

## 10/11/17 Co-District Manager Report – Mary Halley

### Water, Recreation, Finance, and Website Communications

#### Water:

Water System – a water system meeting with the Trial Water Team and CSD members was held on 9/22/17. Meeting members attending were Thiemo and Steph Blank (system operators), Leighton Hills, Gary Friedman, and myself. Absent from the meeting were Helen Mirra and Ernst Karel. Initial feedback from Water Team is that everything is going well and it has been nice working with Leighton - they conferred often with him in the beginning months. The job requires more time than expected. Thiemo enjoys the hands-on work, but sometimes they need to outsource items that are too timely. They find having multiple people is definitely necessary to making it all work. Steph does the routine predictable items, such as test sampling, monitoring of graphs, and changing of solutions. Thiemo does the troubleshooting and repairs. Helen is the daily site person and is working well to flag issues for Steph and Thiemo and is one of the primary emergency contacts. The team encountered most of the initial problems occurring in the first few months of the trial period, and has lessen a bit now, but Thiemo felt the problems were somewhat beneficial, in that, it really helped familiarize them all with the system. Annual contract terms were not discussed as several of the team members (Helen and Ernst) were unable to attend the meeting. Current chlorine issues were discussed, and while we all agreed that the current chlorine level of .5 -.7 were not dangerous to anyone's health (and that eating BBQ chicken had a far higher risk of cancer than drinking current MB water) it was decided that using 4-log inactivation as a monitoring plan, we could bring the chlorine residual levels required in the Lower Tank (LT) down from .5 -.7 to .4. While the lowest State allowable level we could aim for is .2 (allowable range is 0.2 – 2.0), Thiemo said it would not leave enough protection in the system if there was a line break or the chlorinator stopped working for an injection cycle. I will submit monthly 4-log Inactivation reports for the main system along with the monthly Chlorine/Silica monitoring report ahead of the new modified permit requirements to allow for the reduction of chlorine residual levels. As soon as the new permit is issued, I will be required to file an additional 4-log Inactivation report for the Banducci line as well. Other items discussed at the meeting were the discovery of the failed aerator in the LT (that mixes the intake water) and has been repaired. The planned Lower Tank intake line reroute from the bottom to top of the tank is scheduled for better mixing and will be installed by Thiemo, and additionally the timeline for when the Lower Tank will need to be replaced as it is currently leaking. Also discussed was the installation of Contact Tanks on Banducci line verses main system as well as the preparation for the scheduled State Water System inspection this coming 11/7. In preparation, Co-Dm Mike replaced the aging roof on the lower water tank at a probable savings of \$4,500 to the district if it had to be contracted out. Upper Overlook tank had piping brushed and painted and the grounds weed whacked and old redwood tank wood organized while waiting to be used or hauled away. Water Team will exercise water system valves in preparation of the inspection as well. As discussed previously, the water system flushing will be scheduled for November after the first rains. Now with the FEMA/CalOES Grant program coming to a close, the District will need to start evaluating the process of shoring up the waterline on Frank Valley Road to get ready for winter. The waterline on Frank valley Rd did not receive funding being as it was only "at risk of damage" but did not "incur any damage". The District's option now is to reroute it to the other side of the road. We have been waiting for an estimate from our water contractor Linscott, but he has been incredible busy – as have been all the contractors right now.

Water System Operator Position – continuing to coordinate and monitor the current Water Management Team trial period that started 4/21. There was one follow up meeting 9/22 (as discussed in the previous section) and the next follow-up evaluation will be scheduled for November when all members should be available to attend. Items to discuss will be the terms of a one-year contract. Already it has been determined that system flushing and valve exercising will not be included in the routine weekly fee due to the extensive time requirement for those activities.

Water Permit Modification – continuing to work with Misha Anderson from the SWQCB to meet the requirements for a permit modification along with our hired Civil Engineer to finish the engineered design plans for our 4-log Virus Inactivation permit modification. The Banducci extension daily sampling plan as the first point of contact will be resolved by the installation of 2-80 gallon Contact Tanks. I will be meeting with NPS representatives and engineers in the next coming weeks to coordinate the NPS's contractually obligation to pay for the installation of the Contact Tanks due to a NPS design problems which are causing chlorine sampling deficiencies, and also the requirement by the State for a daily grab sampling plan on that line which the NPS is supposed to accommodate the cost. We are still hoping to wrap-up the Permit Modification before the end of this year. I have already started submitting the 4-log Inactivation monthly reports in anticipation of the future permit requirement and to make sure the system will readily comply. In the meantime, Misha has scheduled an onsite visit November 7, 2017 and extra onsite maintenance has been done in preparation for the system site visit as described previously.

