

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

REGULAR MEETING OF THE BOARD OF DIRECTORS

Tuesday, January 9, 2018 - 7:00 p.m.

Note: Teleconference Information

Director Glenn Reynolds will be participating by teleconference from the following location:
Doubletree by Hilton Fresno, 2233 Ventura Street, Fresno, CA

AGENDA

The Coastside County Water District (CCWD) does not discriminate against persons with disabilities. Upon request, the agenda and agenda packet materials can be provided in a format to accommodate special needs. If you require a copy of the agenda or related materials in an alternative format to accommodate a disability, or if you wish to attend this public meeting and will require special assistance or other special equipment, please call the District at (650) 726-4405 in advance and we will make every reasonable attempt to provide such an accommodation.

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the CCWD District Office, located at 766 Main Street, Half Moon Bay, CA at the same time that the public records are distributed or made available to the legislative body.

This agenda and accompanying materials can be viewed on Coastside County Water District's website located at: www.coastsidewater.org.

The Board of the Coastside County Water District reserves the right to take action on any item included on this agenda.

- 1) ROLL CALL**
- 2) PLEDGE OF ALLEGIANCE**
- 3) PUBLIC COMMENT**

At this time members of the public may address the Board of Directors on issues not listed on the agenda which are within the purview of the Coastside County Water District. Comments on matters that are listed on the agenda may be made at the time the Board is considering each item. Each speaker is allowed a maximum of three (3) minutes and must complete and submit a speaker slip. The President of the Board will recognize each speaker, at which time the speaker should proceed to the podium, give their name and address and provide their comments to the Board.

4) CONSENT CALENDAR

The following matters before the Board of Directors are recommended for action as stated by the General Manager. All matters listed hereunder constitute a Consent Calendar, are considered as routine by the Board of Directors, and will be acted upon by a single vote of the Board. There will be no separate discussion of these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

- A. Approval of disbursements for the month ending December 31, 2017:
Claims: \$628,489.23; Payroll: \$146,990.75 for a total of \$775,479.98 ([attachment](#))
➤ *December 2017 Monthly Financial Claims reviewed and approved by Director Glassberg*
- B. Acceptance of Financial Reports ([attachment](#))
- C. Approval of Minutes of December 12, 2017 Regular and Special Board of Directors Meetings ([attachment](#))
- D. Monthly Water Service Connection Transfer Report ([attachment](#))
- E. Installed Water Connection Capacity and Water Meters Report ([attachment](#))
- F. Total CCWD Production Report ([attachment](#))
- G. CCWD Monthly Sales by Category Report - December 2017 ([attachment](#))
- H. Monthly Rainfall Reports ([attachment](#))
- I. S.F.P.U.C. Hydrological Report for the month of November 2017 ([attachment](#))
- J. Acceptance of a Non-Complex Pipeline Extension Project - Champs Elysee Avenue - Mark Stoloski & Robert Gonzalez ([attachment](#))

5) MEETINGS ATTENDED / DIRECTOR COMMENTS

6) GENERAL BUSINESS

- A. Accept the Coastside County Water District Basic Financial Statements and Independent Auditors Report for Fiscal Year Ended June 30, 2017 ([attachment](#))
- B. Approval of First Amendment to Communications Site Lease Agreement with T-Mobile for Facilities located on Miramontes Point Road at Poppy Lane in Half Moon Bay, CA ([attachment](#))
- C. Agreement with Raftelis Financial Consultants, Inc. for FY 2018-2019 Water Rate Study ([attachment](#))
- D. Agreement with Cornerstone Structural Engineering Services Group for Seismic Evaluation of Alves Tank ([attachment](#))
- E. Quarterly Financial Review ([attachment](#))
- F. Fiscal Year 2018-2019 Budget Process Timeline ([attachment](#))
- G. Coastside County Water District Board Committees ([attachment](#))
- H. Appointment of CCWD Board Member Representative Alternate(s) to participate in San Mateo Local Agency Formation Commission (LAFCo) election of officers ([attachment](#))

- 7) **GENERAL MANAGER'S REPORT AND MONTHLY INFORMATIONAL REPORTS**
([attachment](#))
 - A. Assistant General Manager's Report ([attachment](#))
 - SFPUC Water Rates
 - CCWD Leak Adjustment Policy
 - AMI (Advanced Metering Infrastructure) Installation
 - B. Superintendent of Operations Report ([attachment](#))
 - C. Water Resource Report ([attachment](#))

- 8) **DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS**

- 9) **ADJOURNMENT**

**COASTSIDE COUNTY WATER DISTRICT
CLAIMS FOR DECEMBER 2017**

CHECKS				
<u>CHECK DATE</u>	<u>CHECK NO.</u>	<u>VENDOR</u>	<u>VOID CHECK</u>	<u>AMOUNT</u>
12/01/2017	24786	CINTAS FIRST AID & SAFETY		\$825.00
12/01/2017	24787	PETTY CASH		\$214.20
12/01/2017	24788	COMCAST		\$200.39
12/01/2017	24789	HUE & CRY, INC.		\$24.00
12/01/2017	24790	MASS MUTUAL FINANCIAL GROUP		\$1,974.65
12/01/2017	24791	MOBILE MODULAR MGMT CORP		\$535.82
12/01/2017	24792	REPUBLIC SERVICES		\$419.06
12/01/2017	24793	RICOH USA INC		\$503.07
12/01/2017	24794	SAN MATEO COUNTY		\$6,930.00
12/01/2017	24795	JIM STEELE		\$1,875.00
12/01/2017	24796	SUSAN TURGEON		\$142.18
12/01/2017	24797	UNITED STATES POSTAL SERV.		\$600.00
12/01/2017	24798	VALIC		\$3,075.00
12/01/2017	24799	VERIZON WIRELESS		\$951.06
12/01/2017	24800	JUAN CARLOS SALAZAR		\$1,120.00
12/12/2017	24801	HEALTH BENEFITS ACWA-JPIA		\$38,472.65
12/12/2017	24802	JAMES COZZOLINO, TRUSTEE		\$12,000.00
12/12/2017	24803	PACIFIC GAS & ELECTRIC CO.		\$27,468.84
12/12/2017	24804	SAN FRANCISCO WATER DEPT.		\$84,379.43
12/12/2017	24805	NANCY D. MASSA		\$26,321.63
12/14/2017	24806	METER READINGS HOLDING, LLC		\$18,966.00
12/14/2017	24807	ADP, INC.		\$308.90
12/14/2017	24808	FRANK YAMELLO		\$235.00
12/14/2017	24809	AMERICAN WATER WORKS ASSOC.		\$767.00
12/14/2017	24810	ANDREINI BROS. INC.		\$19,420.80
12/14/2017	24811	AT&T		\$3,275.38
12/14/2017	24812	AT&T LONG DISTANCE		\$149.06
12/14/2017	24813	AZTEC GARDENS, INC.		\$190.00
12/14/2017	24814	BARTKIEWICZ, KRONICK & SHANAHAN		\$247.50
12/14/2017	24815	BFI OF CALIFORNIA, INC.		\$578.03
12/14/2017	24816	INSTITUTE FOR ENVIRONMENTAL HEALTH, INC.		\$760.00
12/14/2017	24817	CATHLEEN BRENNAN		\$1,190.67
12/14/2017	24818	CANYON SPRINGS ENTERPRISES		\$5,598.00
12/14/2017	24819	CINTAS FIRST AID & SAFETY		\$240.77
12/14/2017	24820	CLARK PEST CONTROL OF STOCKTON, INC.		\$250.00
12/14/2017	24821	JAMES COZZOLINO, TRUSTEE		\$200.00
12/14/2017	24822	DAL PORTO ELECTRIC		\$1,752.60
12/14/2017	24823	DATAPROSE, LLC		\$1,765.18
12/14/2017	24824	DAVIS INSTRUMENTS CORPORATION		\$331.81
12/14/2017	24825	DEPARTMENT OF PESTICIDE REGULATION		\$60.00
12/14/2017	24826	JAMES DERBIN		\$2,200.00
12/14/2017	24827	ELECSYS INTERNATIONAL CORP		\$250.00

