



MONTARA WATER & SANITARY DISTRICT

REGULAR BOARD OF DIRECTORS MEETINGS April 2, 2026

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 7:30 p.m.

CALL TO ORDER

ROLL CALL

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

Directors Absent: None

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

Others Present: District Counsel Christine Fitzgerald
District Accountant Peter Medina
Sewer Authority Mid-Coastside General Manager Kishen Prathivadi
Kastama Consulting, Alison Kastama

PRESIDENT'S STATEMENT

Director Boyd noted that it was a beautiful day on the Coastside and that it reminded him what an extraordinary place this is, filled with extraordinary people who, together, have accomplished a great deal. Regarding public comment, he explained that it is an opportunity for the community to address the Board and staff. Their role is to listen and to consider what they hear with courtesy and respect. District staff may sometimes be able to respond to comments. However, because several Seal Cove property owners have filed claims against the District, the Board will receive comments but will not respond to any questions or statements.

ORAL COMMENTS

Chad Hooker from Half Moon Bay highlighted his concerns about how the three coastal districts are being managed and should consolidate into one. He emphasized that their condition and coordination have significant implications for the community and suggests that the issue deserves closer attention and discussion.

Director Boyd said he would be happy to meet him to discuss this anytime.

Bill Softky shares an experience of witnessing democracy in action at a San Mateo Unified High School district meeting regarding a bell-to-bell ban on cell phones in schools.

PUBLIC HEARING

CONSENT AGENDA

1. Approve Minutes for Regular meeting March 5, 2026.
2. Approve Financial Statements for February 2026
3. Approve Warrants for April 1, 2026
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 January 2026

Director Softky made a motion to approve the Consent agenda. Director Champion seconded the motion. Roll call vote: Director Champion: Aye, Director Young: Aye, Director Boyd: Aye, Director Slater-Carter: Aye, Director Softky: Aye. The motion passes 5-0.

OLD BUSINESS - none

NEW BUSINESS

1. Review and Possible Action Concerning Sewer Authority Mid-Coastside Fiscal Year 2026-27 General Budget.

General Manager Clemens Heldmaier stated the general budget for the Sewer Authority Mid-Coastside (SAM) was approved by their Board at the last meeting for the next fiscal year, beginning July 1, 2026 through June 30, 2027. He noted a \$1.5 million dollars or 15% increase over the prior fiscal year, bringing the total budgeted expenditures to \$11.5 million dollars. The assessment for the Montara Water and Sanitary District (MWSD) for the General Budget FY 2026-27 is \$2.3 million dollars which represents an increase of \$274,486 dollars or 13% from the prior fiscal year. Staff recommendation is to adopt the Resolution of the Montara Water and Sanitary District (MWSD) Consenting to Approval by Sewer Authority Mid-Coastside of its General Budget for Fiscal Year 2026-2027.

General Manager Kishen Prathivadi provided a detailed breakdown of the budget, outlining authorized staffing levels, merit step increases, and cost adjustments based on both current conditions and anticipated needs. A major driver of the budget is the rise in infrastructure spending, with a focus on the sewer force main project in Montera which must be completed by June 30, 2027. The budget reflects the district's core priorities, emphasizing infrastructure while also accounting for increases in wages and benefits, legal and professional services, and other operational costs. Infrastructure costs have increased 17%, wages and benefits have increased by about 9%, and legal and professional services by roughly 2%. Additionally, the budget incorporates the new memorandum of understanding with Local 39, which contributes to health and retirement expenses.

Director Young asked whether SAM is exploring ways to reduce costs.

General Manager Kishen Prathivadi explained that they are actively pursuing grants and participate in the Bay Area Chemical Consortium, which allows them to purchase chemicals at reduced prices.

Director Boyd discussed the importance of maintenance and repair for existing equipment, emphasizing the need to stay on top of necessary repairs to avoid higher costs in the future.

Director Young made a motion to adopt the Resolution of the Montara Water and Sanitary District Consenting to Approval by Sewer Authority Mid-Coastside of its General Budget for Fiscal Year 2026-2027. Director Softky seconded the motion. Roll call vote: Director Champion: Aye, Director Young: Aye, Director Boyd: Aye, Director Slater-Carter: Aye, Director Softky: Aye. The motion passes 5-0.

