



MONTARA WATER & SANITARY DISTRICT

REGULAR BOARD OF DIRECTORS MEETING August 3, 2023

MINUTES

This meeting took place at the district office located at the above address. Simultaneous public access and participation was also available remotely, via telephone or the ZOOM application.

REGULAR SESSION began at 7:33 p.m.

CALL TO ORDER

ROLL CALL

Directors Present: Boyd, Dekker, Softky, Slater-Carter and Young

Directors Absent: None

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

Others Present: District Counsel, Christine Fitzgerald
District Sewer Engineer, Pippin Cavagnaro
Aaron Levinson, Communication Leasing Services

PRESIDENT'S STATEMENT

Director Boyd stated he returned from a place where it was perpetually sunny and hot, and he is glad to be back.

ORAL COMMENTS--none

PUBLIC HEARING

1. Review and Possible Action Concerning Second Amendment to Verizon Site Lease

General Manager Clemens Heldmaier said it has been a long time since they reviewed the Verizon lease for the cell tower. Here they have an amendment to the Verizon site lease, which is an extension to the lease. It has also been reviewed by legal counsel.

Aaron Levinson stated Montara Water and Sanitary District (MWSD) was approached by American Tower, which was involved in the Verizon lease earlier on, and approached General Manager Clemens Heldmaier to extend the lease, buy the lease, wanting a perpetual easement, a number of years ago. They decided it would be beneficial to remove American Tower, and deal directly with Verizon. In 2020, they started negotiating with Verizon. Finally, they have come to an agreement with them which gives MWSD more control and protection on their property. This second amendment gives MWSD more control over anything that happens on the monopole. Verizon would need MWSD's approval. Verizon will be responsible for any damage they may cause, and if Verizon staff or subcontractors want to access anything outside of the garage, they will need to provide at least 24 hours prior notice and identify who they are. They also negotiated language in the assignment section that prevents Verizon from easily assigning the lease to a tower company, lease aggregator, non-carrier, etc. They don't operate the way a carrier does. MWSD is better off having a direct relationship with their tenant as opposed to having to work with a third party. The agreement would extend for ten years. The rent increase, which would be \$4,000 dollars per month, would be effective as of December 1, 2022, and would escalate 3% per year.

Director Softky asked if there have been problems in the past?

General Manager Clemens Heldmaier commented said there was activity at the tower without their knowledge. The installation of the original generator was not done properly, and exhaust was pointed towards our building.

Director Softky asked if anyone has complained about the tower signals.

General Manager Clemens Heldmaier said no one has complained.

Aaron Levinson said this site is an ideal location.

Director Boyd opened the public hearing.

Director Slater-Carter said she appreciates the updates being made and an awareness of work being done. For the public, 100% of these funds have been used for the benefit of the district and the public. They do need the cell towers and there are times when they don't have cable for days. Sometimes it is the only means of communication during outages. She is also hoping in the future they can get better internet and cable coverage for the community.

Director Dekker said he thought they had already renegotiated the lease with Verizon and this meeting was to approve that change.

General Manager Clemens Heldmaier said that was correct.

Director Boyd said this is an amendment. In the future when they want to change out the technology on the tower, Verizon is obligated to talk to the district, which then becomes another negotiation.

General Manager Clemens Heldmaier said they are working with AT&T for the Alta Vista site, which would improve the cellphone reception in Montara and Moss Beach. They are also working with US San Diego to put up a vertical wind profiler on this site and the Fire Department on relocating their communications antenna, who is looking for a permanent site.

Director Young said Cruzio is also looking for a location for a potential site for communications. Also, CalFire put their fire-cam too high up on the mountain and all you can see is fog. Perhaps, the Montara Water and Sanitary District (MWSD) can offer them a different site.

General Manager Clemens Heldmaier said he already talked to them, and they did not find a suitable site.

Director Boyd opened the public hearing.

Gregg Dieguez, chair of Midcoast Community Council, stated that they did a substantial report on telecommunications vulnerabilities on the Mid-Coast. Some of what they are talking about now sounds like it is targeting some of the weaknesses. He encouraged maintaining maximum flexibility going forward. They are trying to form a community fiber network and trying to get grant money. This district has endorsed their efforts to create this and their solution for cell phone problem is having better internet, especially underground with fiber. They have requested \$100,000 dollars for a feasibility study, and it seems like MWSD would be a participant in this and would benefit from the improved connectivity.

Director Slater-Carter moved to close the public hearing and Director Young seconded the motion. All were in favor, and the motion passed 5-0.

Director Dekker made a motion to approve the resolution finding that certain district property is not needed for immediate district purposes; that use thereof under a proposed amended lease with a term not exceeding ten years is compatible with District uses; that said amended lease will be of public benefit; approving, authorizing and directing execution thereof and authorizing and direction General manager to file notice of exemption under California Environmental Quality for said project. Director Slater-Carter seconded the motion. Roll-call vote. Director Dekker: AYE Director Softkey: AYE Director Young: AYE, Director Slater-Carter: AYE and Director Boyd: AYE. Motion passed 5-0.

CONSENT AGENDA

- 1. Approve Minutes for Regular Scheduled Board Meeting July 20, 2023**
- 2. Approve Financial Statements for June 2023**
- 3. Approve Warrants for August 1, 2023**
- 4. SAM Flow Report**
- 5. Monthly Review of Current Investment Portfolio**
- 6. Connection Permit Applications Received**
- 7. Monthly Water Production Report**
- 8. Rain Report**
- 9. Monthly Solar Energy Report**
- 10. Monthly Public Agency Retirement Service Report for May 2023**

Director Dekker made a motion to approve the consent agenda items 1-10, and Director Slater-Carter seconded it. All directors were in favor, and the motion passed 5-0.

OLD BUSINESS - none

NEW BUSINESS

- 1. Review and Possible Action Concerning Authorization to Award the Contract for Construction of the SEWER IMPROVEMENT PROJECT and SPOT REPAIRS 2022-2023.**

General Manager Clemens Heldmaier stated a few months ago (May 4, 2023) the Board approved this project to go out to bid and the bidding process went well. Sewer engineer Pippin Cavagnaro, is here to present the project and the results.

District Sewer Engineer Pippin Cavagnaro stated they put together a project continuing their efforts on focusing on reducing rain water from getting into the sewer system, reducing efforts of the Sewer Authority Mid-Coast (SAM) staff in cleaning difficult pipes in areas, and improving lateral connections and laterals to benefit the overall water resistance for rain water into getting into the system and reducing sewer spills. Every year or 18 months they do a big project. They will be working around the Date/Harte valley and pipes near the ocean by the Seventh

Street pumpstation, etc. SAM indicated there is a lot of water pressure coming into the system there. So, they are trying to combat that and seal it up. There were four qualified bidders, and Hardiman Construction, of Larkspur, was the lowest bidder. There were two sections of bids: a base bid and an alternate bid, to allow them maximum flexibility for the budget. The award was given, based the lowest bid for the base bid amount. If they like the price of the alternate bid, and it is within the budget, they can award the entire amount. Hardiman, has not worked in Montara before, but has a long history doing this kind of work in Marin County. Second was Glosage Engineering, third Pacific Trenchless, and fourth was Golden State Construction. They had a 2.394-million-dollar budget for the project overall, and the combined project bid was 1.93 million dollars. So, if the Board approves, they would like to award the whole project to Hardiman Construction.

Director Dekker said last time Pacific Trenchless did the job. Why weren't they awarded the job?

District Sewer Engineer, Pippin Cavagnaro replied that in public bidding they are bound by the lowest price if the contractor submits a responsible bid—they submit all the documents, have competence in construction, etc.