MBCSD Stream Monitoring System – The volunteer creek-walk monitoring program began on 8/29 when the Redwood Creek flows dropped down to .36 - which is the trigger for the District to start physically monitoring the creek. We have now set-up a six-member volunteer stream monitoring group with every other day creek walking scheduled on Mondays, Wednesdays, Fridays, and one weekend day at the volunteer's own flexibility, and then one random volunteer to walk once a week whenever they are at the creek for other reasons. Then we have one extra person to rotate in as needed. Current Creek Monitoring volunteer members include myself, Mike DeGroot, Lynda Grose, Harvey Pearlman, Dave McKenzie, and Leighton Hills. The volunteer monitoring team trained in over the following several weeks, but then due to unexpected early rains, the creek gage raised back up into the .45 range, so we put the program on hold until the creek drops again. As of this week the creek level was back down to .38 so the volunteers may reactivate soon. We are currently still monitoring the USGS monitoring website as part of the joint program as our current demo model is having signal difficulties at the proposed installation location. I will continue to discuss the potential for the NPS Volunteer Worker's Comp Program to cover our Muir Beach volunteers as well. Muir Beach Internet Technician, Leighton Hills, is still working with In-situ technician on test prototype that we need to be able to run over MB LAN to meet our Adaptive Management Plan/ Water Permit requirements. The prototype that was sent requires a cell signal – which does not exist by the creek, but In-Situ reps insist is evident on their maps – so Leighton has been creatively sleuthing alternative connections. I will still explore the idea of “critter cams” to monitor certain locations as well.

Water Committee – there has not been any meetings of the Water Committee in the past few months. There have been several requests for the committee to start researching alternative pricing rate structures (whether or not the proposed water rate increase is approved) in preparation for determining if there is an alternative price structure that may be more beneficial to achieving the District's goals of water conservation and price equity. It is a subject that will take some research and should not be done hastily, so the water committee seems like a good vehicle to start that process as time allows.

## **Recreation:**

MB Community Center – the MBCC has moved to the top of the list for needing improvements and upgrades this year. I will coordinate with Mike (who has now taken over Infrastructure) on how to do smart upgrades. Mike has now completed the bathroom ADA upgrades (with the exception of the new toilet), and is working on installation of new propane tank and location, and starting the seismic retrograde bracing upgrades underneath the building. Much of the work Mike has been able to do himself and has saved the district more than a \$1,000 on the ADA upgrades and will probably save the District many thousands of dollars on the seismic upgrades alone. Community Center neighbors (directly to the west) have requested that a fence and gate be installed between the two properties as a sound buffer and parking barrier during CC rental events. Because this is a policy generating issue, Mike has drawn up - in co-consultation with the Trails Committee, Co-DM Mary, and individual Board members - two separate sets of policies, more specifically 1) Encroachment Policies and 2) Fences and Gates Policies to address some of the CSD property and boundary issues.

MBCSD District properties – continuing to gather information, photos, maps and other data to create a page on the website to be dedicated to district lands management, trail and tree policies. Greg Kidd has removed a mound of brambles and weeds from the Lower Water Tank property and will submit a proposed planting plan for the CSD lot which will recommend keeping it as open space for fire protection with just a minimal of screening using native plants like Coffeeberry for screening around the Lower water tank.

Trails – the Trails Committee personnel continue to discuss trail maintenance issues and repairs and how to prioritize which projects are most urgent. Repair priority should be in the order of safety first, followed by most frequently used, then provides most public benefit, and lastly opening up new access.

Trees – Greg Kidd has now removed the last Cypress tree from CSD property at a saving to the district of between \$3,000-\$5,000. I have been walking district properties to assess the condition and location of trees to private lands to see if any trees will need to be removed before winter. I have also discovered that Measure A funds can be used to remove trees that may be hazardous to trails and structures.

## **Communications:**

Website – as partially reported, in an effort to meet Grand Jury website requirements, I have now added 'Finance' and 'Water' pages to the website and additionally redesigned the 'Front' and 'About MBCSD' pages to make them more informational, and hopefully more useful and professional looking. I have also updated much information and made documents more available from various access points, as well as added a comments page along with the 'Water Rate Increase News' post and a Board Elections News post. There is also a Search function, and all archived documents from the old website are now on the new website distributed between Public Records and Board Meeting documents, depending on subject matter, as well as a link to the League of Woman Voters Candidates Night video. My next projects will be a 'CSD Properties and Lands' page, adding names of committee members, and a Financial Reserves policy. Now that the website is functioning better, it has come to the Board and staff's attention that there may need to be some website policy around what should and shouldn't be posted on the website, what is the overall goal and purpose for its use, and whether that should go beyond just taking care of the District's business and officially being the MBCSD's face to the outside world and other agencies.