12/14/2017	24828	FEDAK & BROWN LLP	\$1,250.00
12/14/2017	24829	FIRST NATIONAL BANK	\$3,548.22
12/14/2017	24830	GRISWOLD INDUSTRIES	\$2,552.90
12/14/2017	24831	HACH CO., INC.	\$1,286.38
12/14/2017	24832	HMB BLDG. & GARDEN INC.	\$430.58
12/14/2017	24833	HALF MOON BAY REVIEW	\$459.00
12/14/2017	24834	HASSETT HARDWARE	\$1,323.49
12/14/2017	24835	U.S. HEALTHWORKS MEDICAL GROUP, P.C.	\$402.00
12/14/2017	24836	IRON MOUNTAIN	\$476.15
12/14/2017	24837	IRVINE CONSULTING SERVICES, INC.	\$2,554.66
12/14/2017	24838	IRVINE CONSULTING SERVICES, INC.	\$1,647.05
12/14/2017	24839	KINGS MOUNTAIN ARBOR HEALTH & SAFETY	\$2,250.00
12/14/2017	24840	MASS MUTUAL FINANCIAL GROUP	\$1,974.65
12/14/2017	24841	MISSION UNIFORM SERVICES INC.	\$113.46
12/14/2017	24842	NORTHSTAR CHEMICAL	\$3,225.00
12/14/2017	24843	OFFICE DEPOT	\$995.00
12/14/2017	24844	ONTRAC	\$342.02
12/14/2017	24845	PACIFICA COMMUNITY TV	\$250.00
12/14/2017	24846	PAKPOUR CONSULTING GROUP	\$477.75
12/14/2017	24847	PAX WATER TECHNOLOGIES, INC.	\$12,500.00
12/14/2017	24848	PITNEY BOWES	\$211.91
12/14/2017	24849	RAY A MORGAN COMPANY INC.	\$362.87
12/14/2017	24850	ROBERTS & BRUNE CO.	\$5,361.64
12/14/2017	24851	ROGUE WEB WORKS, LLC	\$227.50
12/14/2017	24852	SAN MATEO CTY PUBLIC HEALTH LAB	\$788.00
12/14/2017	24853	SM CTY ENVIRONMENTAL HEALTH	\$1,665.00
12/14/2017	24854	SHOE DEPOT, INC	\$195.74
12/14/2017	24855	STATE WATER RESOURCES CONTROL BD	\$500.00
12/14/2017	24856	TEAMSTERS LOCAL UNION #856	\$1,256.00
12/14/2017	24857	TOTAL COMPENSATION SYSTEMS, INC	\$1,710.00
12/14/2017	24858	TPX COMMUNICATIONS	\$1,811.09
12/14/2017	24859	TRIAD/HOMES ASSOCIATES	\$3,750.00
12/14/2017	24860	VALIC	\$3,075.00
12/14/2017	24861	WATERSMART SOFTWARE, INC	\$12,730.00
12/14/2017	24862	RANDY ENGLE	\$1,160.00
12/01/2017	24863	CAZADORO CONSTRUCTION INC.	\$594.35
12/21/2017	24864	RECORDER'S OFFICE	\$21.00
12/21/2017	24865	MUFG UNION BANK N.A.	\$767.25
12/27/2017	24866	LAWYERS TITLE COMPANY	\$75,000.00
12/28/2017	24867	ADP, INC.	\$404.65
12/28/2017	24868	ANALYTICAL ENVIRONMENTAL SERVICES	\$2,872.10
12/28/2017	24869	ANDREINI BROS. INC.	\$95,164.73
12/28/2017	24870	BALANCE HYDROLOGICS, INC	\$13,260.81
12/28/2017	24871	BAY ALARM COMPANY	\$669.78
12/28/2017	24872	BFI OF CALIFORNIA, INC.	\$442.99
12/28/2017	24873	CALCON SYSTEMS, INC.	\$7,591.26
12/28/2017	24874	CINTAS FIRST AID & SAFETY	\$825.00

12/28/2017	24875	FEDAK & BROWN LLP	\$2,500.00
12/28/2017	24876	GRISWOLD INDUSTRIES	\$2,534.45
12/28/2017	24877	HACH CO., INC.	\$215.53
12/28/2017	24878	HMB BLDG. & GARDEN INC.	\$20.63
12/28/2017	24879	DIANE HALE	\$100.00
12/28/2017	24880	HANSONBRIDGETT. LLP	\$6,502.00
12/28/2017	24881	U.S. HEALTHWORKS MEDICAL GROUP, P.C.	\$99.00
12/28/2017	24882	HOME DEPOT	\$258.47
12/28/2017	24883	IRVINE CONSULTING SERVICES, INC.	\$1,647.05
12/28/2017	24884	JOHN'S SALT SERVICE, INC	\$6,012.40
12/28/2017	24885	GLENNA LOMBARDI	\$118.00
12/28/2017	24886	MISSION UNIFORM SERVICES INC.	\$113.46
12/28/2017	24887	MOBILE MODULAR MGMT CORP	\$535.82
12/28/2017	24888	MONTEREY COUNTY LAB	\$2,173.00
12/28/2017	24889	OFFICE DEPOT	\$132.86
12/28/2017	24890	ONTRAC	\$78.10
12/28/2017	24891	PATRICK MICHAEL MORRISSEY	\$150.00
12/28/2017	24892	PAULO'S AUTO CARE	\$173.16
12/28/2017	24893	BECKI PORZIO	\$100.00
12/28/2017	24894	PRINCETON WELDING , INC.	\$180.00
12/28/2017	24895	RICOH USA INC	\$503.07
12/28/2017	24896	ROBERTS & BRUNE CO.	\$5,094.91
12/28/2017	24897	JAMES TETER	\$818.00
12/28/2017	24898	VERIZON WIRELESS	\$80.02
12/28/2017	24899	RAYMOND WINCH	\$228.57
12/27/2017	24900	SAMAR JWEINT	\$56.17
12/27/2017	24901	JAIME GONZALEZ	\$34.54
12/29/2017	24902	COLTON/BRITTANY WALTER	\$420.12
12/29/2017	24903	CHRISTINA CONKLIN	\$87.54
12/29/2017	24904	CARLY BOGNER	\$58.88
12/29/2017	24905	TOMMY DRISKELL	\$21.53
12/29/2017	24906	DAVID/GAIL CONKLIN	\$88.38
12/29/2017	24907	MARY MATTHIESEN	\$55.94
12/29/2017	24908	TYSON ERZE	\$143.83
12/29/2017	24909	CHERYL BOESE	\$139.66
12/29/2017	24910	LAURA NAUGHTON	\$227.18
12/29/2017	24911	GLEN/MARGARET SEIDEL	\$90.09
12/29/2017	24912	CARNOUSTIE LLC	\$919.41
12/29/2017	24913	CARNOUSTIE LLC	\$22.86
12/29/2017	24914	MAUREEN SANTOS	\$43.34
12/29/2017	24915	KATHY TINSLEY	\$112.34
12/29/2017	24916	ZACHARY FINDERS	\$28.73
12/29/2017	24917	DOUG DeCARLO	\$10.00
12/29/2017	24918	CARNOUSTIE LLC	\$180.80
12/29/2017	24919	CARNOUSTIE LLC	\$22.86

SUBTOTAL CLAIMS FOR MONTH \$570,378.36

WIRE PAYMENTS

<u>MONTH</u>	<u>VENDOR</u>	<u>AMOUNT</u>
12/01/2017	DFT0000094 PUB. EMP. RETIRE SYSTEM	\$12,269.75
12/05/2017	DFT0000097 CalPERS FISCAL SERVICES DIVISION	\$40.03
12/05/2017	DFT0000098 CalPERS FISCAL SERVICES DIVISION	\$27,620.90
12/14/2017	DFT0000099 PUB. EMP. RETIRE SYSTEM	\$12,125.87
12/31/2017	BANK & CREDIT CARD FEES	<u>\$6,054.32</u>
	SUBTOTAL WIRE PAYMENTS FOR MONTH	\$58,110.87

TOTAL CLAIMS FOR THE MONTH**\$628,489.23**



Coastside County Water District

Monthly Budget Report

Account Summary

For Fiscal: 2017-2018 Period Ending: 12/31/2017

	December Budget	December Activity	Variance Favorable (Unfavorable)	Percent Variance	YTD Budget	YTD Activity	Variance Favorable (Unfavorable)	Percent Variance	Total Budget	
Revenue										
RevType: 1 - Operating										
1-4120-00	Water Revenue	868,307.00	998,533.46	130,226.46	15.00 %	6,012,544.00	6,353,491.42	340,947.42	5.67 %	10,805,600.00
	Total RevType: 1 - Operating:	868,307.00	998,533.46	130,226.46	15.00 %	6,012,544.00	6,353,491.42	340,947.42	5.67 %	10,805,600.00
RevType: 2 - Non-Operating										
1-4170-00	Water Taken From Hydrants	4,165.00	4,572.05	407.05	9.77 %	24,990.00	33,654.23	8,664.23	34.67 %	50,000.00
1-4180-00	Late Notice - 10% Penalty	4,998.00	3,029.91	-1,968.09	-39.38 %	29,988.00	26,909.39	-3,078.61	-10.27 %	60,000.00
1-4230-00	Service Connections	833.00	223.83	-609.17	-73.13 %	4,998.00	6,314.61	1,316.61	26.34 %	10,000.00
1-4920-00	Interest Earned	0.00	0.00	0.00	0.00 %	3,087.00	2,797.10	-289.90	-9.39 %	6,174.00
1-4930-00	Tax Apportionments/County Checks	300,000.00	354,315.80	54,315.80	18.11 %	375,000.00	435,667.12	60,667.12	16.18 %	700,000.00
1-4950-00	Miscellaneous Income	3,083.00	2,063.73	-1,019.27	-33.06 %	18,500.00	11,036.20	-7,463.80	-40.34 %	37,000.00
1-4955-00	Cell Site Lease Income	12,833.00	13,057.84	224.84	1.75 %	77,000.00	77,821.15	821.15	1.07 %	154,000.00
1-4965-00	ERAF Refund - County Taxes	0.00	0.00	0.00	0.00 %	0.00	0.00	0.00	0.00 %	250,000.00
	Total RevType: 2 - Non-Operating:	325,912.00	377,263.16	51,351.16	15.76 %	533,563.00	594,199.80	60,636.80	11.36 %	1,267,174.00
	Total Revenue:	1,194,219.00	1,375,796.62	181,577.62	15.20 %	6,546,107.00	6,947,691.22	401,584.22	6.13 %	12,072,774.00
Expense										
ExpType: 1 - Operating										
1-5130-00	Water Purchased	74,087.00	77,035.43	-2,948.43	-3.98 %	1,410,100.00	1,126,824.19	283,275.81	20.09 %	2,106,991.00
1-5230-00	Nunes T P Pump Expense	3,357.00	1,303.23	2,053.77	61.18 %	20,140.00	20,205.45	-65.45	-0.32 %	40,280.00
1-5231-00	CSP Pump Station Pump Expense	35,000.00	4,698.81	30,301.19	86.57 %	265,000.00	229,488.73	35,511.27	13.40 %	318,000.00
1-5232-00	Other Trans. & Dist Pump Expense	1,500.00	1,312.08	187.92	12.53 %	14,500.00	12,250.09	2,249.91	15.52 %	25,440.00
1-5233-00	Pilarcitos Canyon Pump Expense	3,500.00	5,836.20	-2,336.20	-66.75 %	12,900.00	6,597.25	6,302.75	48.86 %	32,309.00
1-5234-00	Denniston T P Pump Expense	3,000.00	8,284.74	-5,284.74	-176.16 %	27,000.00	50,831.53	-23,831.53	-88.26 %	92,220.00
1-5242-00	CSP Pump Station Operations	875.00	619.08	255.92	29.25 %	5,250.00	4,525.66	724.34	13.80 %	10,500.00
1-5243-00	CSP Pump Station Maintenance	1,388.00	326.26	1,061.74	76.49 %	8,328.00	5,208.12	3,119.88	37.46 %	37,000.00
1-5246-00	Nunes T P Operations - General	6,000.00	6,446.80	-446.80	-7.45 %	36,000.00	25,131.86	10,868.14	30.19 %	72,000.00
1-5247-00	Nunes T P Maintenance	10,200.00	2,600.94	7,599.06	74.50 %	61,200.00	38,326.31	22,873.69	37.38 %	122,500.00
1-5248-00	Denniston T P Operations-General	3,500.00	2,544.72	955.28	27.29 %	14,000.00	22,528.01	-8,528.01	-60.91 %	34,500.00
1-5249-00	Denniston T.P. Maintenance	5,000.00	2,227.06	2,772.94	55.46 %	30,000.00	52,658.88	-22,658.88	-75.53 %	60,000.00
1-5250-00	Laboratory Expenses	3,500.00	3,533.72	-33.72	-0.96 %	23,000.00	26,168.79	-3,168.79	-13.78 %	53,000.00
1-5260-00	Maintenance - General	24,309.00	12,580.35	11,728.65	48.25 %	145,850.00	97,201.01	48,648.99	33.36 %	291,700.00
1-5260-11	Maintenance - Paving	0.00	-120.88	120.88	0.00 %	0.00	0.00	0.00	0.00 %	0.00
1-5261-00	Maintenance - Well Fields	3,000.00	0.00	3,000.00	100.00 %	20,500.00	0.00	20,500.00	100.00 %	40,000.00
1-5263-00	Uniforms	0.00	0.00	0.00	0.00 %	5,000.00	4,763.62	236.38	4.73 %	10,000.00
1-5318-00	Studies/Surveys/Consulting	5,000.00	1,710.00	3,290.00	65.80 %	50,000.00	33,395.00	16,605.00	33.21 %	160,000.00

