



MUIR BEACH COMMUNITY SERVICES DISTRICT

19 Seacape Drive □ Muir Beach, CA 94965 □ 415 383 9969 □ www.muirbeachcsd.com

AGENDA

Regular Meeting of the Board of Directors

Wednesday, June 26, 2019 7:00 PM

Muir Beach Community Center

19 Seacape Drive

Muir Beach, CA 94965

***TIMING OF AGENDA ITEMS:** The Board attempts to hear all items in order as stated on the agenda, however it reserves the right to take items out of the order listed at any time during the course of the meeting. The following items will be considered, and any item can be discussed, acted upon, or approved during the course of the meeting.*

***SPECIAL NEEDS:** In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the District Manager at 415-388-7804. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure participation in the meeting.*

7:00 pm	Item 1: Call to Order
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Board: Leighton Hills (Board President), Steven Shaffer (Board Vice-President), Gary Friedman (Director), Victoria Hamilton-Rivers (Director), Peter Lambert (Director)

Staff: Mary Halley (District Manager), Chris Gove (Fire Chief), Ernst Karel (Meeting Secretary)

Item 2: Approval of Agenda

The following item or items were not included in this agenda, along with the reason for not being included. Pursuant to the Bylaws of the Muir Beach Community Services District, the Board of Directors may now by motion require that the item or items be added back to this meeting's agenda. Should the item or items require research or preparation by staff or by member(s) of the Board of Directors in order to be properly heard, the item or items may be deferred to a subsequent meeting. The motion to approve this agenda may be without change or may be to re-include any item or items listed below.

Item(s) not included in this agenda: None

Item 3: Consent Calendar

All items on the Consent Calendar are considered to be either routine or non-controversial and will be enacted by a single blanket action of the Board. Upon request from a Board member or any member of the public, individual items may be removed from the Consent Calendar in which case they will be discussed in the meeting (under Items Removed from the Consent Calendar).

A. Approval of Draft Minutes from Regular Board Meeting of 5/28/19.

Item 4: Items Removed from Consent Calendar

Items moved from the Consent Calendar to the Regular Agenda, if any.

Item 5: NPS Update – Mia Monroe

Mia Monroe, NPS Park Ranger and Marin Community Liaison, will give an update on upcoming NPS summer work projects at Muir Woods and in Redwood Creek watershed.

Item 6: Hungry Owl Project – Tayeko Kaufman

The Muir Beach Garden Club is interested in a new community project which would be to install 2-3 owl boxes to help with the rodent issue which has reportedly exploded due to the longer than usual rainy season this year. Tayeko has been in contact with the Hungry Owl Project who can come out to our community to find appropriate sites for these boxes. Using Goggle Maps as an initial survey, Ian at Hungry Owl feels that 2-3 locations might be enough to start. Two of the possible locations could be on CSD properties. If the CSD approves locating two boxes on District property, then the Garden Club members would take on the responsibility for contacting neighbors around the potential owl box locations to gain their support. The Garden Club has the funds to cover the cost of the location survey and installation of the boxes – which Steve Shaffer has offered to build as the cost would be less if the community can build and install the boxes ourselves. The Garden Club and community members are concerned about any possible use of poison in our community which impacts the food chain and can be deadly to household pets and our bird populations.

Item 7: Draft - MBCSD Water Rate Ordinance 2019-1

First reading by title only of the Water Rate Increase Ordinance 2019-1 to accompany the Proposed Water Rate Increase and Revision for approval at the Public Hearing set for July 24, 2019. *(See attached Draft – MBCSD Water Rate Ordinance 2019-1)*

Item 8: FY19-20 Draft-Budget Hearing

The most recent version of the proposed Draft-Budget will be presented by the District Manager for public discussion and Board approval. *(See FY19-20 Draft-Budget attached)*

Item 9: Approve FY2018 Draft-Audit (if available in time)

FY2018 Draft-Audit is complete and will be posted for review on the MBCSD website. Board approval is required to be finalized. *(See www.muirbeachcsd.com then click on the Administration tab, then Financial page, see Audits section)*

Item 10: District Manager Report

District Manager Mary Halley will present highlights from the District Manager's Report.

Item 11: Fire Department Report
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Fire Chief Chris Gove will give his report (if available).

Item 12: Sunset Way Project Update

Director Leighton Hills, Board appointed Project Manager, will give any updates on the status of the Sunset Way Improvement Project and topics related to the project including permitting and non-resident parking on Sunset Way.

Item 13: Public Open Time

Please note:

1. Topics should be within the jurisdiction of the CSD (Water, Roads, Fire Protection, & Recreation).
2. The topic should not be elsewhere on the agenda.
3. The Board and staff may only briefly respond to statements and questions (i.e. the legal requirement for items not posted on an agenda which otherwise informs community members that a topic is up for discussion and/or action.)
4. Public comments are limited to 3 minutes per speaker, unless waived by the Board.
5. The period for public open time is limited to 10 minutes, unless waived by the Board.

Item 14: Recognitions & Board Member Items

Board recognitions and pending events of interest to the community.

Item 15: Adjournment

Next Agenda Meeting Date: Wednesday, July 17, 2019

Next Board Meeting Date: Wednesday, July 24, 2019

1 Moved: Hamilton-Rivers, seconded by Lambert
2 Vote: AYES: Unanimous
3
4

5 **Item 4: Items Removed from Consent Calendar**
6

7 No items removed.
8
9

10 **Item 5: District Manager Report**
11

12 Halley goes over the highlights from the 5/28/19 District Manager Report, a written
13 document which (as always) is included with the monthly meeting packet available
14 online at <http://www.muirbeachcsd.com/meetings>.
15
16
17

18 **Item 6: Approve FY2017 Draft-Audit**
19

20 Halley says that this is a continuation of the process that has been discussed before.
21 Hills reminds everyone that the audits are on the website
22 (<http://www.muirbeachcsd.com/financials/>), and asks if there is any discussion; there is
23 none.
24

25 MOTION: To approve the audit
26 Moved: Hamilton-Rivers, seconded by Lambert
27 Vote: AYES: Unanimous
28
29
30

31 **Item 7: Proposed Water Rate Increase and Revision**
32

33 Hills reminds all that this was discussed at the last meeting, and that Halley cooperated
34 with County Counsel on it; a few days ago Hills and Halley participated in a conference
35 call with County Counsel. The most useful advice we got is that we're able to have
36 conservation discounts based on our usage. It's very similar to the tiered structure we
37 have now, but that kind of structure needs to meet certain standards, and the discount
38 structure works better. The new rates will fairly track the existing tiered rates. We had
39 thought a 25% increase would be enough to get us into the black on water operations,
40 though recently those have gone into the red. We've also discussed updating the water
41 capital improvement fee which went into effect in the 1990s at \$300 and is still there.
42 We calculated what it would be with inflation, which is around \$500. What we've
43 decided to recommend at this point is that that fee goes away, and we would have a
44 new meter charge where each meter up to 1" (all of them) will have the same \$78
45 charge, and Pelican Inn with its 1.5" meter will get charged \$360. Halley's calculations
46 have worked out that the rates would be \$2.18 per hundred gallons, up from the top tier

1 rate of \$1.62 per hundred gallons. Then we'd have a 50% discount for low amounts,
2 43%, 30%, and 0% discounts for other ranges.