2. Review and Possible Action Concerning Sewer Authority Mid-Coastside Fiscal Year 2026-27 Collections Budget.

General Manager Clemens Heldmaier introduced the Collections Budget, which is separate from the General Budget. He noted \$149,379 dollars or 20% increase due to the new union contract and the need to clean 50% of lines annually. The assessments for MWSD collections budget for FY 2026-2027 is \$355,430 dollars which represents an increase of \$94,275 dollars or 36%. Staff recommendation is to adopt the Resolution of the Montara Water and Sanitary District Consenting to Approval by Sewer Authority Mid-Coastside of its Collections Budget for Fiscal Year 2026-2027.

General Manager Kishen Prathivadi presented the Collections budget which covers a range of operational services, including line cleaning, lift station maintenance, hot-spot cleaning, emergency response, and other essential system tasks. He also reviewed the cost-sharing arrangement among the three agencies: Half Moon Bay contributes 34.5%, GCSD contributes 28.5%, and Montera contributes 37%. The District's share reflects a 1% reduction this year because the Seal Cove area is no longer serviced by SAM.

Director Young asked for clarification regarding the service provided to Seal Cove.

General Manager Kishen Prathivadi explained that no annual maintenance is required on the lines serving the small number of homes in that area. He added that SAM continues to maintain the pump stations and the remaining portions of the Seal Cove system.

Director Softky requested further explanation about why MWSD is responsible for one-third of the costs and why the increase is so substantial.

General Manager Clemens Heldmaier explained that the difference is largely due to the geographical terrain and the fact that their system is primarily pumped, requiring 13 pump stations. In comparison, Half Moon Bay operates 3 stations and GCSD operates 1.

General Manager Kishen Prathivadi added that the new union contract also contributed to the increased costs.

Director Boyd noted that this is a fee-for-service arrangement. Because all three agencies rely on the service, they benefit from the efficiencies of consolidation.

Director Slater-Carter remarked that Montara should offer to operate the Half Moon Bay Public Sewer District, suggesting they could provide the service at a lower cost.

Director Young made a motion to adopt the Resolution of the Montara Water and Sanitary District Consenting to Approval by Sewer Authority Mid-Coastside of its Collections Budget for Fiscal Year 2026-2027. Director Softky seconded the motion. Roll call vote: Director Champion: Aye, Director Young: Aye, Director Boyd: Aye, Director Slater-Carter: Aye, Director Softky: Aye. The motion passes 5-0.

3. Review and Possible Action Concerning Draft of the 2026 - 27 Water and Sewer Budget and Capital Improvement Programs.

General Manager Clemens Heldmaier explained that the budget is in draft form now, and the process includes a review with the Finance Committee before the final version is brought to the full board for approval prior to July.

District Accountant Peter Medina said the budget reflects reconciled items through February with a lot of unknowns, stressing the importance of transparency.

Director Slater-Carter commended their adherence to Governmental Accounting Standards Board (GASB) format for both budgeting and reporting.

Director Boyd underscored the need for consistent definitions, formatting, and presentation throughout the document to ensure clarity, transparency, and accountability in the overall budget process.

4. Review and Action Concerning Receipt of Funding for FEMA-Declared Disasters on Behalf of Sewer Authority Mid-Coastside.

District Accountant Peter Medina reported that they received approximately \$131,000 dollars on behalf of SAM. SAM has received \$1.7 million dollars in FEMA funding for several projects so far, and that all reimbursements have been fully returned to the agency.

5. Review and Possible Action Concerning Open Position for Local Agency Formation Commission (LAFCO) Regular Special District Member.

General Manager Clemens Heldmaier reported that the Local Agency Formation Commission (LAFCO) has an open seat for the Regular Special District member for the upcoming four-year term. Director Slater-Carter, who currently serves as MWSD's LAFCO representative and as the alternate for the position now vacant, has extensive experience on San Mateo County boards, including CSDA, the Harbor District, and others. Staff recommendation is to adopt the Resolution of the Montara Water and

Sanitary District Authorizing the Nomination of Kathryn Slater-Carter as Special District Representative to the San Mateo County LAFCo.

Director Slater-Carter highlighted the value of having dedicated representation on LAFCO, noting that it helps ensure strong advocacy for special districts while promoting fiscal responsibility and transparency in regional decision-making.

Director Softky made a motion to adopt the Resolution of the Montara Water and Sanitary District Authorizing the Nomination of Kathryn Slater-Carter as Special District Representative to the San Mateo County LAFCo. Director Champion seconded the motion. Roll call vote: Director Champion: Aye, Director Boyd: Aye, Director Slater-Carter: Aye, Director Softky: Aye. Director Young was absent during the vote. The motion passes 4-0, 1 absent.

