



**BOARD FINANCE COMMITTEE MEETING
THURSDAY NOVEMBER 30, 2023, at 8:30 AM**

AGENDA

Public comments may be submitted via email to
General Manager, Kat Wuelfing, at kwuelfing@midpeninsulawater.org

Please indicate in your email the agenda item to which your comment applies.

Comments submitted before the meeting will be provided to the Board before or during the meeting. Comments submitted after the meeting is called to order will be included in the correspondence that will be provided to the full Board.

Board members, staff, consultants, and the public may participate remotely.

The zoom meeting link is available here: <https://www.midpeninsulawater.org/zoom>

Should Zoom not be operational, please check online at: www.midpeninsulawater.org for any updates or further instruction.

1. Call to Order

A. Roll Call

2. Public Comment

If you wish to address the Committee, please follow the directions at the top of the agenda. If you have anything that you wish distributed to the Committee and included for the official record, please include it in your email. Comments that require a response may be deferred for staff reply.

3. Discuss Recommendation to Open an Interest-Bearing Money Market Account With Wells Fargo Bank in Addition to the Existing Main Checking Account

4. Discuss Potential Digital Billboard Partnership with Clear Channel

5. Adjournment

This agenda was posted at the Mid-Peninsula Water District's office, 1075 Old County Road, in Belmont, California, and on its website at www.midpeninsulawater.org.

ACCESSIBLE PUBLIC MEETINGS

Upon request, the Mid-Peninsula Water District will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation (including auxiliary aids or services), to enable individuals with disabilities to participate in public meetings and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested. Requests should be sent to the General Manager at (650) 591-8941 or kwuelfing@midpeninsulawater.org. Requests must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.



DATE: November 30, 2023
TO: Finance Committee
FROM: Monique Madrid, Administrative Services Manager

SUBJECT: Discuss Recommendation to Open an Interest-Bearing Money Market Account With Wells Fargo Bank in Addition to the Existing Main Checking Account

RECOMMENDATION

Staff recommends the District open a Wells Fargo Bank Stagecoach Sweep Allspring Money Market Mutual Fund account.

FISCAL IMPACT

New fees: Investment Custody service fees approximately \$290 per month.

* It is important to note there would be an increase in interest earnings in the new Wells Fargo Bank account, which would offset the user fees in the Main Checking Account, and is expected to net a small amount of revenue each month at the current interest rates.

BACKGROUND

MPWD has been doing business with Wells Fargo Bank for more than 20 years and currently has one checking account and one remaining credit card for the Operations Manager. As you may recall, staff recently advised the Board of their difficulty in reaching Wells Fargo banking representatives when seeking customer service for credit card assistance. During a recent conference, staff met a Wells Fargo Bank representative and explained the situation. They reached out to their colleagues and the new MPWD representatives were identified. Our representatives are Steven Sit and Peter Katz. The week following the conference, staff were contacted by Mr. Sit and Mr. Katz..

Several meetings between staff and our representatiaves have taken place and a thorough review of our account, including the settings and options available to us. Steven and Peter made a recommendation to open a Stagecoach Sweep Allspring Money Market Mutual Fund account, which would allow the District to have higher interest earnings on the money we keep in our checking account, which would offset the applied fees and yield a small amount of revenue each month. This account has these potential benefits:

- Set a daily target balance and the bank will sweep any excess cash into the selected fund. The target balance can be as low as zero (\$0.00).
- Investment funds can be credited to our checking account as a same-day transaction, always ensuring liquidity.
- Money Market Mutual Funds are generally invested in high quality, short-term securities, such as U.S. Treasury Bills. This provides income while preserving capital.

Currently, our main checking account earns interest at a rate of 1.65%. The recommended, "sweep," account earns a higher interest rate. Steven and Peter reviewed our account activity and the applied fees. In order to reduce the cost of the applied fees, they recommend opening a higher

interest-bearing account. The estimated earnings for the month of September were calculated at an interest rate of 5.20%, and equal to \$5,685.35. Their evaluation on September 21, 2023, with \$1,287,316.14 in the account earning 5.20% interest, would have resulted in gross earnings of approximately \$5,685.35 and net earnings of \$2,247.25 after fees. The interest rate does vary depending on the market.

How it works:

1. Select: the target balance.
2. Sweep: As the last transaction of the day, the bank will debit any excess funds and sweep them into an internal omnibus account. At the beginning of the next business day, they will transfer the funds to the Money Market Mutual Fund custodian. The District's shares are then purchased when the market opens.
3. Return: We would need to allow the balance in the account to remain above \$1 million and funds necessary would be, "swept" into the main checking each evening to pay what is clearing, the remaining funds would be, "swept," back into the interest-bearing account the following day.
4. Report: activity can be viewed through the online information reporting service, or through monthly statements.
 - ✓ There are no minimum or maximum balance requirements.
 - ✓ Each fund has a unique investment strategy, any investment balance in the Money Market Mutual Fund is reflected as part of our available, or provisional, balance for checking account usage.
 - ✓ Our dividends are declared daily and paid monthly on the first business day of the following month. They can be credited to the checking account or automatically reinvested.