3
4 Halley notes that the expense we're needing to match is \$130,000-138,000; we have to
5 have rates that don't exceed the cost of service – County Counsel confirms we can't go
6 over this cost of service, but it's up to us if we want to charge somewhat less.
7 Additionally, we're able to have a meter-reading charge, which includes the costs of
8 having the meters read and bookkeeping for sending out the billing, which is all
9 becoming uniform under Prop 218. So, we're conforming with that.

10
11 Hills notes that although this is a sizable increase, since rates haven't gone up since
12 2010, it actually comes out to about a 3% annual increase.

13
14 Hills has further proposed a revision modestly less costly than the charges allowable
15 under Halley's cost of service study. The base rate would be \$2.00 per hundred
16 gallons, rather than \$2.18, and then the same percentage discounts for conservation
17 would be applied. His table shows a more uniform increase for those in the existing
18 three tiers of usage – around 28%, and then increases in the high 30s for the very
19 largest users.

20
21 Friedman asks why the percentage increase for Tier 3 is somewhat lower than the
22 percentage increase for Tier 2. Hills says that this process of doing it in reverse, with the
23 discount, makes it difficult to be precisely uniform in the percentage increase. Going
24 forward, we can ensure those increases are uniform.

25
26 We are now scheduling this for a public hearing, for the July meeting. There will be a
27 first reading at the June meeting, then more information will go out to the community.

28
29 Tayeko Kaufman asks for clarification of how the discount structure works, which Hills
30 and Shaffer explain. Halley further explains that under the California constitution, there
31 is encouragement to conserve water as a valuable resource, and that in trying to
32 transition from our old system to meet Prop 218, we've been trying to find ways to
33 smooth out the differences between the tiers. This was an idea that was allowed by law
34 and could act as a mechanism to help us encourage water conservation. It's very much
35 in the community's favor that we offer discounts, rather than if we didn't. Hills notes that
36 the alternative of a single flat rate across all users would mean that the lowest users
37 would have an increase of several hundred percent, and the highest users a decrease,
38 which is clearly unacceptable. This is a way to make the percentage increase fairly
39 uniform across the tiers. Halley goes over the many alternative structures they
40 considered, especially in terms of incentive to conserve water.

41
42 MOTION: Using the \$2.00 per hundred gallons proposal, to schedule the
43 reading for the next meeting, and public hearing at the following regular meeting.
44 Further, the board recommends following a CPI index for future increases.

45 Moved: Shaffer, seconded by Hamilton-Rivers

46 Vote: AYES: Unanimous

1 **Item 8: FY19-20 Draft-Budget**

2
3 Halley goes over the required sequence, which includes a first reading of the budget,
4 and then a second reading at which it can be approved. At this point it's a draft, subject
5 to input from the board, and is included in the Board Packet which is available at
6 <http://www.muirbeachcsd.com/meetings/>. Halley discusses a few details. Hamilton-
7 Rivers asks about the condition of the water line in Pacific Way. Hills and Shaffer think it
8 was replaced in the late 1990s, and Shaffer feels are still in good condition; Halley notes
9 that Charlotte's Way and probably others are a higher priority. Lambert asks about the
10 transmission line along Frank Valley Rd; Halley responds that we'll be doing that in
11 phases, and she has that included in the water rate proposal, packed into the meter
12 charge fee. Because Prop 218 doesn't allow us to start saving for a project in the far
13 future, we can do it in phases.

14
15 Hills notes that we don't need to schedule or approve anything at this point, and that this
16 is on the agenda for approval at the next meeting.

17
18
19 **Item 9: Fire Department Report**

20
21 Chris Gove gives the report:

- 22 - Another successful BBQ last Sunday, no numbers to report yet.
- 23 - We've had another meeting with the County about the new fire house and
24 another is scheduled; he'll have a report next month with that status.
- 25 - MOU for Measure W is complete and he's asking for a vote on it; he feels that we
26 do well with the agreement and urges approval. (This is also included in the
27 Meeting Packet.)
- 28 - All members completed the course for EMR last month, so all are trained to the
29 requirements of the County, including newest members.
- 30 - A grant application was submitted recently for over \$50,000 of new equipment.
- 31 - Gove will be submitting a draft budget next month along with updates on the
32 potential for a warning siren.
- 33 - We will be hosting Sidewalk CPR and 'Stop the bleed' in the parking lot at the
34 beach on Sat June 8th. The latter is to help people stop bleeding after an accident
35 or shooting in order to give first responders more time to get there.

36
37 MOTION: That we accept the MOU on Measure W as written.
38 Moved: Shaffer, seconded by Friedman
39 Vote: AYES: Unanimous, with Hamilton-Rivers abstaining.

40
41
42 **Item 10: Sunset Way Project Update**

43
44 Hills reports that we've finally come to a contract and gives some details about the
45 mechanism it includes to keep the project on schedule and from taking longer than the
46 agreed six months.

1 Hills has met with the contractor at length, and they've marked with orange paint all of
2 the water services up to the second valve near the former horse pasture on Sunset. In
3 addition, there will be a new valve placed at the top of Cove. The contractor will work to
4 the next valve, then go back and reconnect all residents to the new water main. The
5 contractor is confident that he can finish the water main after 30 calendar days of work,
6 which is good because the open trench is the most difficult thing for us in terms of
7 automobile access. When the water main is finished, construction will be in individual
8 (smaller) areas, though some parts (e.g. paving) will necessitate closing the entire road.
9

10 Hamilton-Rivers asks for clarification about how long water shut-offs would be; Hills
11 replies that they would be minimal, perhaps as little as 30 minutes or maybe a couple of
12 hours total. Lambert asks about new meters; Halley and Hills say that there are grants
13 for such a thing and that we might be doing that as a later project. Hamilton-Rivers asks
14 about when deliveries should be re-routed; people be alerted when they'll need to do
15 that. Halley says that it would be better for people just to use the Community Center
16 address. Further discussion about options for package deliveries.
17

18 Hamilton-Rivers asks if anyone has talked with NPS about using the beach parking lot
19 for additional parking. Halley or Hills will coordinate. Tayeko Kaufmann asks about
20 parking on Pacific Way. Shaffer thinks there's plenty of room on Pacific for people to
21 park. Hamilton-Rivers suggests people just put a note in their windscreen with
22 name/phone number.
23

24 Peter Lambert wrote an email earlier in the week saying he had some objections to the
25 turnaround at the end of Sunset, which will now be discussed as Lambert recuses
26 himself because of his ownership of the house immediately adjacent to this turnaround.
27 He asked Halley how recusal operates, and she has done some research. Halley
28 discovered that in this case the board member should actually leave the room rather
29 than just sit with the public. Lambert therefore leaves the room.
30

31 Linda Lotriet comments that they received the final plans regarding the turnaround on
32 May 3. She and Peter feel that the plans have some problems, about which they have
33 submitted a report to the board. The new plan differs from the previous plan which had
34 been developed by the board and the (at the time) co-district managers, on six points.
35 They're hoping that the CSD will respond to those, which they feel are significant
36 problems. They have additionally written a letter to the CSD regarding five items that
37 they felt they did not have an answer on as to whether they were feasible. Two of those
38 items have to do with Marin County planning issues; one is a practical issue because it
39 blocks access, and the other two are listed. The most important are the first two
40 because they affect their property as owners from a Marin County planning point of
41 view. One is that the previous plans kept a 25-ft setback from current house, and the
42 new plan does not. Upon enquiries, the senior planner at Marin County responded that
43 they cannot answer those questions easily without conducting a study. In this case it
44 would probably involve two things: one is that the project needs permission through
45 public works, and the other, is if a wall and retaining wall is built closer to their house,
46 then would they have problems in the future getting planning permission to do work on

1 the house. A formal study is required to get an answer to this question. The other issue
2 has to do with permits – the current plan has two walls which exceed four feet; her last
3 understanding was that the project was trying to keep walls under four feet; this
4 exceeds it, which means a permit is probably required. That's a project consideration,
5 whether the project should proceed without permits, or whether they may have permits
6 (she doesn't know). As the owner of a house that's so close to a wall that potentially
7 exceeds the permitting levels, they are concerned that proper health and safety aspects
8 are followed, so that you have a permit for a wall that requires a permit, and she doesn't
9 know what their responsibility is with regard to the easement, or whether it lies with
10 them as owners of the adjacent property.

