666.69	-2,261.36
5550 · Postage	465.75	1,545.81	-1,080.06
5560 · Printing & Publishing	293.66	2,916.69	-2,623.03

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

	Jul '19 - Jan 20	Sewer Budget	\$ Over Budget
<b>5600 · Professional Services</b>			
5610 · Accounting	19,450.00	17,500.00	1,950.00
5620 · Audit	8,150.00	7,583.31	566.69
5630 · Consulting	15,023.45	20,416.69	-5,393.24
5640 · Data Services	0.00	3,616.69	-3,616.69
5650 · Labor & HR Support	1,494.50	1,458.31	36.19
5660 · Payroll Services	600.39	583.31	17.08
<b>Total 5600 · Professional Services</b>	<b>44,718.34</b>	<b>51,158.31</b>	<b>-6,439.97</b>
<b>5710 · San Mateo Co. Tax Roll Charges</b>	<b>0.00</b>	<b>583.31</b>	<b>-583.31</b>
5720 · Telephone & Internet	15,770.29	14,000.00	1,770.29
5730 · Mileage Reimbursement	127.99	875.00	-747.01
5740 · Reference Materials	0.00	116.69	-116.69
5790 · Other Administrative	126.85		
<b>5800 · Labor</b>			
5810 · CalPERS 457 Deferred Plan	9,741.07	9,917.81	-176.74
5820 · Employee Benefits	23,577.52	28,179.06	-4,601.54
5830 · Disability Insurance	849.96	817.25	32.71
5840 · Payroll Taxes	8,014.92	10,838.31	-2,823.39
5850 · PARS	9,445.18	9,617.44	-172.26
<b>5900 · Wages</b>			
5910 · Management	61,223.68	65,177.56	-3,953.88
5920 · Staff	79,471.33	73,806.81	5,664.52
5930 · Staff Certification	1,225.00	1,050.00	175.00
5940 · Staff Overtime	1,443.50	1,645.56	-202.06
<b>Total 5900 · Wages</b>	<b>143,363.51</b>	<b>141,679.93</b>	<b>1,683.58</b>
5960 · Worker's Comp Insurance	701.92	3,192.56	-2,490.64
<b>Total 5800 · Labor</b>	<b>195,694.08</b>	<b>204,242.36</b>	<b>-8,548.28</b>
<b>Total 5000 · Administrative</b>	<b>334,321.66</b>	<b>544,646.62</b>	<b>-210,324.96</b>
<b>6000 · Operations</b>			
6170 · Claims, Property Damage	0.00	11,666.69	-11,666.69
6195 · Education & Training	0.00	583.31	-583.31
<b>6200 · Engineering</b>			
6210 · Meeting Attendance, Engineering	0.00	1,166.69	-1,166.69
6220 · General Engineering	13,572.50	35,000.00	-21,427.50
<b>Total 6200 · Engineering</b>	<b>13,572.50</b>	<b>36,166.69</b>	<b>-22,594.19</b>
6320 · Equipment & Tools, Expensed	0.00	583.31	-583.31
<b>6330 · Facilities</b>			
6335 · Alarm Services	3,101.64	3,325.00	-223.36
6337 · Landscaping	1,468.00	2,100.00	-632.00
<b>Total 6330 · Facilities</b>	<b>4,569.64</b>	<b>5,425.00</b>	<b>-855.36</b>
<b>6400 · Pumping</b>			
6410 · Pumping Fuel & Electricity	15,292.33	26,250.00	-10,957.67
<b>Total 6400 · Pumping</b>	<b>15,292.33</b>	<b>26,250.00</b>	<b>-10,957.67</b>
<b>6600 · Collection/Transmission</b>			
6660 · Maintenance, Collection System	0.00	5,833.31	-5,833.31
<b>Total 6600 · Collection/Transmission</b>	<b>0.00</b>	<b>5,833.31</b>	<b>-5,833.31</b>

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

	Jul '19 - Jan 20	Sewer Budget	\$ Over Budget
6770 · Uniforms	125.80		
6800 · Vehicles			
6810 · Fuel	0.00	583.31	-583.31
6820 · Truck Equipment, Expensed	0.00	93.31	-93.31
6830 · Truck Repairs	0.00	583.31	-583.31
<b>Total 6800 · Vehicles</b>	<b>0.00</b>	<b>1,259.93</b>	<b>-1,259.93</b>
6900 · Sewer Authority Midcoastside			
6910 · SAM Collections	170,774.52	199,236.94	-28,462.42
6920 · SAM Operations	764,569.68	891,997.75	-127,428.07
6940 · SAM Maintenance, Collection Sys	0.00	23,333.31	-23,333.31
6950 · SAM Maintenance, Pumping	57,401.19	29,166.69	28,234.50
<b>Total 6900 · Sewer Authority Midcoastside</b>	<b>992,745.39</b>	<b>1,143,734.69</b>	<b>-150,989.30</b>
<b>Total 6000 · Operations</b>	<b>1,026,305.66</b>	<b>1,231,502.93</b>	<b>-205,197.27</b>
<b>Total Expense</b>	<b>1,360,627.32</b>	<b>1,776,149.55</b>	<b>-415,522.23</b>
<b>Net Ordinary Income</b>	<b>490,752.42</b>	<b>162,282.52</b>	<b>328,469.90</b>
<b>Other Income/Expense</b>			
<b>Other Income</b>			
7000 · Capital Account Revenues			
7100 · Connection Fees			
7110 · Connection Fees (New Constr)	27,342.00	87,500.00	-60,158.00
7120 · Connection Fees (Remodel)	34,614.36	29,166.69	5,447.67
<b>Total 7100 · Connection Fees</b>	<b>61,956.36</b>	<b>116,666.69</b>	<b>-54,710.33</b>
7200 · Interest Income - LAIF	82,213.62	29,166.69	53,046.93
<b>Total 7000 · Capital Account Revenues</b>	<b>144,169.98</b>	<b>145,833.38</b>	<b>-1,663.40</b>
<b>Total Other Income</b>	<b>144,169.98</b>	<b>145,833.38</b>	<b>-1,663.40</b>
<b>Other Expense</b>			
8000 · Capital Improvement Program			
8075 · Sewer	176,147.09	866,882.94	-690,735.85
<b>Total 8000 · Capital Improvement Program</b>	<b>176,147.09</b>	<b>866,882.94</b>	<b>-690,735.85</b>
9000 · Capital Account Expenses			
9125 · PNC Equipment Lease Interest	9,084.92	8,878.94	205.98
9200 · I-Bank Loan	0.00	13,172.81	-13,172.81
<b>Total 9000 · Capital Account Expenses</b>	<b>9,084.92</b>	<b>22,051.75</b>	<b>-12,966.83</b>
<b>Total Other Expense</b>	<b>185,232.01</b>	<b>888,934.69</b>	<b>-703,702.68</b>
<b>Net Other Income</b>	<b>-41,062.03</b>	<b>-743,101.31</b>	<b>702,039.28</b>
<b>Net Income</b>	<b>449,690.39</b>	<b>-580,818.79</b>	<b>1,030,509.18</b>

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

July 2019 through January 2020

	Water		
	Jul '19 - Jan 20	Budget	\$ Over Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
4220 · Cell Tower Lease	22,072.82	21,583.31	489.51
4400 · Fees			
4410 · Administrative Fee (New Constr)	3,252.00	2,916.69	335.31
4420 · Administrative Fee (Remodel)	542.00		
4430 · Inspection Fee (New Constr)	13,072.00	2,333.31	10,738.69
4440 · Inspection Fee (Remodel)	1,024.00		
4450 · Mainline Extension Fees	0.00	1,750.00	-1,750.00
4460 · Remodel Fees	2,682.38	1,166.69	1,515.69
4470 · Other Fees	43,286.99		
<b>Total 4400 · Fees</b>	<b>63,859.37</b>	<b>8,166.69</b>	<b>55,692.68</b>
4510 · Grants	112.00		
4610 · Property Tax Receipts	269,411.64	137,500.00	131,911.64
4740 · Testing, Backflow	18,026.00	10,500.00	7,526.00
4810 · Water Sales, Domestic	1,129,433.67	1,135,750.00	-6,316.33
4850 · Water Sales Refunds, Customer	-1,338.19	-1,750.00	411.81
4990 · Other Revenue	54,439.07		
<b>Total Income</b>	<b>1,556,016.38</b>	<b>1,311,750.00</b>	<b>244,266.38</b>
<b>Gross Profit</b>	<b>1,556,016.38</b>	<b>1,311,750.00</b>	<b>244,266.38</b>
<b>Expense</b>			
5000 · Administrative			
5190 · Bank Fees	526.18	2,187.50	-1,661.32
5200 · Board of Directors			
5210 · Board Meetings	2,257.16	2,333.31	-76.15
5220 · Director Fees	2,100.00	1,925.00	175.00
<b>Total 5200 · Board of Directors</b>	<b>4,357.16</b>	<b>4,258.31</b>	<b>98.85</b>
5240 · CDPH Fees	9,156.40	9,187.50	-31.10
5250 · Conference Attendance	248.30	3,500.00	-3,251.70
5270 · Information Systems	1,913.50	1,750.00	163.50
5300 · Insurance			
5310 · Fidelity Bond	0.00	291.69	-291.69
5320 · Property & Liability Insurance	1,173.00	1,458.31	-285.31
<b>Total 5300 · Insurance</b>	<b>1,173.00</b>	<b>1,750.00</b>	<b>-577.00</b>
5350 · LAFCO Assessment	2,465.00	1,604.19	860.81
5400 · Legal			
5430 · General Legal	40,791.01	134,750.00	-93,958.99
<b>Total 5400 · Legal</b>	<b>40,791.01</b>	<b>134,750.00</b>	<b>-93,958.99</b>
5510 · Maintenance, Office	1,689.96	4,666.69	-2,976.73
5520 · Meetings, Local	198.01		
5530 · Memberships	26,275.16	14,000.00	12,275.16
5540 · Office Supplies	2,405.18	4,666.69	-2,261.51
5550 · Postage	3,859.92	5,250.00	-1,390.08
5560 · Printing & Publishing	2,116.70	1,750.00	366.70

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

	Jul '19 - Jan 20	Water Budget	\$ Over Budget
<b>5600 · Professional Services</b>			
5610 · Accounting	19,450.00	17,500.00	1,950.00
5620 · Audit	8,150.00	7,583.31	566.69
5630 · Consulting	21,416.87	58,333.31	-36,916.44
5650 · Labor & HR Support	1,494.50	1,458.31	36.19
5660 · Payroll Services	600.32	583.31	17.01
<b>Total 5600 · Professional Services</b>	<b>51,111.69</b>	<b>85,458.24</b>	<b>-34,346.55</b>
5720 · Telephone & Internet	18,235.24	15,750.00	2,485.24
5730 · Mileage Reimbursement	423.13	1,166.69	-743.56
5740 · Reference Materials	0.00	466.69	-466.69
5790 · Other Administrative	3,224.22		
<b>5800 · Labor</b>			
5810 · CalPERS 457 Deferred Plan	22,520.65	25,220.44	-2,699.79
5820 · Employee Benefits	38,186.02	51,397.50	-13,211.48
5830 · Disability Insurance	1,709.88	2,022.44	-312.56
5840 · Payroll Taxes	23,591.48	28,619.50	-5,028.02
5850 · PARS	19,058.64	21,954.31	-2,895.67
<b>5900 · Wages</b>			
5910 · Management	61,223.69	65,177.56	-3,953.87
5920 · Staff	232,489.73	260,656.69	-28,166.96
5930 · Staff Certification	6,483.13	6,650.00	-166.87
5940 · Staff Overtime	32,135.24	28,061.25	4,073.99
5950 · Staff Standby	14,884.82	13,561.94	1,322.88
<b>Total 5900 · Wages</b>	<b>347,216.61</b>	<b>374,107.44</b>	<b>-26,890.83</b>
5960 · Worker's Comp Insurance	3,450.24	13,605.69	-10,155.45
<b>Total 5800 · Labor</b>	<b>455,733.52</b>	<b>516,927.32</b>	<b>-61,193.80</b>
<b>Total 5000 · Administrative</b>	<b>625,903.28</b>	<b>809,089.82</b>	<b>-183,186.54</b>
<b>6000 · Operations</b>			
6160 · Backflow Prevention	0.00	583.31	-583.31
6170 · Claims, Property Damage	0.00	5,833.31	-5,833.31
<b>6180 · Communications</b>			
6185 · SCADA Maintenance	48.06	7,583.31	-7,535.25
<b>Total 6180 · Communications</b>	<b>48.06</b>	<b>7,583.31</b>	<b>-7,535.25</b>
6195 · Education & Training	3,097.49	5,250.00	-2,152.51
<b>6200 · Engineering</b>			
6210 · Meeting Attendance, Engineering	0.00	291.69	-291.69
6220 · General Engineering	12,389.54	17,500.00	-5,110.46
6230 · Water Quality Engineering	60,863.43	204,166.69	-143,303.26
<b>Total 6200 · Engineering</b>	<b>73,252.97</b>	<b>221,958.38</b>	<b>-148,705.41</b>
6320 · Equipment & Tools, Expensed	14,876.32	4,666.69	10,209.63
<b>6330 · Facilities</b>			
6335 · Alarm Services	359.04	466.69	-107.65
6337 · Landscaping	4,227.90	32,666.69	-28,438.79
<b>Total 6330 · Facilities</b>	<b>4,586.94</b>	<b>33,133.38</b>	<b>-28,546.44</b>
6370 · Lab Supplies & Equipment	7,032.75	1,458.31	5,574.44
6380 · Meter Reading	9.95		