REPORTS

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

Director Boyd said they received the Quarterly Financial Report presented by George Evans. It provided a good transparency mechanism.

2. Mid-Coast Community Council (MCC) Meeting

Director Young reported that they discussed the Highway One Moss Beach Corridor project, which was presented by Chandry Singh from the Planning Department. She recommended that Caltrans contact General Manager Clemens Heldmaier regarding the proposed sewer mainline.

General Manager Clemens Heldmaier noted that the District has identified utility conflicts. He stated that they have been assured the project will not result in any costs to the agency and emphasized the need to remain vigilant to ensure that commitment is upheld.

3. California Special Districts Associations (CSDA) Report (Slater-Carter)-none

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

Director Slater-Carter said Andrew Boston and Alan Moss made public comments to expedite the District's Municipal Services Review.

5. Attorney's Report (Fitzgerald)

District Counsel Christine Fitzgerald addressed the allegations of Public Records Act non-compliance, stating that the district has met all statutory response

requirements and is releasing documents on a rolling basis due to the significant volume involved spanning over four decades of historical and operational records.

6. Directors' Report-none

7. General Manager's Report (Heldmaier)-none

FUTURE AGENDAS

Director Young suggested adding a flag to the meeting room and incorporating the recitation of the Pledge of Allegiance.

Director Slater-Carter suggested a short item to inform the public how their sewer and water fees are calculated.

BREAK at 9:06 p.m.

CONVENE IN CLOSED SESSION

CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Government Code §54956.8)

Property: 771 Rivera Rd., Montara, CA

Agency Negotiators: District General Manager; District General Counsel
Negotiating parties: Coast Wholesale Florists, a corporation/Miller-Havice Ranch
Under Negotiation: Price and Terms of Payment.

ADJOURNMENT at 10:45 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, May 2026

Signed _____
President

MWSD Board Meeting

FY 2026/27 General Budget Review

Budget Points



1. All authorized positions are included in the budget.
2. All applicable merit step increases at one step up are included in the budget.
3. Applied 5% CPI to all non-personnel costs, unless other changes were needed due to actual or anticipated events.
4. With the adoption of the updated MOU with Local No. 39, personnel costs have been budgeted based on expectations for next year.
5. Infrastructure budget has been increased by \$605,000 from last years budget amount.

General Budget: Change from FY 2025/26

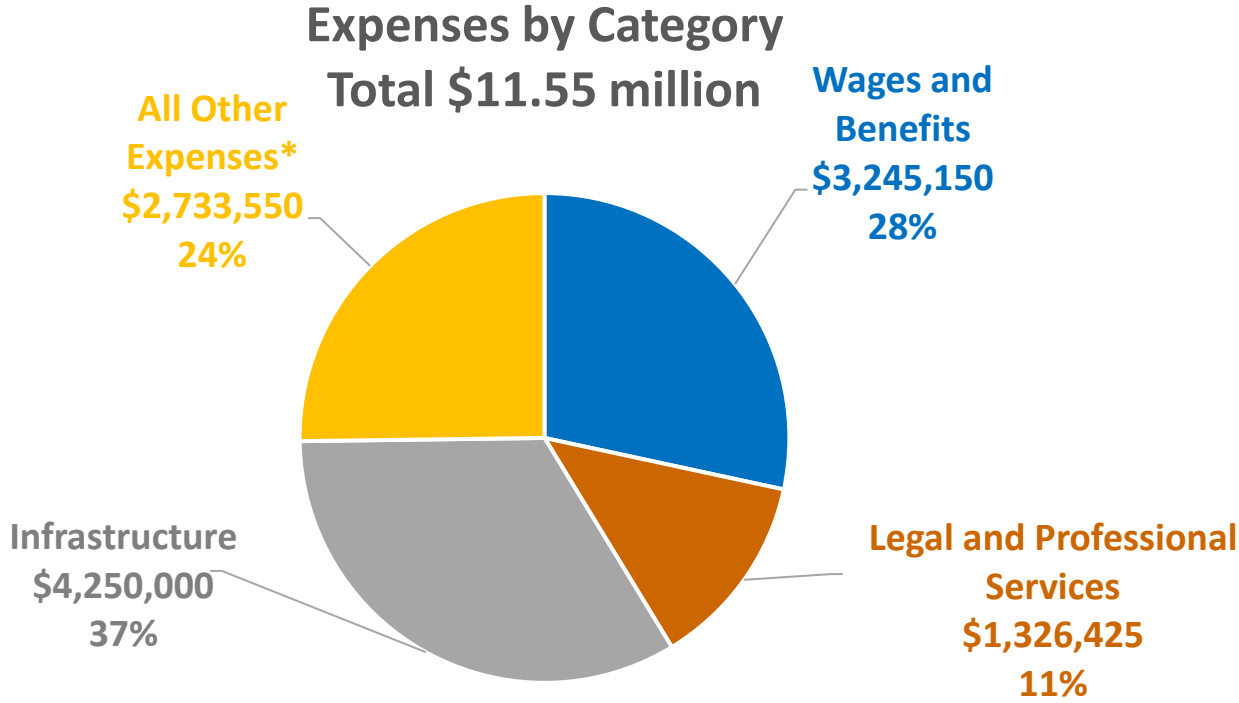
	FY 2025/26 Adopted	FY 2026/27 Proposed	\$ Change	% Change
Wages and Benefits	\$2,981,812	\$3,245,150	\$263,338	9%
Legal/Engineering/ Professional Services	\$1,294,844	\$1,326,425	\$31,581	2%
All Other Expenses*	\$2,150,610	\$2,733,550	\$582,940	27%
Total Operating Budget (less Infrastructure)	\$6,427,266	\$7,305,125	\$877,859	14%
Infrastructure **	\$3,645,000	\$4,250,000	\$605,000	17%
Total General Budget	\$10,072,266	\$11,555,125	\$1,482,859	15%