11
12 The other two questions are regarding whether the uphill owners (not present) have
13 given formal permission for what might be use of their own property, and whether the
14 CSD will be recording a formal easement over that – those owners are not present, nor
15 has she discussed her concerns with them. These are the main questions she would
16 like to discuss, though she still hopes for answers for the other questions they sent.

17
18 Hills begins by saying he thinks he has good news. The retaining wall height standards
19 are measured for the exposed face of the retaining wall; our engineer is able to bury the
20 lower part of the wall, as it is shown in the ordinance for the county standards, and the
21 exposed face ends up being under four feet. Hills further refers to County documents
22 that show walls on the downhill side of a road can be up to six feet without having
23 design review. So a design review permit is not needed from the County.

24
25 On the second question, of whether moving the road closer to 25 feet from the house
26 makes the house unbuildable, Hills responds that the County ordinances say that the
27 front yard setback is measured from the edge of the easement, not from the edge of the
28 pavement. So it would have no impact, since they're not changing the easement. The
29 easement happens to come very close to the house; in most of Muir Beach it provides
30 25 feet setback, and along Sunset there's a special ordinance that reduces that to 20
31 feet. How Lotriet's house was built with a 1.5 foot setback Hills doesn't know, but it's
32 probably somehow in the planning records. Lotriet responds that the house was built in
33 the 1930s, when the rules were different, and so is likely grandfathered. Hills' general
34 response is that if she were to have problems with permits in the future, it would be due
35 to that 1.5 foot setback between the house and the easement, and would not be due to
36 the distance between the house and the pavement. Shaffer comments that he is
37 comfortable with Hills' answer. Friedman acknowledges that this concern is now on
38 record, and that if the issue comes up in the future, we can refer back to this, and that
39 Lotriet has now taken the steps to make these points which the board appreciated.

40
41 Hills continues that for 330 Sunset, the Crawfords, had participated in the Roads
42 Committee which developed this turnaround design, and they are reportedly very happy
43 with the proposed turnaround and want it to go forward. Misti Norton comments that she
44 has spoken with them, and reports that she says they don't want to quibble over it, that
45 they recognize that the turnaround is necessary and that it's not as far back towards
46 them as it was in an earlier proposed design, and they don't have an issue with it.

1 It was agreed that the portion of the road that will go over a triangle of land owned by
2 the Crawford's will be formalized in writing with the Crawfords. Hamilton-Rivers adds
3 that when we had an ad hoc committee meeting with Sunset residents the Crawfords
4 were present, and they knew they had that triangle and were willing to concede that on
5 the understanding that space for the turnaround would be taken equitably between their
6 property and Lotriet's. When that committee came up with the earlier drawing where
7 they were trying to limit the extent of the turnaround and the big walls involved was in
8 direct sympathy and respect to what they had said at that time. Hills has confidence in
9 what came out of the multiple voices of the committee. Misti adds that, what the
10 Crawfords are more concerned with, is that several trees were planted on CSD property
11 near Linda's house, and will block their view – that's what they're concerned with, not
12 the inches of easement and so on.

13
14 Lotriet's final point is that there is a 2.5 foot high wall on the new plan that could partially
15 restrict access to an enlargement being considered for their garage. Again, the
16 response is that it's too late to propose changes to the plan. Hills points out that we're
17 under contract on this agreed set of plans and that the plans cannot be changed at this
18 point without jeopardy to the project and to the community.

19
20 After the discussion concluded, Lambert rejoined the meeting.

21 22 23 **Item 11: Pacific Way Bridge Working Group**

24
25 After a previous meeting with Supervisor Rodoni, he asked Halley if a 7-member Pacific
26 Way Bridge working group could be set up to include at a minimum: 1-2 MBCSD Board
27 members, 1 member from the MBVFD Fire Dept, along with Christian Riehl and Peter
28 Rudnick who have already volunteered, plus 2 additional MB residents. Shaffer names
29 a number of individuals who he would recommend for the committee. Friedman
30 observes that there have historically been difficulties given the number of agencies
31 which are involved. There are no immediate members of the board to volunteer to
32 participate. Shaffer recounts his version of the history and says that this sounds a bit
33 different and he's more optimistic that something on a smaller scale could get done.
34 Friedman asks Halley about Rodoni's motivations in doing this now; she supposes it
35 has to do with his having received a number of calls and letters on the topic over the
36 previous season. Shaffer (a Pacific Way resident) finally agrees to join in.

37 38 39 **Item 12: CC Bocce Ball Court Proposal**

40 MB resident Tom Passow has noticed that the space below the Community Center deck
41 is a good proportion for a bocce ball court and proposes building one. He has a friend
42 who has built one and it's not very easy. He thinks it would be great to have a spot for
43 games for adults, and could also be attractive for people who rent the CC. The best spot
44 would be right below, before the children's area. There's also a spot on the other side of
45 the wall. His friend's court is 36'4" interior length, and is a bit narrow at 5'9"; generally,
46 they're a bit wider than that. Shaffer asks him to come up with a cost estimate, and

1 notes that John John and Kathy Sward have a bocce ball court in their backyard, so
2 they could be consulted. The members of the board all chime in that it sounds like a
3 good idea, and the big question is about the cost of building and maintenance and
4 encourage him to follow up. An audience member points out that there's a bocce league
5 in Marin and that we could have a team. Tayeko Kaufmann likes the idea too but would
6 like to see its supporters finance/fundraise it as well. The question comes up about the
7 volleyball court and how it's financed; the answer is that it's mostly self-supported by
8 those who play.

Item 13: Public Open Time

13 Tayeko Kaufmann feels that there's a problem with the trees along the entry to Pacific
14 Way, that the area is dangerous and a fire hazard. Chris Gove has been in frequent
15 contact with Audubon Canyon Ranch, who own that land, and they've said they will be
16 taking care of the area. The long-term goal is that they will clear-cut the area, and they
17 are trying to come up with the funding.

19 Hamilton-Rivers asks if we've talked about poison in the district. She has rats seemingly
20 dying from poison and is really concerned because there are also baby foxes which
21 seem to be taking ill because of poison. She's heard that people have lost cats here,
22 and all sorts of things. Shaffer says that they can advise people not to but can't tell
23 people they can't. Hills and Friedman agree that people need to be educated and made
24 aware of how dangerous products like RoundUp are. Misti Norton has called Terminex,
25 and they have methods that use no poison; so yes, it's important to get the word out so
26 that people know that poison is not only horrible for the larger ecosystem, but also
27 completely unnecessary.