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

	Jul '19 - Jan 20	Water Budget	\$ Over Budget
<b>6400 · Pumping</b>			
6410 · Pumping Fuel & Electricity	35,006.78	52,500.00	-17,493.22
6420 · Pumping Maintenance, Generators	90,004.11	5,833.31	84,170.80
6430 · Pumping Maintenance, General	17.24	2,916.69	-2,899.45
6440 · Pumping Equipment, Expensed	8,562.13	408.31	8,153.82
<b>Total 6400 · Pumping</b>	<b>133,590.26</b>	<b>61,658.31</b>	<b>71,931.95</b>
<b>6500 · Supply</b>			
6510 · Maintenance, Raw Water Mains	0.00	1,458.31	-1,458.31
6520 · Maintenance, Wells	-815.00	2,916.69	-3,731.69
6530 · Water Purchases	10,606.31	23,333.31	-12,727.00
<b>Total 6500 · Supply</b>	<b>9,791.31</b>	<b>27,708.31</b>	<b>-17,917.00</b>
<b>6600 · Collection/Transmission</b>			
6610 · Hydrants	0.00	583.31	-583.31
6620 · Maintenance, Water Mains	25,286.01	29,166.69	-3,880.68
6630 · Maintenance, Water Svc Lines	3,519.11	11,666.69	-8,147.58
6640 · Maintenance, Tanks	4,146.03	583.31	3,562.72
6650 · Maint., Distribution General	7,426.95	4,666.69	2,760.26
6670 · Meters	6,253.45	1,458.31	4,795.14
<b>Total 6600 · Collection/Transmission</b>	<b>46,631.55</b>	<b>48,125.00</b>	<b>-1,493.45</b>
<b>6700 · Treatment</b>			
6710 · Chemicals & Filtering	40,258.35	11,666.69	28,591.66
6720 · Maintenance, Treatment Equip.	12,409.81	11,666.69	743.12
6730 · Treatment Analysis	12,899.39	26,250.00	-13,350.61
<b>Total 6700 · Treatment</b>	<b>65,567.55</b>	<b>49,583.38</b>	<b>15,984.17</b>
<b>6770 · Uniforms</b>	<b>3,202.58</b>	<b>1,166.69</b>	<b>2,035.89</b>
<b>6800 · Vehicles</b>			
6810 · Fuel	3,914.87	5,833.31	-1,918.44
6820 · Truck Equipment, Expensed	2,926.85	583.31	2,343.54
6830 · Truck Repairs	4,084.49	2,916.69	1,167.80
<b>Total 6800 · Vehicles</b>	<b>10,926.21</b>	<b>9,333.31</b>	<b>1,592.90</b>
<b>6890 · Other Operations</b>	<b>9.06</b>		
<b>Total 6000 · Operations</b>	<b>372,623.00</b>	<b>478,041.69</b>	<b>-105,418.69</b>
<b>Total Expense</b>	<b>998,526.28</b>	<b>1,287,131.51</b>	<b>-288,605.23</b>
<b>Net Ordinary Income</b>	<b>557,490.10</b>	<b>24,618.49</b>	<b>532,871.61</b>
<b>Other Income/Expense</b>			
<b>Other Income</b>			
<b>7000 · Capital Account Revenues</b>			
<b>7100 · Connection Fees</b>			
7110 · Connection Fees (New Constr)	26,378.44	87,500.00	-61,121.56
7130 · Conn. Fees, PFP (New Constr)	21,314.11	75,833.31	-54,519.20
<b>Total 7100 · Connection Fees</b>	<b>47,692.55</b>	<b>163,333.31</b>	<b>-115,640.76</b>

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Accrual Basis

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

	Jul '19 - Jan 20	Water Budget	\$ Over Budget
7600 · Bond Revenues, G.O.	587,624.65	671,087.69	-83,463.04
<b>Total 7000 · Capital Account Revenues</b>	<b>635,317.20</b>	<b>834,421.00</b>	<b>-199,103.80</b>
<b>Total Other Income</b>	<b>635,317.20</b>	<b>834,421.00</b>	<b>-199,103.80</b>
<b>Other Expense</b>			
8000 · Capital Improvement Program			
8100 · Water	704,303.36	320,541.69	383,761.67
<b>Total 8000 · Capital Improvement Program</b>	<b>704,303.36</b>	<b>320,541.69</b>	<b>383,761.67</b>
9000 · Capital Account Expenses			
9100 · Interest Expense - GO Bonds	117,108.56	134,481.06	-17,372.50
9125 · PNC Equipment Lease Interest	9,084.93	8,878.94	205.99
9150 · SRF Loan	163,905.22	42,509.25	121,395.97
9200 · I-Bank Loan	11,062.63		
9210 · Conservation Program/Rebates	950.00	1,750.00	-800.00
<b>Total 9000 · Capital Account Expenses</b>	<b>302,111.34</b>	<b>187,619.25</b>	<b>114,492.09</b>
<b>Total Other Expense</b>	<b>1,006,414.70</b>	<b>508,160.94</b>	<b>498,253.76</b>
<b>Net Other Income</b>	<b>-371,097.50</b>	<b>326,260.06</b>	<b>-697,357.56</b>
<b>Net Income</b>	<b>186,392.60</b>	<b>350,878.55</b>	<b>-164,485.95</b>



**Montara Water & Sanitary District**  
**Balance Sheet**  
 As of January 31, 2020

	Jan 31, 20
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
<b>Sewer - Bank Accounts</b>	
Wells Fargo Operating - Sewer	1,531,279.28
<b>LAIF Investment Fund</b>	
Capital Reserve	3,947,359.67
Connection Fees Reserve	194,600.00
Operating Reserve	406,882.00
<b>Total LAIF Investment Fund</b>	4,548,841.67
<b>Total Sewer - Bank Accounts</b>	6,080,120.95
<b>Water - Bank Accounts</b>	
Wells Fargo Operating - Water	642,109.43
Capital Reserve	398,249.00
Operating Reserve	46,009.00
SRF Reserve	48,222.00
<b>Restricted Cash</b>	
Connection Fees Reserve	253,020.00
GO Bonds Fund	1,457,563.78
<b>Total Restricted Cash</b>	1,710,583.78
<b>Total Water - Bank Accounts</b>	2,845,173.21
<b>Total Checking/Savings</b>	8,925,294.16
<b>Accounts Receivable</b>	
<b>Sewer - Accounts Receivable</b>	
Accounts Receivable	-3,343.80
Sewer - Accounts Receivable - Other	-10,061.79
<b>Total Sewer - Accounts Receivable</b>	-13,405.59
<b>Water - Accounts Receivable</b>	
Accounts Receivable	-4,377.79
Accounts Rec. - Backflow	17,588.61
Accounts Rec. - Water Residents	170,400.45
Unbilled Water Receivables	258,319.70
<b>Total Water - Accounts Receivable</b>	441,930.97
<b>Total Accounts Receivable</b>	428,525.38
<b>Other Current Assets</b>	
Due from Kathryn Slater-Carter	614.62
Maint/Parts Inventory	42,656.32
<b>Total Other Current Assets</b>	43,270.94
<b>Total Current Assets</b>	9,397,090.48
<b>Fixed Assets</b>	
<b>Sewer - Fixed Assets</b>	
General Plant	6,161,441.87
Land	5,000.00
<b>Other Capital Improv.</b>	
Sewer-Original Cost	685,599.18
Other Cap. Improv.	2,564,810.39
<b>Total Other Capital Improv.</b>	3,250,409.57
<b>Seal Cove Collection System</b>	995,505.00
<b>Sewage Collection Facility</b>	
Collection Facility - Org. Cost	1,349,064.00
Collection Facility - Other	3,991,243.33
<b>Total Sewage Collection Facility</b>	5,340,307.33

## Montara Water & Sanitary District Balance Sheet As of January 31, 2020

	Jan 31, 20
Treatment Facility	244,539.84
Accumulated Depreciation	-8,871,583.00
<b>Total Sewer - Fixed Assets</b>	<b>7,125,620.61</b>
<b>Water - Fixed Assets</b>	
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
<b>Total Water - Fixed Assets</b>	<b>17,655,426.26</b>
<b>Total Fixed Assets</b>	<b>24,781,046.87</b>
<b>Other Assets</b>	
<b>Sewer - Other Assets</b>	
Def'd Amts Related to Pensions	92,939.00
Joint Power Authority	
SAM - Orig Collection Facility	981,592.00
SAM - Expansion	1,705,955.08
<b>Total Joint Power Authority</b>	<b>2,687,547.08</b>
<b>Total Sewer - Other Assets</b>	<b>2,780,486.08</b>
<b>Water - Other Assets</b>	
Def'd Amts Related to Pensions	174,114.00
Due from Sewer	290,312.00
Bond Acquisition Cost OID	42,978.40
Bond Issue Cost	46,268.60
<b>Total Water - Other Assets</b>	<b>553,673.00</b>
<b>Total Other Assets</b>	<b>3,334,159.08</b>
<b>TOTAL ASSETS</b>	<b>37,512,296.43</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
Accounts Payable - Sewer	100,233.64
Accounts Payable - Water	166,969.06
<b>Total Accounts Payable</b>	<b>267,202.70</b>
<b>Other Current Liabilities</b>	
Water - Net Pension Liability	-60,375.00
Sewer - Net Pension Liability	-32,045.00
<b>Sewer - Current Liabilities</b>	
Accrued Vacations	5,943.33
Deposits Payable	32,939.63
I-Bank Loan - Current	29,929.31
Interest Payable	10,265.32
PNC Equip. Loan - S/T	24,163.48
<b>Total Sewer - Current Liabilities</b>	<b>103,241.07</b>
<b>Water - Current Liabilities</b>	
Accrued Vacations	15,964.24
Deposits Payable	3,999.59
GO Bonds - S/T	461,787.93
Interest Payable	98,256.59
PFP Water Deposits	4,302.50
PNC Equip. Loan - S/T	24,163.46
SRF Loan Payable X102 - Current	42,901.29
SRF Loan Payable X109 - Current	168,622.04
Temporary Construction Meter	13,706.69
<b>Total Water - Current Liabilities</b>	<b>833,704.33</b>

**Montara Water & Sanitary District**  
**Balance Sheet**  
 As of January 31, 2020

	Jan 31, 20
Payroll Liabilities	
Employee Benefits Payable	12,222.28
Total Payroll Liabilities	12,222.28
Total Other Current Liabilities	856,747.68
Total Current Liabilities	1,123,950.38
Long Term Liabilities	
Sewer - Long Term Liabilities	
Due to Water Fund	290,312.00
Accrued Vacations	10,294.06
I-Bank Loan	725,417.82
PNC Equip. Loan - L/T	484,682.77
Total Sewer - Long Term Liabilities	1,510,706.65
Water - Long Term Liabilities	
Accrued Vacations	11,967.24
Deferred on Refunding	-169,190.00
GO Bonds - L/T	8,785,232.11
PNC Equip. Loan - L/T	484,682.83
SRF Loan Payable - X102	-0.66
SRF Loan Payable - X109	3,047,628.79
Total Water - Long Term Liabilities	12,160,320.31
Deferred Inflows (Pensions)	
Sewer	20,838.00
Water	39,012.00
Total Deferred Inflows (Pensions)	59,850.00
Total Long Term Liabilities	13,730,876.96
Total Liabilities	14,854,827.34
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	12,328,048.58
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	2,417,551.50
Equity Adjustment Account	7,275,786.02
Net Income	636,082.99
Total Equity	22,657,469.09
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>37,512,296.43</b>



# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **March 5, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

**SUBJECT: SAM Flow Report for December 2019**

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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 December 2019.
- Collection System Monthly Overflow Report – December 2019.

The Average Daily Flow for Montara was 0.351 MGD in December 2019. There was no reportable overflow in December in the Montara System. SAM indicates there were 6.37 inches of rain in December 2019.

RECOMMENDATION:

Review and file.

Attachments

## Attachment A

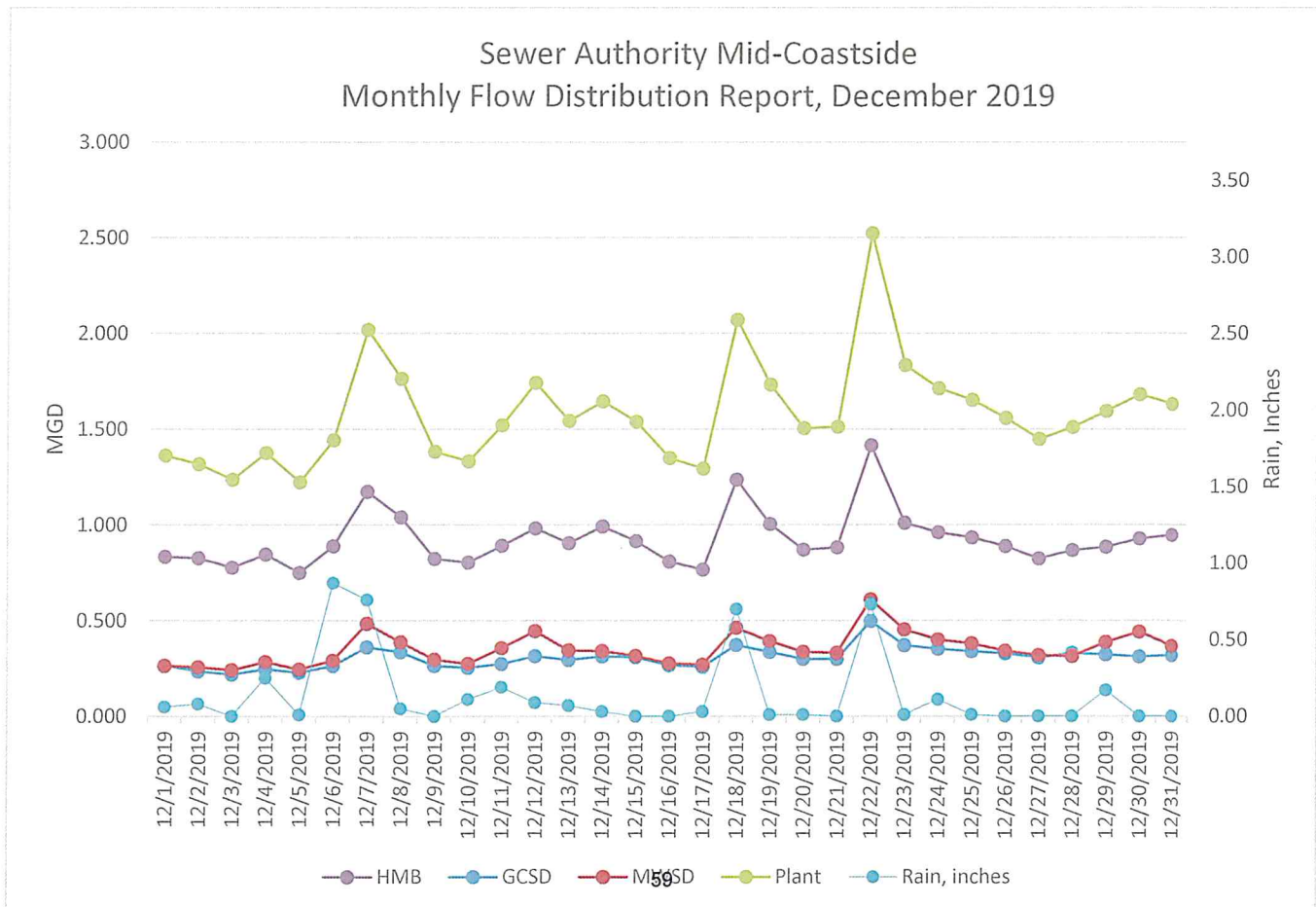
### Flow Distribution Report Summary for December 2019

The daily flow report figures for the month of December 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	0.925	58.5%
Granada Community Services District	0.305	19.3%
Montara Water and Sanitary District	<u>0.351</u>	<u>22.2%</u>
<b>Total</b>	<b>1.581</b>	<b>100.0%</b>