*All Other Expenses include: Utilities, Insurance, Equipment Rental, Maintenance Services, Chemicals, Permits, Supplies, Equipment, and Claims

** As amended via mid-year budget adjustment

NOTE: Minor differences due to rounding

General Budget



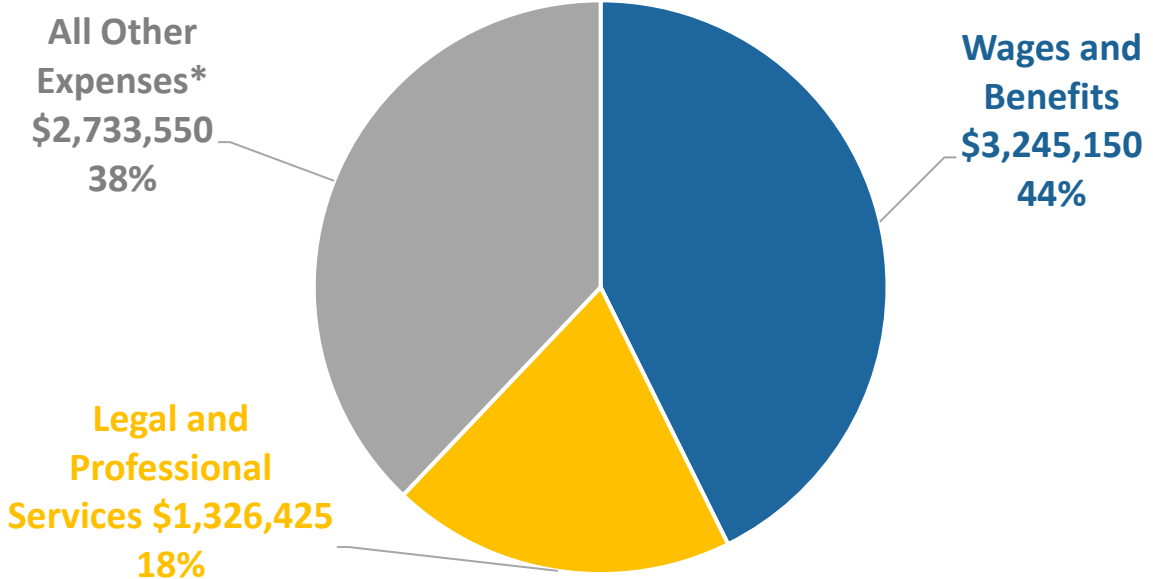
**All Other Expenses include: Utilities, Insurance, Equipment Rental, Maintenance Services, Chemicals, Permits, Supplies, Equipment, and Claims*

4

General Budget does not include Collections

Operating Budget (does not include Infrastructure)

Operating Expenses by Category Total \$7.30 million



*All Other Expenses include: Utilities, Insurance, Equipment Rental, Maintenance Services, Chemicals, Permits, Supplies, Equipment, and Claims
5
General Budget does not include Collections