DISCUSSION

Based on the information received and attached, staff recommend opening the Stagecoach Sweep account and selecting a zero balance to enable the highest earnings. The funds are liquid and available at any time. Funds are automatically transferred to the Government Money Market Fund. The funds are not FDIC insured but they are invested in high quality, short-term securities that are government backed such as U.S. Treasury Bills which are collateralized and low risk.

Attachments:

- ProForma Report
- Stagecoach Sweep Insight sheet
- Acceptance of Service
- Treasury Management Product Enrollment



Treasury Management Pro Forma

Mid-Peninsula Water District

Pricing as of September 2023

ANALYSIS SUMMARY

Average Positive Collected Balance	\$	0.00
Reserve Requirement @ 0.00%	\$	0.00
Investable Balance Available for Services	\$	1,287,316.14

Monthly Analyzed Charges \$ **3,438.10** *Before sweep setup, your current fees would be \$3,301.61

Earnings Allowance @ 1.65%	\$	0.00
Net Monthly Analyzed Charges	\$	3,438.10
*Monthly Fee Based Charges	\$	0.00

Sweep Interest @ 5.20% (as of September 21, 2023) \$ **5,685.35** *This is your estimated interest income and after fees, you will have a net income of \$2,247.25

*Charges not offset by balances

Investable balance required to offset \$1.00 of analyzed charges \$ 713.59

SERVICE DETAILS

WF Code	AFP Code	Service Description	Unit Price	Volume	Service Charges
---------	----------	---------------------	------------	--------	-----------------

BALANCE & COMPENSATION INFORMATION

IAMTH	000230	RECOUPMENT MONTHLY	0.12750	0	0.00
BALANCE & COMPENSATION INFORMATION Subtotal					0.00

*Since we are moving your full balance into MMMF Sweep, there will be no recoupment so that saved \$164.22

GENERAL ACCOUNT SERVICES

22051	010000	ACCT MAINTENANCE	25.00000	1	25.00
CK021	010100	DEBITS POSTED	0.30000	63	18.90
15007	010101	DESKTOP DEPOSIT-DEPOSIT CREDITED	1.25000	6	7.50
GENERAL ACCOUNT SERVICES Subtotal					51.40

LOCKBOX SERVICES

36769	05011L	LBX PAPER PACKAGE BASE	45.00000	1	45.00
03302	050400	LBX TRANSMISSION BASE	115.00000	2	230.00
36707	050500	LBX ONLINE DECISION BASE	150.00000	1	150.00
36731	050530	LBX CORRESPONDENCE OR REJECTS	0.50000	2	1.00
03041	050112	LBX ROUGH SORT 5 OR LESS	0.13000	1,195	155.35
36713	050500	LBX ONLINE DECISION EXCEPTIONS	0.25000	10	2.50
03905	05011R	LBX DOCUMENT SCANNED	0.07000	2,718	190.26
36791	050600	LBX 7 YEAR IMAGE ARCHIVE	0.03750	2,718	101.93
36745	050129	LBX VALUE ADDED KEYING	0.00400	3,002	12.01
03073	050331	LBX CUSTOM REPORT	6.50000	22	143.00
48200	050020	LBX WHOLETAIL BASE	225.00000	1	225.00
48210	050100	LBX WT CHECKS	0.00000	1,195	0.00
48220	050122	LBX WT TOTAL PAYMENTS PROCESSED	0.52000	1,240	644.80
48307	059999	LBX WT STD ITEM PROCESSED NON SCAN	0.52000	138	71.76
48221	050122	LBX WT MULTI PAYMENT	0.01000	67	0.67
48222	050002	LBX WT PARTIAL PAYMENT	0.00000	138	0.00
48501	050401	LBX WT TRANSMISSION PER ITEM	0.01500	1,378	20.67
75001	059999	LBX VIRTUAL BASE	50.00000	1	50.00
LOCKBOX SERVICES Subtotal					2,043.95

DEPOSITORY SERVICES

CK161	100006	CASH DEPOSITED IN WF BRANCH	0.00300	1,684	5.05
-------	--------	-----------------------------	---------	-------	------

CK061	100400	RETURN ITEM - CHARGEBACK	4.00000	1	4.00
CK075	100402	RETURN ITEM REDEPOSITED	2.00000	1	2.00
08052	100006	BRANCH DEPOSIT	3.50000	1	3.50
08025	100015	MISCELLANEOUS CREDITS POSTED	1.50000	82	123.00
706	100224	DESKTOP DEPOSIT-DEPOSITED ITEM	0.25000	211	52.75
311	100225	WHOLESALE LOCKBOX - DEPOSITED CHECK	0.05501	1,333	73.33
DEPOSITORY SERVICES Subtotal					263.63

PAPER DISBURSEMENT SERVICES					
DS191	150122	PAYEE VALIDATION STANDARD-ITEM	0.03500	47	1.65
22030	150412	STOP PAYMENT - AUTO RENEWAL	4.00000	2	8.00
34336	150724	POSITIVE PAY EXCEPTION - CEO IMAGE	2.00000	1	2.00
12812	151352	CEO IMAGE VIEW < 90 DAYS - ITEM	3.50000	2	7.00
12903	150310	POSITIVE PAY EXCEPTIONS - ITEM	6.00000	1	6.00
12907	150030	POSITIVE PAY MONTHLY BASE	40.00000	1	40.00
22202	150100	DDA CHECKS PAID	0.26000	47	12.22
PAPER DISBURSEMENT SERVICES Subtotal					76.87