# Sewer Authority Mid-Coastside

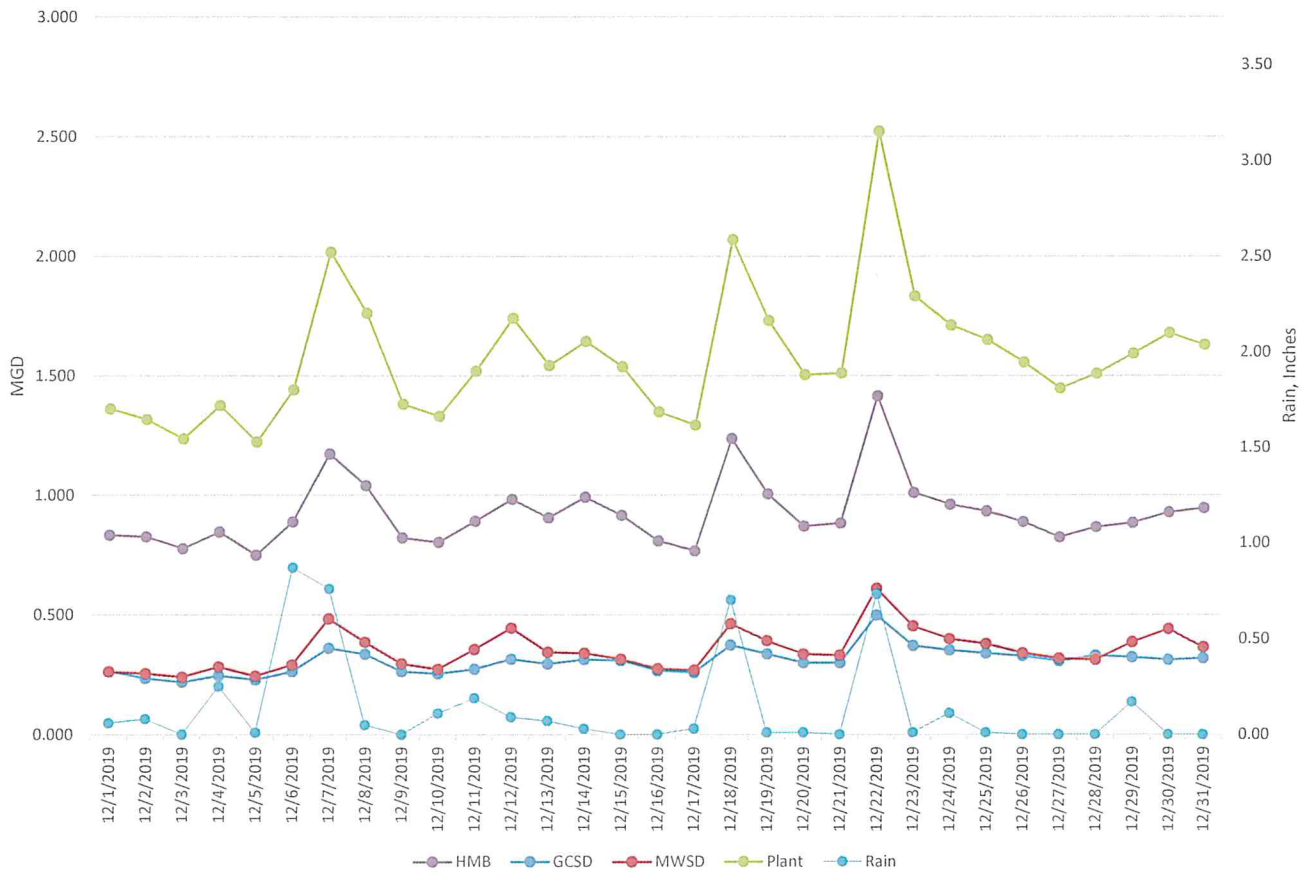
## Monthly Flow Distribution Report for December 2019

<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>
12/1/2019	0.833	0.265	0.263	1.361	0.06	0.10	0.10
12/2/2019	0.826	0.234	0.256	1.317	0.08	0.10	0.18
12/3/2019	0.777	0.218	0.241	1.235	0.00	0.00	0.00
12/4/2019	0.846	0.245	0.284	1.375	0.25	0.28	0.37
12/5/2019	0.749	0.228	0.245	1.222	0.01	0.01	0.01
12/6/2019	0.888	0.263	0.291	1.442	0.87	0.80	0.85
12/7/2019	1.173	0.360	0.484	2.018	0.76	0.70	0.60
12/8/2019	1.040	0.335	0.387	1.762	0.05	0.05	0.09
12/9/2019	0.822	0.263	0.296	1.382	0.00	0.00	0.00
12/10/2019	0.803	0.254	0.274	1.331	0.11	0.17	0.18
12/11/2019	0.891	0.273	0.356	1.520	0.19	0.35	0.36
12/12/2019	0.982	0.314	0.445	1.742	0.09	0.25	0.31
12/13/2019	0.905	0.294	0.344	1.543	0.07	0.07	0.09
12/14/2019	0.992	0.313	0.340	1.644	0.03	0.02	0.02
12/15/2019	0.915	0.309	0.315	1.538	0.00	0.00	0.00
12/16/2019	0.808	0.265	0.275	1.348	0.00	0.00	0.00
12/17/2019	0.766	0.258	0.269	1.293	0.03	0.04	0.06
12/18/2019	1.236	0.371	0.462	2.070	0.70	1.04	1.06
12/19/2019	1.004	0.335	0.392	1.731	0.01	0.01	0.01
12/20/2019	0.870	0.298	0.336	1.504	0.01	0.00	0.00
12/21/2019	0.882	0.298	0.331	1.511	0.00	0.00	0.00
12/22/2019	1.415	0.497	0.610	2.522	0.73	0.64	1.16
12/23/2019	1.011	0.370	0.453	1.833	0.01	0.00	0.00
12/24/2019	0.961	0.351	0.400	1.712	0.11	0.08	0.08
12/25/2019	0.933	0.338	0.380	1.651	0.01	0.09	0.04
12/26/2019	0.888	0.327	0.341	1.557	0.00	0.00	0.00
12/27/2019	0.824	0.306	0.318	1.448	0.00	0.00	0.00
12/28/2019	0.867	0.329	0.313	1.509	0.00	0.00	0.00
12/29/2019	0.885	0.322	0.387	1.594	0.17	0.60	0.80
12/30/2019	0.928	0.311	0.441	1.680	0.00	0.00	0.00
12/31/2019	0.946	0.318	0.366	1.630	0.00	0.00	0.00
<b>Totals</b>	<b>28.669</b>	<b>9.461</b>	<b>10.895</b>	<b>49.025</b>	<b>4.35</b>	<b>5.40</b>	<b>6.37</b>

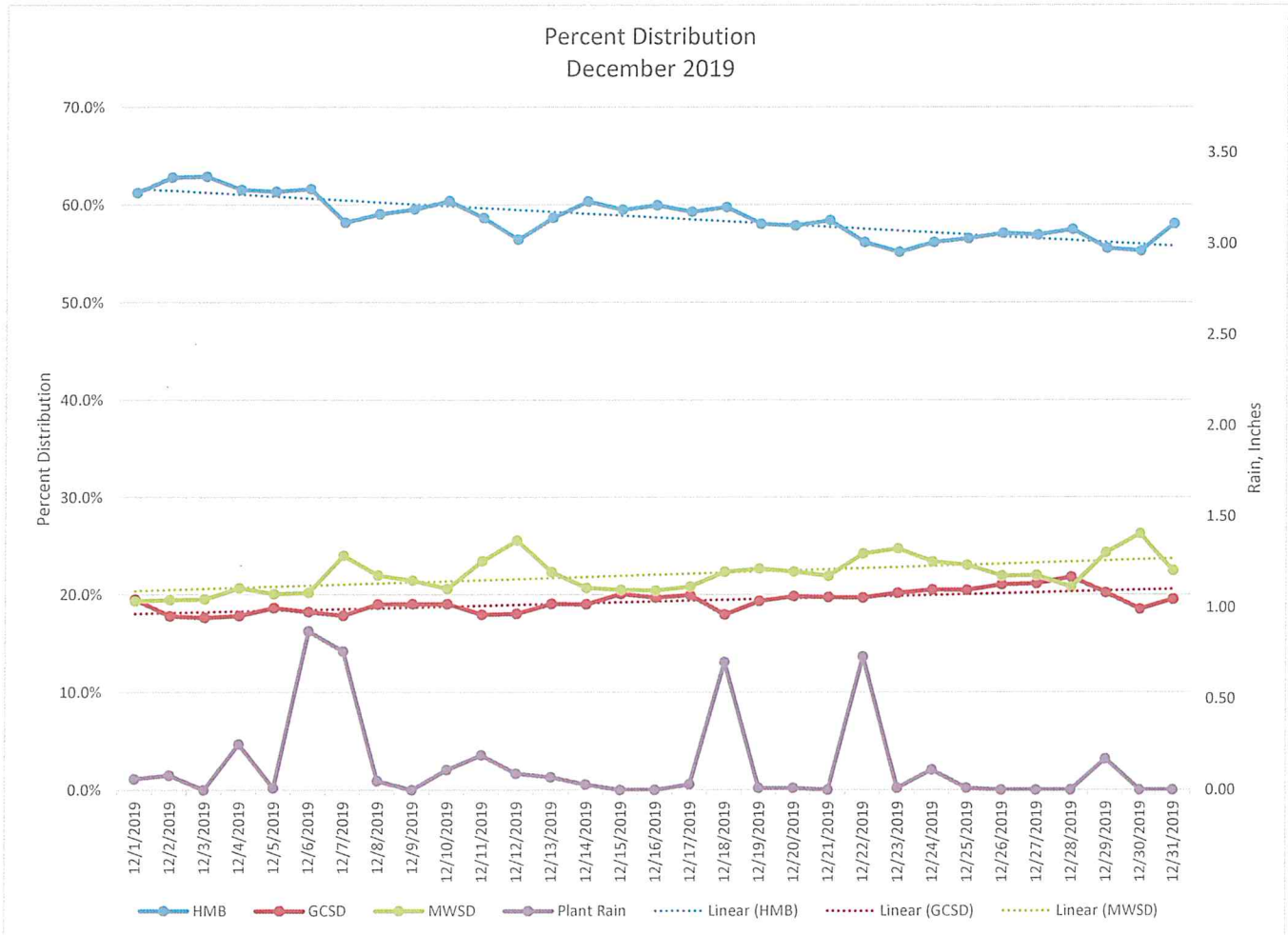
### Summary

	<u>HMB</u>	<u>GCSD</u>	<u>MWSD</u>	<u>Plant</u>
Minimum	0.749	0.218	0.241	1.222
Average	<b>0.925</b>	<b>0.305</b>	<b>0.351</b>	<b>1.581</b>
Maximum	1.415	0.497	0.610	2.522
Distribution	<b>58.5%</b>	<b>19.3%</b>	<b>22.2%</b>	<b>100.0%</b>

### Sewer Authority Mid-Coastside Monthly Flow Distribution Report, December 2019

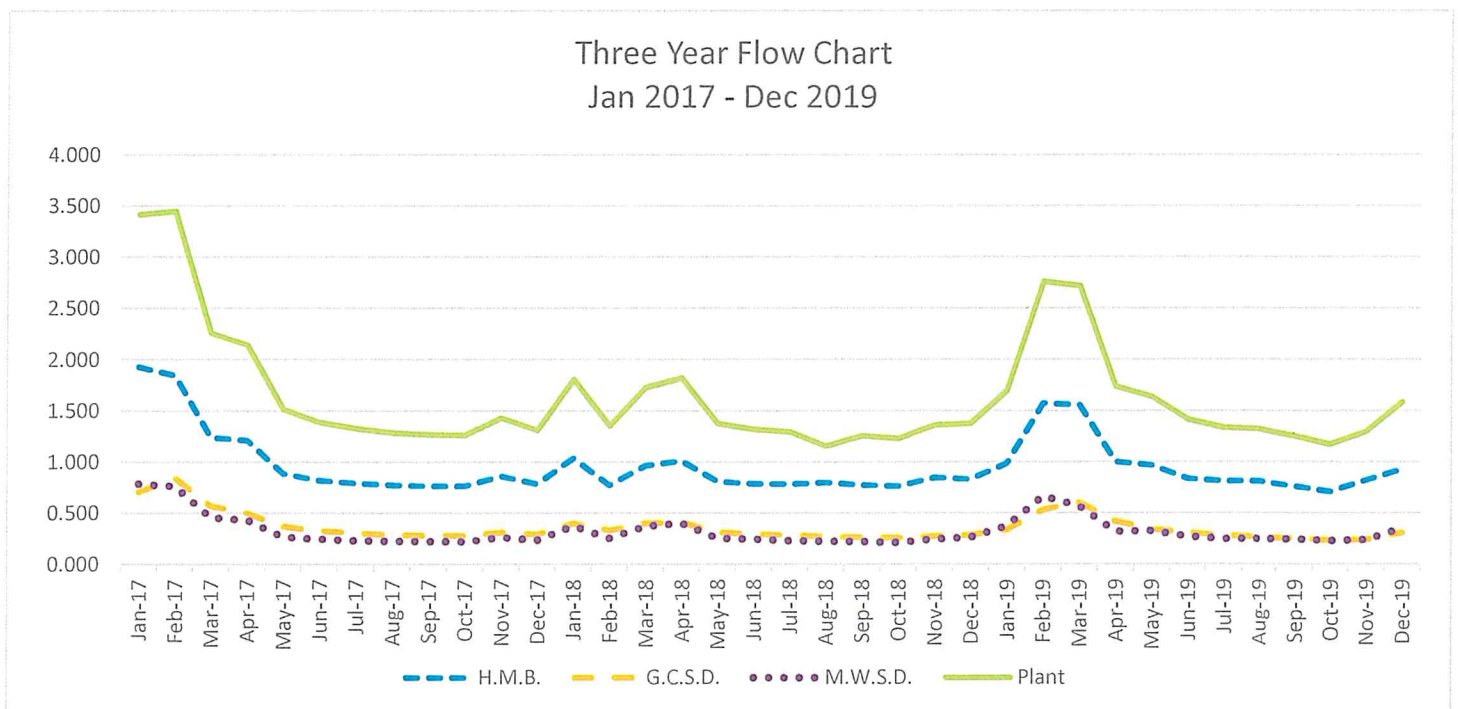
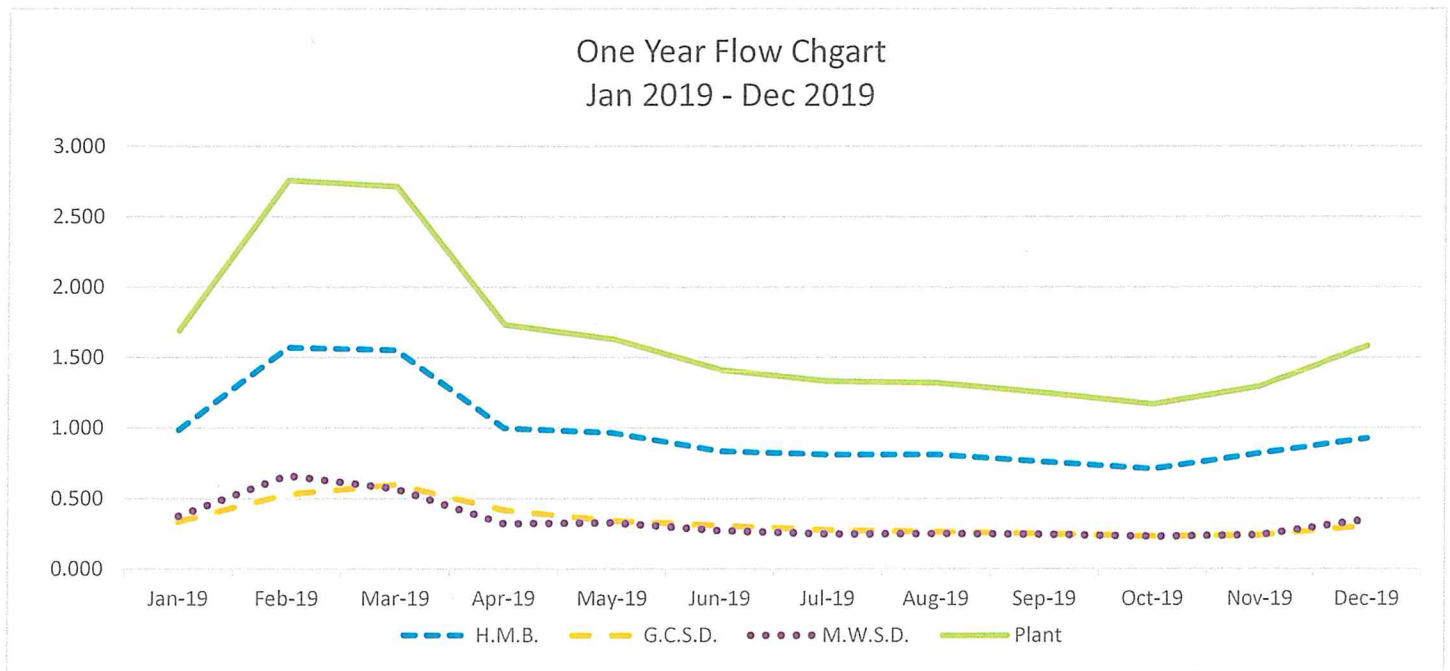