Staffing Information

<u>Classifications</u>	<u>Authorized Positions</u>	
<u>Administrative Services:</u>		
General Manager	1.0	13.0 Employees in General Budget
Finance Officer	1.0	
Accounting Tech	1.0	
Administrative Assistant	<u>1.0</u> 4.0	
<u>Operations & Maintenance:</u>		
Engineering & Construction Contracts Manager (<i>Defunded</i>)	0.0	1.0 GM - Contract
Plant Superintendent	0.75	
Maintenance Mechanic I/II/III	2.0	6.0 Employees Scheduled for Step Increase 6.0 Employees Currently at Top Step
Operator I/II/III	2.0	
Lead Operator	4.0	
Utility Worker (<i>Defunded</i>)	<u>0.0</u> 8.75	
<u>Environmental Compliance:</u>		
Plant Superintendent	0.25	Vacant Positions Budgeted at Mid-Step
Total Authorized	13.0	
	6	

General Budget does not include Collections.

Operating Budget: Key Changes

Personnel Costs: Net Increase due to Wage increases (COLA & Merit) and increased Health & Retirement costs.	\$263,338
Engineering Services (Treatment): Based on Year-to-Date Actuals	\$10,557
Professional Services: Based on anticipated needs for FY 26/27	\$56,025
Insurance Premiums: Based on Year-to-Date Actuals – Increase based on current year actuals and estimated escalation factor	\$15,018
Utilities: Based on increased PG&E costs as well as solid waste	\$33,003
Equipment: Non-Project Capital related expenses	\$404,259
All Other Operating Expenses: Net Decrease due to reduced utilization of Supplies and Equipment Rentals	<u>\$95,659</u>
Sum of Operating General Budget Key Changes	\$877,859

Legal and Professional Services Detail

	FY 2025/26 <u>Adopted</u>	FY 2026/27 <u>Proposed</u>	\$ <u>Change</u>	% <u>Change</u>
Legal and Professional Services	\$1,144,600	\$1,165,625	\$21,025	2%

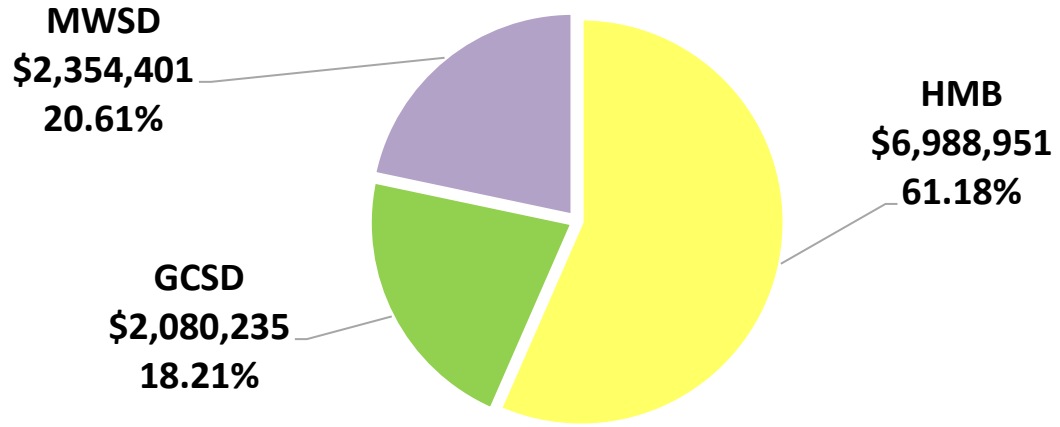
Major Vendors	Service(s)
Calcon Systems, Inc.	Equipment Maintenance
Rutan & Tucker, LLC	General Counsel
Boucher Law, PC	Employment Counsel
RVE Accounting & Advisory	Accounting Services
Precision IT Consulting	IT Consulting
AAAA Generator Services	Equipment Maintenance
Peninsula Pump & Equipment, Inc.	Equipment Maintenance
Allie Bridge Energy Solutions	Equipment Maintenance
Alpha Analytical Laboratories, Inc.	Testing

CalPERS Rates

	FY 2025/26	FY 2026/27
<u>Employer Rate</u>		
Classic Members	13.38%	13.36%
PEPRA Members	8.27%	8.24%
<u>Employee Rate</u>		
Classic Members	7.00%	7.00%
PEPRA Members	8.25%	8.25%
<u>Unfunded Liability Payment (on \$3M)</u>		
PERS - Classic	\$359,273	\$401,578*
PERS - PEPRA	\$9,637	\$10,772*
Total Payment for Unfunded Liability (*2026/27 Estimated)	\$368,910	\$412,350*