Director Dekker asked what the meaning is of the three numbers on the bottom --3 yrs. average EMR, RIR, LTIR.

District Sewer Engineer, Pippin Cavagnaro said those are criteria in the bid specs that define how many lost hours due to work related injury or other claims, damages, etc. There is a state formula for these types of deficiencies, and if the numbers meet the criteria, then they can proceed on the job. If any of the numbers falls outside of the range, the contractor would have to hire a consultant (at their cost) to do site inspections, etc.

Director Young said there are issues on San Lucas and Ocean Blvd. Can you add those areas into the bid?

District Sewer Engineer, Pippin Cavagnaro said they are doing some work out on Bernal, and they can always add work if needed with the Board's approval.

Director Young said she thought they were going to use flexible pipes in Moss Beach due to the movement of the terrain.

District Sewer Engineer Pippin Cavagnaro replied that area does move a lot. Each situation would have to be designed or dealt with on a case-by-case basis.

Director Young asked what the acronyms at the bottom are.

Director Boyd replied that the EMR is the experience modification rate. It is a number used to adjust the insurance rate for the firm. The RIR is the reportable incident rate, and LTIR is the rate of incidents per 200,000 hours.

Director Slater-Carter said she was asked if this work will make a significant difference in their Inflow and Infiltration (I & I), and she said there are always new places for I&I. It is impossible to stop all I&I.

District Sewer Engineer Pippin Cavagnaro added that the plastic pipes tend to degrade at a slower rate. So, the leaks would be broken clean out caps, private laterals, and old manholes. They are replacing the manholes and assist customers in replacing their sewer laterals.

Director Dekker made a motion to authorize the General Manager to award the contract to Hardiman Construction, Inc., for the sewer improvement project and spot repairs 2022-2023 base bid and alternative bid and adopt the Resolution of the Montara and Sanitary District approving contract documents and authorizing award of the contract for construction of the project to Hardiman Construction, Inc acknowledging and authorizing the filing of Notice of Exemption under the California Environmental Quality Act. Director Slater-Carter seconded the motion. All were in favor, and the motioned passed 5-0.

REPORTS

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

Director Slater-Carter said they are waiting for the appeals court, and the budget has passed. The budget only includes planning for repairing the pipeline that broke between Montara and El Granada. The SAM Board will be repairing the pipe in place with no major changes so they can get the planning and permitting done as soon as possible.

Director Dekker said they are also waiting for the results of two studies: one is to analyze what happened with the break of the force main and the reason for that and to look at the flood situation near the plant. The reports are done and being reviewed by the engineers, and they are looking forward to getting them.

Director Young asked about the situation with the force main in Montara and replacing of the pipe. And what about the FEMA money?

Director Slater-Carter replied it is going to take a long time.

Director Young said she took the SAM tour, and they are planning to pile up dirt in anticipation of the winter storm.

Director Dekker said once they receive the report, they can look at the situation of the plant versus the inflow of water, and they can look into increasing the dike professionally.

Director Slater-Carter said that area is only one of the problems. They need to put in the budget some stormwater control.

Director Young said Half Moon Bay has a ten million dollar unfunded capital improvement stormwater project in their capital expenditures.

Director Dekker added that the MCC is assisting in looking into that problem.

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

Gregg Dieguez said they wrote a letter to the County requesting an explanation of the amount of money they spend on the Midcoast vs. how much they receive. They received a reply that they will get an answer in 45 days. During the last meeting, they had a bold presentation on stormwater. He is showing Berman's staff the presentation tomorrow, and he met with Eshoo's Chief of Staff today, and she gave him some suggestions in acquiring federal funding. He is also trying to meet with Becker's Chief of Staff the week after next to lay the groundwork for a grant request to help SAM out. Half Moon Bay has a 3.5-million-dollar budget deficit, which would be a 5 million deficit if they were funding the necessary repairs to the Intertie Pipeline System. They are in financial trouble, and they are not addressing the problems at the SAM plant. It looks like they need to get some help for Half Moon Bay and MWSD to do something serious about the plant. They have a need of administrative capacity to write the grants. All is pending right now. He is trying to coordinate a regional solution to the stormwater problems, which is, in his opinion, the majority of the SAM problems.

Director Young asked about the fentanyl testing at SAM.

Gregg Dieguez said they asked the County for funding for fentanyl testing. There is a Measure K meeting on August 9th. They have coordinated with the public health department, and they are in agreement that this testing should be done. Half Moon Bay didn't want to pay their share for the testing program at the SAM plant. So, the MCC is trying to get funding elsewhere.

3. California Special Districts Associations Report (Slater-Carter)

Director Slater-Carter said there is a CSDA conference at the end of August. She is going for the Harbor District. The new Chair of CSDA is Jim Pruett who is also the general manager at the Harbor District.

4. Local Agency Formation Commission (LAFCo) Report (Slater-Carter)

Director Slater-Carter said there was a meeting last week. They will be picking up on establishing East Palo Alto Sanitary District as a subsidiary district of the City of East Palo Alto.

5. Attorney's Report (Fitzgerald)

District Counsel Christine Fitzgerald said she found out today a legislative non-profit group called the *Consumer Watchdog* submitted an initiative proposed for the 2024 ballot that makes some significant reforms to the California Public Records laws. There are things that will impact costs that the district will incur, to what extent they can use attorney client privileges, and attorney work product when exempting certain records. There may be some annual posting requirements on the website. If any of the Board members would like more information, she will be happy to provide it or can give a more detailed report at a later date. It is definitely something they should be aware of. It is called the *Government Transparency Act* and amends the California Public Records Act and the Legislative Open Records Act.

Director Softky asked if this is legitimate or harmful to the district.

District Counsel Christine Fitzgerald said this seems legitimate. This initiative arose from frustration from the public in getting public records and what a slow process it is and with respect to legislative misconduct in Sacramento.

6. Directors' Report

Director Young said she went to the CDRS meeting for the Mid Pen Housing two weeks ago, and there were concerns about putting the design review before the EIR, which hasn't come out yet. She brought up that there will be 142 parking spots, but only 5 EV chargers and gas is expensive. Also, gas cars are being phased out. That community needs to have better services. Additionally, the cost of living here is too high, there isn't good public transportation, and the nearest market is 14 miles round trip. People that apply would have no idea how difficult and expensive it is to live in this remote area.

Director Slater-Carter asked if the number of parking spaces are adequate.

Director Young said she mentioned they should add parking overflow. But they get bonus density credits for under providing parking. They think people are going to take the bus or ride their bicycles.

7. General Manager's Report (Heldmaier)

General Manager Clemens Heldmaier reminded everyone about the Special Meeting on Tuesday, August 8, 2023, at 10:00am and there will be a public hearing about the districting draft map D2 posted on the website last week. Please

feel free to provide any comments or ask questions. The next regularly scheduled Board of Directors meeting is on August 17, 2023, and they will be adopting the final map.

Director Young said the most recent map has the number 4 in the 3 spot. Both numbers are in the pink area and nothing in the purple area.

General Manager Clemens Heldmaier added they also have to determine the numbering of the districts.

FUTURE AGENDAS - none

ADJOURNMENT at 8:45 pm

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

Respectfully Submitted,

Signed _____
Secretary

Approved on the 7th, September 2023

Signed _____
President



MONTARA WATER & SANITARY DISTRICT

SPECIAL BOARD OF DIRECTORS MEETING August 8, 2023

MINUTES

This meeting took place at the district office located at the above address. Simultaneous public access and participation was also available remotely, via telephone or the ZOOM application.

SPECIAL SESSION began at 10:05 a.m.