29 A chicken was observed on the bridge.

Item 14: Recognitions & Board Member Items

33 No items.

Item 15: Closed Session

38 Performance review of District Manager Mary Halley

Item 16: Reconvene in Open Session

43 The board reconvened in open session and reported that the board has found Halley's
44 performance to be excellent. It then discussed the possibility of a raise for Halley. Her
45 salary had been \$55,000 approximately 1 year ago, it was later increased to \$65,000
46 and the board discussed increasing it further to \$72,000.

1
2 MOTION: That DM Halley's salary be increased to \$72,000, effective
3 immediately.

4 Moved: Friedman, seconded by Lambert

5 Vote: AYES: Unanimous
6

7 It was further requested that Halley calendar her next review to take place one year
8 from now.
9

10 **Item 17: Adjournment**

11
12 There being no further business to come before the board, the meeting is adjourned.

13
14 Meeting adjourned at 9:20 pm.

ORDINANCE NO. 2019-1

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE MUIR BEACH COMMUNITY SERVICES DISTRICT ESTABLISHING A SCHEDULE OF RATE CHARGES FOR WATER SERVICE AND CAPITAL IMPROVEMENTS

The Board of Directors of the Muir Beach Community Services District does ordain as follows:

Section 1 Repeal of Existing Ordinance

Ordinance 2010-2 establishing the existing schedule of rate charges for water service and capital improvement and maintenance charges is repealed after the effective date of this ordinance.

Section 2 Purpose

The purpose of this ordinance is: (1) to adopt a revised schedule of rate charges for water service provided to customers of the Muir Beach Community Services District ("District") that conform to the requirements of Proposition 218; (2) to make sure distribution of the District's water expenses are properly and fairly allocated among its customers based on their proportional usage; (3) to increase water rates to customers in order to comply with California State Law which states that Water Districts must be fiscally responsible and financially solvent; (4) adopt a Meter charge based on a schedule of phased in 5-year infrastructure projects to fund specific capital improvements for the District's water supply equipment and facilities; (5) to implement a water conservation discount schedule based on customers usage to encourage and promote maximum conservation as required by the District's State issued 'Water Diversion Permit'; (6) to incorporate a cost of living adjustment to protect against inflation for the duration of the ordinance or a maximum of 5 years; and (7) to adopt a bi-monthly meter reading and billing schedule.

Section 3 Findings of Necessity

The Board of Directors finds as follows:

1. Water is a finite and precious resource.
2. California Constitution Article X, section 2 states that the waste and unreasonable use of water shall be prevented. This constitutional mandate shows the statewide responsibility to reasonably conserve and manage water.
3. The State Water Resources Control Board authorizes the District's use of water under Permit 21085 ("Water Diversion Permit") subject to the limitation, among other things, that the District implement water conservation measures.
4. California Constitution Article XIII D, section 6 established procedural requirements for imposing new, or increasing of existing, property related fees and charges. Water service fees have been determined to be property related fees within the meaning of Article XIII D.
5. Revenue generated from the capital improvements charges, as set forth in Section 4 of this Ordinance, do not exceed the cost of providing such improvements to the District's water supply equipment and facilities.
6. Revenues generated from the water service fee charges, as set forth in Section 5 of this Ordinance, do not exceed the cost of producing, distributing, managing, maintaining, and providing such water services.
7. The Muir Beach Community Service District Water Service Cost Study – May 2019 determined the necessity for the District to increase water rates and revise its rate structure.

Section 4 Meter Charges

A. A Meter Charge based on a 5-year Capital Improvement Plan (including a Lower Water Tank Replacement Reserve and a Pipe and Equipment Reserve), that utilizes and conforms to the American Water Works Association (AWWA – M1) standards for meter capacity rates, will be implemented.

B. The Meter Charge will be set at 1) \$70.83 per meter for all meter sizes of 5/8" up to, and including a 1", meter per bi-monthly billing period, and 2) \$354.15 per meter for a 1.5" meter size per bi-monthly billing period, and 3) all other sizes larger than 1.5" will conform to the AWWA M1 fixed charge meter ratios for setting the charge per meter using 5/8" as the base rate in determining the bi-monthly charge.

Section 5 Adoption of Schedule of Rate Charges for Water Service

A. A Meter Reading fee will be set at \$7.90 per bi-monthly billing period per meter of any size. This fee includes the meter reading costs and customer billing costs per meter.

B. A Volumetric charge for each gallon consumed will be charged based on current operating expenses divided by average annual total water usage. All customers will be charged the same \$.02 per gallon (\$2.00 per 100 gallons) for all gallons used and consumed.

All water consumers using District water shall be subject to bi-monthly charges for water as follows:

Type	Gallons	Charge	
Capacity	N/A	\$ 7.90	Meter Reading
	N/A	\$ 70.83	Meter Charge (per 5/8"-1" meter size)
	N/A	\$ 354.15	Meter Charge (per 1.5" meter size, if applicable)
Volumetric	All gallons	\$ 2.00	per 100 gallons used

Note

1. Meter Charges are based on projected capital improvement schedules.
2. Volumetric Charges are calculated per gallon; rate is shown per 100 gallons for clarity only.

Section 6 Adoption of Conservation Discounts

The revised rate schedule will continue to strongly encourage conservation practices. Customers who use less than 4,500 gallons per bi-monthly billing period will receive a conservation discount of 50% (which is equal to \$1.00 per 100 gallons); customers who use 4,501 to 10,000 gallons per bi-monthly billing period will receive a conservation discount of 43% (which is equal to paying \$1.14 .per 100 gallons); and customers who use 10,001 to 30,000 gallons per bi-monthly billing period will receive a conservation discount 30% (which is equal to paying \$1.40 per 100 gallons). Those customers who use more than 30,001 gallons per bi-monthly billing period will receive no conservation discount (which will be equal to paying the full \$2.00 per 100 gallons).

District Bi-monthly Conservation Discounts:

Gallons	Discount%	
0 to 4,500	50%	for all usage
4,501 to 10,000	43%	applies to all usage
10,001 to 30,000	30%	applies to all usage
30,001+	0%	applies to all usage

Section 7 Annual Water Rate Consumer Price (CPI) Increase

For as long as the current Water Rate Ordinance 2019-1 is in effect, there will be an annual increase for inflation applied to all charges commensurate with the annual percentage increase to the San Francisco-Oakland-San Jose Price Index for All Urban Consumers (“CPI”) for twelve months preceding April of each year and to go into effect on July 16 for each subsequent year until the final increase in 2024.

Section 8 Effective Date

Upon approval by the Board of Directors, this ordinance shall be effective as of July 16, 2019 and be applicable to meter readings as of that date.

Section 9 Severability

If any section, subsection, sentence, clause, phrase, portion or part of this ordinance is for any reason held to be invalid or unconstitutional by any court of competent jurisdiction, such section shall not affect the validity of the remaining portions of this ordinance. The Board of Directors hereby declares that it would have passed this ordinance, any section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, clauses, or phrases may be declared invalid or unconstitutional.

PASSED AND ADOPTED this 24th day of July, 2019 by the following vote of the Board of Directors.