Assessments for Each Agency

Assessments for FY 2026/27 Based on Calendar Year 2025 Flow



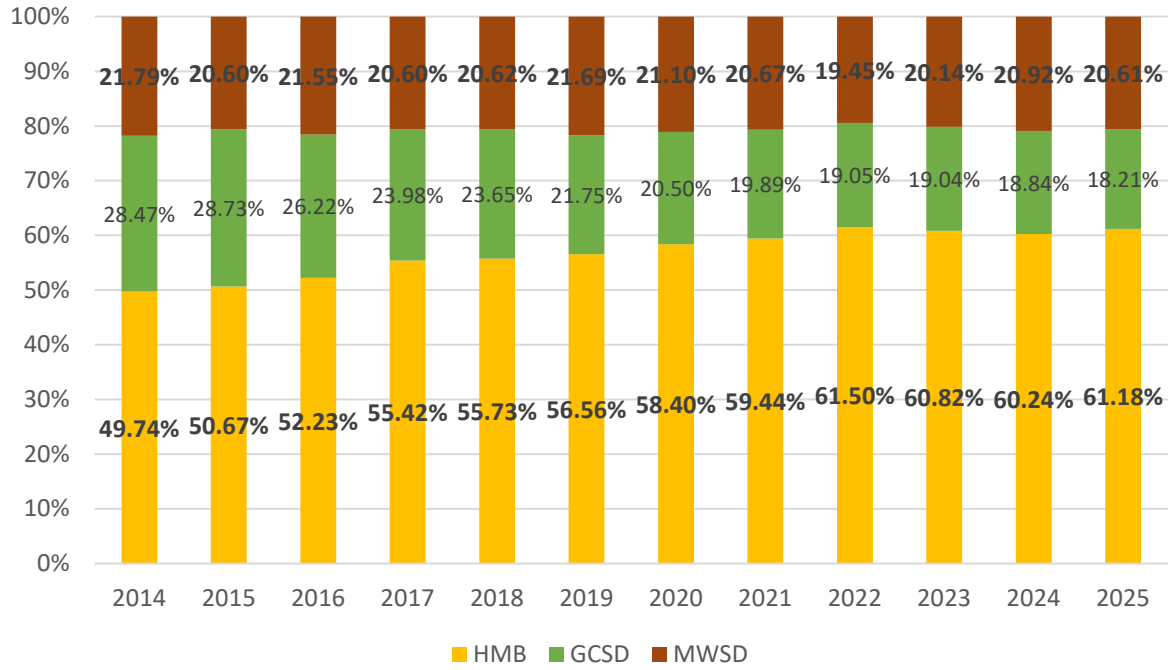
General Budget: Assessments

	FY 2023/24 <u>Actual</u>	FY 2024/25 <u>Actual</u>	FY 2025/26 <u>Adopted</u>	FY 2026/27 <u>Proposed</u>	\$ <u>Change</u>	% <u>Change*</u>
Half Moon Bay	\$5,331,608	\$5,642,255	\$5,989,200	\$6,988,951	\$999,751	17%
Granada CSD	\$1,651,497	\$1,766,336	\$1,873,116	\$2,080,235	\$207,119	11%
Montara WSD	\$1,686,174	\$1,868,382	\$2,079,915	\$2,354,401	\$274,486	13%
Total	\$8,699,279	\$9,276,973	\$9,942,231	\$11,423,588	\$1,481,357	15%

**Due to changes in the flow rates, the percentage changes are not the same for the three agencies*

Historical Flow Allocations

Historical Flow Allocations



Division Budgets by Fiscal Year

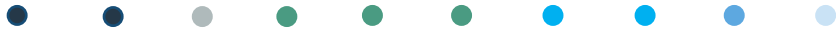
	FY 2023/24 <u>Actual</u>	FY 2024/25 <u>Actual</u>	FY 2025/26 <u>Adopted</u>	FY 2026/27 <u>Proposed</u>	\$ <u>Change</u>	% <u>Change</u>
Administration	\$2,046,988	\$1,890,712	\$1,793,907	\$1,846,725	\$52,818	3%
Treatment	\$4,176,443	\$4,232,565	\$4,421,346	\$5,222,650	\$801,305	18%
Environmental Compliance	<u>\$196,956</u>	<u>\$251,896</u>	<u>\$212,013</u>	<u>\$235,750</u>	<u>\$23,737</u>	<u>11%</u>
Total Operating Budget	\$6,420,387	\$6,375,173	\$6,427,266	\$7,305,125	\$877,859	14%
Infrastructure	<u>\$3,258,684</u>	<u>\$3,000,000</u>	<u>\$3,645,000</u>	<u>\$4,250,000</u>	<u>\$605,000</u>	<u>17%</u>
Total General Budget	\$9,679,071	\$9,375,173	\$10,072,266	\$11,555,125	\$1,482,859	15%