Monthly Budget Report

For Fiscal: 2017-2018 Period Ending: 12/31/2017

	December Budget	December Activity	Variance Favorable (Unfavorable)	Percent Variance	YTD Budget	YTD Activity	Variance Favorable (Unfavorable)	Percent Variance	Total Budget
1-5321-00 Water Resources	3,083.00	200.00	2,883.00	93.51 %	18,500.00	8,310.04	10,189.96	55.08 %	37,000.00
1-5322-00 Community Outreach	2,000.00	859.00	1,141.00	57.05 %	16,000.00	14,390.78	1,609.22	10.06 %	54,700.00
1-5381-00 Legal	9,167.00	5,064.00	4,103.00	44.76 %	55,002.00	21,129.50	33,872.50	61.58 %	110,000.00
1-5382-00 Engineering	8,333.00	2,957.75	5,375.25	64.51 %	50,000.00	20,405.69	29,594.31	59.19 %	100,000.00
1-5383-00 Financial Services	5,000.00	2,500.00	2,500.00	50.00 %	17,000.00	13,428.00	3,572.00	21.01 %	20,000.00
1-5384-00 Computer Services	12,066.00	11,555.05	510.95	4.23 %	72,400.00	51,994.87	20,405.13	28.18 %	144,800.00
1-5410-00 Salaries/Wages-Administration	133,000.00	100,519.74	32,480.26	24.42 %	575,500.00	430,268.99	145,231.01	25.24 %	1,150,980.00
1-5411-00 Salaries & Wages - Field	146,000.00	147,453.67	-1,453.67	-1.00 %	633,000.00	681,059.66	-48,059.66	-7.59 %	1,266,081.00
1-5420-00 Payroll Tax Expense	19,675.00	16,222.07	3,452.93	17.55 %	85,275.00	77,037.07	8,237.93	9.66 %	170,555.00
1-5435-00 Employee Medical Insurance	35,880.00	34,044.05	1,835.95	5.12 %	215,280.00	190,428.07	24,851.93	11.54 %	447,056.00
1-5436-00 Retiree Medical Insurance	3,767.00	3,654.37	112.63	2.99 %	22,602.00	20,125.31	2,476.69	10.96 %	47,215.00
1-5440-00 Employees Retirement Plan	62,815.00	60,068.08	2,746.92	4.37 %	272,190.00	263,003.76	9,186.24	3.37 %	544,380.00
1-5445-00 Supplemental Retirement 401a	0.00	0.00	0.00	0.00 %	0.00	0.00	0.00	0.00 %	35,000.00
1-5510-00 Motor Vehicle Expense	4,225.00	4,658.28	-433.28	-10.26 %	25,350.00	33,525.80	-8,175.80	-32.25 %	50,700.00
1-5620-00 Office & Billing Expenses	18,792.00	23,003.92	-4,211.92	-22.41 %	112,752.00	118,478.16	-5,726.16	-5.08 %	225,500.00
1-5620-33 Office - Credit Cards/Bank Fees	0.00	-1,891.61	1,891.61	0.00 %	0.00	0.00	0.00	0.00 %	0.00
1-5625-00 Meetings / Training / Seminars	2,000.00	2,088.74	-88.74	-4.44 %	12,000.00	12,252.64	-252.64	-2.11 %	24,000.00
1-5630-00 Insurance	10,000.00	9,957.16	42.84	0.43 %	60,000.00	60,028.45	-28.45	-0.05 %	120,000.00
1-5687-00 Membership, Dues, Subscript.	2,000.00	917.00	1,083.00	54.15 %	34,000.00	42,611.67	-8,611.67	-25.33 %	75,350.00
1-5689-00 Labor Relations	0.00	0.00	0.00	0.00 %	4,000.00	0.00	4,000.00	100.00 %	6,000.00
1-5700-00 San Mateo County Fees	1,667.00	1,665.00	2.00	0.12 %	10,000.00	12,855.62	-2,855.62	-28.56 %	20,000.00
1-5705-00 State Fees	0.00	900.00	-900.00	0.00 %	4,000.00	2,181.95	1,818.05	45.45 %	24,000.00
Total ExpType: 1 - Operating:	662,686.00	557,334.81	105,351.19	15.90 %	4,443,619.00	3,829,620.53	613,998.47	13.82 %	8,179,757.00
ExpType: 4 - Capital Related									
1-5712-00 Debt Service/Existing Bonds 2006B	0.00	0.00	0.00	0.00 %	361,956.25	361,747.38	208.87	0.06 %	486,776.00
1-5715-00 Debt Service/CIEDB 11-099	0.00	0.00	0.00	0.00 %	262,467.17	262,467.17	0.00	0.00 %	336,269.00
1-5716-00 Debt Service/CIEDB 2016	0.00	0.00	0.00	0.00 %	229,848.33	229,848.34	-0.01	0.00 %	324,652.00
Total ExpType: 4 - Capital Related:	0.00	0.00	0.00	0.00 %	854,271.75	854,062.89	208.86	0.02 %	1,147,697.00
Total Expense:	662,686.00	557,334.81	105,351.19	15.90 %	5,297,890.75	4,683,683.42	614,207.33	11.59 %	9,327,454.00
Report Total:	531,533.00	818,461.81	286,928.81		1,248,216.25	2,264,007.80	1,015,791.55		2,745,320.00

**COASTSIDE COUNTY WATER DISTRICT
MONTHLY INVESTMENT REPORT
December 31, 2017**

<u>RESERVE BALANCES</u>	Current Year as of 12/31/17	Prior Year as of 12/31/16
CAPITAL AND OPERATING RESERVE	\$4,623,988.20	\$4,049,603.73
RATE STABILIZATION RESERVE	\$250,000.00	\$250,000.00
TOTAL DISTRICT RESERVES	\$4,873,988.20	\$4,299,603.73

ACCOUNT DETAIL

ACCOUNTS WITH FIRST NATIONAL BANK (FNB)		
CHECKING ACCOUNT	\$3,801,573.14	\$2,405,451.98
CSP T & S ACCOUNT	\$32,964.90	\$866,153.28
MONEY MARKET GEN. FUND (Opened 7/20/17)	\$2,500.00	\$0.00
LOCAL AGENCY INVESTMENT FUND (LAIF) BALANCE	\$1,036,250.16	\$1,027,298.47
DISTRICT CASH ON HAND	\$700.00	\$700.00
TOTAL ACCOUNT BALANCES	\$4,873,988.20	\$4,299,603.73

This report is in conformity with CCWD's Investment Policy.