CALL TO ORDER

ROLL CALL

Directors Present: Boyd, Dekker, Softky, Slater-Carter and Young

Directors Absent: None

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

Others Present: District Counsel, Christine Fitzgerald
Redistricting Partners, Paul Mitchell

PRESIDENT'S STATEMENT

Director Boyd said today they are here primarily to have the final workshop for transition from at-large to by-division based elections and will be looking at some maps. At the next meeting, they will be voting to adopt a map. Today is your last

opportunity to propose changes. They hope to have some members of the public to comment on this. They have had some participation so far, and it has been valuable.

ORAL COMMENTS-none

PUBLIC HEARING

1. Review and Possible Action Concerning Transition from At-large to By-division Based Elections

General Manager Clemens Heldmaier said they have been working on this for quite some time, and this is the last public hearing and opportunity to make any changes to the maps. They will be adopting the final map at the meeting scheduled for August 17th. They had Elizabeth Stitts help them with the process in prior meetings. Today, Paul Mitchell of Redistricting is here to pick up where she left off and will be presenting their current drafts of the maps and what they are doing so far.

Paul Mitchell stated Montara Water and Sanitary District (MWSD) is doing a districting process, and the districting process for a district of your size is problematic. There will be many oddities and imperfections because of what they are dealing with--census data, the geography of the census blocks. The criteria used to determine maps are: relatively equal size based on people from the census, contiguous, maintain communities of interest, follow city and census designated place boundaries, and keep districts compact in appearance and function. Looking at the agency, the total population is 5,574 people, with 4,300 citizen voting population. They started out with Map A, Map B, and Map C, using different methods. Map B was rejected. When they draw the maps, they will all have numbering. For the purpose of having a proposed numbering system, stick with a basic construct of even numbered districts will be up for election held in 2024, and odd numbered district elections will be held in 2026. When you come to a final map, before or in concert with the final vote, you will assign what districts come up when. That does have to be part of the process. Draft Map A has a deviation of the total population of 6.3%, which means the largest district is 6.3% larger than the smallest district. Draft map C has a deviation of 1.7%. Draft Map D was created based on Board direction to minimize neighborhood splits with a total deviation of 3.1%. Draft plan D2 had changes with a rotation of population, with a total deviation of 5%. Drawing maps for this small district is challenging, with census blocks that could have 70-80 or 200 people in it. It becomes really challenging, and there will be lines going down the middle of streets. As they go through this, they can start drawing the boundaries. Keep in mind that they are bound by what the census data gives them, and they sometimes create some really weird lines.

Director Young made suggestions to adjust the boundaries of Moss Beach and Montara.

Director Softky said he can't see the streets.

Director Boyd said the Board members find the readability of the maps problematic.

Paul Mitchell used Maptitude to show the streets and made adjustments based on the directors' comments and requests.

Director Slater-Carter said Moss Beach is divided into three sections, and each neighborhood is a community of interest. The issues of interest should be considered, not just geographic areas. The basis for this is to give the community a voice, and she is not comfortable with what she is seeing. Creeks and pastures are not as important as zoning issues.

Director Softky said they are constrained by bad state law, census tracks, census data, rules of fractional deviation. Natural boundaries are good lines to use, but don't line up with census tracks. They are forced to make the best plan for the future using old data according to principles that are no longer valid. Where do sewers overflow? That is something they care about. Where are wells vs city water? Where do the district officers live? So, they can have the districts well represented without drawing boundaries which makes it harder. What about zoning? The County zoning lines might be like the census tracks, but they need to see where they are and know what the trade-offs are. He sees people arguing and pointing at the screen as they all describe their suggestions to someone who is trying to draw a map who has no idea what they are pointing to. This is the best illustration of why they should never have meetings on zoom. At the next meeting he would like to have a very large format paper map, with bright type fonts, in person, showing sewerage, water issues and something about director residences.

Director Boyd said that the resident locations of incumbents is immaterial to the fairness of the map. He believes it is immaterial that the interests of the individuals serving on this board are not the interests that are the topic for discussion. He thinks it is material that he maintain arm's length on whether or not his decisions are influenced by how that might impact his ability to stand for the district to avoid potential perception of conflict of interest. For him, he would rather not know and talk only about how well these districts are represented for the community separate and apart from how they individually play into that because in 50 years he will not be on this Board, and they will probably live somewhere else.

Director Softky said he requested a map which enumerates which members live in which districts, not where each director lives. He is proposing who lives in which

district because it would be helpful to have a smooth transition and knowing what the consequences will be for the election.

Paul Mitchell said the numbering sequence can look at where the incumbents live in order to align the election dates to the residents of that district, and they can indicate which members live in which districts. Understanding which districts will be vacant will be part of the discussion at the final meeting.

Director Young said she still thinks the line should be on 6th street and make it more geographical. She handed Director Boyd a map she sketched out and described her boundaries.

Paul Mitchell recommended making all the changes via the mapping program to see if it is viable.

Director Dekker said they are limited by the mathematical guidelines that they have been given to form these districts. It can only be done by using the computer program to find out how many people are in the district and balancing the numbers. He suggested she work with Paul Mitchell to change the boundaries and see how it affects the number of people in it rather than the back and forth.

Director Young described her proposed changes to Paul Mitchell and the directors discussed more changes.

Director Softy commented that they have discovered in the last 15 minutes that there is only so much they can do when the required census blocks are invisible random shapes. He proposes they go with the current map, with the 6% deviation. It is within the law and is better than any of the other maps.

Director Boyd asked when do they get another shot at adjusting the district boundaries if they decide they need to. When is the soonest they could do it?

Paul Mitchell said the district would adopt these plans, have them for the next election and adjust them at a future date. There is no law prohibiting you from doing a redistricting, but the new data wouldn't be out until 2030 for 2031 redistricting and would take effect by the 2032 election.

Director Boyd said if they lock this down today, they don't get to fix it for ten years. Knowing that, can you live with this?

Director Boyd opened the public hearing.

Ruth Stoner Muzzin said she lives in what would be District 2 and it is the most underpopulated. She wanted to know if the potential development on the north side of Moss Beach would make more sense to put in District 2 because it is a little

underpopulated. And should the development happen, it would equalize the undercount.

Director Young said they can't count future development until it happens.

Paul Mitchell tried the suggested change. It couldn't be done, due to the census block.

Ruth Stoner Muzzin asked how many people are in the census block currently.

Paul Mitchell said 248 people.

Ruth Stoner Muzzin asked what would be the percentage reduction if it came out of the district where you currently have it.

Paul Mitchell replied 248 people is about a quarter of a district.

Director Dekker made a motion to close the public hearing, and Director Young seconded it. All were in agreement and the motion passed 5-0.

Director Boyd said they now have a draft map to turn this into a proper map no fewer than seven days before August 17th.

The other directors agreed.

NEW BUSINESS

1. Review and Possible Action Concerning Designation of President Pro-Tempore

General Manager Clemens Heldmaier said with the passing of Director Lohman, the president pro tem position is vacant. It is important to have President Pro tem if the President is not available to chair a meeting. Staff recommendation is to designate a President Pro-Tempore.

Director Young nominated Director Slater-Carter.

Director Softky said he may or may not be putting his name forward depending on if his reasoning style is compatible with what presidents are supposed to do and what people want the president to do.

Director Boyd stated sooner or later everyone will have an opportunity to sit in this seat. Being Chair means he has to facilitate everyone who has a voice. It is more important that the board members get their say than he gets his say.

Director Dekker stated he is in support of Director Slater-Carter being President Pro Tem.

Director Slater-Carter said she will do it.

Director Boyd designated Director Slater-Carter as President Pro Tem for the remainder of calendar year 2023.

REPORTS

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

Director Slater-Carter said they got a notice that the oral hearings for the lawsuit will be October 5, 2023. It will be posted on the website.