Questions and Discussion

MWSD Board Meeting
FY 2026/27 Collection Contract
Services Budget Review

April 2, 2026

Service Notes



1. All Agencies will have a minimum of 50% of their lines cleaned on an annual basis.
2. Total costs were calculated including services for Line Cleaning, Lift Station Routine Maintenance, Hot Spot Cleaning, Emergency Response, USA Markings, Reporting and Related Meetings.
3. Once 50% of all systems have been cleaned each year, SAM staff will coordinate with MA Managers to identify most critical work to be performed in the systems and available resources will be used to address those.
4. Cost Percent Allocation:
 - a) HMB - 34.5%
 - b) GCSD - 28.5%
 - c) MWSD - 37.0%

Budget Points



1. All authorized positions (4) are included in the budget.
2. All applicable merit step increases at one step up are included in the budget.
3. Applied 5% CPI to all non-personnel costs, unless other changes were needed due to actual or anticipated events.
4. Based on FY 24/25 audited financials, Collections had a deficit (more expenditures than revenue) of \$47,687. This amount is to be allocated to Member Agencies budgeted Collections assessments.

Changes to CCS Budget for FY 2026/27



1. **Personnel:** Includes all (4) Collections Maintenance related Staff Costs
 1. \$79,527 Increase to Wages (Headcount = 4)
 2. \$25,375 Increase in Health Benefits
 3. \$14,300 Increase in Retirement Contributions
 4. \$1,700 Increase in Retiree Med/OPEB
 5. \$7,979 Increase in Misc. Benefits
 6. Overall 19% Increase

Changes to CCS Budget for FY 2026/27



1. Increased **Insurance Premiums** – \$12,462 based on actual expense expected
2. Increased **Misc. Expenses** – \$989 based on actual expense expected
3. Increased **Travel & Training** – \$1,435 based on actual expense expected
4. Increased **Supplies** – \$5,152 based on actual expense expected

Total Overall Increase in **Collections Contract Services Budget**: \$149,379 or 20%

Staffing Information

	<u>Authorized</u>
<u>Collections Maintenance Staff:</u>	
Collections Maintenance Worker	3.0
Maintenance Mechanic	<u>1.0</u>
Total Authorized	4.0