Newsletter – the Board will need to give direction as to their vision for a newsletter. Currently I am just providing occasional news posts on the website.

Residents email list – am continuing to update the District’s various email lists (water billing, residents email list, newsletter – MailChimp, and Laurie Piel’s multiple google lists) and developing a strategy for combining and keeping them all current.

Muir Beach Directory – I am working with Maury Ostroff to help the process of updating the directory. A request was sent out to the community to update their information. As the updates come in, Maury sends me an updated Directory to post on the website for the public to check their information online. The next step will be to cross reference the water email list and residents list with the Directory list and then to go door-to-door to make sure we have everyone included whomever wants to be included. Debra Allen has helped sell enough advertising to pay for the graphics and printing. She’s the best!

## **Finance:**

Community Center – continuing to monitor the progress of the new CC Rental rates. Being as most of the summer was already booked at the old rates, we may not see the effect of the new bookings until this winter. We did have one wedding in August booked under the new rate system and a few bookings continue, so that’s somewhat promising. Rental issues still need fine tuning, but it is a work-in-progress.

County ADA Grant – Mike has almost finished the MBCC bathroom upgrade, which removed the interior cabinet, reversed the door opening, added motion sensor lighting, and added wood paneling to the interior cement wall which would now be visible from outside the bathroom. He is still just waiting for the new ADA low-flow toilet with assisted flushing.

Measure A Funding – attended a Measure A meeting for Special District Managers to meet with County Parks officials to see how the Measure A fund program has been working for the districts and how they can better help districts plan, promote, and use the funding resources as they look to renew the funding program in the next few years. The current program has only three years left, so the County is looking for the opportune time to put it before the voters to get extended. They will be providing the Districts with placards and labels to help promote the program and highlight the projects Measure A funding has paid for in various districts. I will start working with Mike to start planning for next year’s Measure A FY 18/19 Work Plan. It looks like the strategy of paying for the work up front – as was done with the playground - has its advantages as to ease of process as was pointed out by the program managers.

Audits – all 2008 – 2014 audits have been completed on schedule along with 2015 and 2016 still in progress but well underway and pretty much complete. The Audit Committee, along with Sharry Mullins and Leighton Hills, all met with the auditor Michael O’Connor on 9/14 to review the audit recommendation of having a separate bookkeeping system and/or fund accounts for the water operations, as well as going over the depreciation schedules created by the auditor in order to complete the audits under the guidance of Generally Accepted Accounting Principles. In the review of the auditor’s worksheets, it was revealed that he used a 20-year useful life for the 2010 Overlook Tank which greatly inflated the depreciation expenses for that one infrastructure item. It was also discovered that he had put all the district wages and salaries into the Business-Activities (Water Operations) category, but also had not allocated any management overhead to the Business-activities. So, the upshot of the meeting was that the audit committee needed to work with the auditor to review the

depreciation schedules, determine a more accurate useful life for the Overlook Tank, create a Water Capital Improvement schedule, as well as a management allocation schedule, before the audits could be deemed accurate and complete. So far, it has been determined by using cement manufactures recommendation, that the useful life of the cement Overlook Tank should be 60 years, which will reduce the annual tank depreciation expense from approximately \$32,500 to \$10,833.00. We will need to wait until all the new schedules are complete and then reviewed by the audit Committee before the new numbers will be used to revise the audits under review. We are hoping that this process will only take perhaps a week or two more, and then we will be able to firm up the revision date in the next week or so. None of the current audit numbers or depreciation amounts were used in calculating the current water rate increase. The current water rate increase is calculated by determining what are the expected actual costs of service for the upcoming year and then finding the amount of revenue that is needed to cover those costs and no more. The revised audits will be useful going forward to be able to add the depreciation schedules back into the District's current bookkeeping system and to aid in strategic infrastructure planning going forward. The audits have also been very useful in determining that there are no substantive fiduciary discrepancies or procedural processes that would reveal any unethical activities. And, they also give guidance as to some smaller procedural system modifications that will just tighten up the current bookkeeping system and its processes as a whole. The other item that the auditor was asked to review with the Audit committee members and Sharry, was to demonstrate how the District could create a multiple-equity accounting system using Quickbooks (the District's current bookkeeping system) whereby separating the Governmental-activities from the Business-activities and thus eliminate the comingling of funds between the two activities and hopefully much of the confusion between the governmental activities and business operations. The auditor has submitted invoices for all audit years and most all have been paid for work completed. We met our goal to complete audit years 2014 - 2016 by August, once reviewed and finalized, they will be then posted on the MBCSD website on the Financial page and Public Records page for full public access and viewing.