2. Mid-Coast Community Council Meeting (Slater-Carter).
3. CSDA Report (Slater-Carter).
4. LAFCo Report (Slater-Carter).
5. Attorney's Report (Fitzgerald).
6. Directors' Reports.
7. General Manager's Report (Heldmaier)

FUTURE AGENDAS

BRIEF RECESS: 11:38 AM

CONVENE IN CLOSED SESSION 11:46 AM

**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 Superior Court No. 17CV316927)

Case Name: Montara Water and Sanitary District v. The Dow Chemical Company,
et al. (San Bernardino County Superior Court No. CGC-05-438267)

PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Government Code
§54957(b)(1)) Title: General Manager

CONFERENCE WITH LABOR NEGOTIATORS (Government Code §54957.6)
Unrepresented Employee: General Manager

REPORT OF ACTION TAKEN IN CLOSED SESSION, IF ANY

ADJOURNMENT at 12:20 PM

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

Respectfully Submitted,

Signed _____
Secretary

Approved on the 7th, September 2023

Signed _____
President



MONTARA WATER & SANITARY DISTRICT

REGULAR BOARD OF DIRECTORS MEETING August 17, 2023

MINUTES

This meeting took place at the district office located at the above address. Simultaneous public access and participation was also available remotely, via telephone or the ZOOM application.

REGULAR SESSION began at 7:33 p.m.

CALL TO ORDER

ROLL CALL

Directors Present: Boyd, Dekker, Slater-Carter, Softky and Young

Directors Absent: None

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

Others Present: District Counsel, Christine Fitzgerald
District Accountant, Peter Medina

PRESIDENT'S STATEMENT

Director Boyd reminded everyone about the system tours on September 9, 2023, in the morning, and the 65th Anniversary celebration at 1:00pm in front of the

district offices. They look forward to seeing everyone. Please sign up on the website for the system tours.

General Manager Clemens Heldmaier asked the Board members to participate in the system tours in the morning.

Director Young asked if the system tours are kid friendly.

General Manager Clemens Heldmaier said the afternoon event is kid friendly, but the system tours will be more technical.

ORAL COMMENTS

Gregg Dieguez said he has previously commented on what he calls the 10-million-dollar mistake looming by not having connection fees reflective of the cost of the asset foundation underneath the district. He found out today about the proposed hotel in Montara that they are being asked to be reviewed and approved by September 1st and the Cypress Point EIR has come up for review due September 25th. He underestimated the 10 million dollars, because if you consider the asset replenishment fees required, at 3.5% inflation in 40 years, and you need to accumulate reserves for that or else you will be borrowing. He took a look at AB 1600, as was mentioned previously, and he finds there are plenty of precedents in other districts for charging based on difficulty of service and distance from the plant. He thinks asset foundation is a permissible expense. He requested that the Board commission District Counsel Christine Fitzgerald to take a look at case law and precedent on this matter, as a first step, and take a look at the connection fees and asset replenishment fees. The district should be charging for people who are sole users of a piece of infrastructure.

Chris Porter announced her retirement from Recology of the Coast, effective June 2, 2023. It has been a pleasure working with the Board and General Manager Clemens Heldmaier. She introduced the new general manager, Glen Bongji.

Director Softky recounted his experience in clarifying some information with her in the past and how he appreciated her knowledge and expertise.

Jim Harvey thanked Chris Porter for setting the bar high on service to the community and handling all the challenges they've had. He appreciates her contribution to the District and the community.

Glen Bongji introduced himself. He has been in the business for 36 years. He is a rookie at Recology but not in the industry. If they have any questions and/or problems, please give them a call.

The directors congratulated Chris Porter and welcomed Glen Bongji.

Director Softky said in general, the long-term structural issues are very important but always the farthest away from current business. He intends to mention this at each meeting. With his expertise in communication, he is interested in long-term improvements in communication. This particular meeting, in looking at maps and making decisions and understanding which aspects matter most--that process involves a lot of 3-D interaction among people over 3-D maps. He proposed that the Board members put away their laptop computers. They could print the agenda or write it down. If the board members' eyes are on their laptops, they are not on whoever is speaking.

Director Young said the Board was issued laptops to save paper.

Director Young said she saw the story poles up at the west side of Highway One and it was rumored to be Mark Zuckerberg's residence. Is the District commenting on that? What about the EIR for Cypress Point? There will be a meeting at Supervisor Mueller's office about the EIR for Cypress Point.

General Manager Clemens Heldmaier replied that all construction involving sewer and water comes to the district. He will be commenting on them as it pertains to water and sewer.

Director Softky replied that Director Young commented about saving paper. But their time and attention are so much more important, and any digital device we are paying attention to interrupts their attention as human beings.

Director Boyd said the laptop is a tool, and he is going to continue using it. It is how he retains and engages in the job.

Director Slater-Carter asked that this be an agenda item, so that they can discuss this further. Tonight, they are making important decisions and looking at new concepts as a result of this change, and it is important to be open to new ideas.

PUBLIC HEARING

1. Review and Possible Action Concerning Establishing Division Based Elections System, Approving Final Map of Electoral Divisions and Setting Sequence of Division Elections

General Manager Clemens Heldmaier stated the Board has been reviewing this for months, holding public hearings and discussing iterations of the district maps based on community and Board input. This is the 6th public hearing to complete the process. At the last public hearing, the Board directed staff and the consultant to create the draft map D2B that is being considered today, with a total deviation of 9.7%. They also need to determine the election sequence for the directors to be

elected within their districts in 2024 and 2026. Two districts will be scheduled for 2024, Director Slater-Carter and Director Boyd, and Director Young's appointed two-year term as she filled the first half of Director Lohman's 4-year term following his passing. Two directors will be elected in districts 2 and 4 for a 4-year term, and one director will be elected at-large to fill Director Lohman's second half of the term. This would be districts 2 (green) and 4 (purple). In 2026, districts 1, 3, and 5 the terms for Director Softky and Director Dekker will be up and filled as well as the Director elected in 2024 to fill the remaining term of Director Lohman. Staff recommendation is to Open the public hearing, hear relevant testimony, close the public hearing and adopt the Resolution of the Board of Directors of the Montara Water and Sanitary District providing for the election of Directors by division, establishing the boundaries and identification number of each electoral division, and establishing the order of election for each division.

Director Softky said that he can't see the map. He has been asking for paper maps without success.

General Manager Clemens Heldmaier shared the proposed map via his computer.

Director Young asked for clarification of the sequencing and election years.

General Manager Clemens Heldmaier replied that the even numbered districts will be for Board members up for election in 2024, and the odd numbered districts will be for those directors up for election in 2026. Director Young will be up for election in 2024 for the first part of Director Lohman's seat at-large. Then she will be up for election in 2026 for the remaining part of Director Lohman's seat.

Director Boyd opened the public hearing.

General Manager Clemens Heldmaier stated he received a comment from Bob Ptacek and read it as follows:

I am unable to call into the 8/17 meeting and would appreciate if my statement on the districting can be at least entered into the record.

Districting elections in large cities makes perfect sense. An area can be insured of having a seat at the table. But in none of those cities does the area get to own the table, chairs, podium and sound system to gain control of the governmental board. Which is what is going to happen in Montara and Moss Beach.

The forced districting is only coming about because some individuals in the community are not able to demonstrate to the voters that they will serve in the best interest of the entire community and not a select group of individuals that have an agenda that is contrary to serving the entire community.

Using prior election results, as I previously presented to the board, a district seat can be won with 11.6% of registered voters. Three board seats control the MWSD board, which due to districting requirements, can be secured by 34.8% of the voters.

MWSD has diligently maintained the districts infrastructure. The community indebted itself to acquire and control our water supply. It is no secret that our assets, paid for by the community, are a desired commodity outside of MWSD.