Percent Distribution  
December 2019

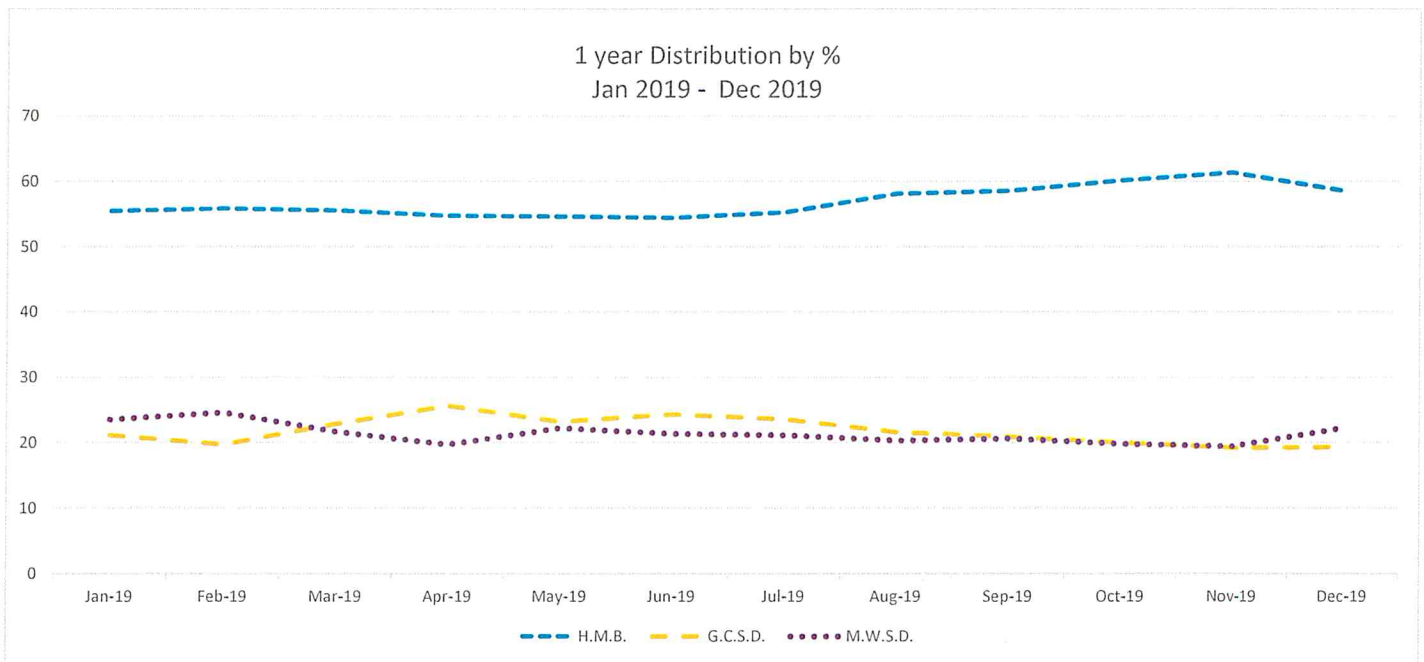




## Most recent flow calibration September 2019 PS, September 2019 Plant



## Flow based percent distribution based for past year



## Sewer Authority Mid-Coastside

Monthly Collection System Activity/SSO Distribution Report, December 2019

December 2019

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

12 Month Moving Total

	Total	12 month rolling Number			
		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
<b>Total</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>
		50%	0%	0%	50%

Reportable SSOs

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

SSOs / Year / 100 Miles

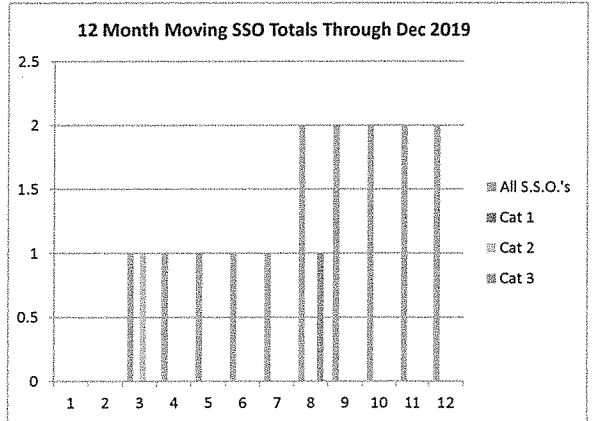
	Total	Number of S.S.O.'s / Year/100 Miles			
		HMB	GCSD	MWSD	SAM
December 2019	0.0	0.0	0.0	0.0	0.0
12 Month Moving Total	1.9	2.7	0.0	0.0	13.7
Category 1	0.0	0.0	0.0	0.0	0.0
Category 2	1.0	0.0	0.0	0.0	13.7
Category 3	1.0	2.7	0.0	0.0	0.0
Miles of Sewers	104.5	37.0	33.2	27.0	7.3
		35.4%	31.8%	25.8%	7.0%

12 Month Rolling Total Sewer Cleaning Summary

Month	HMB	GCSD	MWSD	Total Feet	Total Miles
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
Sept - 19	7,292	18,063	11,618	36,973	7.0
Oct - 19	16,104	14,144	13,611	43,859	8.3
Nov - 19	6,171	23,308	10,135	39,614	7.5
Dec - 19	6,663	18,180	9,421	34,264	6.5

Annual ft	131,515	188,198	134,407	454,120	
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Annual Mi.	24.9	35.6	25.5		86.0
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# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: March 5, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

**SUBJECT: Review of Current Investment Portfolio**

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

- The District has most of its idle sewer funds deposited in the State of California's Local Agency Investment Fund (LAIF). The Monthly Average interest rate for January 2020 the rate was 1.967.
- The District has one checking account with Wells Fargo Bank for Water and Sewer Funds that is largely backed by Federal securities.

## RECOMMENDATION:

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



# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **March 5, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

**SUBJECT: Connection Permit Applications Received**

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As of March 5, 2020 the following new Sewer Connection Permit application was received since the last report:

Date of Application	Property Owner	Site Address	Home Size

As of March 5, 2020 the following new Water (Private Fire Sprinkler) Connection Permit application was received since the last report:

Date of Application	Property Owner	Site Address	Home Size

As of March 5, 2020 the following new Water Connection Permit application was received since the last report:

Date of App.	Property Owner	Site Address	Home Size	Type of Connection

**RECOMMENDATION:**

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



# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: March 5th, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

**SUBJECT: Monthly Water Production Report**

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

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

## RECOMMENDATION:

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

Attachments: 2

# TOTAL PRODUCTION 2020 (GALLONS)

GALLONS

7,470,381

	January	February	March	April	May	June	July	August	September	October	November	December
Total Production (Gallons)	7,470,381											

MONTH







# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting of: March 5th, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

A handwritten signature in blue ink, appearing to be 'C Heldmaier', located to the right of the 'FROM:' line.

**SUBJECT: Rain Report**

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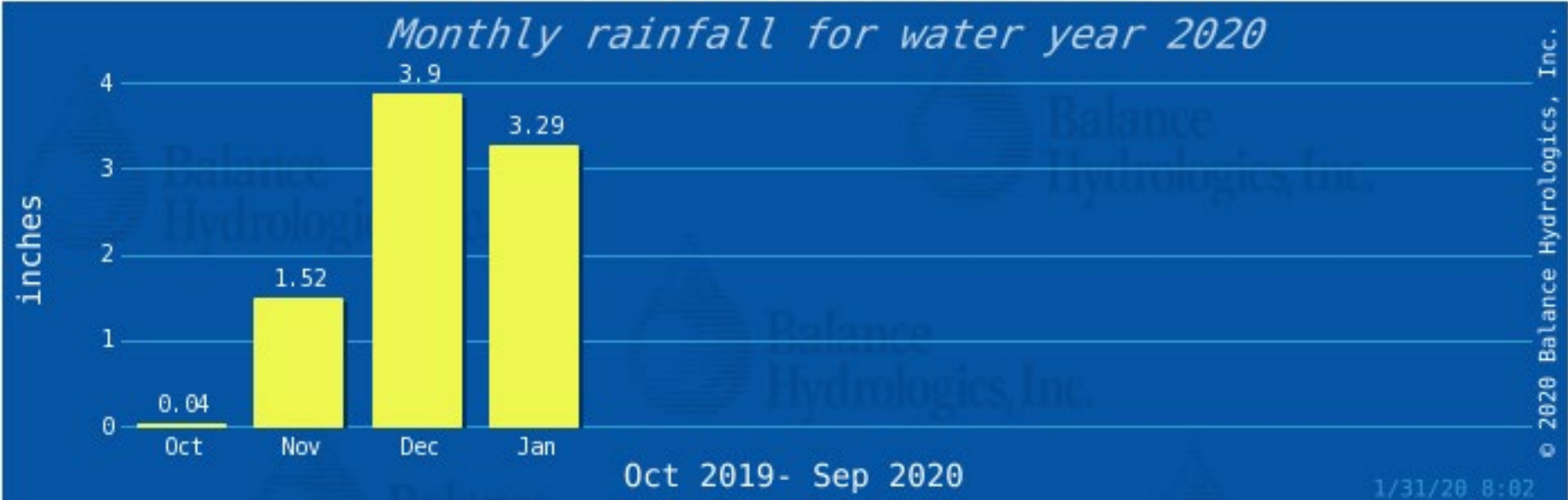
The attached chart shows the monthly rainfall at Alta Vista Treatment Plant for the current and prior water years along with seven-year average rain fall.

## RECOMMENDATION:

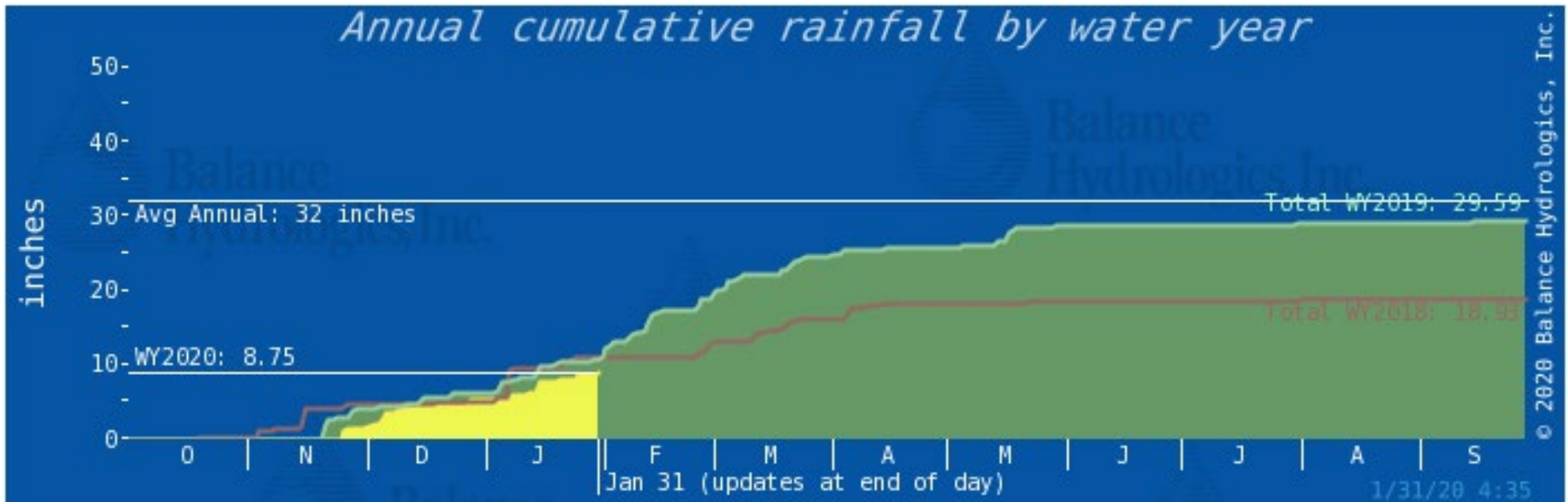
No action is required. These reports are provided for the Board's information only.

Attachments: 2

# Monthly Cumulative Rainfall



# Annual Cumulative Rainfall





# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: March 5th, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

**SUBJECT: Monthly Solar Energy Report**

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The attached chart summarizes the monthly solar production at the Alta Vista Array. Since the installation of the solar panels the District produced 44,039 kWh and saved 74,867 lbs of CO<sub>2</sub>.