Ayes:

Noes:

Absent:

Board President

Attest:

District Manager

Summary of Proposed Rate Increase

\$ per 100 Gallons:	\$	2.00		
<u>Conservation Discounts</u>		<u>Gallons</u>		
T1	-50%	0 to 4,500		
T2	-43%	4,501 to 10,000		
T3	-30%	10,001 to 30,000		
T4	0%	30,001+		
<u>Existing Rates</u>	<u>Gallons</u>	<u>Bi-Mo \$</u>		
T1	4,500	\$ 99.92	(includes \$49.92 flat charge and \$50 WCI)	
T2	7,250	\$ 125.22		
T3	20,000	\$ 279.52		
T4	75,000	\$ 1,137.52		
T4 - High Usage	180,000	\$ 2,838.52		
<u>Modified Rates</u>	<u>Gallons</u>	<u>Bi-Mo \$</u>		
T1	4,500	\$ 123.73	(includes \$78.73 flat charge)	
T2	7,250	161.38		
T3	20,000	358.73		
T4	75,000	1,578.73		
T4 - High Usage	180,000	3,962.05	(includes \$362.05 flat charge (1.5" meter))	
<u>Comparison</u>				
	<u>% Increase</u>	Note: Last rate increase was 9 years ago in 2010		
T1	23.8%			
T2	28.9%			
T3	28.3%			
T4	38.8%			
T4 - High Usage	39.6%			
For reference, having a 25% increase in current rates (at 7,250 gallon usage level, being the middle of Tier 2), and a 33% increase in WCI (\$300/year to \$400/year), results in a <u>28.3% combined increase</u> .				



MUIR BEACH COMMUNITY SERVICES DISTRICT

19 Seacape Drive • Muir Beach, CA 94965 • 415-388-7804 • www.muirbeachcsd.com

Draft — Budget

Fiscal Year 2019/2020

June 26, 2019 Board Meeting

The proposed FY 2019/2020 Draft-Budget is being presented to the MBCSD Board for its second reading and approval. Any further recommended changes can be adopted by approving with stated changes. It is an overall balanced budget that meets all State mandatory minimum requirements, including State Proposition 218 and CA Constitutional requirements for Water Operations, and is based on sound accounting principles and practices. It has been developed as a framework to conservatively achieve the District's goals and objectives, both present and future, within the constraints of revenue sources and strategic planning.

This Draft- Budget is projected to have year-end unrestricted funds of \$216,629 after an intensive year of capital spending for projects in both Roads and Recreation. The Fire department will benefit by an approximate average \$52,000 increase in grant funding and will have expected year-end restricted reserves of \$239,341. Recreational capital spending will stay within a strict Measure A planning budget, but deficit spending for other recreational activities is not completely covered by recreational income, although the net rental income does currently supplement the community functions by about 85%. The Water Department budget has a projected overall revenue increase of 23% to help fill the previous deficit spending gap. Water service fee revenue will increase by a projected \$14,422 along with a year-end projected restricted Water Capital Reserves of \$34,903 after completion of the Sunset Way water line project.

If the Board and public has any specific item of interest, I am available to answer any questions.

Please note:

- June 26, 2019 Board Meeting Draft-budget includes current actuals thru May 2019.
- This is the second reading of the FY19/20 Draft-Budget for comment and Board approval.
- Fire Chief Chris Gove as reviewed the FY19/20 Draft-budget for the Fire Department and recommends it for Board approval.

Muir Beach Community Services District
FY 2019/20 Operations and Reserve Summary
(highlighted changes from previous FY 2018/19 budget)
June 26, 2019

Government Services:

General

- Increase in Projected Tax Revenue: \$5,000 *(based on long-term trend)*
- Increase in District Manager Expense: \$7,000 *(based on Board review)*
- Increase in Tree Maintenance Expense: \$4,000 *(based on projected need)*
- Decrease in Legal Fees Expense: \$2,500 *(based on effort to reduce legal costs)*
- Decrease in Website & Document Management Expense: \$2,000 *(based on need)*

Fire

- Increase in Grant Funding: \$52,000 *(due to Measure W funds)*
- Increase in Station wear/ Turnouts Expense: \$4,000 *(based every other year inventory turnover)*
- Decrease in Fire Training Expense: \$2,000 *(based on trend)*

Recreation

- Increase in Measure A Funds: \$3,500 *(projected by County of Marin)*
- Decrease in Rental Income: \$6,000 *(based on FY17/18 actuals)*
- Increase in CC Functions Expense: \$1,200 *(Bistro)*
- Decrease in Repairs and Maintenance: \$6,000 *(due to Measure A grant spending on CC repairs)*

Roads

- No change

Water Operations:

- Increase in Water Service Revenue: \$14,400 *(based on proposed water rate increase)*
- Increase in Water Capital Improvement Fee/Charge: \$17,650 *(based on proposed meter charge)*
- Decrease in Water Capital Improvement Overall Revenues: \$4,850 *(based on proposed water rate structure)*
- Increase in Utilities (Electricity) Expense: \$1,500 *(based on trend and projected rate increases due to northern CA fires)*
- Decrease in Repairs and Maintenance Expense: \$10,000 *(based on Sunset Way waterline replacement project)*
- Decrease in Payroll Compromise Expense: \$1,000 *(based on agreement)*

Cashflows

(projected balances
as of 6-30-2020)

- Projected Increase in Fire Reserves: \$55,190
- Projected Fire Reserve Balance: \$239,341
- Projected Loss for Water Operations: \$6,949
- Projected Increase in Water Debt to General: \$4,349
- Projected Decrease in Water Capital Reserves: \$145,326
- Projected Water Capital Reserves Balance: \$34,903
- Projected Decrease in Cash Reserves: \$630,020
- Projected Unrestricted Cash Balance: \$216,629
- Projected Total Balance of all Funds: \$490,870

Muir Beach Community Services District: Budget for FY 2019/2020 - Draft 2 (60%/40%)

General - Revenue and Expenses Apportioned To All Departments						
			Jul2017-June2018		Jul2018-May2019	
Gen Revenue	Category	FY17/18 Budget	FY17/18 Actual	FY18/19 Budget	FY18/19 Actual	FY19/20 Budget
	Property Taxes (Unassigned)	102,300	107,675	110,000	108,877	115,000
	Excess ERAF (Unassigned)	60,000	75,990	75,000	79,298	79,000
	Interest Income (Unassigned)	800	797	6,000	1,081	100
	Other Income (Unassigned)	-	628	-	636	-
	Gen Revenue Total:	163,100	185,090	191,000	189,892	194,100
Gen Expense	Category	FY17/18 Budget	FY17/18 Actual	FY18/19 Budget	FY18/19 Actual	FY19/20 Budget
	Audit (includes fees+bookkeeping) F	29,000	28,769	* 8,000	14,268	* 9,000
	Bank & Credit Card Fees (District) F	500	120	200	10	10
	Bookkeeping F	15,000	18,802	17,000	13,456	15,000
	Dues & Memberships F	1,300	1,073	1,500	1,394	1,400
	Insurance: Health (DM) F	9,600	9,160	* 9,300	8,528	* 9,400
	Insurance: (Blanket+Gen Lb+Umb) F	7,000	5,946	4,000	4,003	4,000
	Insurance: WComp (Board) F				70	70
	Insurance: WComp (DM) F	2,400	145	* 1,200	830	* 1,200
	Legal Fees V	2,500	4,620	5,000	167	2,500
	Meetings (inc minutes) F			* 4,500	3,860	* 4,800
	Office & Postage F	1,000	2,890	* 2,000	2,149	* 2,000
	Other Operating V	4,000	4,533	500	516	500
	Payroll: Salary (DM) F	119,600	91,222	* 65,000	60,103	* 72,000
	Payroll: Employer Taxes (DM) F	8,400	6,933	* 5,200	4,598	* 5,760
	Payroll Service: Fees F	1,500	1,826	* 2,000	1,812	* 2,000
	Permits & Fees (non election year) F	4,000	3,067	2,300	1,747	2,000
	Repair & Maint (non-department) V	4,000	679	2,000		2,000
	Tree Management Program F	4,000	-	4,000	8,475	8,000
	Supplies: (non-water) V	1,000	1,323	1,200	6	1,000
	Utilities: Telephone (RingCentral) F	150	448	200	307	250
	Website & Doc Management F	4,000	2,610	* 5,000	225	* 2,000
	Gen Exp Total:	218,950	184,166	140,100	126,524	144,890
	Gen Bal (Prior to Dept Allocations) :	(55,850)	924	50,900	63,368	49,210
	Gen Bal (Dept Allocations):				38,549	43,264.0
	Gen Bal (After Dept Allocations) :				101,917	92,474.0
General Notes:	1.)Apportionment: General Expenses are assigned to departments by the following percentages: General = 60%, Water = 40% *(DM Salary, DM Payroll taxes + service, DM Healthcare, DM WC, Audits, Website, Postage and Office, Board Meeting Expenditures incl Minutes)					