PAPER DISBURSEMENT RECON SERVICES					
34337	200201	CEO CHECK ISSUES-ITEM	0.30000	42	12.60
12687	209999	ARP AGED ISSUE RECORDS ON FILE-ITEM	0.00250	769	1.92
12377	200201	ARP FULL RECON-ITEM	0.06250	69	4.31
12060	200010	ARP MONTHLY BASE - FULL	80.00000	1	80.00
34350	200306	CEO ARP STMT & RPTS MONTHLY BASE	10.00000	1	10.00
PAPER DISBURSEMENT RECON SERVICES Subtotal					108.83

GENERAL ACH SERVICES					
CK018	250201	ELECTRONIC CREDITS POSTED	0.21000	136	28.56
34342	250400	ACH CEO RETURN SUBSCRIPTION - ITEM	1.50000	3	4.50
34340	250400	ACH CEO RETURN SUBSCRIPTION-ACCOUNT	60.00000	1	60.00
ES206	250120	ACH ORIGINATED - ADDENDA REC	0.05500	20	1.10
ES349	250220	ACH RECEIVED ADDENDA	0.00000	37	0.00
ES344	250202	ACH RECEIVED ITEM	0.10000	151	15.10
06505	250302	ACH RETURN ADMIN -ELECTRONIC	6.50000	2	13.00
06502	250302	ACH RETURN ITEM-ELECTRONIC	6.50000	2	13.00
ES803	250500	ACH PAYMENTS ONLINE BATCH RELEASE	5.00000	6	30.00
34377	250000	ACH PAYMENTS BASE FEE	35.00000	1	35.00
ACH1D	250102	ACH PAYMENTS FUTURE DATED ITEM	0.25000	631	157.75
ACHYD	250102	ACH PAYMENTS SAME DAY ITEM	1.50000	2	3.00
34333	251050	ACH CEO FRAUD FILTER REVIEW MO BASE	20.00000	1	20.00
GENERAL ACH SERVICES Subtotal					381.01

WIRE & OTHER FUNDS TRANSFER SERVICE					
ES073	359999	WIRE BASE -VOICE	0.18000	1	0.18
ES167	359999	WIRE PIN BASE	0.00000	5	0.00
WIRE & OTHER FUNDS TRANSFER SERVICE Subtotal					0.18

INFORMATION SERVICES					
34123	40022Z	CEO ALERTS SERVICE - EMAIL	0.75000	29	21.75
34115	400271	CEO PREV DAY REPORTING ITEMS LOADED	0.25000	298	74.50
34100	400052	CEO PREV DAY REPORTING SUBSCRIPTION	62.00000	1	62.00
27707	400340	CEO SEARCH	0.99000	2	1.98
46100	40005Z	CEO BASIC BANKING - MONTHLY BASE	35.00000	1	35.00
46102	40005Z	CEO BASIC BANKING ADDL ACCT-MO BASE	10.00000	1	10.00
15017	400003	DESKTOP DEPOSIT MONTHLY BASE	17.00000	1	17.00
INFORMATION SERVICES Subtotal					222.23

INVESTMENT/CUSTODY SERVICES					
34110	450405	SWEEP ACCOUNT POSITION REPORT	40.00000	1	40.00

22087	450403	SWEEP STAGECOACH MUTUALFND ELECTNIC	0.00000	1	0.00
22094	450200	SWEEP STAGECOACH MUTUAL FND MO BASE	250.00000	1	250.00
		INVESTMENT/CUSTODY SERVICES Subtotal			290.00
		Total Analyzed Charges			3,438.10
		Total Analyzed Charges			3,438.10
		*Total Fee Based Charges			0.00
		Total Service Charges			3,438.10



Disclosures

We created this proposal for you based on our understanding of your requirements and the services in which you expressed interest. This proposal confirms the deposit and treasury management services and the pricing we plan to provide you based on certain assumptions including projected volumes and other relevant information you provided.

This document is confidential. Please do not share it without first obtaining our written permission. The services and pricing contained in this proposal are valid for 90 days. The pricing is subject to change if the actual volume or scope of services differs from the assumptions upon which we based the pricing.

Please let us know if you believe this proposal does not accurately represent the prices or services we discussed with you. If you have questions about the services in this proposal, please contact your Treasury Management Sales Consultant or visit: www.wellsfargo.com/accountanalysis for additional information about the services.

Regarding your services

Alerts Service

Charges are assessed against the volume of Alerts per user, per company, per month basis. Users are only charged for the first 80 events/alerts per month, per delivery mechanism (email or text). There is no per company cap for billing.

Services with No Volumes

Services listed with zero volume are not included in the estimated monthly analysis fee but are included in the event the service is used in the future.



This message may contain confidential and/or privileged information. If you are not the addressee or authorized to receive this for the addressee, you must not use, copy, disclose, or take any action based on this message or any information herein. If you have received this message in error, please advise the sender immediately by reply email and delete this message. Thank you for your cooperation.

© 2023 Wells Fargo Bank, N.A. All rights reserved. Not intended for public distribution.

Stagecoach Sweep[®] — Allspring Money Market Mutual Funds



While it's tempting to hold on to extra cash, not using those balances might cost you in the end. You could be missing opportunities to put that extra cash to work, safely and sensibly.