## RECOMMENDATION:

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

Attachments: 1





# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **March 5, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

**SUBJECT: Monthly Public Agency Retirement Service  
Report for November and December 2019.**

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The District has received the monthly PARS report for November and December 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  
11/1/2019 to 11/30/2019**

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 11/1/2019	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 11/30/2019
<b>Contributions</b>	\$804,006.75	\$7,508.60	\$16,714.88	\$355.14	\$1,084.63	\$0.00	\$826,790.46
<b>TOTAL</b>	<b>\$804,006.75</b>	<b>\$7,508.60</b>	<b>\$16,714.88</b>	<b>\$355.14</b>	<b>\$1,084.63</b>	<b>\$0.00</b>	<b>\$826,790.46</b>

### 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%	3.18%	10.22%	9.12%	-	-	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.

**November 2019 PARS Statement  
Detail Information**

PARS Beginning Balance as of November 1, 2019      \$ 804,006.75

**Contributions:**

October 15, 2019 Calculation

Wages	\$	29,272.06	
Employer - 6.92%	\$	2,025.63	
Employee - 7.75%	\$	1,591.72	
Contributions Subtotal			\$ 3,617.35

October 31, 2019 Calculation

Wages	\$	31,139.18	
Employer - 6.92%	\$	2,154.83	
Employee - 7.75%	\$	1,736.42	
Contributions Subtotal			\$ 3,891.25

Rounding

Total Contributions thru October			\$ 7,508.60
Rounding			\$ 7,508.60

Earnings      \$16,714.88

Expenses      \$ (355.14)

Distributions      \$ (1,084.63)

PARS Ending Balance as of November      \$ 826,790.46

<b>Fund Impact - PARS Wages</b>		
Sewer	Water	Total
\$ 9,719.47	\$ 19,552.59	\$ 29,272.06
\$ 672.59	\$ 1,353.04	\$ 2,025.63
\$ 10,206.07	\$ 20,933.11	\$ 31,139.18
\$ 706.26	\$ 1,448.57	\$ 2,154.83





**Montara Water and San  
Retirement Enhancement Plan**

**Monthly Account Report for the Period  
12/1/2019 to 12/31/2019**

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 12/1/2019	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 12/31/2019
Contributions	\$826,790.46	\$6,970.53	\$18,630.04	\$392.41	\$1,084.63	\$0.00	\$850,913.99
<b>TOTAL</b>	<b>\$826,790.46</b>	<b>\$6,970.53</b>	<b>\$18,630.04</b>	<b>\$392.41</b>	<b>\$1,084.63</b>	<b>\$0.00</b>	<b>\$850,913.99</b>

**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%	3.84%	19.61%	9.26%	-	-	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.

**December 2019 PARS Statement  
Detail Information**

PARS Beginning Balance as of December 1, 2019      \$ 826,790.46

**Contributions:**

November 15, 2019 Calculation

Wages	\$	29,272.06	
Employer - 6.92%	\$	2,025.63	
Employee - 7.75%	\$	1,591.72	
Contributions Subtotal			\$ 3,617.35

November 30, 2019 Calculation

Wages	\$	27,471.36	
Employer - 6.92%	\$	1,901.02	
Employee - 7.75%	\$	1,452.17	
Contributions Subtotal			\$ 3,353.18

Rounding

Total Contributions thru November	\$		
Rounding			\$ 6,970.53
			\$ 6,970.53

Earnings      \$18,630.04

Expenses      \$ (392.41)

Distributions      \$ (1,084.63)

PARS Ending Balance as of December      \$ 850,913.99

<b>Fund Impact - PARS Wages</b>			
Sewer	Water	Total	
\$ 9,719.47	\$ 19,552.59	\$ 29,272.06	
\$ 672.59	\$ 1,353.04	\$ 2,025.63	
Sewer	Water	Total	
\$ 9,232.88	\$ 18,238.48	\$ 27,471.36	
\$ 638.92	\$ 1,262.10	\$ 1,901.02	



# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **March 5, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

**SUBJECT: Review and Possible Action Concerning Prop 218 Notice for New Water System Reliability Charge and Sewer Service Charge Rate Increase.**

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The MWSD Board has considered the addition of a new water system reliability charge since April 2019 and considered to increase the sewer service charge since November 2019. At the February 6 meeting the board authorized staff to draft a notice to all affected property owners that is conform with the requirements of prop 218.

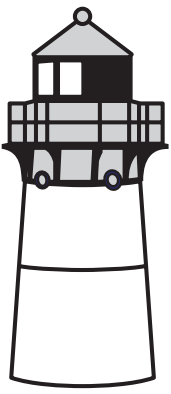
Both, the water system reliability charge as well as the sewer service charges, are collected through the San Mateo County property tax billing process and are implemented on July 1, 2020.

The new water system reliability charge is set at \$558.66 annually for properties with 5/8 x 3/4 meter. Sewer service charges are set to increase at 9% each year over the next three years.

## RECOMMENDATION:

Authorize staff to send the draft prop 218 notice to all affected property owners.

Attachments



# Montara Water & Sanitary District

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

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

**HEARING DATES:** Thursday, June 4, 2020

**HEARING TIME:** 7:30 p.m.

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

(Adjacent to the Point Montara Lighthouse & Hostel)

### ***Dear Property Owner or Customer,***

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

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

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

### **Continuing Our Infrastructure Investment**

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

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

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

**PLEASE CONTACT US IF YOU HAVE QUESTIONS OR COMMENTS**

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

# Proposed Water System Reliability Charges and S

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

## Proposed Water System Reliability Charges:

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

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

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

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

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

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

# Sewer Rates; Collection of Charges on the Tax Roll

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

## Proposed Sewer Rates:

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

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

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

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

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

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

Property owners or customers may file written protests against the proposed rate increases and method of collection. Pursuant to California law, protests must be submitted in writing and must a) identify the affected property or properties, such as by address, Assessor's Parcel Number, or customer account number; b) include the name and signature of the customer or property owner submitting the protest; and c) indicate opposition to the specific proposed:

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

Protests submitted by e-mail, facsimile, or other electronic means will not be accepted. The proposed rates will not be adopted if written protests are received from the owners or customers representing a majority of affected parcels. Only one protest accepted per parcel.

Written protests may be mailed to: District Clerk, Montara Water and Sanitary District, P.O. Box 370131, Montara, CA 94037-0131. Written protests may also be delivered to the District's headquarters at 8888 Cabrillo Highway. All written protests must be submitted prior to the close of the Public Hearing on June 4, 2020.



# Montara Water and Sanitary District

PRSRT STD  
U.S. POSTAGE  
PAID  
XXX

P.O. Box 370131  
Montara, CA 94037  
Voice: 650-728-3545  
Email: [mwsd@coastside.net](mailto:mwsd@coastside.net)  
Web: [mwsd.montara.org](http://mwsd.montara.org)

## DIRECTORS

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

## GENERAL MANAGER

Clemens Heldmaier

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

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

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

### QUESTIONS OR COMMENTS?

**Call:** (650) 728-3545  
8:30 AM to 5:00 PM Mon-Fri

**Email:** [mwsd@coastside.net](mailto:mwsd@coastside.net)

**Write:** PO Box 370131,  
Montara, CA 94037

**Web:** [www.mwsd.montara.org](http://www.mwsd.montara.org)

**Attend:** Public Hearing on  
Thursday, June 4, 2020 at  
7:30 PM at:

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

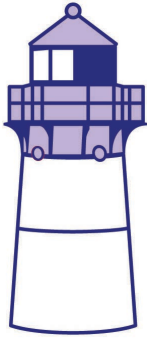
### Economic Hardship Assistance Available

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

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

### To Enroll:

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



# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **March 5, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

**SUBJECT: Review and Possible Action Concerning Support for National Stewardship Action Council's "Flushable" Wipes Issue.**

Heidi Sanborn, Executive Director of the National Stewardship Action Council's (NSAC) recently gave a presentation on the wet/"flushable" wipes issue and ending the FDA "flush list" to the Sewer Authority Mid-Coastside (SAM).

At the February 6 meeting Ms. Sanborn presented to this board. At the time the board asked to move the discussion about a potential donation to the cause to a later meeting.

NSAC would like to raise \$50,000 to help CASA pass AB 1672 (Bloom) and is asking for a \$1,000 donation based on MWSD's population, which would allow MWSD to participate in the strategy calls, be added to flushable wipes information listserv, and receive other benefits of being a NSAC funder. SAM committed \$2,000 to the cause, of which MWSD is directly paying \$400.

## RECOMMENDATION:

Consider a donation to support AB 1672.





# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **March 5, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

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

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

Peter Medina with Maze & Associates has prepared documents that illustrate the comparison of the District's financial position for the period ended December 31, 2019.

## RECOMMENDATION:

This is for Board information only.

Attachment

# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: March 5, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

## **SUBJECT: Executive Summary – December 31, 2019 Mid-Year Budget vs. Actual**

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**Sewer Service Charges:** Total revenue of \$1,538,339 collected; 51.17% of budget.

1<sup>st</sup> Sewer Service assessment received in December.

**Water Sales:** Total revenue of \$993,699 collected; 51.12% of budget.

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

**Sewer Fees:** Total revenue of \$6,980 collected; 33.08% of budget.

Remodel fees are the particular line item which has seen the most activity.

**Water Fees:** Total revenue of \$19,287 collected; 160.72% of budget.

Revenue above budget due to \$10K receipt from the Big Wave project for water main inspection.

**Sewer Property Tax:** Total revenue of \$191,262 collected; 69.55% of budget.

**Water Property Tax:** Total revenue of \$191,262 collected; 69.55% of budget.

Property tax receipts from the 1<sup>st</sup> roll were collected in December. ERAF assessment totaled \$139,294 and was split 50/50.

**Sewer Personnel expense:** Total expense of \$166,460 incurred; 47.54% of budget

Expenditures are currently in line with projections.

**Water Personnel expenses:** Total expense of \$388,451 incurred; 43.84% of budget

Expense is below expectations due to the District not bringing on a 4<sup>th</sup> water operator which was approved in the fiscal year 18-19 budget. The position will be filled within the next months.

# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: March 5, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

**Sewer Professional Services:** Total expense of \$77,736 incurred; 15.54% of budget.

**Water Professional Services:** Total expense of \$67,126 incurred; 17.78% of budget.

Both expenses are far below projections due to the non-occurrence of legal expenses which were expected during the budget season. Legal costs for Sewer and Water are \$158K & \$84K under budget respectively.

In addition, rate study costs have not been paid as of December 31, 2019.

**Sewer Engineering:** Total expense of \$11,173 incurred; 18.59% of budget.

**Water Engineering:** Total expense of \$63,905 incurred; 16.80% of budget.

Majority of Sewer expenses have been capital in nature.

Water Quality Engineering are far less than expected. At December 31, 2019 \$51K has been expended of a total budget of \$350K.

**Sewer Pumping:** Total expense of \$12,308 incurred; 27.35% of budget.

**Water Pumping:** Total expense of \$125,457 incurred; 118.69% of budget.

Sewer Fund: All costs associated with this line item are from PG&E. The District has yet to receive and pay for the PG&E "catch-up" bill.

Water Fund: Issue has been identified and corrected. The purchase of a Herc generator had been placed as an operating expenses in the pumping category, it has since been capitalized.

**Sewer Authority Mid-Coastside:** Total expense of \$834,870 incurred; 42.58% of budget

This is due to the 1 month lag in payment for collections and operations.

**Water Supply:** Total expense of \$9,791 incurred; 20.61% of budget.

Water purchases through the County have been below expectations.

# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: March 5, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

**Water Collection/Transmission:** Total expense of \$35,588 incurred; 43.14% of budget.

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

**Water Treatment:** Total expense of \$63,530 incurred; 74.74% of budget.

Billing issue has been resolved in the current year. A number of bills have been paid in the first half of the fiscal year.

**All other Accounts Sewer:** Total expense of \$14,704 incurred; 21.67% of budget.

**All other Accounts Water:** Total expense of \$68,207 incurred; 53.56% of budget.

**Sewer Capital Improvement:** Total expense of \$174,473 incurred; 11.74% of budget.

Major pending projects include the following:

Cabrillo Highway Project.

Installation of SmartCover Systems.

Sewer CIP program.

**Water Capital Improvement:** Total expense of \$530,417 incurred; 96.53% of budget.

Major pending projects include the following:

Airport Well 3 Rehab

Wagner Well Rehab

**Sewer Connection Fees:** Total revenue of \$50,997 collected; 25.50% of budget.

A total of 1 new construction connections sold.

A total of 4 remodel connections sold.

**Water Connection Fees:** Total revenue of \$43,492 collected; 15.53% of budget.

A total of 1 new construction connections sold.

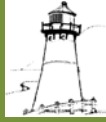
# **MONTARA WATER AND SANITARY DISTRICT AGENDA**

**For Meeting Of: March 5, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

A total of 3 new construction PFP connections sold.