COASTSIDE COUNTY WATER DISTRICT
APPROVED CAPITAL IMPROVEMENT PROJECTS
FISCAL YEAR 2017-2018

12/31/2017

Approved CIP Budget FY 17/18	Actual To Date FY 17/18	Projected Year-End FY 17/18	Variance vs. Budget	% Completed	Project Status/ Comments
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Equipment Purchases & Replacement

06-03	SCADA/Telemetry/Electrical Controls Replacement	\$ 50,000	\$ 29,613	\$ 50,000	\$ -	59%	
08-12	New Service Truck	\$ 250,000	\$ 210,367	\$ 210,367	\$ 39,633	100%	
99-02	Vehicle Replacement	\$ 90,000	\$ -	\$ 90,000	\$ -	0%	
99-03	Computer Systems	\$ 5,000	\$ -	\$ 5,000	\$ -	0%	
99-04	Office Equipment/Furniture	\$ 3,000	\$ -	\$ 3,000	\$ -	0%	

Facilities & Maintenance

08-08	PRV Valves Replacement Project	\$ 30,000	\$ 11,812	\$ 30,000	\$ -	39%	
09-07	Advanced Metering Infrastructure	\$ 850,000	\$ 616,399	\$ 980,000	\$ (130,000)	73%	
09-09	Fire Hydrant Replacement	\$ 40,000	\$ 19,012	\$ 40,000	\$ -	48%	
16-07	Sample Station Replacment Project	\$ 20,000	\$ 26,375	\$ 26,375		132%	
14-14	Pilarcitos Canyon Road Improvements	\$ 100,000	\$ 20,454	\$ 20,454	\$ 79,546	20%	Moved to FY2019
99-01	Meter Change Program	\$ 600,000	\$ 785,552	\$ 800,000	\$ (200,000)	131%	Includes \$70K ordered in prior fiscal year/received in current year

Pipeline Projects

06-02	Highway 1 South Pipeline Replacement Proejct	\$ 80,000	\$ -	\$ 80,000	\$ -	0%	
07-03	Pilarcitos Canyon Pipeline Replacement	\$ 150,000	\$ 31,480	\$ 75,000	\$ 75,000	21%	Moved to FY2019
14-01	Replace 12" Welded Steel Line on Hwy 92 at La Nebbia	\$ 300,000	\$ 211,594	\$ 300,000		71%	
14-26	Replace 2" Pipe in Downtown Half Moon Bay	\$ 500,000	\$ 63,636	\$ 660,000	\$ (160,000)	13%	
18-12	Installation of two (2) valves - Ritz Carlton	\$ 20,000		\$ 20,000		0%	

Pump Stations / Tanks / Wells

06-04	Hazen's Tank Replacement	\$ 30,000			\$ 30,000	0%	Moved to FY2019
08-14	Alves Tank Recoating (Interior & Exterior)	\$ 100,000		\$ 100,000	\$ -	0%	
13-08	Crystal Springs Spare 350 HP Motor	\$ 60,000	\$ -	\$ 60,000	\$ -	0%	
18-02	CSP Air Relief Valves	\$ 40,000	\$ -	\$ 40,000	\$ -	0%	
18-03	CSP Spare 500 Pump Rehabilitation	\$ 30,000	\$ 15,191	\$ 30,000	\$ -	58%	
18-05	Tank THM Control (Mixer & Blower)	\$ 80,000	\$ -	\$ 80,000	\$ -	0%	
18-07	EG #2 Tank Chorlination System (Residual Control System)	\$ 50,000	\$ -	\$ 50,000	\$ -	0%	
18-08	CSP Communications	\$ 50,000	\$ -	\$ 50,000	\$ -	0%	

Water Supply Development

17-12	Recycled Water Project Development	\$ 100,000	\$ -	\$ 100,000	\$ -	0%	
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Water Treatment Plants

17-04	Denniston Dam Spillway Repairs	\$ 90,000		\$ 90,000	\$ -	0%	
18-09	Denniston Heater	\$ 15,000		\$ 15,000	\$ -	0%	
18-10	Nunes Treatment Plan Improvements - Study (Filter 5, Filter Coasting, etc.)	\$ 100,000	\$ -	\$ 100,000	\$ -	0%	
18-11	Nunes Bulk Caustic Tank	\$ 40,000	\$ -		\$ 40,000	0%	Moved to FY2019

COASTSIDE COUNTY WATER DISTRICT
 APPROVED CAPITAL IMPROVEMENT PROJECTS
 FISCAL YEAR 2017-2018

12/31/2017

		Approved CIP Budget FY 17/18	Actual To Date FY 17/18	Projected Year-End FY 17/18	Variance vs. Budget	% Completed	Project Status/ Comments
99-05	Denniston Maintenance Dredging	\$ 35,000	\$ 23,811	\$ 23,811	\$ 11,189	68%	(This amount is reflected as an annual expense under Denniston maintenance vs. CIP.)

FY 17/18 TOTALS \$ 3,908,000 \$ 2,065,295 \$ 4,129,007 \$ (214,632)

FY2016/17 CIP Projects in process - paid in FY 2017/18

06-03	El Granada Tank #3 Recoating Project		\$ 179,412	\$ 250,000	\$ (250,000)		Carryover of project from 2016/17; project completed 10-2017; funded by lbank loan
10-02 & 12-04	Denniston Booster Pump Station & Bridgeport Pipeline Project		\$ 332,414	\$ 550,000	\$ (550,000)		Carryover of project from 2016/17; project is near completion/awaiting pump repair; funded by lbank loan
17-06	Crystal Springs Pump Station Discharge Valve Replacement		\$ 365	\$ 365	\$ (365)		
13-02	Replace 8inch Pipeline Under Creek at Pilarcitos Ave (Strawflower Pipeline Replacement Project)		\$ 194,638	\$ 194,638	\$ (194,638)		Carryover of project from 2016/17; projected completed in August 2017
17-08	Nunes Filter Surface Wash Repairs		\$ 14,850	\$ 14,850	\$ (14,850)		
17-05	CSP Pump Station Motor Controls		\$ 24,705	\$ 24,705	\$ (24,705)		

PREVIOUS YEAR TOTALS \$ - \$ 746,384 \$ 1,034,558 \$ (1,034,558)

UNSCHEDULED ITEMS (CAPITAL EXPENDITURES) FOR CURRENT FISCAL YEAR 17/18

17-16	CSP P3 Soft Start Pump/Shafting Replacement & Motor refurbishment		\$ 13,576	\$ 13,576	\$ (13,576)		Work related to FY2016/17 emergency pump replacement -approved at February 2017 Board meeting
12-12	Denniston/San Vicente Water Supply Development		\$ 43,886	\$ 43,886	\$ (43,886)		Legal fees & gaging
	Door Replacement at Nunes		\$ 17,450	\$ 17,450	\$ (17,450)		
	Wavecrest Road Pipeine Replacement Project		\$ 18,516	\$ 18,516	\$ (18,516)		
	El Granada Tank #1 - Slide Stabilization		\$ 22,098	\$ 22,098	\$ (22,098)		
	El Granada Tank #3 - Pump #1 Rebuild/Motor Replacement		\$ 11,666	\$ 11,666	\$ (11,666)		

NON-BUDGETED TOTALS \$ - \$ 127,191 \$ 127,192 \$ (127,192)

CIP TOTALS \$ 3,908,000 \$ 2,938,870 \$ 5,290,757 \$ (1,376,382)

**Legal Cost Tracking Report
12 Months At-A-Glance**

**Acct. No.5681
Patrick Miyaki - HansonBridgett, LLP
Legal**

Month	Admin (General Legal Fees)	Water Supply Develpmnt	Recycled Water	Transfer Program	CIP	Personnel	Water Shortage	Lawsuits	Infrastructure Project Review (Reimbursable)	TOTAL
Jan-17	3,231			858					604	4,693
Feb-17	3,080			474	1,087					4,641
Mar-17	1,350		695	1,219	1,510					4,773
Apr-17	7,572			724	544					8,840
May-17	5,739			500	30					6,269
Jun-17	1,846		272	379	393	19,831				22,721
Jul-17	2,476			108		2,716				5,300
Aug-17	2,925		748	387	2,984					7,043
Sep-17	1,625		195	374	4,602	1,778				8,573
Oct-17	975			222	130	1,268				2,595
Nov-17	2,418			226	2,340	525				5,509
Dec-17	4,934			138	1,300	130				6,502

TOTAL	38,172	0	1,909	5,606	14,919	26,247	0	0	604	87,458
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**Engineer Cost Tracking Report
12 Months At-A-Glance**

**Acct. No. 5682
JAMES TETER
Engineer**

Month	Admin & Retainer	CIP	Studies & Projects	TOTAL	Reimbursable from Projects
Jan-17	480	5,662	4,069	10,210	4,069
Feb-17	1,494	11,649	806	13,949	806
Mar-17	480	7,552		8,032	
Apr-17	480	5,594		6,074	
May-17	587	9,988		10,575	
Jun-17	480	620		1,100	
Jul-17	480		1,606	2,086	1,606
Aug-17	1,241	117	2,186	3,544	2,186
Sep-17	480		845	1,325	845
Oct-17	480		930	1,410	930
Nov-17	480		3,007	3,487	3,006
Dec-17	480		338	818	
TOTAL	7,641	41,182	13,786	62,610	13,448