Muir Beach Community Services District: Budget for FY 2019/2020 - Draft 2 (60%/40%)

Fire Department						
			Jul2017-June2018		Jul2018-May2019	
Fire Revenue	Category	FY17/18 Budget	FY16/17 Actual	FY18/19 Budget	FY18/19 Actual	FY19/20 Budget
	Special Parcel Tax for Fire	33,400	36,386	34,930	34,244	37,320
	Grants/Donations for Fire		3,000			
	Grants for Fire (Measure W)					52,000
	Grants for Fire (VFA Firehouse) CE		15,000			
	Grants for Fire (West Marin)	8,400	16,800	8,400		8,400
	Fire Operations incl Cap Imp Rev:	41,800	71,186	43,330	34,244	97,720
	Deduct Cap Imp Revenue:		(15,000)			
	Fire Operations Revenue:		56,186		34,244	97,720
Fire Expense	Category	FY17/18 Budget	FY17/18 Actual	FY18/19 Budget	FY18/19 Actual	FY19/20 Budget
	Gen Exp (10% Share) Sub-Total:	22,195				
	Dedicated Expenses:					
	Emergency Preparedness	1,000	605	2,000	785	2,000
	Membership Dues	150	326	330	316	330
	Fire Equipment & Tools	2,750	5,008	3,800	7,752	6,500
	Fire Training/Certification	8,150	133	6,000	5,400	4,000
	Fire Truck: Maint/Repairs	6,000	4,859	6,000	4,315	6,000
	Insurance: VFIS	6,000	5,712	6,000		5,720
	Insurance: Workers Comp	4,500	2,889	3,000	2,157	2,800
	Legal Fees	500	-	1,000	-	500
	Other Operating (Fire)				2,147	1,000
	Supplies: Medical	110	1,052	2,000	1,658	1,280
	Supplies: Sta wear/Turnouts/Other	805	11,240	4,000	1,217	8,000
	Utilities: Electric	1,300	206	200	287	350
	Utilities: Phone, Radio	600	1,129	600	1,047	1,130
	Dedicated Expense Sub-Total:	31,865	33,159	34,930	27,081	38,610
	Fire Operations Expense Total:	54,060	33,159	34,930	27,081	38,610
	Fire Ops Balance (Prior to Unassigned Revenue):	(12,260)	23,027	8,400	7,163	59,110

Muir Beach Community Services District: Budget for FY 2019/2020 - Draft 2 (60%/40%)

Recreation Department						
			Jul2017-June2018		Jul2018-May2019	
Rec Revenue	Category	FY17/18 Budget	FY17/18 Actual	FY18/19 Budget	FY18/19 Actual	FY19/20 Budget
	Community Center Classes	1,200	1,167	1,200	1,175	1,200
	Community Center Functions +(XF)	1,200	1,896	1,200	2,800	2,800
	Donations and Grants for Rec		-		-	
	Measure A Tax	37,000	35,606	35,000	37,914	A 38,579
	Rentals	28,000	18,285	18,000	11,180	12,000
	Rec Operations Revenue Total:	67,400	56,954	55,400	53,069	54,579
	Rec Ops non-Measure A Total:				15,155	16,000
Rec Expense	Category	FY17/18 Budget	FY17/18 Actual	FY18/19 Budget	FY18/19 Actual	FY19/20 Budget
	General Expenses (10% Share):	22,195	NA	NA	NA	NA
	Gen Exp (10% Share) Sub-Total:	22,195			-	
	Dedicated Expenses:					
	Community Center Classes	1,000	799	1,000	828	A 1,000
	Community Center Functions	6,000	6,721	7,500	6,372	A 8,700
	Legal Fees (Rec)	0		-	-	-
	Measure A Projects				37,914	38,579
	Other Operating	100	2,358	200	113	100
	Payroll (Rec)	15,000	14,822	15,000	13,104	15,000
	Payroll (WC)		786	1,000	976	1,050
	Payroll Employer Taxes (Rec)	1,200	1,126	1,200	1,002	1,200
	Rental Expense (CC)			4,600	5,929	4,600
	Repairs & Maintenance (Rec)	1,200	28,625	10,000	4,750	A 4,000
	Trails Maintenance (budget)	1,500	-	1,500	2,600	1,500
	Supplies (Rec)	2,000	2,585	2,700	2,422	2,500
	Utilities: Elec (Rec)	1,000	931	1,100	905	1,200
	Utilities: Phone (Rec - Ooma)	50	-	80	76	80
	Utilities: Propane (Rec)	300	61	200	298	300
	Utilities: Refuse (Rec)	900	1,194	1,600	707	800
	Dedicated Expense Sub-Total:	30,250	59,222	47,680	77,996	80,609
	Non-Measure A Expense Total:	52,445	59,222	47,680	40,082	42,030
	Rec Ops Balance (Prior to Unassigned Revenue):	14,955	(2,268)	7,720	(24,927)	(26,030)

Muir Beach Community Services District: Budget for FY 2019/2020 - Draft 2 (60%/40%)

Roads Department						
			Jul2017-June2018		Jul2018-May2019	
Roads Revenue	Category	FY17/18 Budget	FY17/18 Actual	FY18/19 Budget	FY18/19 Actual	FY19/20 Budget
	Fees for Roads	-	-		-	
	Donations for Roads	-	-		-	
	Grants for Roads	-	16,551		8,462	
	Roads Operations Revenue Total:	-	16,551		8,462	
Roads Expense	Category	FY17/18 Budget	FY17/18 Actual	FY18/19 Budget	FY18/19 Actual	FY19/20 Budget
	General Expenses (10-20% Share):		NA	NA	NA	NA
	Gen Exp (10% Share) p/ project:	22,195				
	Dedicated Expenses:					
	Legal Fees (Roads)				3,446	
	Other Operating (Roads)				454	
	Payroll (Roads)		3,398	3,000	1,800	3,000
	Payroll Employer Taxes (Roads)		272	240	138	240
	Payroll (WC)		190	200	72	150
	Repairs & Maint (Gen Exp/Roads)	15,000	13,516	25,000	1,407	25,000
	Supplies (Roads)				64	
	Dedicated Expense Sub-Total:	15,000	17,186	28,440	7,381	28,390
	Roads Operations Expense Total:	37,195	17,186	28,440	7,381	28,390
	Roads Ops Balance (Prior to Unassigned Revenue):	(37,195)	(635)	(28,440)	1,081	(28,390)
	Capitla Spending:					
	Sunset Way Project					\$ 716,315
	Total Capital Spending:					\$ 716,315