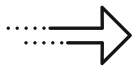
Money Market Mutual Funds are a smart choice for any risk-averse organization, as you can use investment funds to cover potential shortfalls.

Potential benefits



Simple

Choose from three different Allspring Money Market Mutual Funds¹. Simply set your daily target balance and we'll "sweep" any excess cash into whichever fund you select.



Speedy

Investment funds can be credited to your checking account as a same-day transaction. This helps to ensure complete liquidity at all times.



Secured

Money Market Mutual Funds are generally invested in high quality, short-term securities, such as U.S. Treasury bills. This provides you with income while preserving your capital.

1. Options include: 100% Treasury Money Market Fund (Service Share Class), Treasury Plus Money Market Fund (Service, A, and I-Share Classes), Government Money Market Fund (Admin and I-Share Classes)

2. Funds transferred to the omnibus account are eligible for FDIC insurance up to the allowable limit.

3. The custodian invests funds in a non-FDIC insured, non-bank guaranteed Money Market Mutual Fund.

4. While Money Market Funds strive to preserve the value of your investment at \$1.00 per share, Allspring Money Market Mutual Funds are not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) and may lose value.

How it works

1. Select

Select a target balance you want to maintain in your business checking account at all times. This amount can be as low as zero (\$0.00).

2. Sweep

As the last transaction of the day, we debit any excess funds and sweep them into an internal omnibus (collection) account². At the beginning of the next business day, we transfer the funds to the Money Market Mutual Fund custodian³. Your shares are then purchased when the market opens.

3. Return

Your investment funds are automatically redeemed and swept into to your checking account whenever there's risk of an overdraft.

4. Report

Conveniently view your activity through our online information reporting service, or through monthly statements.



Know before you go

There is **no minimum or maximum** balance requirement.

Each fund has a unique investment strategy, as detailed in the Money Market Mutual Fund sweep account **prospectus**⁴.

Any investment balance in the Money Market Mutual Fund **is reflected as part of your available, or provisional, balance** for checking account usage. The investment itself is actually redeemed the next day when the market opens.

Your dividends are **declared daily and paid monthly** on the first business day of the following month. They can either be credited to your checking account or automatically reinvested.

Do you need help...

- Optimizing your positive balances?
- Earning competitive interest rates?
- Maintaining liquidity?

Ask your Wells Fargo representative for an Allspring Money Market Mutual Funds prospectus to get started.

Acceptance of Services

- 1. Agreement to be Bound by Service Documentation.** By signing this Acceptance of Services ("Agreement"), the customer identified on the signature block ("Customer" or "Company") confirms that it has received and agrees to be bound by the Service Documentation for the Treasury Management Services (each, a "Service"). Customer may also be referred to as "Company" in the Service Documentation. "Service Documentation" is defined in Wells Fargo Bank, N.A.'s ("Bank") Master Agreement for Treasury Management Services. Customer's use of any Service, including each Service Customer enrolls in, confirms Customer's receipt of and agreement to be bound by the Service Documentation relating to that Service.
- 2. Power and Authority of Signer.** Customer has granted the person(s) signing this Agreement the authority on Customer's behalf to (i) enter into this Agreement and other agreements with Bank for Services on or after the Effective Date of this Agreement and (ii) amend, terminate, or otherwise act on behalf of Customer with respect to this Agreement and the Services.
- 3. Security Procedures.** Unless otherwise agreed, Customer agrees that "Security Procedure" is the applicable security procedure described in the Service Documentation for Customer's Initiation Method for the Service, which Bank will use to verify the authenticity of a Transaction. The term "Initiation Method" refers to the method Bank offers in the product enrollment form ("Set-up Form") or other Service Documentation for delivering Customer's Transaction instructions to Bank with respect to the applicable Service and includes any applicable transmission protocols. The term "Transaction" means (i) any funds transfer or payment instruction (including any communication cancelling or amending an instruction), and (ii) any instruction, data or other information which Bank receives in Customer's name with respect to a funds transfer.

The purpose of the Security Procedure is to verify the authenticity of the Transaction. Bank will not use the Security Procedure to detect an erroneous or duplicate transaction. Customer will be responsible for any erroneous or duplicate transaction Bank receives in Customer's name. Customer agrees to be bound by each Transaction, whether or not authorized by Customer, issued in Customer's name and accepted by Bank in compliance with the Security Procedure for the Service.

- 4. Commercially Reasonable.** Customer acknowledges that it has had an opportunity to review the Security Procedures offered by Bank in the Security Procedure Reference Guide, available on Wells Fargo VantageSM f/k/a Commercial Electronic Office[®] (CEO[®]). Customer agrees that each Security Procedure for the Initiation Method Customer has elected in the Set-up Form or other Service Documentation for each of its Services (a) best meets Customer's requirements with regard to the size, type and frequency of its Transactions, and (b) is commercially reasonable.

If Customer has refused to use a standard Security Procedure and elects a non-standard Security Procedure, then Customer expressly agrees that the non-standard Security Procedure(s) Customer has elected better meets Customer's requirements than any standard Security Procedure with regard to the size, type and frequency of Transactions issued by Customer to Bank and is commercially reasonable.