# Montara Water & Sanitary

## Budgeted Cash Flow - Sewer

### Fiscal year 2019-20

#### Operating cash flow

Operating income	Actual	Budget	Variance (%)	Variance (\$)
Sewer Service Charges	\$ 1,538,339	\$ 2,548,225	60.37%	\$ (1,009,886)
Cell Tower Lease	\$ 18,920	\$ 35,500	53.30%	\$ (16,580)
Fees	\$ 6,980	\$ 17,000	41.06%	\$ (10,020)
Property Tax	\$ 191,262	\$ 275,000	69.55%	\$ (83,738)
Waste Collection Revenues	\$ 11,877	\$ 23,000	51.64%	\$ (11,123)
<b>Total operating income</b>	<b>\$ 1,767,378</b>	<b>\$ 2,898,725</b>		<b>\$ (1,131,347)</b>
<b>Operating expenses</b>				
Personnel	\$ (166,460)	\$ (315,649)	52.74%	\$ (149,190)
Professional Services	\$ (77,736)	\$ (232,000)	33.51%	\$ (154,264)
Facilities & Administration	\$ (20,985)	\$ (55,600)	37.74%	\$ (34,615)
Engineering	\$ (11,713)	\$ (62,000)	18.89%	\$ (50,288)
Pumping	\$ (12,308)	\$ (41,000)	30.02%	\$ (28,692)
Sewer Authority Mid-Coastside	\$ (834,870)	\$ (1,667,183)	50.08%	\$ (832,313)
All other Accounts	\$ (14,704)	\$ (67,860)	21.67%	\$ (53,156)
<b>Total operating expenses</b>	<b>\$ (1,138,775)</b>	<b>\$ (2,441,292)</b>		<b>\$ (1,302,517)</b>
<b>Net Cash Flow Provided by Operations</b>	<b>\$ 628,603</b>	<b>\$ 457,433</b>		

#### Investment cash flow

Investment income	Actual	Budget	Variance (%)	Variance (\$)
Interest Revenue	\$ 56,231	\$ 25,000	224.92%	\$ 31,231
<b>Total investment income</b>	<b>\$ 56,231</b>	<b>\$ 25,000</b>		<b>\$ 31,231</b>
<b>Investment expenses</b>				
Capital Improvement Program	\$ (174,473)	\$ (1,486,085)	11.74%	\$ (1,311,612)
SAM Capital Assessment	\$ -	\$ -	0.00%	\$ -
<b>Total investment expenses</b>	<b>\$ (174,473)</b>	<b>\$ (1,486,085)</b>		
<b>Net Cash Flow Used by Investments</b>	<b>\$ (118,242)</b>	<b>\$ (1,461,085)</b>		

#### Financing cash flow

Financing income	Actual	Budget	Variance (%)	Variance (\$)
Connection Fees	\$ 50,997	\$ 194,600	26.21%	\$ (143,603)
<b>Total financing income</b>	<b>\$ 50,997</b>	<b>\$ 194,600</b>		
<b>Financing expenses</b>				
Loan Interest Expense	\$ (7,822)	\$ (40,307)	19.41%	\$ (32,485)
Loan Principal Payment	\$ (40,546)	\$ (81,092)	50.00%	\$ 121,638
<b>Total financing expenses</b>	<b>\$ (48,368)</b>	<b>\$ (121,399)</b>		
<b>Net Cash Flow Provided by Financing Activities</b>	<b>\$ 2,629</b>	<b>\$ 73,201</b>		
<b>Total Cash Flow Provided by All Activities</b>	<b>\$ 512,990</b>	<b>\$ (930,451)</b>		



# Montara Water & Sanitary

## Budgeted Cash Flow - Water

### Fiscal year 2019-20

#### Operating cash flow

Operating income	Actual	Budget	Variance (%)	Variance (\$)
Water Sales	\$ 993,699	\$ 1,912,496	51.96%	\$ (918,797)
Cell Tower Lease	\$ 18,920	\$ 35,500	53.30%	\$ (16,580)
Fees	\$ 19,287	\$ 12,050	160.06%	\$ 7,237
Property Tax	\$ 191,262	\$ 275,000	69.55%	\$ (83,738)
Backflow Testing & Other	\$ 71,630	\$ 16,000	447.69%	\$ 55,630
<b>Total operating income</b>	<b>\$ 1,294,797</b>	<b>\$ 2,251,046</b>		<b>\$ (956,249)</b>
<b>Operating expenses</b>				
Personnel	\$ (388,451)	\$ (872,572)	44.52%	\$ (484,121)
Professional Services	\$ (67,126)	\$ (150,000)	44.75%	\$ (82,874)
Facilities & Administration	\$ (31,898)	\$ (58,500)	54.53%	\$ (26,602)
Engineering	\$ (63,905)	\$ (145,500)	43.92%	\$ (81,595)
Pumping	\$ (125,457)	\$ (105,700)	118.69%	\$ 19,757
Supply	\$ (9,791)	\$ (52,100)	18.79%	\$ (42,309)
Collection/Transmission	\$ (35,588)	\$ (81,500)	43.67%	\$ (45,912)
Treatment	\$ (63,530)	\$ (76,000)	83.59%	\$ (12,470)
All Other Accounts	\$ (68,207)	\$ (124,600)	54.74%	\$ (56,393)
<b>Total operating expenses</b>	<b>\$ (853,955)</b>	<b>\$ (1,666,472)</b>		<b>\$ (812,517)</b>
<b>Net Cash Flow Provided by Operations</b>	<b>\$ 440,842</b>	<b>\$ 584,574</b>		

#### Investment cash flow

<b>Investment income</b>				
GO Bonds, Assessment Receipts	\$ 585,273	\$ 1,150,436	50.87%	\$ (565,163)
<b>Total investment income</b>	<b>\$ 585,273</b>	<b>\$ 1,150,436</b>		<b>\$ (565,163)</b>
<b>Investment expenses</b>				
Capital Improvement Program	\$ (530,417)	\$ (549,500)	96.53%	\$ (19,083)
<b>Total investment expenses</b>	<b>\$ (530,417)</b>	<b>\$ (549,500)</b>		<b>\$ (19,083)</b>
<b>Net Cash Flow Used by Investments</b>	<b>\$ 54,856</b>	<b>\$ 600,936</b>		

#### Financing cash flow

<b>Financing income</b>				
Connection Fees	\$ 43,492	\$ 253,020	17.19%	\$ (209,528)
<b>Total financing income</b>	<b>\$ 43,492</b>	<b>\$ 253,020</b>		<b>\$ (209,528)</b>
<b>Financing expenses</b>				
Long Term Debt - Interest Expense	\$ (289,336)	\$ (347,802)	83.19%	\$ (58,466)
Long Term Debt - Principal Payment	\$ (600,039)	\$ (1,200,079)	50.00%	\$ (600,039)
<b>Total financing expenses</b>	<b>\$ (889,375)</b>	<b>\$ (1,547,881)</b>		<b>\$ (658,506)</b>
<b>Net Cash Flow Provided by Financing Activities</b>	<b>\$ (845,883)</b>	<b>\$ (1,294,861)</b>		
<b>Total Cash Flow Provided by All Activities</b>	<b>\$ (350,186)</b>	<b>\$ (109,351)</b>		

## Two-Year Comparative Income Statement

### Sewer Comparison 12/31/2018 vs. 12/31/2019

	[Current Period]	[Prior Period]	Increase / (Decrease)	Percent Change
	July 1, 2019 - December 31, 2019	July 1, 2018 - December 31, 2018		
<b>Revenue</b>				
Sewer Service Charges	1,538,339	1,306,879	231,460	17.71%
Cell Tower Lease	18,920	18,277	642	3.51%
Fees	6,980	48,500	(41,520)	-85.61%
Property Tax	191,262	137,300	53,961	39.30%
Other	11,989	14,068	(2,079)	-14.78%
<b>Net Sales</b>	<b>1,767,490</b>	<b>1,525,024</b>	<b>242,465</b>	<b>15.90%</b>
<b>Expenses</b>				
Personnel	166,460	168,671	(2,212)	-1.31%
Professional Services	77,736	106,888	(29,152)	-27.27%
Facilities	20,985	24,651	(3,667)	-14.87%
Engineering	11,713	10,379	1,334	12.85%
Pumping	12,308	16,580	(4,272)	-25.77%
SAM	834,870	671,113	163,757	24.40%
All other accounts	14,704	28,740	(14,036)	-48.84%
<b>Total Expenses</b>	<b>1,138,775</b>	<b>1,027,023</b>	<b>111,752</b>	<b>10.88%</b>
<b>Net Operating Income</b>	<b>628,715</b>	<b>498,002</b>	<b>130,713</b>	<b>26.25%</b>
<b>Non-Operating</b>				
Connection Fees	50,997	64,903	(13,906)	-21.43%
Loan and Interest Revenue	56,231	44,567	11,664	26.17%
Interest expense	(7,822)	(9,869)	2,047	-20.74%
Capital Program	(174,473)	(1,216,946)	1,042,473	-85.66%
<b>Total Other Income (Expense)</b>	<b>(75,067)</b>	<b>(1,117,344)</b>	<b>1,042,277</b>	<b>-93.28%</b>
<b>Net Income (Loss)</b>	<b>553,648</b>	<b>(619,342)</b>	<b>1,172,990</b>	<b>-189.39%</b>



## Two-Year Comparative Income Statement

### Water Comparison 12/31/2018 vs. 12/31/2019

	[Current Period]	[Prior Period]	Increase / (Decrease)	Percent Change
	July 1, 2019 - December 31, 2019	July 1, 2018 - December 31, 2018		
<b>Revenue</b>				
Water Sales	993,699	1,005,927	(12,228)	-1.22%
Cell Tower Lease	18,920	18,277	642	3.51%
Fees	19,287	6,708	12,579	187.52%
Property Tax	191,262	137,300	53,961	39.30%
Backflow Testing & Other	71,630	11,077	60,553	546.64%
<b>Net Sales</b>	<b>1,294,797</b>	<b>1,179,289</b>	<b>115,508</b>	<b>9.79%</b>
<b>Expenses</b>				
Personnel	388,451	364,286	24,166	6.63%
Professional Services	67,126	43,506	23,620	54.29%
Facilities & Administration	31,898	36,033	(4,135)	-11.48%
Engineering	63,905	188,223	(124,318)	-66.05%
Pumping	125,457	39,828	85,629	215.00%
Supply	9,791	10,807	(1,016)	-9.40%
Collection/Transmission	35,588	14,810	20,778	140.29%
Treatment	63,530	27,611	35,920	130.09%
All other Accounts	68,207	57,671	10,537	18.27%
<b>Total Expenses</b>	<b>853,955</b>	<b>782,775</b>	<b>71,180</b>	<b>9.09%</b>
<b>Net Operating Income</b>	<b>440,842</b>	<b>396,514</b>	<b>44,328</b>	<b>11.18%</b>
<b>Non-Operating</b>				
Connection Fees	43,492	68,015	(24,523)	-36.06%
GO Bond Assessment	585,273	576,412	8,861	1.54%
Interest Expense	(289,336)	(76,573)	(212,763)	277.86%
Capital Program	(530,417)	(99,096)	(431,321)	435.26%
<b>Total Other Income (Expense)</b>	<b>(190,988)</b>	<b>468,758</b>	<b>(659,746)</b>	<b>-140.74%</b>
<b>Net Income (Loss)</b>	<b>249,854</b>	<b>865,272</b>	<b>(615,419)</b>	<b>-71.12%</b>



**MWSD — Fiscal Year 2019-2020 budget review as of December 31, 2019 - SEWER ENTERPRISE**

Operating Revenue	GL Codes	2017-18	2018-19	Budgeted amounts	Income/Expenditure	% To date	Projected	Projected as
		Actual	Actual	2019-20	s to date			% of Budget
Cell Tower Lease:	4220	35,632	36,752	37,000	18,920	51.13%	37,839	102.27%
Administrative Fees (New Construction):	4410	4,040	3,647	3,600	2,710	75.28%	5,420	150.56%
Administrative Fees (Remodel):	4420			2,000	542	27.10%	1,084	54.20%
Inspection Fees (New Construction):	4430	3,339	3,448	3,500	2,560	73.14%	5,120	146.29%
Inspection Fees (Remodel):	4440			4,000	512	12.80%	1,024	25.60%
Mainline Extension Fees:	4450	1,500						
Remodel Fees:	4460	10,278	5,376	8,000	656	8.20%	1,312	16.40%
Grants:	4510				112	100.00%	224	100.00%
Property Tax Receipts:	4610	367,805	412,563	275,000	191,262	69.55%	382,523	139.10%
Sewer Service Charges:	4710	2,053,963	2,610,244	3,010,212	1,544,584	51.31%	3,089,168	102.62%
Sewer Service Refunds, Customer:	4720	(2,343)	496	(4,000)	(6,245)	156.12%	(12,489)	312.24%
Waste Collection Revenues:	4760	21,677	23,172	23,000	11,844	51.50%	23,689	102.99%
Other Revenue:	4990	3,378	2,825		33	100.00%	66	100.00%
<b>Total Operating Revenue:</b>		<b>2,499,269</b>	<b>3,098,524</b>	<b>3,362,312</b>	<b>1,767,490</b>	<b>52.57%</b>	<b>3,534,979</b>	<b>105.14%</b>
<b>Operating Expenses</b>								
Bank Fees:	5190	6,654	6,875	7,500	2,679	35.72%	5,358	71.44%
Board Meetings:	5210	1,836	3,928	3,000	1,935	64.49%	3,869	128.98%
Director Fees:	5220	3,900	2,288	4,000	1,650	41.25%	3,300	82.50%
Election Expenses:	5230		4,265	5,000				
Conference Attendance:	5250	3,131	2,467	5,000				
Information Systems:	5270	1,224	1,725	4,000	8,187	204.68%	16,374	409.35%
Fidelity Bond:	5310		438	500				
Property & Liability Insurance:	5320	2,161	7,737	2,000				
LAFCO Assessment:	5350	1,601	1,794	2,000				
Meeting Attendance, Legal:	5420	6,951	14					
General Legal:	5430	44,220	25,260	412,500	10,397	2.52%	20,793	5.04%
Litigation:	5440	165,192	158,255		37,835	100.00%	75,670	100.00%
Maintenance, Office:	5510	4,020	7,230	8,000	1,531	19.13%	3,061	38.26%
Memberships:	5530							
Office Supplies:	5540	6,243	5,681	8,000	1,983	24.79%	3,966	49.57%
Postage:	5550	277	2,043	2,650	466	17.58%	932	35.15%
Printing & Publishing:	5560	2,909	2,490	5,000	243	4.87%	487	9.74%
Accounting:	5610	31,276	26,503	30,000	16,200	54.00%	32,400	108.00%
Audit:	5620	18,000	13,000	13,000				
Consulting:	5630	35,859	25,261	35,000	11,567	33.05%	23,134	66.10%
Data Services:	5640	5,851	6,079	6,200				
Labor & HR Support:	5650	2,484	2,442	2,500	1,281	51.24%	2,562	102.48%
Payroll Services:	5660	940	949	1,000	456	45.61%	912	91.22%
San Mateo County Tax Roll Charges:	5710		119	1,000				
Telephone & Internet:	5720	18,961	25,300	24,000	13,010	54.21%	26,020	108.42%
Mileage Reimbursement:	5730	564	1,570	1,500	128	8.53%	256	17.07%
Reference Materials:	5740		87	200				
Other Administrative:	5790		448		127	100.00%	254	100.00%
CalPERS 457 Deferred Plan:	5810	18,386	18,955	17,002	8,332	49.01%	16,665	98.02%
Employee Benefits:	5820	39,107	52,115	48,307	19,605	40.59%	39,211	81.17%
Disability Insurance:	5830	1,360	1,360	1,401	708	50.55%	1,417	101.11%
Payroll Taxes:	5840	16,063	15,610	18,580	6,428	34.60%	12,856	69.19%
Worker's Compensation Insurance:	5960	4,082	2,622	5,473	702	12.83%	1,404	25.65%
Management:	5910	114,908	112,113	111,733	52,477	46.97%	104,955	93.93%
Staff :	5920	127,047	125,760	126,526	67,672	53.48%	135,343	106.97%
Staff Certification:	5930	1,800	1,800	1,800	1,025	56.94%	2,050	113.89%
Staff Overtime:	5940	918	1,435	2,821	1,444	51.17%	2,887	102.35%
District sponsored Defined Benefit Plan (PARS):	5850	16,909	15,864	16,487	8,066	48.92%	16,133	97.85%
Claims, Property Damage:	6170	12,810	20,514	20,000				
Education & Training:	6195	717	559	1,000				
Meeting Attendance, Engineering:	6210			2,000				
General Engineering:	6220	68,682	33,584	60,000	11,713	19.52%	23,425	39.04%