Muir Beach Community Services District: Budget for FY 2019/2020 - Draft 2 (60%/40%)

Water Department							
				Jul2017-June2018		Jul2018-May2019	
Water Revenue	Category		FY17/18 Budget	FY17/18 Actual	FY18/19 Budget	FY18/19 Actual	FY19/20 Budget
	Water Service Fee Revenue	fv	80,000	88,266	90,000	81,018	172,115
	Water Conservation Discount						(52,000)
	Meter Reading Fee + Bookkpg	F					7,400
	Water Service Revenue (Misc)	V	800	900	23,593	580	500
	Water Service Fee Net Revenue						128,015
	Water Cap Impr (Meter Charge)	F	50,000	50,296	50,350	26,658	68,000
	Cap Impr (25% of Service)		19,760	22,552	22,500	20,102	
	Interest Income	V				1,478	
	Grants/Donations for Water	V		11,000	-	8,850	-
	Water Revenue incl Cap Imp:	fv	150,560	173,014	186,443	138,686	196,015
	Move Cap Impr to Reserves:	F	(50,000)	(50,296)	(50,350)	(26,658)	(68,000)
	Move 25% CPI Service to Reserves	V	(19,760)	(22,552)	(22,500)	(20,102)	
	Move Service Revenue (Misc) NPS				(23,193)		
	Water Cap Impr+ 25%CPI Reveues:		(69,760)	(72,848)	(72,850)	(46,760)	(68,000)
	Water Operations Revenue:		80,800	100,166	113,593	91,926	128,015
	Water Cap Impr Reserves:		69,760	72,848	72,850	46,760	68,000
Water Expense	Category		FY17/18 Budget	FY17/18 Actual	FY18/19 Budget	FY18/19 Actual	FY19/20 Budget
	Gen Exp (Water 20% Specific*):	F	44,390	29,618	20,540	19,275	-
	Gen Exp (WCI 20% Specific*):		44,390	29,618	20,540	19,275	-
	Gen Exp (40% Specific*) Sub-Total:		88,780	59,235	41,080	38,550	43,264
	Dedicated Expenses:						
	Bank Credit Card Fees (Customer)	V	3,300	3,730	4,400	3,628	4,400
	Bookkeeping (Water)	V	3,500	4,505	5,000	3,910	4,500
	Depreciation Expense						-
	Debt (Due to GF-20 years/no int)						2,600
	Dues & Memberships (Water)	F	1,340	402	1,360	400	400
	Grant Spending	V				8,850	
	Insurance (Water-G Liab+ % Umb)	F	6,000	-	2,000	2,002	2,000
	Legal Fees (Water)	V	2,000	1,425	2,000	2,263	2,000
	Other Operating (Water)	V	4,000	290	1,000	496	500

Muir Beach Community Services District: Budget for FY 2019/2020 - Draft 2 (60%/40%)

	Payroll (Water Sub-Contractors)	V				2,780	2,780	-
	Payroll (Compromise - WM)	F	6,000	6,000	6,000	5,000	5,000	
	1.)Apportionment: General Expens	F			2,500	1,020	500	
	Water Management (Team)	F	35,500	32,443	28,620	24,703	28,790	
	Payroll Employer Taxes (Water)	F	-	-	2,450	1,853	2,430	
	Payroll (WC)				1,750	1,505	1,580	
	Permits & Fees (Water)	F	2,500	2,237	1,360	966	1,360	
	Repairs & Maintenance (Water)	V	25,000	13,564	25,000	4,082	15,000	
	Supplies (Water)	V	-	-	-	-	-	
	Testing (Water) Full panel year	V	5,000	2,053	2,000	2,398	3,600	
	Treatment (Water)	V	6,000	4,869	5,000	433	5,000	
	Utilities: Elec (Water)	V	10,000	10,519	10,200	9,594	11,700	
	Utilities: Tel (Ooma)	F	-	-	160	323	340	
	Dedicated Expense Sub-Total:		110,140	82,037	103,580	76,206	91,700	
	Water Operations Expense Total:		154,530	111,655	124,120	95,481	134,964	
	Water Conservation Reserve (Beginning Balance):							57,000
	Water Conservation Discount (Balance to Reserve):							\$ (52,000)
	Water Conservation Reserve (Ending Balance):							\$ 5,000
	Water Ops Balance (Unassigned Revenue):		(73,730)	(11,489)	(10,527)	(3,555)	(6,949)	
	Water Capital Improvement (Balance to Reserves):		25,370	43,230	52,310	27,485	68,000	
	Depreciation Expense (Balance to WCI Reserves:							-
	Water Capital Improvement (Reserves):							180,229
	Water Capital Improvement (SWP) Spending:							(213,326)
	Water Capital Improvement (Reserves):							34,903
Notes:	Meter Reading charge \$2400 + Water bookkeeping \$5000 = \$7400							

MUIR BEACH CSD 2019/20 FULL YEAR CASH PROJECTIONS								
		Fire	Recreation	Roads	General	Total Govt Svc	Water	Total
Beginning Cash Balance	as of 5/31/19	\$ 184,151	\$ -	\$ -	\$ 763,462	\$ 947,613	\$ 180,229	\$ 1,127,842
Sources of Income								
	Income	\$ -	\$ 16,000	\$ -	\$ 194,100	\$ 210,100	\$ 128,015	\$ 338,115
	Expenses	\$ (38,610)	\$ (42,030)	\$ (28,390)	\$ (101,626)	\$ (210,656)	\$ (91,700)	\$ (302,356)
	Overhead Allocation from Gen.	\$ -	\$ -	\$ -		\$ -	\$ (43,264)	\$ (43,264)
	Net Income from Operations	\$ (38,610)	\$ (26,030)	\$ (28,390)	\$ 92,474	\$ (556)	\$ (6,949)	\$ (7,505)
	Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Non-Cash Transactions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Tax/Fee Initiatives	\$ 33,400	\$ -	\$ -	\$ -	\$ 33,400	\$ -	\$ 33,400
	Grants	\$ 60,400	\$ 38,579	\$ -	\$ -	\$ 98,979	\$ -	\$ 98,979
	Other (WCI reserve)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,000	\$ 68,000
	Total Sources	\$ 55,190	\$ 12,549	\$ (28,390)	\$ 92,474	\$ 131,823	\$ 61,051	\$ 192,874
Uses of Income								
	Capital Expenditures	\$ -	\$ (38,579)	\$ (716,315)	\$ -	\$ (754,894)		\$ (754,894)
	Transfer of Water Funds to WCI	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (68,000)	\$ (68,000)
	Total Uses	\$ -	\$ (38,579)	\$ (716,315)	\$ -	\$ (754,894)	\$ (68,000)	\$ (822,894)
Change in Cash Flow from Operations		\$ 55,190	\$ (26,030)	\$ (744,705)	\$ 92,474	\$ (623,071)	\$ (6,949)	\$ (630,020)
Ending Cash Balance	(projected 6/30/20)	\$ 239,341	\$ (26,030)	\$ (744,705)	\$ 855,936	\$ 324,542	\$ (6,949)	\$ 497,822
Net Operating Income/Loss from Water Dept								\$ (6,949)
	WCI - Beginning Cash Balance 5/31/19						\$ 180,229	
	Funds moved into WCI Fund						\$ 68,000	
	Depreciation Expense moved to WCI						\$ -	
	Capital Expenditures						\$ (213,326)	
	Overhead Allocation from Gen.						\$ -	
WCI Cash Balance	(projected 6/30/20)						\$ 34,903	
Amount Owed to Government Svc (2019/2020 only)							\$ (45,643)	
	Debt payment						\$ 2,600	
	Net Operating Income/Loss						\$ (6,949)	
	Projected Debt Balance 6/30/20						\$ (49,992)	
1. Capital Expenditures:								
	A. Measure A: \$38,579							
	B. Sunset Way Pr - Roads: \$716,315							
	C. Sunset Way Pr - Water: \$213,326							
2. Restricted Funds	Projected Balance 6/30/20	\$ 239,341	\$ -				\$ 34,903	\$ 274,244
3. Unrestricted Funds	Projected Balance 6/30/20							\$ 216,629
4. Assigned Funds	Projected Balance 6/30/20						\$ (6,949)	