Calcon T&M Projects Tracking
as of 12/31/2017

Project No.	Name	Status	Proposal Date	Approved Date	Project Budget	Project Total Billing (thru 6/30/17)	Project Billing FY2017-18	Project Budget Remaining
CAL-13-01	EG Tank 2 Recoating Project	Closed	9/30/13	10/8/13	\$8,220.00	\$8,837.50		-\$617.50
CAL-13-02	Nunes Control System Upgrades	Closed	9/30/13	10/8/13	\$46,141.00	\$55,363.60		-\$9,222.60
CAL-13-03	Win 911 and PLC Software	Closed	9/30/13	10/8/13	\$9,717.00	\$12,231.74		-\$2,514.74
CAL-13-04	Crystal Springs Surge Tank Retrofit	Closed	11/26/13	11/27/13	\$31,912.21	\$66,572.54		-\$34,660.33
CAL-13-05		Closed				\$0.00		\$0.00
CAL-13-06	Nunes Legacy Backwash System Removal	Closed	11/25/13	11/26/13	\$6,516.75	\$6,455.00		\$61.75
CAL-13-07	Denniston Backwash FTW Valves	Closed	11/26/13	11/27/13	\$6,914.21	\$9,518.28		-\$2,604.07
CAL-14-01	Denniston Wash Water Return Retrofit	Closed	1/28/14	2/14/14	\$13,607.00	\$13,591.60		\$15.40
CAL-14-02	Denniston Calrifier SCADA Data	Closed	4/2/14	4/7/14	\$4,125.00	\$4,077.50		\$47.50
CAL-14-03	Nunes Surface Scatter Turbidimeter	Closed	4/2/14	4/7/14	\$2,009.50	\$0.00		\$2,009.50
CAL-14-04	Phase I Control System Upgrade	Closed	4/2/14	4/7/14	\$75,905.56	\$44,459.14		\$31,446.42
CAL-14-06	Miramar Control Panel	Closed	8/28/14	8/28/14	\$37,953.00	\$27,980.71		\$9,972.29
CAL-14-08	SFWater Flow & Data Logger/Cahill Tank	Closed	8/20/2014	8/20/2014	\$1,370.00	\$1,372.00		-\$2.00
CAL-15-01	Main Street Monitors	Closed				\$6,779.42		-\$6,779.42
CAL-15-02	Denniston To Do List	Closed				\$2,930.00		-\$2,930.00
CAL-15-03	Nunes & Denniston Turbidity Meters	Closed			\$6,612.50	\$12,536.12		-\$5,923.62
CAL-15-04	Phase II Control System Upgrade		6/23/2015	8/11/2015	\$195,000.00	\$194,102.50	\$8,125.00	-\$7,227.50
CAL-15-05	Permanganate Water Flow					\$1,567.15		-\$1,567.15
CAL-16-04	Radio Network		12/9/2016	1/10/2017	\$126,246.11	\$116,633.18	\$21,487.50	-\$11,874.57
CAL-16-05	El Granada Tank No. 3 Recoating		12/16/2016		\$6,904.50	\$3,860.00	\$2,985.00	\$59.50
CAL-17-01	Crystal Springs Leak Valve Control		2/8/2017	2/14/2017	\$8,701.29	\$6,390.00		\$2,311.29
CAL-17-02	Crystal Springs Requirements & Addtl Controls		2/8/2017	2/14/2017	\$38,839.50	\$16,467.06	\$24,705.00	-\$2,332.56
CAL-17-03	Nunes Valve Control		6/29/2017	7/11/2017	\$73,281.80	\$64,184.35	\$14,850.00	-\$5,752.55
CAL-17-04	Denniston Booster Pump Station		7/27/2017	8/8/2017	\$21,643.75	\$1,230.00	\$28,530.00	-\$8,116.25
CAL-17-05	Crystal Springs Pump Station #3 Soft Start		7/27/2017	8/8/2017	\$12,213.53	\$0.00	\$12,178.13	\$35.40
CAL-17-06	Nunes Flocculartor & Rapid Mix VFD Panels		12/6/2017	12/12/2017	\$29,250.75	\$0.00	\$1,815.00	\$27,435.75

SUBTOTAL					\$763,084.96	\$677,139.39	\$114,675.63	-\$28,730.06
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Other: Maintenance

CAL-17-EMG	Emergency Callout Tanks						\$ 1,620.00	
	Crystal Springs Maintenance						\$ 8,981.30	
	Nunes Maintenance						\$ 2,996.81	
	Denniston Maintenance						\$ 1,160.00	
	Distribution System						\$ 8,316.83	
TOTAL FY2017/18							\$ 137,750.57	

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE REGULAR BOARD OF DIRECTORS MEETING

Tuesday, December 12, 2017

- 1) **ROLL CALL** - President Glenn Reynolds called the meeting to order at 7:00 p.m. Present at roll call: Vice-President Robert Feldman, Directors Ken Coverdell, Arnie Glassberg, and Chris Mickelsen.

Also present: David Dickson, General Manager; Mary Rogren, Assistant General Manager; James Derbin, Superintendent of Operations; Patrick Miyaki Legal Counsel; JoAnne Whelen, Administrative Assistant/Recording Secretary, Cathleen Brennan, Water Resources Analyst, and Gina Brazil, Office Manager.

- 2) **PLEDGE OF ALLEGIANCE**

- 3) **PUBLIC COMMENT** - There were no public comments.

- 4) **CONSENT CALENDAR**

- A. Approval of disbursements for the month ending November 30, 2017:
Claims: \$673,665.01; Payroll: \$94,000.50 for a total of \$767,665.51
- B. Acceptance of Financial Reports
- C. Approval of Minutes of November 14, 2017 Special and Regular Board of Directors Meeting
- D. Monthly Water Service Connection Transfer Report
- E. Installed Water Connection Capacity and Water Meters Report
- F. Total CCWD Production Report
- G. CCWD Monthly Sales by Category Report - November 2017
- H. Monthly Rainfall Reports
- I. S.F.P.U.C. Hydrological Report for the month of October 2017
- J. Notice of Completion - Wavecrest Pipeline Replacement Project
- K. Request for Board to Provide Authorization to Write Off Bad Debts for Fiscal Year Ending 2016-2017
- L. Calcon Work Directive 17-06 for Nunes Flocculator and Rapid Mix VFD Panel Retrofit/Replacement

Vice-President Feldman reported that he had reviewed the District's monthly financial claims and found all to be in order.

ON MOTION BY Director Glassberg and seconded by Director Coverdell the Board voted by roll call vote to approve the Consent Calendar in its entirety:

Director Coverdell	Aye
Director Glassberg	Aye
Director Mickelsen	Aye
Vice-President Feldman	Aye
President Reynolds	Aye

5) MEETINGS ATTENDED / DIRECTOR COMMENTS

Director Mickelsen reported on the highlights of a recent Bay Area Water Supply and Conservation Agency (BAWSCA) meeting.

President Reynolds reported on the recent new California State ruling requiring lead testing in all schools. He also advised that he has been requested to provide sexual harassment guidance training sessions for small utilities and he would be willing to share his training experience with the District.

6) GENERAL BUSINESS

A. Election of Coastside County Water District Board President and Vice-President

Nominations were opened, with Director Coverdell nominating Vice-President Feldman to serve as the District's 2018 Board President. The nomination was seconded by Director Glassberg. Vice-President Feldman then nominated Director Coverdell to serve as the District's 2018 Vice-President, which was seconded by President Reynolds. The nomination period was then closed, followed by a roll call vote.

ON MOTION BY President Reynolds and seconded by Director Glassberg, the Board voted by roll call vote to close the nomination period and proceed with the vote on the nominated candidates with Vice-President Bob Feldman to serve as the 2018 CCWD Board President and Director Ken Coverdell to serve as 2018 CCWD Board Vice-President:

Director Coverdell	Aye
Director Glassberg	Aye
Director Mickelsen	Aye
Vice-President Feldman	Aye
President Reynolds	Aye

Each of the Board members expressed their compliments and appreciation to Director Glenn Reynolds in his role as the District's 2017 Board President. Mr. Dickson expressed staff's appreciation in working with President Reynolds over the past year as well.

7) MONTHLY INFORMATIONAL REPORTS

- A. Assistant General Manager's Report - Ms. Rogren provided a brief update and presentation to the Board on the status of the advanced metering infrastructure implementation and the District's current capital improvement program projects.
- B. Superintendent of Operations Report - Mr. Derbin reviewed the operations highlights, including the completion of the El Granada Tank 1 temporary slide stabilization project and staff's recent request to State Water Resources Control Board - Division of Drinking Water (DDW) for a permit amendment to increase the influent turbidity limit associated with the Denniston Water Treatment Plant.
- C. Water Resource Report - Ms. Brennan reported on her attendance at the recent North American Water Loss Conference in San Diego, CA.

8) DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS

Vice-President Feldman suggested an update on recycled water sometime in the future if there is anything new to report.

Director Coverdell requested an update on the San Vicente water rights.

President Reynolds proposed a future discussion of a modest but self-insured reserve program to assist customers with an unexpected significant high water bills, if there is a legal means to do so.

9) ADJOURNMENT - The meeting was adjourned at 8:06 p.m.

Respectfully submitted,

David R. Dickson, General Manager
Secretary to the District

Robert Feldman, President
Board of Directors

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE SPECIAL BOARD OF DIRECTORS MEETING

Tuesday, December 12, 2017

- 1) **ROLL CALL** - President Glenn Reynolds called the meeting to order at 8:07 p.m. Present at roll call: Vice-President Robert Feldman, Directors Ken Coverdell, Arnie Glassberg, and Chris Mickelsen.

Also present: David Dickson, General Manager; Mary Rogren, Assistant General Manager; James Derbin, Superintendent of Operations; Patrick Miyaki Legal Counsel; JoAnne Whelen, Administrative Assistant/Recording Secretary, Cathleen Brennan, Water Resources Analyst, and Gina Brazil, Office Manager.

- 2) **PUBLIC COMMENT** - There were no public comments.

- 3) **GENERAL BUSINESS**

A. **Approval of Water Service Agreement with Coastside Estates LLC for 400-408 Redondo Beach Road**

Mr. Dickson described the project and the agreement, as well as the background of the project.

Director Coverdell recommended that the amount of insurance coverage be increased from one million dollars to two million dollars and made a motion to authorize the General Manager to execute the Water Service Agreement with Coastside Estates LLC, subject to any modifications that may be approved by the General Manager and General Counsel.

Brief discussion ensued with Mr. Dickson answering a few questions from the Board. President Reynolds expressed concerns about the engineered design of the project. President Reynolds then made an amendment to Director Coverdell's original motion recorded as follows:

ON MOTION BY Director Coverdell with an amendment proposed by President Reynolds, and accepted by Director Coverdell; and the motion being seconded by Director Glassberg, the Board voted by roll call vote to authorize the General Manager to execute the Water Service Agreement with Coastside Estates LLC in the form attached, subject to any modifications that may be approved by the General Manager and General Counsel and with the understanding that based on staff's judgement, the District will specify the pipeline and design that will serve in the District's best interest including addressing water quality issues:

Director Coverdell	Aye
Director Glassberg	Aye
Director Mickelsen	Aye
Vice-President Feldman	Aye
President Reynolds	Aye

4) ADJOURNMENT - The meeting was adjourned at 8:21 p.m.