The worse part of districting potential impact is: As the community is active and vocal about its assets, which has not always been well received by other local, county or state agencies, the controlled MWSD boards can take action for dissolution/merger/acquisition of the district and its assets, leaving the community to deal with service and funding being dictated outside of our community.

Bob Ptacek, Montara CA

Director Dekker made a motion to close the public hearing, and Director Softky seconded it. All were in agreement, and the motion passed 5-0.

Director Dekker said he approves of the new map.

Director Slater-Carter thanked Mr. Ptacek for his statement. She is hopeful this community can stick together. She was listening to a discussion the other day stating that it only takes 8% of the voting public to make a simple change, and it changes society. Whoever eventually gets on this board, the tradition continues to make this community centric. She was uncomfortable with earlier maps but thinks they came up with a solution. She supports this map. Things change, and this district will cope and come out better for it. She requested that five maps be posted on the wall for the celebration, so everyone can see them and know what district they belong to.

Director Softky said he is deeply disappointed that he can't make his decisions based on reading the names of the streets on the borders. He still wants a paper map. Based on what he sees on his laptop, he approves of the map.

Director Young stated she is disappointed that one of the changes she asked for wasn't done. What happens if a district doesn't get any director that wants to run for it?

Director Boyd said if no one applies, the Board will appoint a director who lives in the district. If the Board fails to appoint, then it goes to the County Board of Supervisors to appoint. The habit of this district is to keep the local control local,

and they have stepped up to that. He also wished that he had more time to work with the program. They went through a few iterations. Some of the boundaries are strange, because they had to do it with puzzle pieces defined by US census blocks and some of them have unusual shapes. So, they had to fit together these puzzle pieces, while balancing communities and population. One of the strengths of the Board is to work together to get things done. If you know anyone interested in civic duties, please think about stepping up. He doesn't like how the California Voting Rights have enacted a very well-meaning goal in terms of regulations that work poorly for small districts. Mr. Ptacek really captured their concerns, but they have to make do with what they got.

Director Slater-Carter thanked General Manager Clemens Heldmaier for getting this done under difficult circumstances. She thinks the districts are consolidated and concise in this map. This district will move forward and have lots to do.

Director Softky said that he thinks it will work going forward.

Director Boyd said if you know anyone interested in serving, they have some great information available.

Director Slater-Carter made a motion to adopt the Resolution of the Board of Directors of the Montara Water and Sanitary District providing for the election of Directors by division, establishing the boundaries and identification number of each electoral division, and establishing the order of election for each division. Director Dekker seconded the motion. Roll Call vote: Dekker: Aye, Slater-Carter: Aye, Softky: Aye, Young: Aye, and Boyd: Aye. The motion passes unanimously 5-0.

Director Boyd said they will begin with the proposed election sequence with the even district first in 2024 and the odd districts in 2026.

CONSENT AGENDA

OLD BUSINESS - none

NEW BUSINESS

1. Review and Possible Action Concerning Adoption of Appropriations Limit for FY 2023-2024

General Manager Clemens Heldmaier stated that the Appropriations Limit is something they review each year. Article 13B of the State Constitution requires each district to look at how much tax proceeds can be spent, meaning there is a limit. The district received about \$600,000 dollars in taxes and the appropriations maximum amount of tax proceeds the district is able to spend is 2.8 million dollars. The district is far below its Gann Limit. Staff recommendation is to adopt the

Resolution of the Montara Water and Sanitary District Determining the 2023-2024 Appropriation Limit.

Director Slater-Carter said they aren't even close to getting 2 million dollars in tax money. Property taxes were allocated to districts formed before 1973. Since the water system was formed in 2003, they don't even have the opportunity to have the benefit of public tax dollars. They are an enterprise district, and the County would love to strip enterprise districts of any tax dollars. Also, a portion of their property tax allocations which come from the sewer district is taken out because the state decided to do the Education Revenue Augmentation Fund (ERAF) funds. So, a significant portion that should be coming to the district goes to the school district. What percentage is collected before they receive taxes?

District Accountant Peter Medina said the County doesn't provide that information.

Gregg Dieguez commented that they did write the County for a flow of funds analysis, and they haven't received information yet. It is part of what he hopes to achieve to create a budget for the Mid-Coast and it is partly a response to prioritize their requests with a dollar amount.

Director Boyd said they are required by state law to compute an appropriations limit, the Gann. Peter did the work to determine what the limit would be, and they are well under the limit. They have to adopt their work as an answer as required by State Law.

Director Young commented that they pay property taxes to the County based on the ad valorem of every property in the district that is taxable.

Director Boyd said they do get a small amount of tax money back. Granada Community Services District gets a larger percentage. There is a historical reason for the differences. There has not been a lot of transparency in how much flows each way.

General Manager Clemens Heldmaier added that they get an assessed valuation of all properties within the District from the County. He believes they receive about 1%.

Director Dekker said for budgeting purposes they don't assume they will receive ERAF funds.

Director Softky made a motion to adopt the resolution of the Montara Water and Sanitary District Determining the 2023-2024 Appropriation Limit. Director Dekker seconded the motion. All were in favor and the motion passed unanimously 5-0.

2. Review and Possible Action Concerning Wellness Program.

General Manager Clemens Heldmaier stated the district has an established Wellness Program for its full-time employees whereby the district contributes twenty-five dollars (\$25.00) monthly towards a health or fitness expenditure of their choice, upon proper documentation by the employee. They received a grant from the Association of California Water Agencies Joint Power Insurance Authority in the amount of \$323.00 and would like to supplement it with District funds, effective September to September. If all employees participate, the annual cost to the district would be \$2,400 dollars. The employees spent \$806.73 last year. Staff recommendation is to authorize up to \$2,400 dollars of District funds for contributions to MWSD full time employee's participation in wellness activities of \$25 per month per employee after proof of payment by the employee.

Director Softky asked for clarification of the amount. Will it increase next year?

General Manager Clemens Heldmaier said it is currently \$25.00 per month from September to September each year.

Director Young asked what the criteria of a fitness expenditure is.

Director Boyd commented that the guidelines are in the packet.

Director Slater-Carter made a motion to authorize up to \$2,400 dollars of District funds for contributions to MWSD full time employee's participation in wellness activities of \$25 per month per employee after proof of payment by the employee. Director Dekker seconded the motion. All were in favor and the motion passed unanimously 5-0.

REPORTS

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

Director Slater-Carter said they moved to bring a SAM budget amendment to the agencies.

Director Dekker stated there was discussion about the cost for a primary digester and when they looked at the quote from the supplier some items were excluded. So, they wanted to know what the total cost would be. And they did that for the Princeton Pumpstation and there were items not included and costs went up. So, it became clear in order to include both items fully they would need to change the budget. A new budget had to be created to include these items. In the Finance meeting today, they discussed how they could get a better understanding of how much CIP projects would cost once they are finally implemented in current dollars. They decided to work on a more realistic estimation, and make sure each agency has enough funds to pay for their share of the projects.

Director Boyd added that anything that delays the work increases the cost of the work.

Director Dekker said the Princeton pumpstation was previously \$700,000 and is now 2.5 million. This SAM CIP list from 2017 shows very clearly what the priorities should be, and the number one priority was the Princeton pumpstation.

Director Boyd said when other agencies delay the repair and replacement of necessary projects, it is very concerning. When things wear out, you must replace it. Half Moon Bay is complaining about the costs, when it is through their delays that have driven up the prices substantially.

General Manager Clemens Heldmaier said he wants to make it clear that SAM presented a need for this repair every year, and every year one agency—not MWSD—objected to the project.