6/26/19 District Manager Report – Mary Halley

Water, Fire, Recreation, Roads, Finance, and Communications

General:

District Manager – I will be taking 3 days off M 7/15 – W 7/17 to host my family visiting from Florida that week.

Water:

Water Quality Report – 2018 – water quality to our residents remains consistently good and the report has been distributed to the community.

Water Rate Proposal – the Water Rate Proposal and Revision (that was based on the Water Service Cost Study) was presented to the Board at the May 28 meeting and approved for a Public Hearing set at the July 24 Board meeting. The required 45-day notice was mailed out to all water customers, residents, and parcel owners of record in Muir Beach on June 10 for the July 24 hearing date. The Draft-Water Rate Ordinance 2019-1 has been prepared for a first reading at the June 26 Board meeting for possible approval at the July 24 Public Hearing.

MBCSD Stream Monitoring System – I have made preliminary contact with Silke Communications (who installed the small cell service at the MB parking lot) and he has sent out a request to the wireless carriers that he works with to see who may be interested in sponsoring a small cell at the District well property on the road to Muir Woods. This is the last hurdle to trying to get the MBCSD creek monitoring system setup.

Fire:

Firehouse – no news – our Fire Chief is scheduled to give a full report at the July meeting.

Fire Tax – Board approved a clarification as to a discrepancy in annual CPI adjustment language so the County can now process the Fire Tax for this coming property tax statements. I had to also create and rewrite two different exemption forms.

Emergency Siren at Green Gulch – NPS has been inquiring if we have heard of any progress on the emergency siren – our Fire Chief says he will give a summary in June and a full report at the July meeting.

MBCC Fire Protection Projects – no major projects scheduled until we can start removing dangerous and dead trees in the fall, although I have asked Salvador to put some extra time in weed whacking the extra tall grass along the side of the road of district property.

Recreation:

MB Community Center – the CC flooring project is now complete with the exception of trimming out the floor hatches which should be scheduled for installation this week. The fireplace hearth will be completed as soon as the decorative tiles arrive in the correct color. The main field tiles are currently just waiting and Cuco will do the installation. Cuco is finishing up with the wainscoting in the second bathroom and doing some touchup painting to finish giving the CC bathrooms a ‘facelift’. We already have all the materials so it will just take a bit more of Cuco’s time. The next Measure A project at the CC will be based once again on the MBCC facilities committee’s list of priority projects with safety as the primary determining factor. The

CC window replacement project will replace unsafe, not up to WUI or current building code standards, existing non-tempered glass windows. Estimates are in, a local crew has committed to do the installation, so glass will be ordered with the appropriate lead time for an August or September installation.

MBCSD District properties – now with a new Director for Caltrans in place, and many summer road projects planned for 2020, I have again inquired with Supervisor Rodoni as to the possibility of the wetland parcel being preserved with mitigation funding.

Encroachments – there are many ongoing encroachments in various states of communication or action within the District. The current reported encroachment at 50 Starbuck Drive onto the CSD Upper Park property has responded to Board President Hills communication and has suggested a possible lot-line adjustment. The various issues at 341 Sunset Way are being worked through as the project gets underway. The encroachment at 66 Starbuck onto the District's lower water tank property is still evolving with no decisive action yet. Also, there has been a more recent report of an older encroachment down along the Sunset Way to Pacific Way trail that will be reviewed.

Trails – lots of grass cutting and brush trimming currently being done by District staff. A request has been made to do maintenance on the trail that runs between Sunset and Lagoon, but it isn't exactly clear if the switch back bike path is on a District easement or if the easement starts at the remnants of stairs. More research will be needed as to whether this is trail needs 'maintenance' or would be an 'improvement'. Cuco will repair the drain box on Sunset to Pacific Way stairs as soon as it is dry enough.

Trees – our MB Fire Chief reported to me that it is very unlikely that our coastal community will be a priority for brush removal grants with all the demand for funding in more fire prone areas, so we have doubled the tree maintenance fund this year and will begin taking out dead and high risk trees after bird nesting season is over. Most of the designated trees will be dispersed between the many District properties so it won't be too visibly noticeable. Fire chief Chris Gove continues to inquire with the owners of the Twilliger Grove (Audubon Canyon Ranch) as to removing the very high-risk trees that keep falling across Pacific Way near the PW bridge.

Roads:

Sunset Way – non-resident parking is becoming a more frequent problem.

Lower Starbuck Extension – will likely need some asphalt patching scheduled for this summer when the ground dries up a bit. This work has been included in the current 'Roads' draft-budget.

Sunset Way Project – have been responding to any requests from Project Manager Hills to help facilitate getting the project underway. I worked on securing the encroachment permit on Frank Valley Road from the County of Marin.

Communications:

Website – website software has had an ongoing series of glitches based on a software update, but a local MB resident web designer has been continuing to help out with quick advice and solutions.

Resident email lists – focusing on updating the Lower MB list for use on the Sunset way project.

Finance:

Prop 68 Per Capita Program – have submitted application questionnaire packet to apply for State Parks and Recreation capital improvement grant. Closing date was 6/3/19, so should hopefully hear back soon.

Measure A Funding – have now completed and submitted the FY19/20 Work Plan which includes the CC window replacement project, repairing two of the broken and rotten decks, along with a few CC minor upgrades.

Audits – 2018 audits currently in process and should be ready for approval at the June Board meeting, but if not, will submit for approval in July. The County of Marin Dept of Finance-Internal Audit Division has received audit year FY14/15, FY15/16, FY16/17 and now just waiting for years FY17/18 to be completed and approved.

Budgets – second reading of the draft-FY19/20 is scheduled for potential approval at the June 26 Board meeting. The Ordinance 2019-1 for the Proposed Water Rate Increase and Revision will accompany it, for its first reading of title, as they are interconnected between the required revenues needed to meet estimated expenses.

Capital Planning – between working on the draft-budget and water rate proposal, there has been much capital planning work done which is incorporated into both documents, although, there is not a lot of additional planned spending this year with the current Sunset Way Project underway.

Insurance – VFIS insurance policy renewal came in with this year's premium of \$5,711 which remains the same as last year.

District Office Business – scanner is finally working (hurray) and Sharry has been able to start catching up on a backlog of scanning and electronic filing. As always, I am continuing to process all District mail and work with Sharry to make sure payroll timesheets, routine/event reimbursements, Credit Card expenditures, incoming payments and outgoing checks are all processed and expedited between agencies, employees, and vendors promptly.

Respectfully submitted,

Mary Halley

MBCSD District Manager