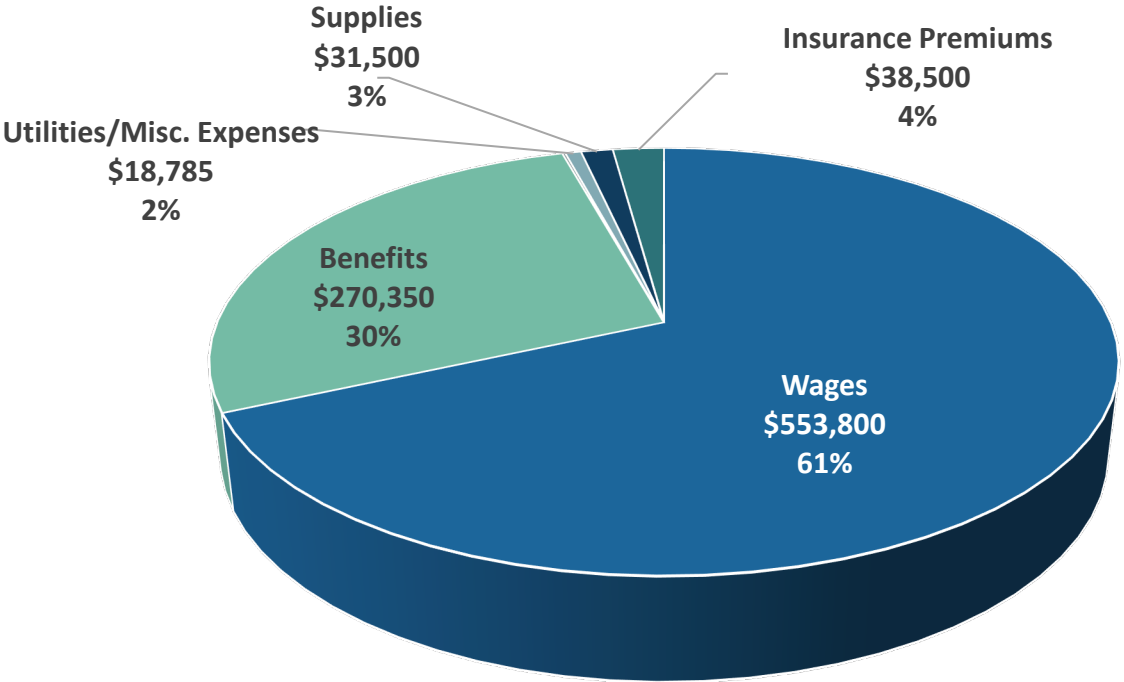
4.0 Employees in
Collections Budget

3.0 Collection Workers
1.0 Maintenance Mechanic

4.0 Employees Scheduled
for Step Increase

Collections Contract Services Budget

Total CCS Budget FY 2026/27 - \$912,935



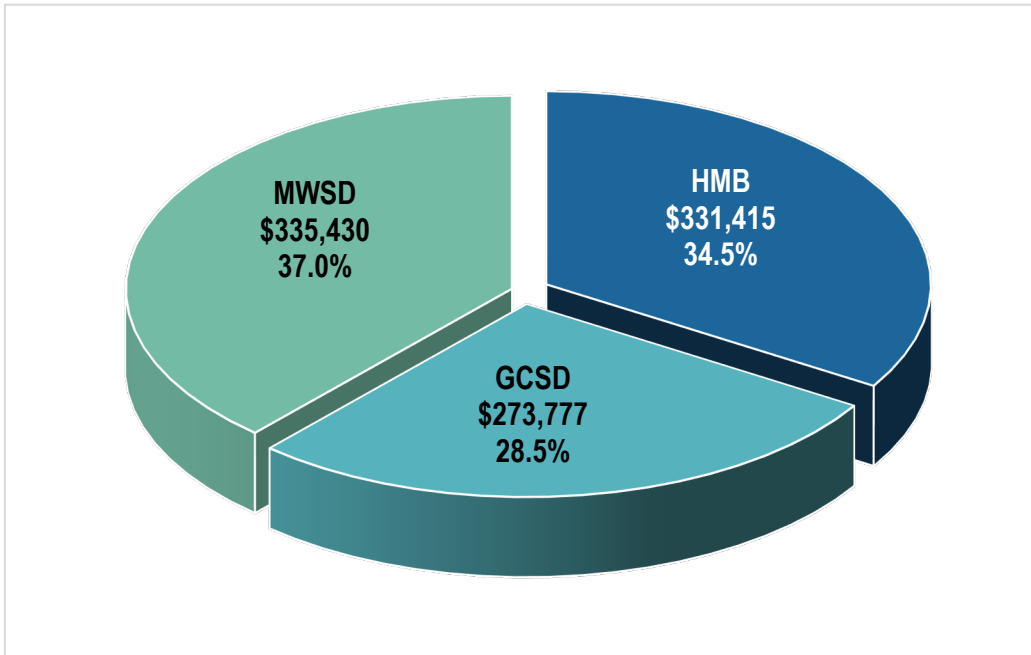
Change from FY 2025/26

	<u>FY 2025/26 Adopted</u>	<u>FY 2026/27 Proposed</u>	<u>\$ Change</u>	<u>% Change</u>
Wages and Benefits	\$695,278	\$824,150	\$128,872	19%
All Other Expenses*	\$68,278	\$88,785	\$20,507	30%
Total Collections Budget	\$763,556	\$912,935	\$149,379	20%

**All Other Expenses include: Utilities, Insurance, Miscellaneous Expenses, Travel & Training and Supplies*

Agency Fees

Collections Contract Services Fee Distribution
\$960,662 Total



Agency Fees Comparison

	<u>FY 2025-26 Adopted</u>	<u>FY 2025-26 Projected</u>	<u>FY 2026-27 Proposed</u>	<u>\$ Change</u>	<u>% Change</u>
Half Moon Bay	\$233,665	\$233,665	\$331,415	\$97,750	42%
Granada CSD	\$192,431	\$192,431	\$273,777	\$81,346	42%
Montara WSD	\$261,155	\$261,155	\$355,430	\$94,275	36%
Total	\$687,251	\$687,251	\$960,622	\$273,371	40%

Details of Collections Services for July 2025 - February 2026

Agency	Regular Sewer Cleaning in Linear Feet	Hot Spot Cleaning in Linear Feet	Manhole Inspection	Call Outs
Half Moon Bay	37,088	12,459	214	37
Granada CSD	67,571	10,673	424	7
Montara WSD	48,875	6,547	251	14

Questions and Discussion