Director Slater-Carter added that other agencies at SAM are shocked about the capital improvement projects. A few years ago, a consultant did an overall capital improvement look at the SAM system. He said the cost estimate then was 40-60 million dollars. Now, with cost increases it will be 55-80 million dollars that will have to be paid for the plant to keep functioning. This is why they need to keep looking at alternatives. In the meantime, this Princeton pumpstation has been a safety hazard for a long time. With the help of the public, they need to keep working on this and putting it in contemporary dollars every year is a good idea. Often times, when a project gets postponed, people come up with other ideas or things change, then the regulatory agencies get involved, and costs add up.

Director Softky said they should not have to pump sewage all the way to Half Moon Bay, and now they are being asked to pay a lot of money to renew something that shouldn't have been done in the first place. He suggested investigating the possibility of having a local sewage plant.

Director Dekker said they already looked into it a little bit and it is way too expensive. At the Finance Meeting they agreed to find out how much is needed to finance the CIP projects in the future and make all agencies aware of these costs to budget more accurately.

Director Young said she took a tour at the SAM plant. The more Half Moon Bay increases in capacity needs, the more they are going to complain about paying more.

Director Boyd says they have a mechanism to measure flow, and they pay based on flow.

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

Gregg Dieguez said he already mentioned more sewer capacity will be needed for Cypress Point and the hotel in Montara. They are going to try to get an extension on the review. You heard about the Middle Mile Broadband Initiative and their efforts to get a community fiber network on the Coast. He discovered that the state had changed the staff and removed the Coastside from the Middle Mile Broadband Initiative. He contacted the staff of Assemblyman Burman, Senator Becker, and Representative Eshoo and a letter was drafted and sent to Governor Newsome to restore the Middle Mile Broadband Initiative in their area. This may prevent them from getting any grant funding to form their network before funds run out. On the MCC Agenda, they have designs for the Moss Beach Road improvement, and they have a continued issue with off-leash dogs in Quarry Park, and a problem with Montara Mountain being ravaged by the emergency road repairs.

Director Slater-Carter asked if the MCC is going to be reviewing the house on the west, the hotel, and will they be accessible to the public.

Gregg Dieguez replied that he thinks they already commented on that house and will be submitting comments on the hotel and Cypress Point. They are so overwhelmed they are going to ask for an extra month to do it. They will be agendizing the hotel and Cypress Point, but he is not sure about the house.

Director Softky said he hasn't heard anything about the planned hotel in Montara.

Gregg Dieguez said he will send copies. He encourages them as individuals to submit comments to Planning.

Director Young said in reference to the Middle Mile Initiative, she saw some similarities with Lahaina, with the lack of connectivity especially in emergencies. She thinks they were running out of water to put out the fires. She said maybe they could agendize it.

Gregg Dieguez said to issue a letter to restore the Middle Mile Broadband Initiative on the Coastside.

Michelle Dragony asked about the hotel.

Gregg Dieguez said he will send a copy of the hotel information to her.

Director Softky asked about the September 1st deadline for the proposed hotel.

Director Boyd said if you want to participate in any appeals you need to say something now. If you don't you don't have any standing.

General Manager Clemens Heldmaier said the County sends referrals for projects in the district that affect water and sewers. He hasn't received anything from the hotel yet.

Michelle Dragony said she found the information in the hotel. It is for the Aaron Hotel.

3. California Special Districts Associations Report (Slater-Carter)

Director Slater-Carter said CSDA is having a conference in Monterey at the end of the month.

4. Local Agency Formation Commission (LAFCo) Report (Slater-Carter)-

Director Slater-Carter said they have been discussing Broadmoor and East Palo Alto sewer district and what is going to happen to that.

Director Young asked if a municipal services review will be coming up.

Director Slater-Carter said it is supposed to happen every five years. There will be a municipal services review at the Harbor District soon, but it is not on any schedule right now.

5. Attorney's Report (Fitzgerald) - none

6. Directors' Report

7. General Manager's Report (Heldmaier) –

General Manager Clemens Heldmaier thanked staff for working on a leak in the Seal Cove area.

FUTURE AGENDAS - none

BRIEF RECESS at 9:11 pm

CONVENE IN CLOSED SESSION 9:20 pm

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

(Government Code § 54956.9(d)(1))

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

CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION

(Government Code §54956.9(d)(4)) Initiation of Litigation (2 potential case)

PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Government Code §54957(b)(1))

Title: General Manager

CONFERENCE WITH LABOR NEGOTIATORS (Government Code §54957.6)