5. **Confidentiality of Security Procedure and Authentication devices/passwords.** Customer and Bank will preserve the confidentiality of the Security Procedure(s) and any passwords, codes, security devices and related instructions provided by Bank. If one party becomes aware of a breach, or suspects that a breach may occur, it will promptly notify the other party. Customer will maintain effective internal procedures to safeguard against any unauthorized Transaction and warrants that no individual will be allowed to initiate a Transaction without proper supervision and safeguards.

Customer name(s):

Mid-Peninsula Water District

Printed Name of Authorized Representative
Signature
Date



Treasury Management Product Enrollment

Customer information

Customer name Mid-Peninsula Water District Company ID _____

Street address _____

City _____ State _____ ZIP _____

Country name _____ Country Code (if applicable) _____

Primary contact _____ Phone _____

Email address _____ Fax _____

Customer Legal Entity information

The enrollment contains ACH, Wire, or Sweep services the following Customer Entities:

<u>Customer Legal Entity name(s)</u>	<u>Entity ID type</u>	<u>Entity ID</u>
Mid-Peninsula Water District		██████████

Designation of Wells Fargo Stagecoach Sweep® Option

Customer DDA(s)

██████████

Statements and/or Confirmations will be sent to Customer by electronic means unless otherwise requested by Customer. Electronic means include Vantage, facsimile, and/or Secure E-Mail.

The Wells Fargo Stagecoach Sweep® Service Description can be viewed by pasting this link into an internet browser window: https://wellsfargo.com/ceopub/assets/pdf/stgcoach-swp/Stagecoach_Sweep_Service_Description.pdf

Money Market Mutual Fund Sweep

Customer elects the Allspring Government MMMF Institutional - Fund 1751 Option.

Add Change

Target Balance: 0.00

Customer Approval - (Authorized Signature Required)

Each person who signs this form on Customer's behalf is authorized to do so by resolution, agreement or other legally sufficient action of the governing body of Customer, if Customer is not an individual, or is an Authorized Signer on Customer's account.

Printed name of Authorized Signer	Phone
Signature	Date



DATE: November 30, 2023
TO: Finance Committee
FROM: Kat Wuelfing, General Manager

SUBJECT: Discuss Potential Digital Billboard Partnership with Clear Channel

RECOMMENDATION

Direct staff and counsel to begin discussions with Clear Channel on payment cap and key payment structure on a digital billboard partnership.

FISCAL IMPACT

This would create a new revenue source for the District, currently estimated at \$100,000 to \$250,000 per year.

Costs associated with implementing a billboard include legal counsel fees and CEQA process.

BACKGROUND

MPWD's Dairy Lane property has frontage on U.S. 101, which has the potential to earn significant revenue with a digital billboard. Staff reached out to Clear Channel, a company that operates many billboards in the area, including those on City of Belmont and San Carlos and the East Bay Municipal Utilities District (EBMUD) property, to assess the feasibility and potential benefits of constructing one on District property.

Based on conversations with Sarah Fishleder, Director of Real Estate Development Northern California for Clear Channel, it is possible to construct such a billboard and a conservative estimate is that it could generate between \$100,000 and \$250,000 per year of revenue for the District. Other considerations:

- The billboard would be constructed, owned, operated, and maintained by Clear Channel.
- Clear Channel would have a ground lease for the footprint of the billboard (approximately 8-foot in diameter).
- Clear Channel would handle the permitting, design, and construction of the billboard.
- The billboard would be double-sided, and run 8 advertisements per side at a time, in a slide-show fashion.
- The agreement with Clear Channel would/could include a number of free advertising spots for MPWD's use.
- Clear Channel ideally would want to construct a 20-foot by 60-foot sign, or a 14-foot by 48-foot sign.
- Construction of the billboard would be subject to CEQA review.

For construction of a new digital billboard on our property (whether by Clear Channel or a competitor company), the City of Belmont's sign regulation would need to be revised. They note that this is a common occurrence with them, and they typically work with cities to amend ordinances to allow for

in-lieu fees to be paid. Clear Channel would be willing to work with its consultants and the City to update the ordinance provided that the District agree work with Clear Channel as a sole-source deal.

Ms. Fishleder provided the following bullet points as an outline of the process as she sees it currently:

- Ideally, we would agree to a certain cap in payments or a broader structure for the deal before engaging the City.
- Since the City may be willing to accept different terms due to Mid Penn's public mission, we could adjust the amounts paid to the City and Mid Penn within that cap.
- We have a solid relationship with the City and work with consultants who can help us feel out a reasonable guideline before we engage the City in earnest. This should provide Mid Penn with a good sense of the potential financial upside of the deal.
- The key decisions are the terms of our lease with Mid Penn and our development agreement with the City. This type of lease is structured in a fairly standard way and we could work through questions and issues in parallel with working with the City. The City has familiarity with these types of deals, but we will need to negotiate a development deal and amend the code to allow for a path to development without taking down existing signs.

DISCUSSION

A digital billboard on District property is a currently untapped source of revenue. Clear Channel conservatively estimated that District would see revenues of \$100,000 to \$250,000 per year. That amount of annual revenue would equate to the debt service on \$1.5 million to \$4 million of financing (assuming 5% over 30-years).