Respectfully submitted,

David R. Dickson, General Manager
Secretary to the District

Robert Feldman, President
Board of Directors

**WATER SERVICE CONNECTION TRANSFER REPORT
TRANSFERS APPROVED FOR THE MONTH OF DECEMBER 2017**

DONATING APN	PROPERTY OWNER(S)	RECIPIENT APN	PROPERTY OWNER(S)	# OF CONNECTIONS	DATE
066-520-120	Ocean Colony Partners LP	066-092-230	Coastside Estates LLC	1 -- 5/8"	December 18, 2017

TOTAL CCWD PRODUCTION (MG) ALL SOURCES- FY 2018

	CCWD Sources			SFPUC Sources		RAW WATER TOTAL	UNMETERED WATER	TREATED TOTAL
	DENNISTON WELLS	DENNISTON RESERVOIR	PILARCITOS WELLS	PILARCITOS LAKE	CRYSTAL SPRINGS RESERVOIR			
JUL	0.87	25.93	0.00	0.00	45.87	72.67	3.45	69.22
AUG	2.32	24.89	0.00	0.00	42.86	70.07	3.85	66.22
SEPT	2.21	19.72	0.00	0.00	38.88	60.81	3.80	57.01
OCT	1.63	15.79	0.00	0.00	50.08	67.50	3.37	64.13
NOV	4.82	21.54	18.4	0.00	12.45	57.21	2.57	54.64
DEC	0.09	22.00	14.32	0.00	10.04	46.45	3.25	43.20
JAN								
FEB								
MAR								
APR								
MAY								
JUN								
TOTAL	11.94	129.87	32.72	0.00	200.18	374.71	20.29	354.42
% MONTHLY TOTAL	3.31%	35.52%	0.00%	0.00%	61.17%	100.00%	0.05	94.51%
% ANNUAL TO DATE TOTAL	3.2%	34.7%	8.7%	0.0%	53.4%	100.0%	5.42%	94.6%
Local vs Imported-month	38.8%	61.17%	CCWD vs SFPUC- month		38.8%	61.2%		
Local vs Imported-annual	46.6%	53.4%	CCWD vs SFPUC- annual		46.6%	53.4%		
	Local Source	Imported Source						

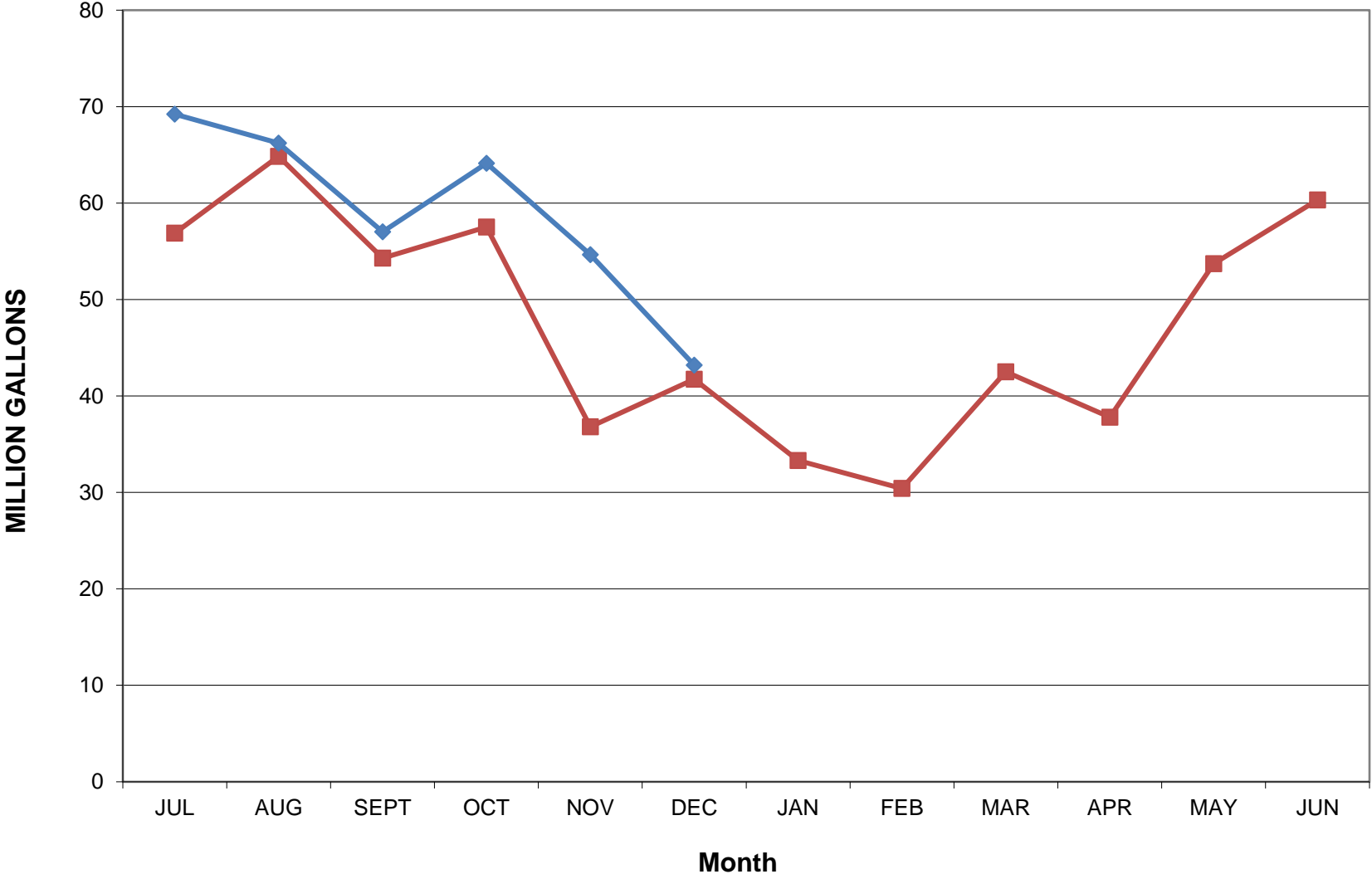
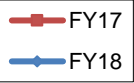
12 Month Running Treated Total

612.46

TOTAL CCWD PRODUCTION (MG) ALL SOURCES- FY 2017

	DENNISTON WELLS	DENNISTON RESERVOIR	PILARCITOS WELLS	PILARCITOS RESERVOIR	CRYSTAL SPRINGS RESERVOIR	RAW WATER TOTAL	UNMETERED WATER	TREATED TOTAL
JUL	1.58	15.50	0.00	37.11	7.05	61.24	4.36	56.88
AUG	2.55	10.84	0.00	4.40	51.18	68.97	4.12	64.85
SEPT	2.28	10.35	0.00	0.00	45.04	57.67	3.37	54.30
OCT	0.49	1.71	0.00	0.00	57.09	59.29	1.76	57.53
NOV	0.01	1.13	10.91	0.00	26.92	38.97	2.15	36.82
DEC	0.00	13.01	13.18	0.00	17.59	43.78	2.05	41.73
JAN	0.00	2.32	18.25	0.00	14.98	35.55	2.24	33.31
FEB	0.00	0.00	23.75	4.01	6.36	34.12	3.72	30.41
MAR	0.43	5.18	25.41	13.01	1.80	45.83	3.33	42.50
APR	0.00	14.05	0.00	25.41	1.87	41.33	3.54	37.79
MAY	0.00	24.60	0.00	29.40	3.25	57.25	3.53	53.72
JUN	0.41	24.25	0	21.59	17.65	63.90	3.58	60.32
TOTAL	7.75	122.94	91.50	134.93	250.78	607.90	37.75	570.14
% TOTAL	1.3%	20.2%	15.1%	22.2%	41.3%	100.0%	6.21%	93.8%

Monthly Production FY 17 vs FY 18



**Coastside County Water District Monthly Sales By Category (MG)
FY2018**

	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	MG to Date
RESIDENTIAL	20.823	40.192	21.242	40.000	18.734	31.360							172.35
COMMERCIAL	3.369	3.103	3.521	2.770	3.543	2.340							18.65
RESTAURANT	1.783	1.563	1.745	1.450	1.601	1.170							9.31
HOTELS/MOTELS	2.762	2.777	2.388	2.290	2.412	1.650							14.28
SCHOOLS	0.567	0.735	0.934	0.810	0.604	0.420							4.07
MULTI DWELL	2.768	3.107	2.817	3.100	2.660	2.760							17.21
BEACHES/PARKS	0.554	0.589	0.708	0.530	0.340	0.090							2.81
AGRICULTURE	6.107	6.007	8.518	7.420	6.220	6.520							40.79
RECREATIONAL	0.266	0.354	0.215	0.320	0.197	0.290							1.64
MARINE	0.597	0.666	0.640	0.440	0.653	0.590							3.59
IRRIGATION	6.166	5.258	1.570	2.250	0.986	0.880							17.11
RAW WATER	8.783	10.435	7.389	8.250	4.969	0.010							39.84
Detector Checks	0.019	0.044	0.022	0.030	0.002	0.030							0.15
Portable Meters	0.267	0.248	0.323	0.290	0.203	0.190							1.52
CONSTRUCTION	NA	NA	NA	NA	0.108	0.270							0.11
TOTAL - MG	54.83	75.08	52.03	69.95	43.23	48.57	0.00	0.00	0.00	0.00	0.00	0.00	343.69

Non Residential Usage	34.007	34.886	30.790	29.950	24.498	17.210	0.000	0.000	0.000	0.000	0.000	0.000	
Running 12 Month Total						585.09							
12 mo Residential						304.08							
12 mo Non Residential						171.34							
Total						475.42							