Unrepresented Employee: General Manager

REPORT OF ACTION TAKEN IN CLOSED SESSION

ADJOURNMENT at 10:15 pm

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

Respectfully Submitted,

Signed _____
Secretary

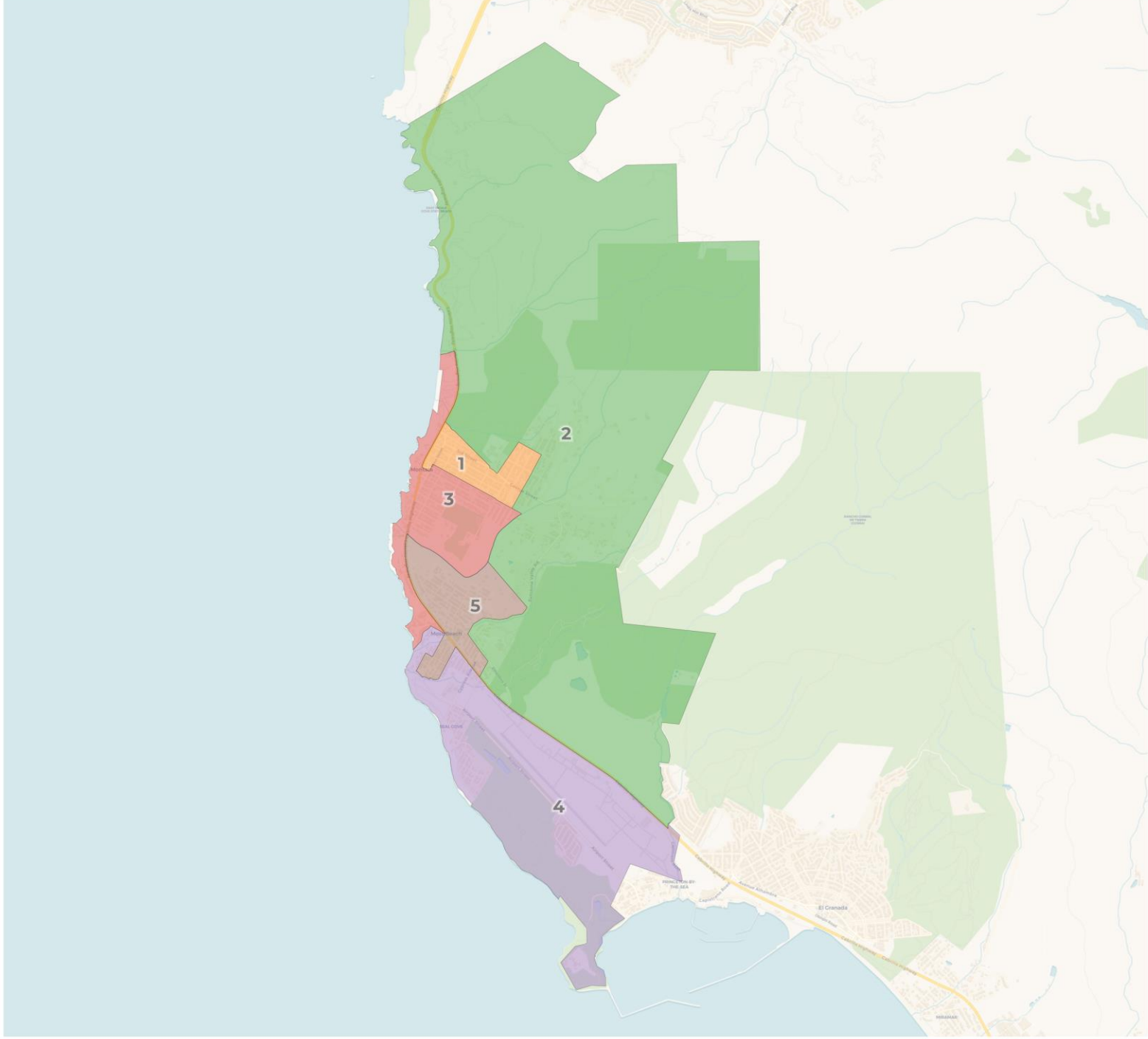
Approved on the 7th, September 2023

Signed _____
President

Montara Water and Sanitary
District
2023 Districting
Final Map

August 17, 2023

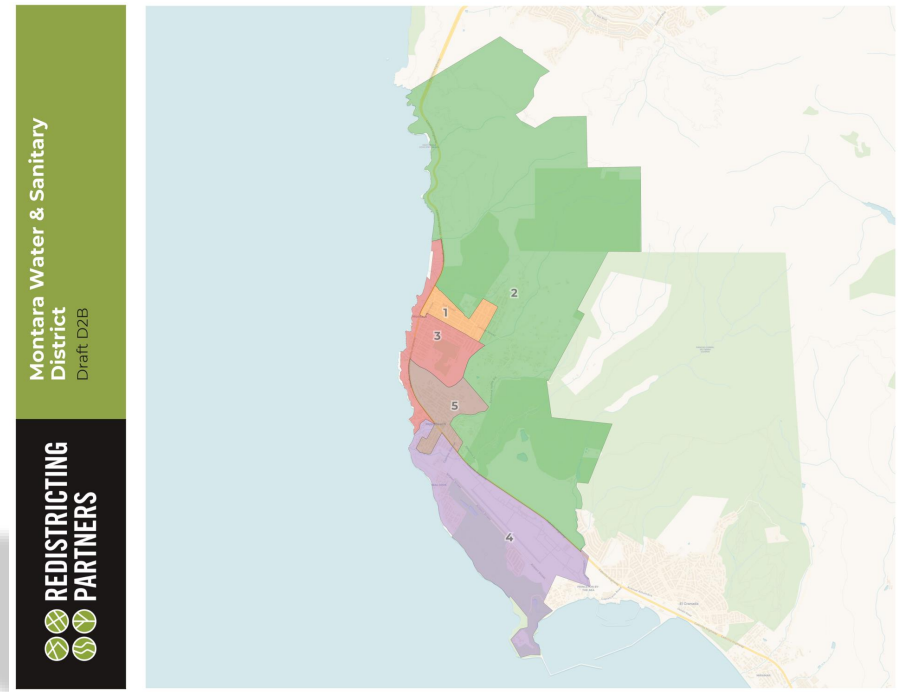




Draft Map D2B

Created during our last board meeting on August 8, 2023.

- Keeps together neighborhoods and communities as much as possible
- Follows main thoroughfares, natural boundaries
- Deviation under 10%
- Follows best practices of districting



2020 Census

	1	2	3	4	5	
Population	1,137	1,155	1,047	1,131	1,104	
Deviation	22	40	-68	16	-11	
Deviation %	2.0%	3.6%	-6.1%	1.4%	-1.0%	
Other	934	725	885	533	972	
Other %	82.1%	74.4%	81.6%	47.1%	77.9%	
Latino	158			558	188	
Latino %	13.9%	Total Deviation: 9.7%			49.3%	15.1%
Asian	41				74	58
Asian %	3.6%	7.6%	5.3%	3.1%	5.9%	
Black	4	16	11	5	13	
Black %	0.4%	1.6%	1.0%	0.4%	1.0%	

Citizen Voting Age Population (CVAP)

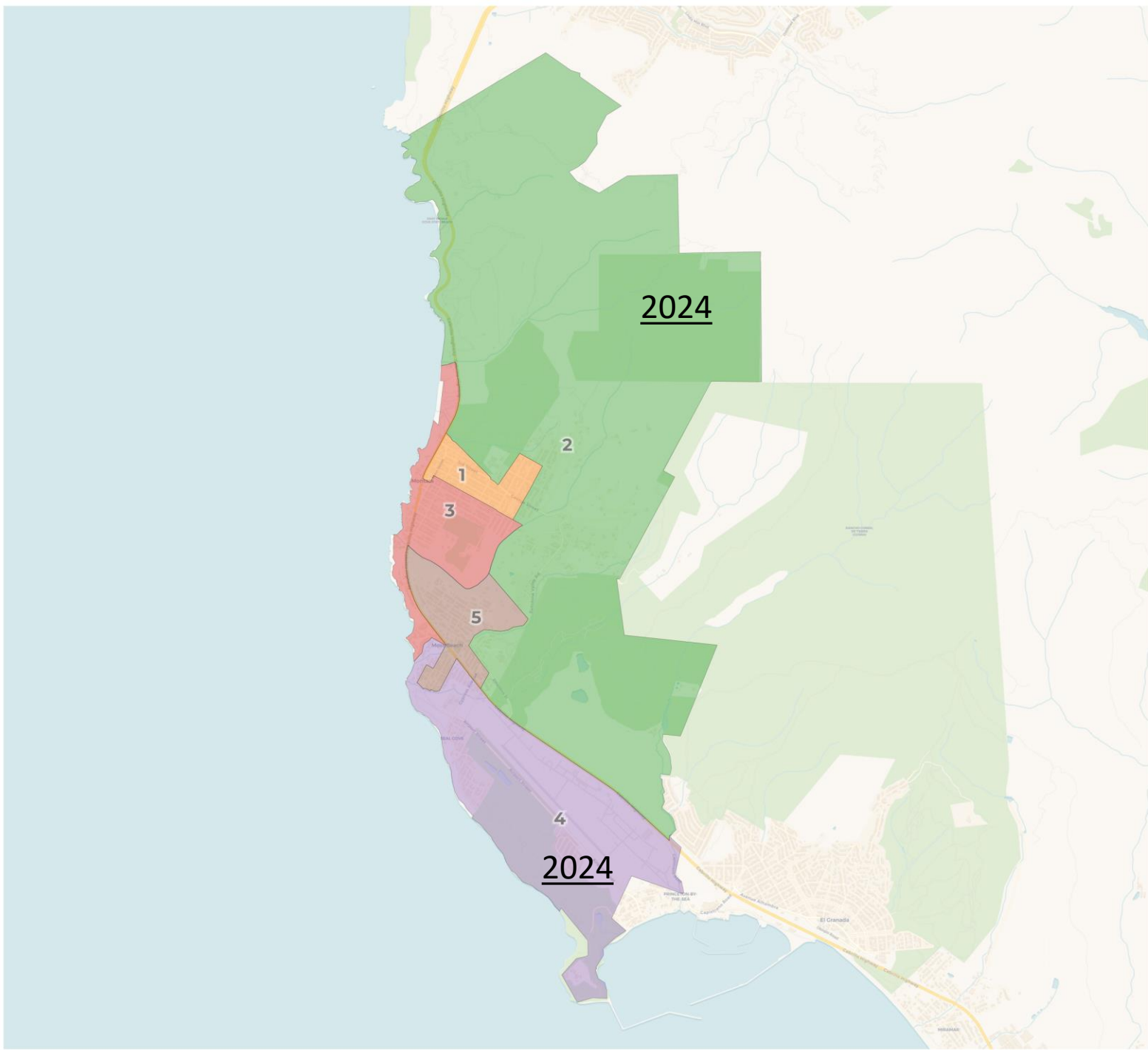
	1	2	3	4	5
Total CVAP	844	835	963	707	982
Other CVAP	767	780	804	563	838
Other CVAP %	90.9%	93.4%	83.5%	79.6%	85.3%
Latino CVAP	75	40	140	123	88
Latino CVAP %	8.9%	4.8%	14.5%	17.4%	9.0%
Asian CVAP	2	12	19	21	40
Asian CVAP %	0.2%	1.4%	2.0%	3.0%	4.1%
Black CVAP	0	3	0	0	16
Black CVAP %	0.0%	0.4%	0.0%	0.0%	1.6%