**MWSD — Fiscal Year 2019-2020 budget review as of December 31, 2019 - SEWER ENTERPRISE**

<u>Operating Revenue</u>	<u>GL Codes</u>	<u>2017-18</u> <u>Actual</u>	<u>2018-19</u> <u>Actual</u>	<u>Budgeted amounts</u> <u>2019-20</u>	<u>Income/Expenditure</u> <u>s to date</u>	<u>% To date</u>	<u>Projected</u>	<u>Projected as</u> <u>% of Budget</u>
Equipment & Tools, Expensed:	6320			1,000				
Alarm Services:	6335	5,146	5,028	5,700	2,657	46.62%	5,315	93.24%
Landscaping:	6337	2,280	2,588	3,600	968	26.89%	1,936	53.78%
Pumping Fuel & Electricity:	6410	39,312	44,881	45,000	12,308	27.35%	24,617	54.70%
Maintenance, Collection System:	6660		550	10,000				
Fuel:	6810	988	1,021	1,000				
Truck Equipment, Expensed:	6820	2	27	160	126	78.63%	252	157.25%
Truck Repairs:	6830	780	423	1,000				
SAM Collections:	6910	232,841	329,965	341,549	142,312	41.67%	284,624	83.33%
SAM Operations:	6920	1,625,331	1,316,715	1,529,139	637,141	41.67%	1,274,283	83.33%
SAM Maintenance, Collection System:	6940		(70,837)	40,000				
SAM Maintenance, Pumping:	6950		82,999	50,000	55,416	110.83%	110,833	221.67%
Depreciation:	5260	555,756	408,078					
<b>Total Operations Expense:</b>		<b>3,249,479</b>	<b>2,857,979</b>	<b>3,044,827</b>	<b>1,138,775</b>	<b>37.40%</b>	<b>2,277,550</b>	<b>74.80%</b>
<b>Net Change in position from Operations:</b>		<b>(750,210)</b>	<b>240,545</b>	<b>317,485</b>	<b>628,715</b>	<b>198.03%</b>	<b>1,257,429</b>	<b>396.06%</b>
<b>Non Operating Revenue / Expense</b>								
Connection Fees, Residential New Const:	7110	221,658	246,161	150,000	27,342	18.23%	54,684	36.46%
Connection Fees, Residential Remodel:	7120	7,605	66,218	50,000	23,655	47.31%	47,311	94.62%
LAIF, Interest:	7200	41,070	99,073	50,000	56,231	112.46%	112,462	224.92%
<b>Total Non Operating Revenue:</b>		<b>270,333</b>	<b>411,451</b>	<b>250,000</b>	<b>107,228</b>	<b>42.89%</b>	<b>214,457</b>	<b>85.78%</b>
<b>Financing Expense</b>								
PNC Equipment Lease:	9125	18,222	17,492	15,221	7,822	51.39%		
Capital Assessment, SAM:	9175	121,345						
I-Bank Loan:	9200	23,996	22,382	22,582				
<b>Total Financing Expense:</b>		<b>163,563</b>	<b>39,874</b>	<b>37,803</b>	<b>7,822</b>	<b>20.69%</b>		
<b>Net Change in position from Non Operating</b>		<b>106,770</b>	<b>371,577</b>	<b>212,197</b>	<b>99,406</b>		<b>214,457</b>	
<b>Continued for CIP and Contingency Reserve:</b>		<b>(643,440)</b>	<b>612,122</b>	<b>529,682</b>	<b>728,121</b>		<b>1,471,886</b>	
<b>Transfer to CIP:</b>		<b>643,440</b>	<b>(612,122)</b>	<b>(529,682)</b>	<b>(728,121)</b>		<b>(1,471,886)</b>	
<b>Total Net Position Changes/Transfer to reserves:</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	



## MWSD — Fiscal Year 2019-20 budget review as of December 31, 2019 - WATER ENTERPRISE

<u>Operating Revenue</u>	<u>GL Codes</u>	<u>2017-18</u> <u>Actual</u>	<u>2018-19</u> <u>Actual</u>	<u>Budgeted amounts</u> <u>2019-20</u>	<u>Income/Expenditu</u> <u>res to date</u>	<u>% To date</u>	<u>Projected</u>	<u>Projected as %</u> <u>of Budget</u>
Cell Tower Lease:	4220	35,632	36,752	37,000	18,920	51.13%	37,839	102.27%
Administrative Fees (New Construction):	4410	4,545	3,126	5,000	2,710	54.20%	5,420	108.40%
Administrative Fees (Remodel):	4420	1,679	0	0	542	100.00%	1,084	100.00%
Inspection Fees (New Construction):	4430	4,293	2,956	4,000	12,560	314.00%	25,120	628.00%
Inspection Fees (Remodel):	4440	1,908	0	0	512	100.00%	1,024	100.00%
Remodel Fees:	4460	1,593	5,019	3,000	2,140	71.35%	4,281	142.69%
Other Fees:	4470	2,832	3,382	2,000	822	41.12%	1,645	82.24%
Grants:	4510		280		112	100.00%	224	100.00%
Property Tax Receipts:	4610	367,805	412,563	275,000	191,262	69.55%	382,523	139.10%
Testing, Backflow:	4740	17,858	18,420	18,000	17,079	94.88%	34,158	189.77%
Water Sales:	4810	1,922,676	1,892,091	1,947,000	994,814	51.10%	1,989,628	102.19%
Water Sales, Fire Protection:	4820					0.00%	0	0.00%
Water Sales Refunds, Customer:	4850	(1,488)	(4,670)	(3,000)	(1,115)	37.18%	(2,231)	74.35%
Other Revenue:	4990	1,180	3,936		54,439	100.00%	108,878	100.00%
<b>Total Operating Revenue:</b>		<b>2,360,513</b>	<b>2,373,854</b>	<b>2,288,000</b>	<b>1,294,797</b>	<b>56.59%</b>	<b>2,589,594</b>	<b>113.18%</b>
<b><u>Operating Expenses</u></b>								
Bank Fees:	5190	1,618	3,495	3,750	317	8.45%	634	16.90%
Board Meetings:	5210	1,836	3,928	4,000	1,935	48.37%	3,869	96.74%
Director Fees:	5220	3,900	2,288	3,300	1,650	50.00%	3,300	100.00%
Election Expenses:	5230		4,265			0.00%	0	0.00%
CDPH Fees:	5240	10,832	10,530	15,750		0.00%	0	0.00%
Conference Attendance:	5250	5,697	2,467	6,000	45	0.75%	90	1.50%
Information Systems:	5270	9,488	10,185	3,000	1,914	63.78%	3,827	127.57%
Fidelity Bond:	5310		438	500		0.00%	0	0.00%
Property & Liability Insurance:	5320		2,215	2,500	1,173	46.92%	2,346	93.84%
LAFCO Assessment:	5350	2,208	2,520	2,750		0.00%	0	0.00%
Meeting Attendance, Legal:	5420	3,211	14		0	0.00%	0	0.00%
General Legal:	5430	23,868	24,250	231,000	31,229	13.52%	62,458	27.04%
Litigation:	5440	775	0			0.00%	0	0.00%
Maintenance, Office:	5510	5,561	11,015	8,000	1,590	19.88%	3,180	39.75%
Memberships:	5530	20,298	22,277	24,000	26,473	110.31%	52,946	220.61%
Office Supplies:	5540	8,452	7,244	8,000	1,948	24.35%	3,896	48.69%
Postage:	5550	6,379	9,318	9,000	3,860	42.89%	7,720	85.78%
Printing & Publishing:	5560	1,739	3,213	3,000	1,098	36.60%	2,196	73.20%
Accounting:	5610	31,276	26,503	30,000	16,200	54.00%	32,400	108.00%
Audit:	5620	18,000	13,000	13,000		0.00%	0	0.00%
Consulting:	5630	19,678	28,471	100,000	17,960	17.96%	35,921	35.92%
Data Services:	5640			0		0.00%	0	0.00%
Labor & HR Support:	5650	2,484	2,442	2,500	1,281	51.24%	2,562	102.48%
Payroll Services:	5660	940	949	1,000	456	45.60%	912	91.21%
Other Professional Services:	5690		480			0.00%	0	0.00%
San Mateo Co. Tax Roll Charges:	5710		119			0.00%	0	0.00%
Telephone & Internet:	5720	22,460	31,642	27,000	15,153	56.12%	30,307	112.25%



## MWSD — Fiscal Year 2019-20 budget review as of December 31, 2019 - WATER ENTERPRISE

Operating Revenue	GL Codes	2017-18	2018-19	Budgeted amounts	Income/Expenditu	% To date	Projected	Projected as %
		Actual	Actual	2019-20	res to date			
Mileage Reimbursement:	5730	564	2,188	2,000	423	21.16%	846	42.31%
Reference Materials:	5740		0	800		0.00%	0	0.00%
Other Administrative:	5790	615	791		3,145	100.00%	6,290	100.00%
CalPERS 457 Deferred Plan:	5810	37,021	38,266	43,235	19,245	44.51%	38,491	89.03%
Employee Benefits:	5820	74,878	84,851	88,110	31,740	36.02%	63,480	72.05%
Disability Benefits:	5830	3,366	3,366	3,467	1,425	41.10%	2,850	82.20%
Payroll Taxes:	5840	39,499	39,124	49,062	19,721	40.20%	39,442	80.39%
Worker's Compensation Insurance:	5960	19,208	12,579	23,324	3,450	14.79%	6,900	29.59%
Management:	5910	114,908	112,113	111,733	52,477	46.97%	104,955	93.93%
Staff :	5920	360,388	356,877	446,840	197,611	44.22%	395,221	88.45%
Staff Certification:	5930	10,042	9,275	11,400	5,583	48.98%	11,166	97.95%
Staff Overtime:	5940	42,425	45,516	48,105	28,116	58.45%	56,231	116.89%
Staff Standby:	5950	25,125	24,705	23,249	12,836	55.21%	25,673	110.42%
District sponsored Defined Benefit Plan (PARS):	5850	31,691	30,910	37,636	16,246	43.17%	32,493	86.33%
Backflow Prevention:	6160	473	764	1,000		0.00%	0	0.00%
Claims, Property Damage:	6170	0	22	10,000		0.00%	0	0.00%
SCADA Maintenance:	6185	9,802	12,061	13,000	48	0.37%	96	0.74%
Education & Training:	6195	9,911	5,098	9,000	2,761	30.68%	5,522	61.36%
Meeting Attendance, Engineering:	6210	16	0	500		0.00%	0	0.00%
General Engineering:	6220	8,503	1,467	30,000	12,390	41.30%	24,779	82.60%
Water Quality Engineering:	6230	178,764	420,284	350,000	51,516	14.72%	103,031	29.44%
Equipment & Tools, Expensed:	6320	7,441	11,867	8,000	12,687	158.59%	25,375	317.19%
Alarm Services:	6335	671	718	800	307	38.32%	613	76.64%
Landscaping:	6337	5,947	5,811	56,000	3,624	6.47%	7,249	12.94%
Facilities other:	6330					0.00%	0	0.00%
Lab Supplies & Equipment:	6370	3,698	2,251	2,500	6,313	252.54%	12,627	505.07%
Meter Reading:	6380	21			10	100.00%	20	100.00%
Pumping Fuel & Electricity:	6410	68,177	77,011	90,000	29,687	32.99%	59,373	65.97%
Pumping Maintenance, Generators:	6420	7,777	21,339	10,000	90,004	900.04%	180,008	1800.08%
Pumping Maintenance, General:	6430	4,137	3,448	5,000		0.00%	0	0.00%
Pumping Equipment, Expensed:	6440	210	478	700	5,766	823.78%	11,533	1647.57%
Maintenance, Raw Water Mains:	6510	1,474	1,857	2,500		0.00%	0	0.00%
Maintenance, Wells:	6520	16,851	8,635	5,000	(815)	-16.30%	(1,630)	-32.60%
Water Purchases:	6530	25,508	26,826	40,000	10,606	26.52%	21,213	53.03%
Hydrants:	6610	408	0	1,000		0.00%	0	0.00%
Maintenance, Water Mains:	6620	39,633	46,952	50,000	18,896	37.79%	37,793	75.59%
Maintenance, Water Service Lines:	6630	12,389	3,506	20,000	3,519	17.60%	7,038	35.19%
Maintenance, Tanks:	6640	741	1,593	1,000	4,146	414.60%	8,292	829.21%
Maintenance, Distribution General:	6650	273	7,341	8,000	7,427	92.84%	14,854	185.67%
Maintenance, Collection System:	6660		414				0	
Meters:	6670	2,373	8,177	2,500	1,599	63.98%	3,199	127.95%
Chemicals & Filtering:	6710	18,681	20,233	20,000	39,578	197.89%	79,156	395.78%
Maintenance, Treatment Equipment:	6720	10,508	28,456	20,000	12,272	61.36%	24,544	122.72%
Treatment Analysis:	6730	35,504	45,055	45,000	11,681	25.96%	23,361	51.91%
Uniforms:	6770	11,166	11,459	2,000	3,034	151.72%	6,069	303.44%
Fuel:	6810	5,598	6,541	10,000	3,576	35.76%	7,152	71.52%