Budget 17/18 – approved but still contingent upon approval of proposed water rate increase. At this point, with the additional time needed for the proposed water rate increase process to continue and allow for workshops and more public comment and extended review period, the budget will most-likely fall short of projected revenues by an additional billing period, as the Budget was originally based on the first increased billing cycle starting in September, but which would now start in November if approved.

Water Rate Increase – first printed Notice of Public Hearing for a Proposed Water Rate Increase was mailed out 7/21 and the associated Resolution has been submitted for legal review. The Public hearing date was then postponed, so a second printed Notice of Public Hearing went out 8/21 with the Public Hearing date set for October 11, 2017. A Water Rate Increase Informational Flyer went out to the public, including an invitation to request Public informational workshops, and was additionally posted on the MBCSD website as a Water Rate Increase News post along with comments. So far there have been 4 official written protests and one additional comment since the original 7/21 mailing of the first Notice of Public Hearing for a Proposed Water Rate Increase. At a Special Board meeting on 9/13, the MBCSD Board voted unanimously (4-0) to extend the date of the Public Hearing for a Proposed Water Rate Increase until November 15, 2017. The third printed Notice of Public Hearing went out on 10/2 and was additionally emailed out to the residents along with an announcement of a three Water Rate Workshops to be held Saturdays 10/21 and 10/28 from 10am – 11:30am at the MBCC Office, and Tuesday 10/24 at the MBCC Main Floor with an additional request for public questions. There have

been no questions submitted to-date except for one inquiry if the water rate increase had indeed yet gone into effect. Mike and I will work to put together an informational program for the workshops covering related topics of: MBCSD Water System/ Finance and Budget / Water Rates / and Questions, comments and feedback.

Strategic Planning – continuing to create a multi-path approach for short-term and long-term analysis and goals. I believe having two DM's does enhance this process going forward. We will be meeting with Supervisor Rodoni to see about securing funding for the strategic planning in the future, if available. I will also start building a stable financial foundation as a first step to sound fiscal management practices.

MBCSD Insurance – completed SDRMA Worker's Comp audit. They had not reduce the number of volunteer Fire fighters, thus additional premium was too high, revision has saved the district \$723.13.

CalOES/FEMA – we have now exited the FEMA program. The MBCSD has been approved for a total of \$28,818.74 - which is now is waiting for CalOES to approve the disbursement of funds. No estimate on a time yet for receiving funds.

District Business – continuing to process all District mail and work with Sharry to make sure employee payroll timesheets, routine/event reimbursements, Credit Card expenditures, incoming payments and outgoing checks are all processed and expedited between agencies, employees, and other persons promptly. We are implementing a new monthly payroll policy trying to save money on PayChex processing fees since the beginning of the 17/18 fiscal year and will work to track District savings throughout the year. And, we are also continuing to implement new audit recommendations, including direct deposit for payments, pre-approval of invoices before submittal for payment, retaining of cancelled checks, and DM review and approval of monthly bank reconciliations as a matter of protocol for good checks and balances.

## **General:**

Board Elections – Board elections are in full swing for the November 7, 2017 election. Currently we have 3 Directors (Lynda Grose, Peter Lambert, and Paul Jeschke) terms expiring, with five candidates running for those seats. Two candidates are incumbents - Lynda Grose and Peter Lamberts, two are past Board members - Steve Shaffer and Leighton Hills, and Frank Schoenfeld is currently treasurer of the MBVFA. Candidates Night was held early in the campaign on 9/6 (in place of the regularly scheduled 9/6 Board meeting) and was co-hosted by the MB Elderberries and The League of Woman Voters - whose video of the event is now posted on the MBCSD website as a link on the Candidates Night News post. Directors elected in November will have 5-year terms, verses 4-year terms, and current members with terms expiring in 2019, will now be extended to serve for another 3 years until 2020 - due to election year change. I have submitted a Resolution for a Change of Board Elections Years from Odd to even Years for the Board to approve at the October 11th Board meeting. The deadline for submittal is 1/1/18.

Co-DM's – working as a team and finding a balance of work and skills.

Respectfully submitted,

*Mary Halley*

MBCSD – Co-District Manager