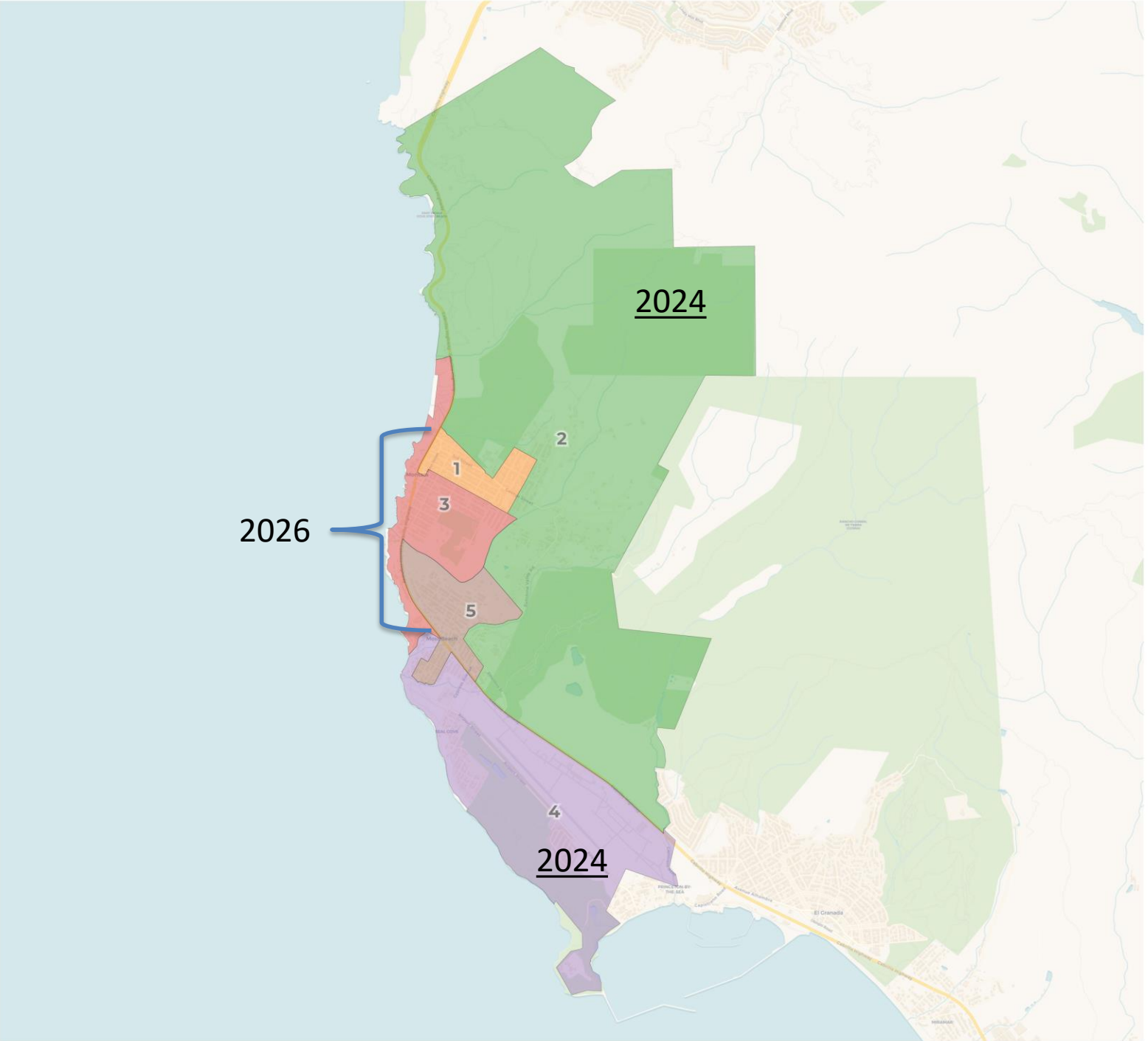
Staff Recommended Sequencing

Two districts will be scheduled for 2024 and three districts will be scheduled for 2026. The special election will be conducted in 2024, but will still be at-large to fulfill that full term.

Recommendation:

- Even-numbered districts will be scheduled for 2024
- Odd-numbered districts will be scheduled for 2026

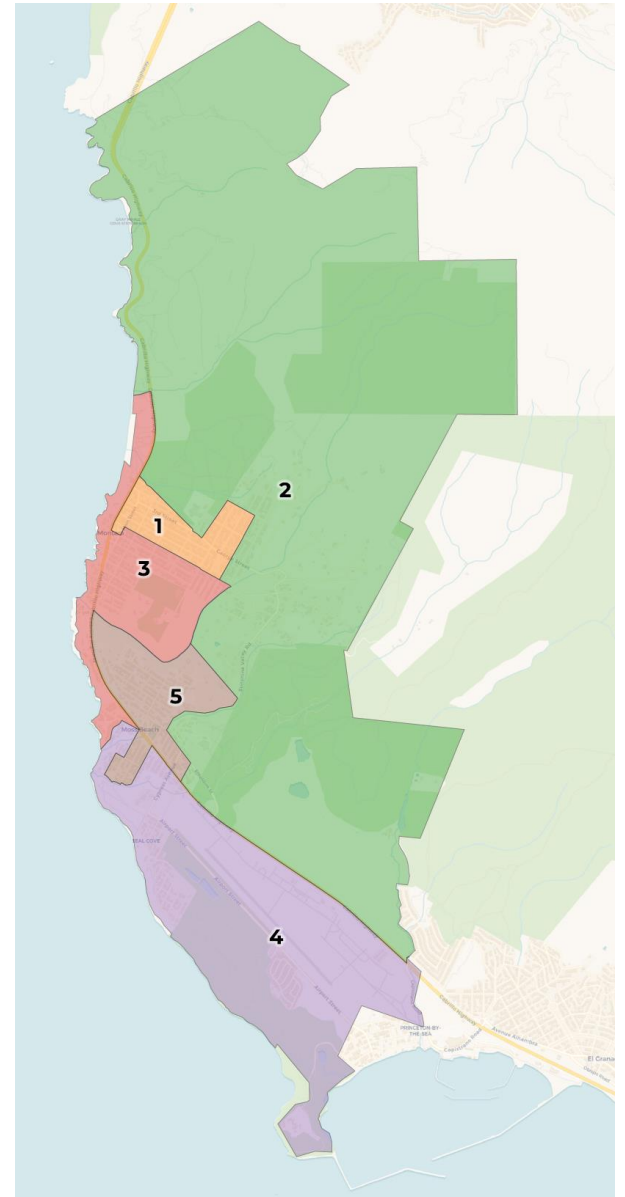




What's Next

Pass the resolution approving Draft D2B to be used as the election districts map and the recommended sequencing

Election District	Year
District 1	2026
District 2	2024
District 3	2026
District 4	2024
District 5	2026





**REDISTRICTING
PARTNERS**

Board meeting MWSD 8.17.23

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