

11/14/17 Co-District Manager Report – Mary Halley

Water, Recreation, Finance, and Website Communications

Water:

Water System – Current chlorine level now set for between .4 - .5, and while it still bounced up briefly for a bit between .5 - .6 due to the waterline break at 55 Starbuck Drive, for the most part, it has been settling in around .45. We have now submitted two consecutive monthly 4-log Inactivation Reports for the main system and water is tracking well above 4-Log Inactivation levels.

Met with Misha Anderson and her staff from the SWRCB on 11/7 for Annual Water System Inspection - which hadn't been done in over 3 years according to Misha. In attendance at the inspection were Steph B., Thimo B., Gary F., Peter L., Leighton H., and both District Managers. Inspection went very smoothly with just a few very small repairs to be completed. Misha will provide a full report within the week hopefully. Required repairs consisted of a small 2" tear in the metal screen at the top of the Lower Tank where a line runs through the screen into the tank, and a bead of silicone sealant needs to be run between the well cap and casing on the 2008 well. Repairs will be scheduled for completion this week.

Other repairs and upgrades already completed before the inspection were; the repair of the Lower Tank aerator, the rerouting of the Lower Tank intake line from the bottom to the top of the tank to provide better mixing, and a complete new roof was put on the Lower Tank. Misha from SWRCB is researching acceptable tank lining materials and floor sealants for the Lower Tank as well.

I am currently working on proposed water main reroute for the Main transmission line that runs from the Well to the Lower Tank along Frank Valley road where the creek embankment has eroded dangerously close to the edge of the road caused by last winter's storms. I have requested estimates from 3 companies and so far, as of this writing, we have one bid from Linscott Engineering for \$65,400, one bid in progress from Ghilloti, and one company, Forester engineering said the job was too big for them to bid. Ernest Klock from Marin County Public Works Department said that the county will provide a 'no-cost' encroachment permit and the selected contractor will need to attain the permit. Marin County declined from doing an embankment stabilization last year when the Ca Dept. of Fish and Wildlife said they would charge the County a \$200,000 "fish kill" fine if they proceeded with the repair. The CSD may be at risk of a similar fine if the waterline breaks and spills 1.2 ppm chlorinated water into the creek.

Water System Operator Position – continuing to coordinate with the Water Management Team during this extended trial period that started 4/21. We are currently in the process of scheduling a meeting for contract discussions for the first week of December as schedules permit.

Water Permit Modification – continuing to work with Misha Anderson from the SWQCB, along with our hired Civil Engineer, to meet the requirements for a permit modification, and to finish the engineered design plans for our 4-log Virus Inactivation permit modification. Also, a small group of CSD members met with NPS staff to review the Banducci extension permitting requirements. We are asking the NPS to pay for the installation of 2 80-gallon Contact Tanks. Katherine Arrow has sent a draft MOU modification to be added to our current MOU that describes the terms of the installation, that being: that the CSD will use our contractor at the current estimated costs of \$18,835.00 (plus shed and any

extra costs) to install the contact tanks and then then the NPS will pay the costs back via the Banducci rental fee over the next 7-8 months. I am hoping to schedule the Contact Tank installation for December, pending contractor's workload and if the terms of the MOU are sufficiently agreed upon. Leighton and Thiemo are currently working to resolve the lack of chlorine residual issue on the Banducci line as well and have so far ruled out lack of water use as 'not being' the cause.

MBCSD Stream Monitoring System – No creek monitoring has been necessary since the first light rains back in September. Creek level is currently at .56 and our stream walking program is triggered at .36.

Water Committee – this committee has not met for some time now. It was originally a Water Education Day Ad-Hoc Committee. The Board may want to review whether there will be future Water Education Days, or if as an Ad-hoc committee, it has accomplished its goal and should be dissolved. A Water Advisory Committee may be a useful replacement to continue to explore water issues/improvements.

Recreation:

MB Community Center – the MBCC has moved to the top of the list for needing improvements and upgrades this year. I have been coordinating with Mike (who covers Infrastructure) on how to do smart upgrades. Mike has now completed the bathroom ADA upgrades (except for the new toilet), and he has been working on getting a cement contractor to repair the walkways or we may consider finding another ADA project to use up the last of the \$5,000 grant. So far \$626.50 has been spent. Mike has started designing and has ordered brackets for the seismic retrograde bracing underneath the building.

MBCSD District properties – I did a preliminary walk around the upper district properties to assess the trees, foliage, and growth. So far, I have located several trees that, while not seemingly at risk now, are aging and near homes and will need to verify easement boundaries. There are several trees on neighboring properties that could cause harm to district property. I will assess lower district properties and easements next week. Of concern come spring/summer, may be the over-growth of vegetation on certain district properties that should be cleared for fire protection. Greg Kidd has removed brambles and weeds from the Lower Water Tank property and has started planting Coffeeberry and native plants for minimal screening around the Lower Tank leaving most of the property open as a fire-safe space.

Trails – met with Dave McKenzie to look at a popular district trail and easement near Audubon property that is in need of a more suitable walking path now that the bikes use the trail as well. I will wait for the full Trail Committee report that is intended to analyze and prioritize which trails may need improvement and repairs first before making any recommendations to the Board. Repair priority should be in the order of safety first, followed by most frequently used, then provides most public benefit, and lastly opening new access trails.