As an example, the following is a summary of how the City of Belmont's agreement with Clear Channel is structured (per the September 1, 2015 staff report): "Upon completion of the billboard, the City will receive \$75,000, plus 30% of gross advertising revenue annually from the proposed billboard with a minimum payment amount of \$150,000 per year, and an annual adjustment of 3% for the 30 years of the Lease term. Thus, the minimum income to be received under the Lease is \$7,211,312 in 2015 dollars."

In addition, the District would be able to utilize the sign for its own messaging, such as drought, conservation, and public event messaging.

Staff is looking for direction as to whether staff and counsel should enter into discussions with Clear Channel regarding payment caps and deal structure, and bring that and additional information to the full Board.

Attachments:

Example signs on City of Belmont, City of San Carlos, and EBMUD property

City of Belmont – digital billboard



006018 - San Francisco Bay Area



Description: Bayshore Frwy (US 101) ES 0.4mi S/O Ralston (%) F/N - 1

Geopath ID: 30816096 **City:** Belmont **Latitude:** 37.522

Media Type: Digital **State:** CA **Longitude:** -122.265

Display Dimensions: 14' x 48' **Zip:** 94002 **Facing:** N

Physical Dimensions: 14' x 48'



Weekly Impressions
San Francisco-Oakland-San Jose CA (DMA)

Demo	In Market	Total
18+ yrs	361,174	379,335

Engage audiences with digital flexibility, offering real-time, contextually-relevant messages in heavily-trafficked areas. Digital displays serve as an integral component to amplify and extend social and mobile campaigns. These targeted messages also provide a quick turnaround and do not incur media production costs.

Source: 2023 Geopath Impressions. Geopath impression information is based on available Geopath data as of the date of this proposal/photosheet. GEOPATH AUDIENCE LOCATION MEASUREMENT™ Data is proprietary intellectual property owned by Geopath, Inc. and is to be used only by the recipient solely and exclusively for its planning and /or buying of out-of-home media advertisements. The Total 18+ Imps (Weekly) reported for digital now represent only those impressions for a single spot in rotation. © Copyright, 2023 Geopath, All Rights Reserved. Powered by Streetlytics™ Clear Channel will deliver at least 92.5% of total contracted time for Times Square digital inventory.

006019 - San Francisco Bay Area



Description: Bayshore Frwy (US 101) ES 0.4mi S/O Ralston (%) F/S - 2

Geopath ID: 30816097 **City:** Belmont **Latitude:** 37.522

Media Type: Digital **State:** CA **Longitude:** -122.265

Display Dimensions: 14' x 48' **Zip:** 94002 **Facing:** S

Physical Dimensions: 14' x 48'



Weekly Impressions
San Francisco-Oakland-San Jose CA (DMA)

Demo	In Market	Total
18+ yrs	435,493	472,068

Engage audiences with digital flexibility, offering real-time, contextually-relevant messages in heavily-trafficked areas. Digital displays serve as an integral component to amplify and extend social and mobile campaigns. These targeted messages also provide a quick turnaround and do not incur media production costs.

Source: 2023 Geopath Impressions. Geopath impression information is based on available Geopath data as of the date of this proposal/photosheet. GEOPATH AUDIENCE LOCATION MEASUREMENT™ Data is proprietary intellectual property owned by Geopath, Inc. and is to be used only by the recipient solely and exclusively for its planning and /or buying of out-of-home media advertisements. The Total 18+ Imps (Weekly) reported for digital now represent only those impressions for a single spot in rotation. © Copyright, 2023 Geopath, All Rights Reserved. Powered by Streetlytics™ Clear Channel will deliver at least 92.5% of total contracted time for Times Square digital inventory.

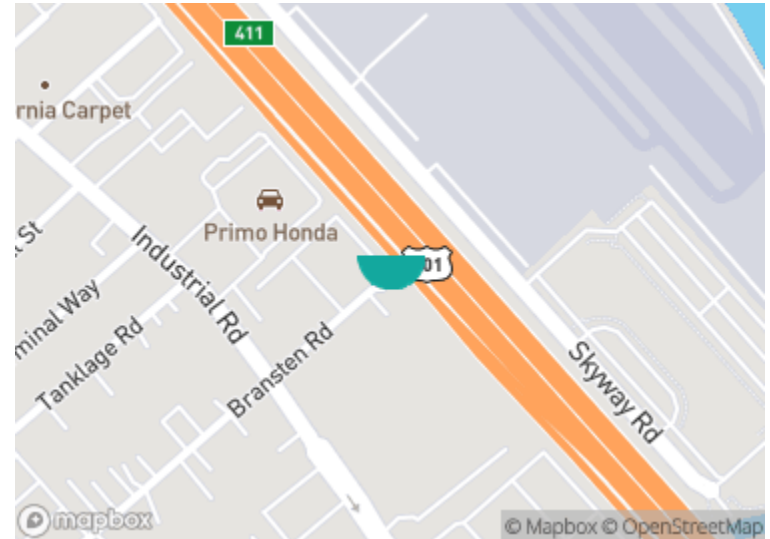
City of San Carlos – digital billboard



006008 - San Francisco Bay Area



Description: Bayshore Frwy (US 101) WS 0.5 mi S/O Holly St (%) - F/N
Geopath ID: 30717223 **City:** San Carlos **Latitude:** 37.508
Media Type: Digital **State:** CA **Longitude:** -122.251
Display Dimensions: 14' x 48' **Zip:** 94070 **Facing:** N
Physical Dimensions: 14' x 48'