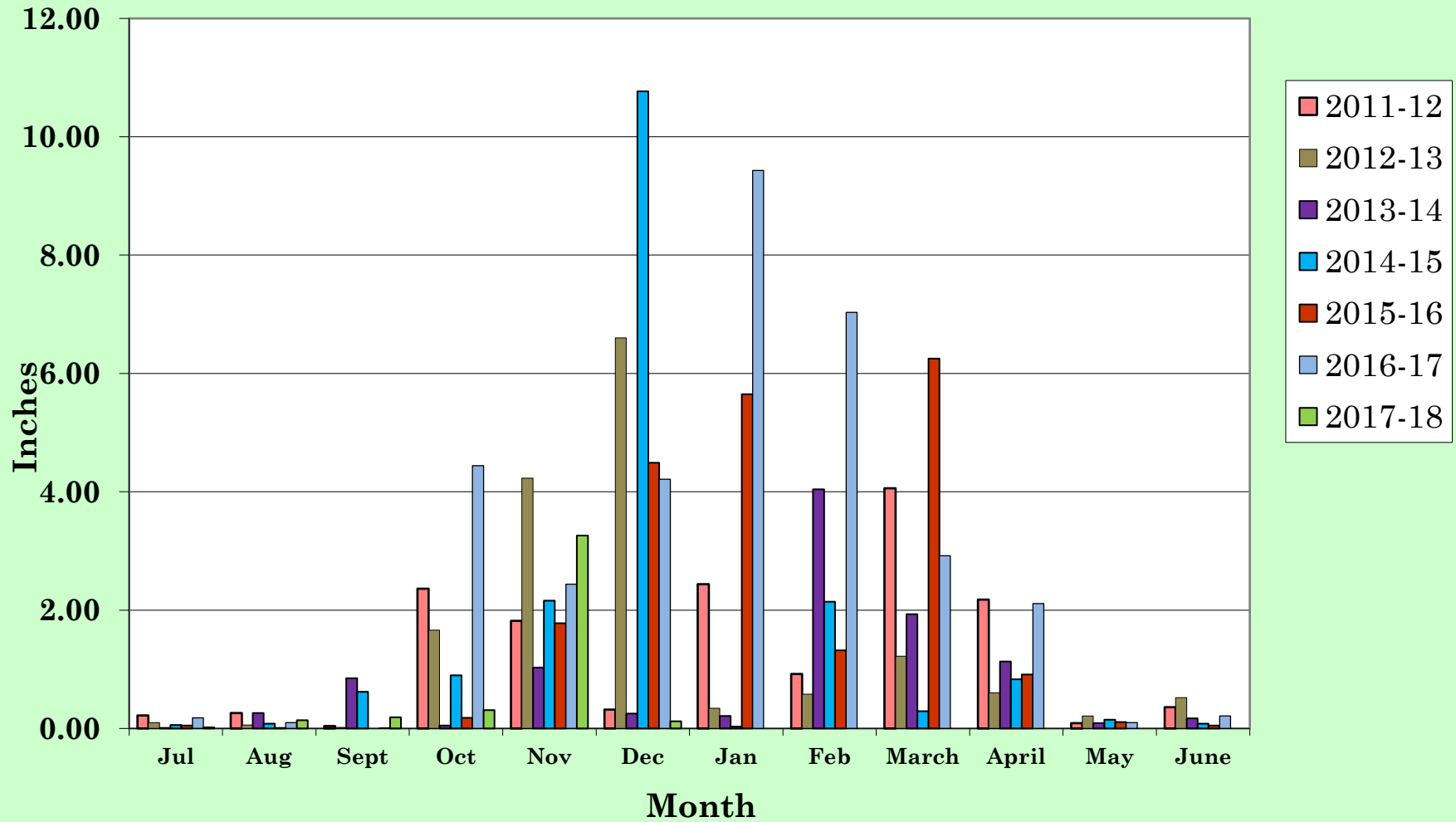
FY 2017

	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	MG to Date
RESIDENTIAL	19.638	39.197	19.950	34.540	16.008	28.428	17.071	24.825	12.670	27.256	15.528	34.380	289.49
COMMERCIAL	3.731	3.032	3.597	2.698	2.969	2.321	2.599	1.930	2.766	2.203	3.143	2.435	33.42
RESTAURANT	1.745	1.569	1.937	1.353	1.596	1.260	1.343	0.975	1.405	1.204	1.682	1.325	17.40
HOTELS/MOTELS	3.004	3.420	2.778	2.425	2.239	1.857	2.048	1.700	2.288	2.200	2.795	2.323	29.08
SCHOOLS	0.659	0.754	0.723	0.722	0.332	0.223	0.131	0.470	0.238	0.329	0.503	0.573	5.66
MULTI DWELL	2.572	2.697	2.403	2.659	2.161	2.671	2.377	2.503	2.403	2.717	2.718	2.741	30.62
BEACHES/PARKS	0.579	0.500	0.406	0.343	0.206	0.120	0.153	0.097	0.198	0.185	0.337	0.414	3.54
AGRICULTURE	5.160	5.131	4.784	7.124	5.950	4.090	4.353	4.155	5.704	6.320	6.927	5.422	65.12
RECREATIONAL	0.242	0.282	0.221	0.220	0.186	0.211	0.185	0.192	0.214	0.263	0.227	0.300	2.74
MARINE	0.498	0.524	0.638	0.391	0.501	0.565	0.464	0.418	0.462	0.427	0.496	0.372	5.76
IRRIGATION	1.538	3.239	2.703	2.395	0.471	0.406	0.377	0.199	0.304	0.489	2.257	3.172	17.55
RAW WATER	10.081	8.593	9.711	8.440	0.141	2.079	0.000	0.000	0.004	0.703	3.586	5.068	48.41
Detector Checks	0.009	0.011	0.013	0.007	0.008	0.025	0.022	0.019	0.062	0.021	0.019	0.023	0.24
Portable Meters	0.099	0.895	0.404	0.496	0.299	0.155	0.094	0.083	0.141	0.159	0.220	0.286	3.33
TOTAL - MG	49.55	69.85	50.27	63.81	33.07	44.41	31.22	37.57	28.86	44.48	40.44	58.83	552.35

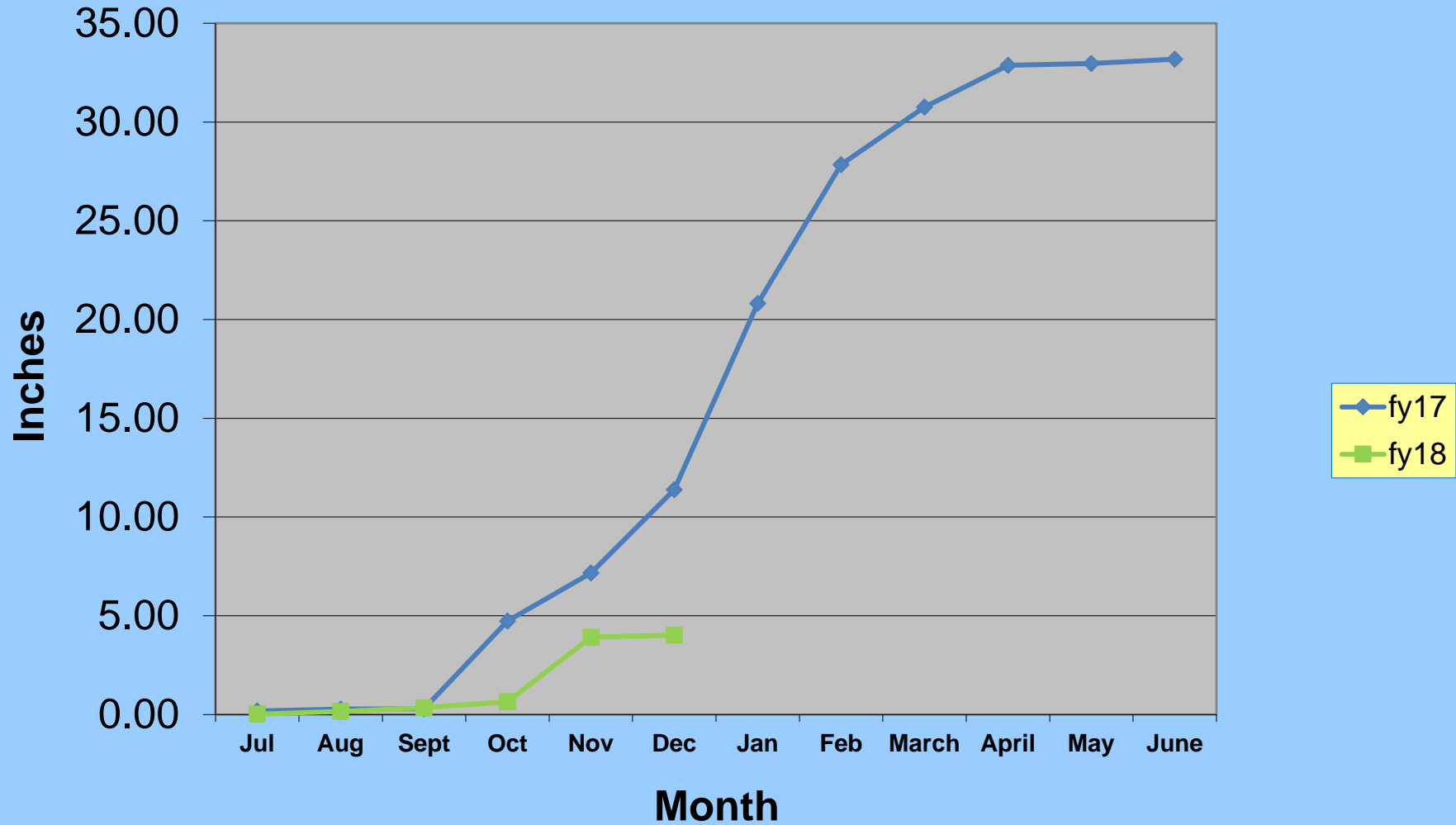
Coastside County Water District

Rainfall by Month

Fiscal Years 12 - 18



Rainfall Total Comparison Fiscal Years 17 and 18



San Francisco Public Utilities Commission Hydrological Conditions Report for November 2017

J. Chester, C. Graham, & N. Waelty, December 11, 2017



Hetch Hetchy Reservoir as seen from Google Earth.

Current Tuolumne System and Local Bay Area storage conditions are summarized in Table 1.