Trees – At same meeting with Dave McKenzie, we discussed the increasing fuel load from the non-native Monterey Pine trees that have taken over the Audubon property on Pacific Way. I have contacted the biologist I know at Audubon (ACR) at Cypress Grove and he says they share our concern and gave me the names of the staff members I am now trying to set up a meeting with from their Martin Griffin Preserve (including their lead biologist at the Martin Griffin Preserve, and their Director of Stewardship, as well as their Administrator of Works Projects) to discuss the dangerous situation of falling dead trees as well as the fire danger. I also am inquiring about the re-establishment of the Terwilliger Monarch butterfly habitat that used to attract a large colony of Monarchs to the property every year.

Communications:

Website – have been continuing to post local district news on the website. Have not added any new pages recently, but am gathering documents for a ‘CSD Properties and Lands’ page and would like to work on a Financial Reserves Policy page. A Website Policy should be developed and discussed.

Residents email list – am continuing to update and cross reference 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 up-to-date and current.

Muir Beach Directory – I have been working with Maury Ostroff to keep posting the latest update of the directory on the website. Maury has sent me his ‘latest and greatest’ most recent updates of the existing listings and he will now turn his focus to gathering any of the residents who may not yet be in the directory. Maury’s goal is for distribution the first week of December 2017.

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 next spring. Rental issues still need fine tuning, but it is a work-in-progress. Mike made a new large ‘No Parking’ A-frame sign for the next-door neighbor’s driveway. I have reviewed CC rental logs from 6/20 – 9/30/17 and found that, out of the total 13 rentals, 4 were Non-residents and 9 were Resident rentals.

County ADA Grant – ADA Grant expires 12/31/17. We have so far completed the bathroom remodel using \$626.50 so we still need to purchase a new ADA low-flow toilet with assisted flushing and find an alternative use for the remaining grant funds as walkway upgrades have proven difficult to complete.

Measure A Funding – starting to plan for next year’s Measure A FY 18/19 Work Plan. It was advised by the manager of the Measure A funds (Kevin Wright) that the strategy of paying for the work project up front – as was done with the playground – then using the funds to pay back the loan or General fund, has the advantage of simplifying the process. Possible projects are the CC repairs and trail upgrades.

Audits – the Audit Committee is continuing to do a thorough evaluation of both the 2008 – 2016 draft audits as well as the entire CSD bookkeeping system and methods. Linda Lotriet, a skilled auditor on the Audit Committee, has been creating a complete set of audit working sheets to basically audit the auditor and completely reconcile the auditor’s audits, with the CSD bookkeeping records, and auditor’s suggested audit adjustments. It is an extensive project given the number of audits being reviewed. The process has been bringing up many issues that need to be completely reviewed before scheduling a final meeting with the auditor. The Committee is wanting this process to be as thorough as possible, and set the district on a sound financial reporting system moving forward. The Audit committee’s planned schedule is to have another set of draft working audits available for review in the next several weeks, and then with the end goal of wrapping up the whole audit review process well before February 2018 for all years 2008 – 2016, and well before the beginning of the next FY 18/19 budget process. None of the current audit numbers or depreciation amounts were used in calculating the current budget or water rates. The Audit committee wants to make sure that the entire process has been completely evaluated so that a new Financial Advisory Committee can begin fresh with accurate numbers and appropriate accounts. The revised audits will allow the depreciation schedules to be included into the

District's current bookkeeping system 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 has given some guidance as to procedural modifications that will tighten up the current bookkeeping system and make future annual audits more efficient and less costly. The Audit Committee also reviewed the CSD audit requirements with the Marin County Office of Finance and confirmed that the district is required to provide annual audits according to MBCSD Resolution No. 98-164 - being as the annual budget, including operational expenses and capital expenditures, continually exceeds \$225,000, and will likely do so in the future.

Budget 17/18 – approved but still contingent upon approval of proposed water rate increase.

Water Rate Increase – Public Hearing for the Water Rate Increase to be held November 15 at 7pm. Mike will detail the process for the Public Hearing in his report. We held three Water Rate Workshops, as requested by the community and Board, that included a PowerPoint presentation and handouts. We had a total of 29 attendees over the three days.

Strategic Planning – continuing to create a multi-path approach for short-term and long-term analysis and goals. We will be meeting with Supervisor Rodoni to see about securing funding for strategic planning in the future, if available.

MBCSD Insurance – nothing new to report.

CalOES/FEMA – we have now exited the FEMA program. The MBCSD has been approved for a total of \$28,818.74. We are still waiting for CalOES to approve the disbursement of funds. No estimate on a time for receiving funds, but with all the major disasters occurring, news reports say it can take a while.

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 vendors promptly. I have been reviewing banks to see if we can find better interest rates and enhanced services that can save costs. Also, continuing to implement new audit recommendations for good checks and balances.

General:

Board Elections – Board elections were held at the MBCC on November 7, 2017. Muir Beach had a 64.6% voter turnout. Leighton Hills won a seat on the Board with 30.92% of the votes, Steve Shaffer won a seat with 28.14% of the votes, and Peter Lambert won another term with 15.14% of the votes counted. New Board members will take their seats at the December 6, 2017 Board Meeting and then Board officers will be elected at the January 2018 meeting. Directors elected in November will have 5-year terms, versus 4-year terms, and current members with terms expiring in 2019, will be extended to serve for another 3 years until 2020 - due to election year change which will go into effect in the new year. I have re-submitted the Resolution for a Change of Board Elections Years from Odd to Even Years.

Respectfully submitted,

Mary Halley

MBCSD – Co-District Manager