## MWSD — Fiscal Year 2019-20 budget review as of December 31, 2019 - WATER ENTERPRISE

<u>Operating Revenue</u>	<u>GL Codes</u>	<u>2017-18</u> <u>Actual</u>	<u>2018-19</u> <u>Actual</u>	<u>Budgeted amounts</u> <u>2019-20</u>	<u>Income/Expenditu</u> <u>res to date</u>	<u>% To date</u>	<u>Projected</u>	<u>Projected as %</u> <u>of Budget</u>
Truck Equipment, Expensed:	6820	12	309	1,000	2,927	292.69%	5,854	585.37%
Truck Repairs:	6830	4,422	2,411	5,000	4,084	81.69%	8,169	163.38%
Other Operations:	6890	240	43		9	100.00%	18	100.00%
Depreciation:	5260	972,113	982,039					
Amortization:	5265	33,689	28,549					
<b>Total Operations Expense:</b>		<b>2,457,561</b>	<b>2,776,843</b>	<b>2,206,511</b>	<b>853,955</b>	<b>38.70%</b>	<b>1,707,910</b>	<b>77.40%</b>
<b>Net Change in position from Operations:</b>		<b>(97,048)</b>	<b>(402,989)</b>	<b>81,489</b>	<b>440,842</b>	<b>540.99%</b>	<b>881,684</b>	<b>1081.97%</b>
<b>Non Operating Revenue / Expense</b>								
Connection Fees, Residential New Const:	7110	145,168	151,098	150,000	22,178	14.79%	44,355	29.57%
Connection Fees, Residential Remodel:	7120					0.00%	0	0.00%
Connection Fees, Residential Fire:	7130	118,691	164,056	130,000	21,314	16.40%	42,628	32.79%
Connection Fees, Residential Remodel Fire:	7140	12,893	2,032			0.00%	0	0.00%
Connection Fees, Well Conversion:	7150	7,800				0.00%	0	0.00%
General Obligation Bonds, Assessment Receipts:	7600	1,226,216	1,182,939	1,150,436	585,273	50.87%	1,150,436	100.00%
<b>Total Non Operating Revenue:</b>		<b>1,510,768</b>	<b>1,500,125</b>	<b>1,430,436</b>	<b>628,764</b>	<b>43.96%</b>	<b>1,237,420</b>	<b>86.51%</b>
<b>Financing Expenses</b>								
I-Bank Loan:	8200	0	43,714	230,539		0.00%	0	0.00%
General Obligation Bonds:	9100	265,164	242,762	230,539	117,109	50.80%	230,539	100.00%
PNC Equipment Lease:	9125	18,222	17,492	15,221	7,822	51.39%	15,221	100.00%
State Revolving Fund Loan:	9150	83,943	78,501	72,873	163,905	224.92%		0.00%
Conservation Program/Rebates:	9210	1,400	1,500	3,000	500	16.67%		0.00%
<b>Total Financing Expense:</b>		<b>368,729</b>	<b>383,970</b>	<b>321,633</b>	<b>289,336</b>	<b>89.96%</b>	<b>245,760</b>	<b>76.41%</b>
<b>Net Change in position from Non Operating</b>		<b>1,142,039</b>	<b>1,116,155</b>	<b>1,108,803</b>	<b>339,429</b>		<b>991,660</b>	
<b>Continued for CIP and Contingency Reserve:</b>		<b>1,044,991</b>	<b>713,166</b>	<b>1,108,803</b>	<b>780,271</b>		<b>1,873,344</b>	
<b>Transfer to CIP:</b>		<b>(1,044,991)</b>	<b>(713,166)</b>	<b>(1,108,803)</b>	<b>(780,271)</b>		<b>(1,873,344)</b>	
<b>Total Net Position Changes/Transfer to reserves:</b>		<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>			

# **Sewer**

## **Personnel**

CalPERS 457 Deferred Plan:	5810
Employee Benefits:	5820
Disability Benefits:	5830
Payroll Taxes:	5840
Worker's Compensation Insurance:	5960
Management:	5910
Staff :	5920
Staff Certification:	5930
Staff Overtime:	5940
Staff Standby:	5950

## **Professional Services**

Accounting:	5610
Audit:	5620
Consulting:	5630
Data Services:	5640
Labor & HR Support:	5650
Payroll Services:	5660
Other Professional Services:	5690
Meeting Attendance, Legal:	5420
General Legal:	5430
Litigation:	5440

## **Facilities & Administration**

Alarm Services:	6335
Landscaping:	6337
Office Supplies:	5540
Postage:	5550
Printing & Publishing:	5560
Telephone & Internet:	5720
Other Administrative:	5790
Maintenance, Office:	5510

## **Engineering**

Meeting Attendance, Engineering:	6210
General Engineering:	6220

## **Pumping**

Pumping Fuel & Electricity:	6410
Pumping Maintenance, General:	6430

## **Sewer Authority Mid-Coastside**

SAM Collections:	6910
SAM Operations:	6920
SAM Prior-Year Adjustment:	6930
SAM Maintenance, Collection System:	6940
SAM Maintenance, Pumping:	6950

## **All other Accounts**

Bank Fees:	5190
Board Meetings:	5210
Director Fees:	5220
Election Expenses:	5230
Conference Attendance:	5250
Information Systems:	5270
Fidelity Bond:	5310
Property & Liability Insurance:	5320
LAFCO Assessment:	5350
Meetings, Local:	5520
San Mateo County Tax Roll Charges:	5710
Mileage Reimbursement:	5730
Reference Materials:	5740
Claims, Property Damage:	6170
Education & Training:	6195
Equipment & Tools, Expensed:	6320
Maintenance, Collection System:	6660
Fuel:	6810
Truck Equipment, Expensed:	6820
Truck Repairs:	6830
Total Other Operations:	6890

# Water

## **Personnel**

CalPERS 457 Deferred Plan:	5810
Employee Benefits:	5820
Disability Benefits:	5830
Payroll Taxes:	5840
Worker's Compensation Insurance:	5960
Management:	5910
Staff :	5920
Staff Certification:	5930
Staff Overtime:	5940
Staff Standby:	5950

## **Professional Services**

Accounting:	5610
Audit:	5620
Consulting:	5630
Labor & HR Support:	5650
Payroll Services:	5660
Other Professional Services:	5690
Meeting Attendance, Legal:	5420
General Legal:	5430
Litigation:	5440

## **Facilities & Administration**

Alarm Services:	6335
Landscaping:	6337
Office Supplies:	5540
Postage:	5550
Printing & Publishing:	5560
Fidelity Bond:	5310
Maintenance, Office:	5510
Telephone & Internet:	5720
Other Administrative:	5790

## **Engineering**

Meeting Attendance, Engineering:	6210
General Engineering:	6220
Water Quality Engineering:	6230

## **Pumping**

Pumping Fuel & Electricity:	6410
Pumping Maintenance, Generators:	6420
Pumping Maintenance, General:	6430
Pumping Equipment, Expensed:	6440

## **Supply**

Maintenance, Raw Water Mains:	6510
Maintenance, Wells:	6520
Water Purchases:	6530

## **Collection/Transmission**

Hydrants:	6610
Maintenance, Water Mains:	6620
Maintenance, Water Service Lines:	6630
Maintenance, Tanks:	6640
Maintenance, Distribution General:	6650
Meters:	6670

## **Treatment**

Chemicals & Filtering:	6710
Maintenance, Treatment Equipment:	6720
Treatment Analysis:	6730

## **All other Accounts**

Bank Fees:	5190
Board Meetings:	5210
Director Fees:	5220
Election Expenses:	5230
CDPH Fees:	5240
Conference Attendance:	5250
Information Systems:	5270
Property & Liability Insurance:	5320
LAFCO Assessment:	5350
Meetings, Local:	5520
Memberships:	5530
Mileage Reimbursement:	5730
Reference Materials:	5740
Backflow Prevention:	6160
Claims, Property Damage:	6170
SCADA Maintenance:	6185
Internet & Telephone, Communications:	6187
Education & Training:	6195
Equipment & Tools, Expensed:	6320
Lab Supplies & Equipment:	6370
Meter Reading:	6380
Uniforms:	6770
Fuel:	6810
Truck Equipment, Expensed:	6820
Truck Repairs:	6830
Other Operations:	6890





# **MONTARA WATER AND SANITARY DISTRICT AGENDA**

For Meeting Of: **March 5, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

**SUBJECT: Review and Possible Action Concerning Airport  
Well 3 Rehabilitation and Treatment Project  
Completion.**

---

Pump Repair Services, Inc. entered into an agreement with the District for the construction of the Airport Well 3 Rehabilitation and Treatment Project. The work has been completed in a satisfactory manner and the District's water engineer recommends that the District release file a Notice of Completion and return the 5% retention in the amount of \$9,446.25 after expiration of a 35-day lien period.

## **RECOMMENDATION:**

Authorize the General Manager to file a Notice of Completion with the County Recorder and return the 5% retention.

Attachments

FEB 19 2020



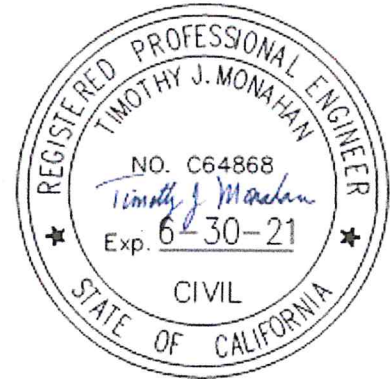
## MEMORANDUM

**TO:** Clemens Heldmaier, General Manager  
Montara Water and Sanitary District

**FROM:** Timothy Monahan, P.E.  
Project Manager

**DATE:** February 18, 2020

**SUBJECT:** Airport Well 3 Rehabilitation and Treatment Project Completion



Pump Repair Services, Inc., the general contractor for the Airport Well 3 Rehabilitation and Treatment Project, has completed all work and related punch list items. The work has been completed in a satisfactory manner and all assets are now functioning properly.

We recommend that the District release the 5 percent retention in the amount of \$9,446.25. Pump Repair Services has prepared a notarized Release of Contract form, and with release of their retainage the project will be considered closed.

00 65 19 RELEASE OF CONTRACT FORM

MONTARA WATER AND SANITARY DISTRICT  
AW3 REHABILITATION PROJECT  
RELEASE OF CONTRACT NO. AW3

WHEREAS, by the terms of the contract dated September 4, 2018 entered into by the MONTARA WATER AND SANITARY DISTRICT and the undersigned Contractor, Pump Repair Services, Inc., the undersigned Contractor agreed to perform certain work for the compensation specified in said contract; and

WHEREAS, the Contractor represents that said work is fully completed and that final payment is due to the Contractor under terms of said contract;

NOW, THEREFORE, in consideration of the promises and the payment by the MONTARA WATER AND SANITARY DISTRICT to the Contractor of the amount due under the contract, to wit, the sum of \$170,060.00 (\$188,925.09 with change orders), receipt of which is hereby acknowledged by the Contractor, the Contractor hereby releases and forever discharges the MONTARA WATER AND SANITARY DISTRICT of and from all manner of debts, dues, demands, sum or sums of money, accounts, claims and causes of action, in law and in equity, under or by virtue of said contract except as listed herein. (If not, so indicate.)

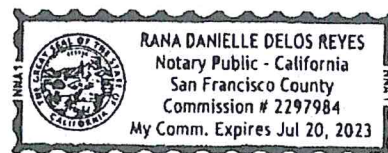
IN WITNESS HEREOF, the hand and seal of the Contractor have been hereunto set this 26 day of November, 2019.

  
\_\_\_\_\_  
Contractor

THIS FORM MUST BE NOTARIZED

By: Rdch

Title: Notary Public



END OF DOCUMENT



# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **March 5, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

**SUBJECT: Review and Possible Action Concerning Wagner Wellhead Rehabilitation and Water Main Replacement Project Completion.**

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Andreini Bros, Inc. entered into an agreement with the District for the construction of the Wagner Wellhead Rehabilitation and Water Main Replacement Project. The work has been completed in a satisfactory manner and the District's water engineer recommends that the District release file a Notice of Completion and return the 5% retention in the amount of \$12,191.40 after expiration of a 35-day lien period.

#### RECOMMENDATION:

Authorize the General Manager to file a Notice of Completion with the County Recorder and return the 5% retention.

Attachments



# MEMORANDUM

**TO:** Clemens Heldmaier, General Manager  
Montara Water and Sanitary District

**FROM:** Timothy Monahan, P.E.  
Project Manager

**DATE:** March 2, 2020

**SUBJECT: Wagner Wellhead Rehabilitation and Water Main Replacement Project**



Andreini Bros, Inc., the general contractor for the Wagner Wellhead Rehabilitation and Water Main Replacement Project, has completed all work and related punch list items. The work has been completed in a satisfactory manner and all assets are now functioning properly.

We recommend that the District release the 5 percent retention in the amount of \$12,191.40. Andreini Bros, Inc., has prepared a notarized Release of Contract form, and with release of their retainage the project will be considered closed.

**Recorded at the Request of:**  
Montara Water & Sanitary District

**When Recorded Mail to:**  
Montara Water & Sanitary District  
8888 Cabrillo Highway  
P.O. Box 370131  
Montara, CA 94037

---

Space above this Line for Recorder's Use

NOTICE OF ACCEPTANCE OF COMPLETION

MONTARA WATER & SANITARY DISTRICT

Wagner Wellhead Rehabilitation and Water Main Replacement Project

NOTICE IS HEREBY GIVEN, Pursuant to Section 3093 of the Civil Code of the State of California, that Clemens Heldmaier, General Manager for and on behalf of Montara Water & Sanitary District, San Mateo County, California, on the 2<sup>nd</sup> day of March, 2020, did file with the Secretary of said District a Statement of Completion of the following described work, the Wagner Wellhead Rehabilitation and Water Main Replacement Project, the contract for doing which was awarded to Andreini Bros, Inc. and entered into on July 25, 2019.

That said work and improvements are public improvements owned and held by said District for the benefit of the public, and were actually completed on February 11, 2020. Acceptance of completion of said work was ordered by the District Board of the Montara Water & Sanitary District on the 2<sup>nd</sup> day of March, 2020 and the name of the surety on the contractor's faithful performance bond for said project is Great American Insurance Company of Ohio.

That said work and improvements consisted of the performing of all work and furnishing of all labor, materials, equipment and all utility and transportation services required for the installation of the Wagner Wellhead Rehabilitation and Water Main Replacement Project, all as more particularly described in the plans and specifications approved by the Board of Directors of said District.

The site of the construction and improvements was to the east side of Drake Street and Elm Street.

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

OWNER: Montara Water & Sanitary District  
8888 Cabrillo Highway  
P.O. Box 370131  
Montara, CA 94037

Dated: March 2, 2020

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Mr. Clemens Heldmaier  
General Manager  
Montara Water & Sanitary District



# **MONTARA WATER AND SANITARY DISTRICT AGENDA**

For Meeting Of: **March 5, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

A handwritten signature in blue ink, appearing to be 'C Heldmaier', is placed to the right of the 'FROM' line.

**SUBJECT: Review and Possible Action Concerning March  
14 District Spring System Tour.**

The District is planning system tours for Saturday March 14. Three one-hour tours are planned and start at the MWSD office with a drive and narrative explanation to our Alta Vista site. Anyone interested can sign up through our website or call our office.

## **RECOMMENDATION:**

This item has been placed on the agenda to allow for the scheduling of Directors attendance.



# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **March 5, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

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**SUBJECT: General Manager's Report**

---

**Operations:** MWSD Operations staff investigated 11 possible customer leaks, found 3 customer leaks, repaired 3 water distribution leaks, responded to 10 Underground Service Alerts, 1 water meter repair and took 16 water quality samples in March.

The District is preparing for Spring 2020 System Tours on Saturday, March 14 and invites the public to attend. See newsletter and website for more information.

**Newsletter:** The February/March MWSD newsletter will be sent as bill insert and is attached to this report.

**Projects:** Construction of the new Airport 3 Treatment Plant is finalized and will be closed out soon. Due to the failure of custom-made hose connections purchased in conjunction with the treatment vessels the site is currently non-operational until replacement hoses have been secured. This issue is unrelated to the construction work that was performed.

The Wagner Well Rehab Project is finalized and will be closed out soon.

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.

**Meetings:** The General Manager attended a SAM member agency managers and attorneys meeting on February 28.

**SAM:** The Sewer Authority Mid-Coastside offers tours of the SAM Sewage Treatment Plant every third Wednesday of the month at 11:00am.

**Manager Leave:** The General Manager was on vacation February 13 – 24, 2020.

## RECOMMENDATION:

This is for Board information only.