Weekly Impressions San Francisco-Oakland-San Jose CA (DMA)		
Demo	In Market	Total
18+ yrs	428,852	449,366

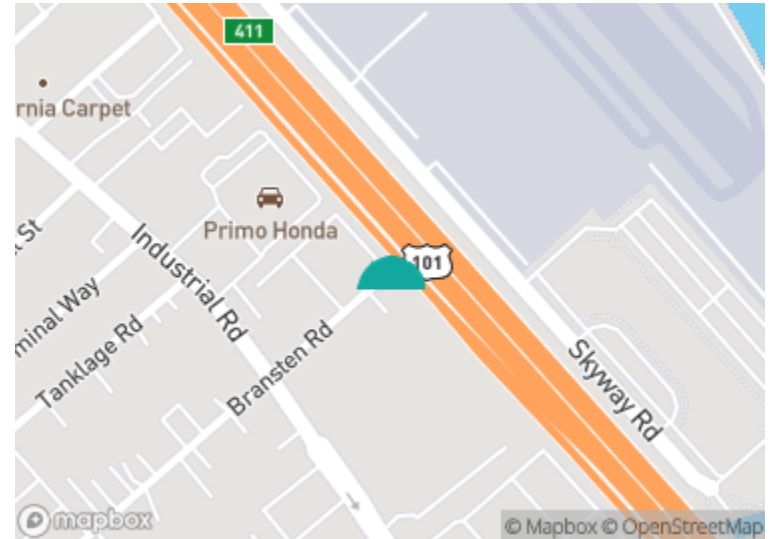
As travelers make their way up Highway 101, from Silicon Valley, this digital bulletin sits proudly along the freeway in the city of San Carlos, "The City of Good Living." Silicon Valley, also known as The Peninsula, boasts the headquarters of the world's most prestigious technology companies including Google, Oracle, Facebook and Apple. Hundreds of tech employees and executives traverse this freeway everyday. Our San Carlos digital bulletin is just north of the exit leading to Stanford University and popular shopping destination, Stanford Shopping Center.

Source: 2023 Geopath Impressions. Geopath impression information is based on available Geopath data as of the date of this proposal/photosheet. GEOPATH AUDIENCE LOCATION MEASUREMENT™ Data is proprietary intellectual property owned by Geopath, Inc. and is to be used only by the recipient solely and exclusively for its planning and /or buying of out-of-home media advertisements. The Total 18+ Imps (Weekly) reported for digital now represent only those impressions for a single spot in rotation. © Copyright, 2023 Geopath, All Rights Reserved. Powered by Streetlytics™ Clear Channel will deliver at least 92.5% of total contracted time for Times Square digital inventory.

006009 - San Francisco Bay Area



Description: Bayshore Frwy (US 101) WS 0.5 mi S/O Holly St (%) - F/S
Geopath ID: 30717224 **City:** San Carlos **Latitude:** 37.508
Media Type: Digital **State:** CA **Longitude:** -122.251
Display Dimensions: 14' x 48' **Zip:** 94070 **Facing:** S
Physical Dimensions: 14' x 48'



Weekly Impressions San Francisco-Oakland-San Jose CA (DMA)		
Demo	In Market	Total
18+ yrs	455,943	493,966

As travelers make their way up Highway 101, from Silicon Valley, this digital bulletin sits proudly along the freeway in the city of San Carlos, "The City of Good Living." Silicon Valley, also known as The Peninsula, boasts the headquarters of the world's most prestigious technology companies including Google, Oracle, Facebook and Apple. Hundreds of tech employees and executives traverse this freeway everyday. Our San Carlos digital bulletin is just north of the exit leading to Stanford University and popular shopping destination, Stanford Shopping Center.

Source: 2023 Geopath Impressions. Geopath impression information is based on available Geopath data as of the date of this proposal/photosheet. GEOPATH AUDIENCE LOCATION MEASUREMENT™ Data is proprietary intellectual property owned by Geopath, Inc. and is to be used only by the recipient solely and exclusively for its planning and /or buying of out-of-home media advertisements. The Total 18+ Imps (Weekly) reported for digital now represent only those impressions for a single spot in rotation. © Copyright, 2023 Geopath, All Rights Reserved. Powered by Streetlytics™ Clear Channel will deliver at least 92.5% of total contracted time for Times Square digital inventory.

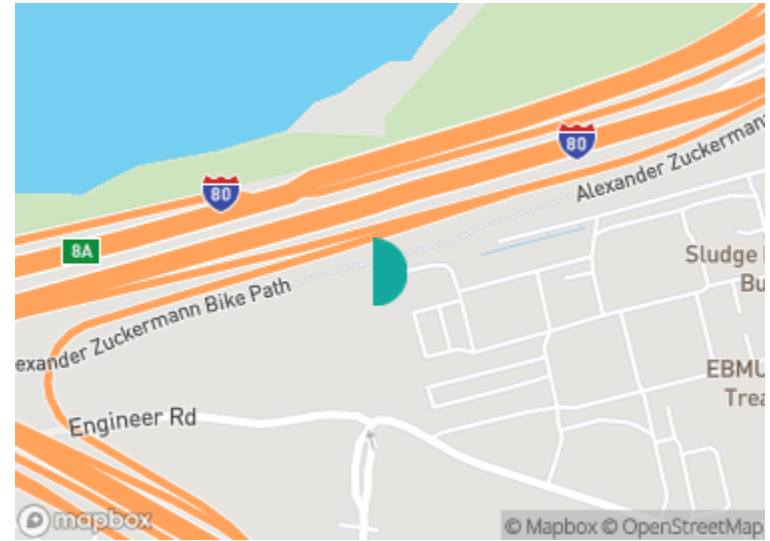
East Bay Municipal Utilities District – print billboard



001382 - San Francisco Bay Area



Description: Bay Bridge (I.80) SS .7 mi E/O Toll Plaza (%) - F/W
Geopath ID: 30549226 **City:** Oakland **Latitude:** 37.826
Media Type: Bulletin **State:** CA **Longitude:** -122.3
Display Dimensions: 14' x 48' **Zip:** 94607 **Facing:** W
Physical Dimensions: 14' x 48'



Weekly Impressions San Francisco-Oakland-San Jose CA (DMA)		
Demo	In Market	Total
18+ yrs	519,992	566,904

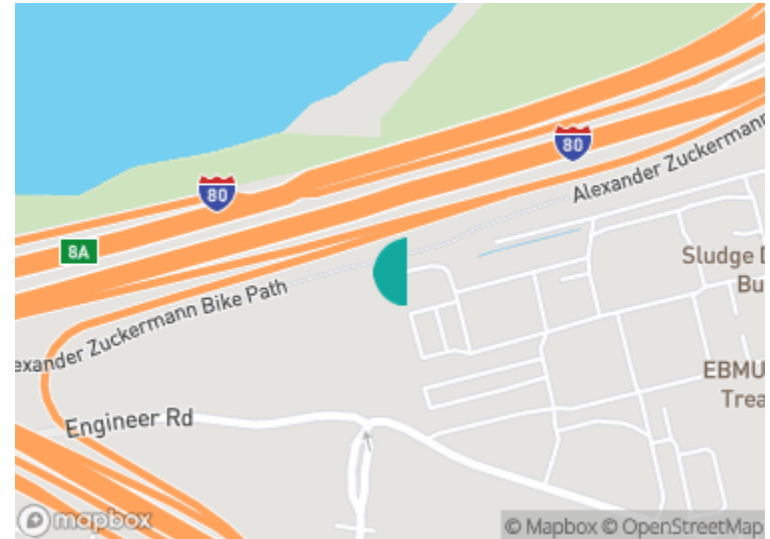
This bulletin is located at the East end of the Bay Bridge, just beyond the toll booths. The San Francisco-Oakland Bay Bridge is the most travelled bridge in the Bay Area. This unit shows to the Interstate 580 traffic coming from the Bay Bridge and San Francisco. The traffic passing this unit continues on to downtown Oakland, East Contra Costa County (Hwy 24 to Walnut Creek/Concord) and South Alameda County (Hayward, Pleasanton, San Ramon) and on to the Stockton area.

Source: 2023 Geopath Impressions. Geopath impression information is based on available Geopath data as of the date of this proposal/photosheet. GEOPATH AUDIENCE LOCATION MEASUREMENT™ Data is proprietary intellectual property owned by Geopath, Inc. and is to be used only by the recipient solely and exclusively for its planning and /or buying of out-of-home media advertisements. The Total 18+ Imps (Weekly) reported for digital now represent only those impressions for a single spot in rotation. © Copyright, 2023 Geopath, All Rights Reserved. Powered by Streetlytics™ Clear Channel will deliver at least 92.5% of total contracted time for Times Square digital inventory.

001381 - San Francisco Bay Area



Description: Bay Bridge (I.80) SS .7 mi E/O Toll Plaza (%) - F/E
Geopath ID: 30549227 **City:** Oakland **Latitude:** 37.826
Media Type: Bulletin **State:** CA **Longitude:** -122.3
Display Dimensions: 14' x 48' **Zip:** 94607 **Facing:** E
Physical Dimensions: 14' x 48'



Weekly Impressions
San Francisco-Oakland-San Jose CA (DMA)

Demo	In Market	Total
18+ yrs	194,954	228,331

This bulletin is located at the East end of the Bay Bridge, just beyond the toll booths. The San Francisco-Oakland Bay Bridge is the most travelled bridge in the Bay Area. The Bridge is a primary commuter thoroughfare, taking thousands of East Bay residents into San Francisco and San Mateo County every day. The often lengthy commuter back-up at the Bay Bridge makes this board an effective read and powerful tool to convey your advertising message.

Source: 2023 Geopath Impressions. Geopath impression information is based on available Geopath data as of the date of this proposal/photosheet. GEOPATH AUDIENCE LOCATION MEASUREMENT™ Data is proprietary intellectual property owned by Geopath, Inc. and is to be used only by the recipient solely and exclusively for its planning and /or buying of out-of-home media advertisements. The Total 18+ Imps (Weekly) reported for digital now represent only those impressions for a single spot in rotation. © Copyright, 2023 Geopath, All Rights Reserved. Powered by Streetlytics™ Clear Channel will deliver at least 92.5% of total contracted time for Times Square digital inventory.