Table 1 Current Storage As of December 1, 2017							
Reservoir	Current Storage		Maximum Storage		Available Capacity		Percentage of Maximum Storage
	Acre-Feet	Millions of Gallons	Acre-Feet	Millions of Gallons	Acre-Feet	Millions of Gallons	
Tuolumne System							
Hetch Hetchy ¹	327,119		340,000		12,881		96.2%
Cherry ²	22,941		268,810		245,896		8.5%
Eleanor ³	24,286		26,416		2,130		91.9%
Water Bank	557,113		570,000		12,887		97.7%
Tuolumne Storage	931,459		1,205,226		273,767		77.3%
Local Bay Area Storage							
Calaveras ⁴	22,149	7,217	96,824	31,550	74,675	24,333	22.9%
San Antonio	44,080	14,364	50,496	16,454	6,416	2,091	87.3%
Crystal Springs	48,169	15,696	58,377	19,022	10,208	3,326	82.5%
San Andreas	16,781	5,468	18,996	6,190	2,216	722	88.3%
Pilarcitos	1,874	611	2,995	976	1,121	365	62.6%
Total Local Storage	133,053	43,355	227,688	74,192	94,634	30,837	58.4%
Total System	1,064,512		1,432,914		368,430		74.3%

¹ Maximum Hetch Hetchy Reservoir storage with drum gates deactivated.
² Maximum Cherry Lake storage with flash-boards removed.
³ Maximum Lake Eleanor storage with 3 of 4 rows of flash-boards installed.
⁴ Available capacity does not take into account current DSOD storage restrictions.

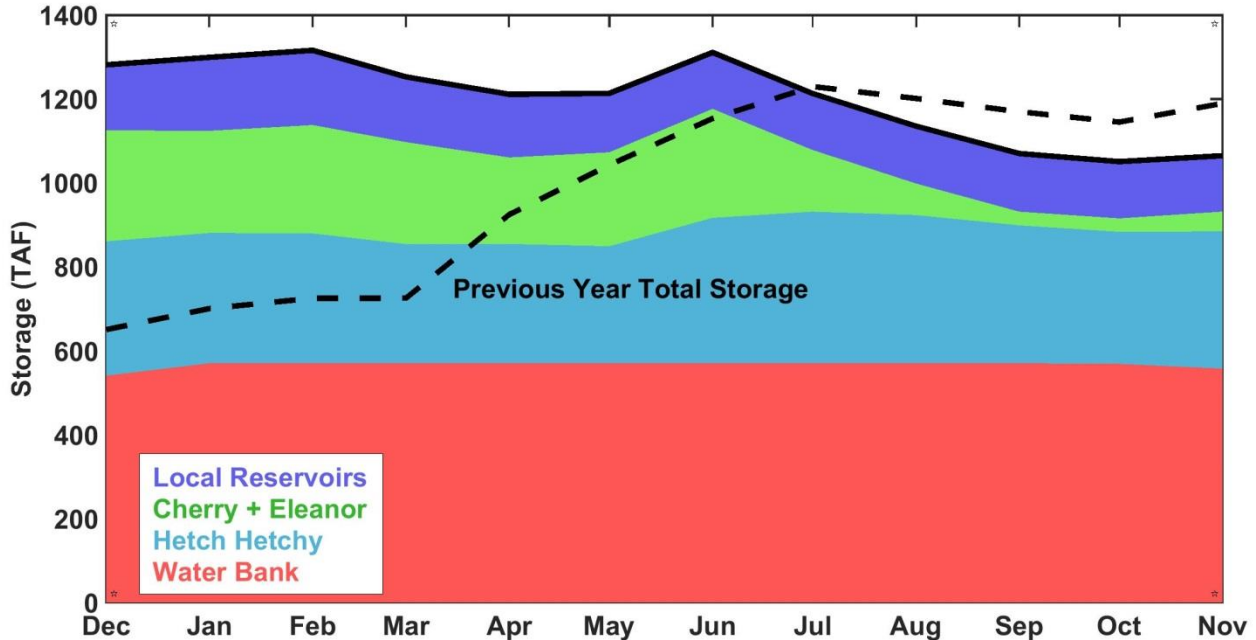


Figure 1: Monthly system storage for past 12 months in thousand acre-feet (TAF). Color bands show relative contributions to total system storage. Solid black line shows total system storage for the past 12 months. Dashed black line shows total system storage the previous 12 months.

Hetch Hetchy System Precipitation Index ^{5/}

Current Month: The November 2017 six-station precipitation index was 5.46 inches, or 130% of the average index for the month.

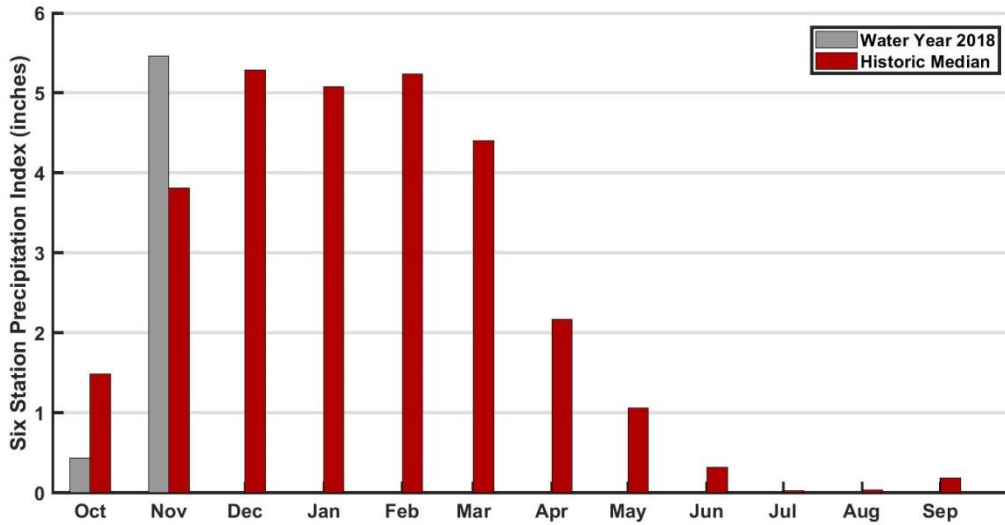


Figure 2: Monthly distribution of the Hetch Hetchy six-station precipitation index as percent of the annual average precipitation, as of November 1.

Cumulative Precipitation to Date: The accumulated six-station precipitation index for water year 2018 is 5.90 inches, which is 15% of the average annual water year total. Hetch Hetchy received 6.17 inches precipitation in November, for a total of 6.76 inches for Water Year 2018. The cumulative Hetch Hetchy precipitation is shown in Figure 3 in red.

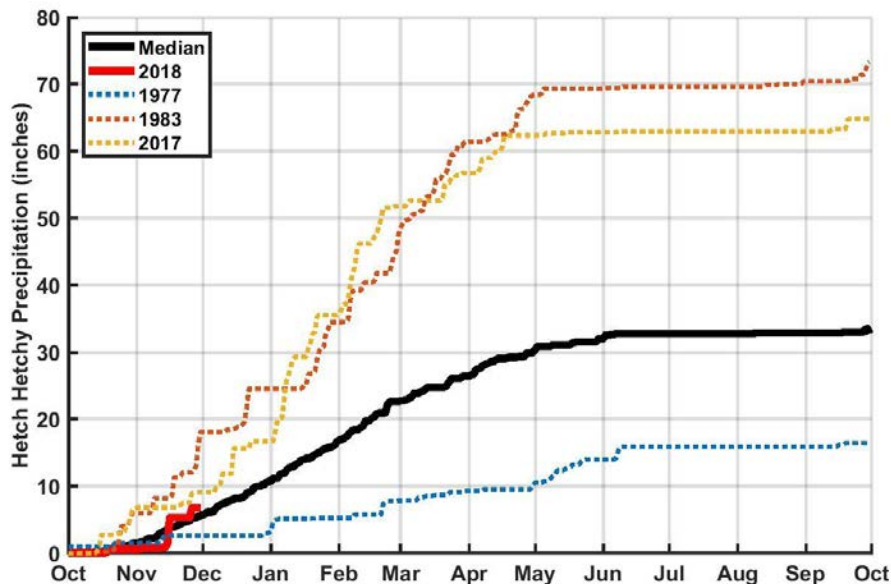


Figure 3: Water year 2018 cumulative precipitation measured at Hetch Hetchy Reservoir through December 1st, 2017. Precipitation at the Hetch Hetchy gauge for wet, dry, median, and WY 2017 are included for comparison purposes.

^{5/}The precipitation index is computed using six Sierra precipitation stations and is an indicator of the wetness of the basin for the water year to date. The index is computed as the average of the six stations and is expressed in inches and in percent.

Tuolumne Basin Unimpaired Inflow

Unimpaired inflow to SFPUC reservoirs and the Tuolumne River at La Grange as of December 1, 2017 is summarized below in Table 2.

*All flows are in acre feet	November 2017				October 1 through November 30, 2017			
	Observed Flow	Median ⁶	Mean ⁶	Percent of Mean	Observed Flow	Median ⁶	Mean ⁶	Percent of Mean
Inflow to Hetch Hetchy Reservoir	29,889	5,976	13,546	220.6%	35,082	10,442	19,970	175.7%
Inflow to Cherry Lake and Lake Eleanor	40,459	7,345	15,653	258.5%	43,127	11,983	21,190	203.5%
Tuolumne River at La Grange	96,430	19,980	44,950	214.5%	122,757	39,873	62,550	196.3%
Water Available to City	35,396	0	12,780	276.9%	35,396	0	15,363	240.3%

⁶Hydrologic Record: 1919 – 2015

Hetch Hetchy System Operations

Power draft and releases from Hetch Hetchy Reservoir during the month of November totaled 17,952 acre-feet to meet instream release requirements. Inflows to date are sufficient to keep Hetch Hetchy Reservoir in Year Type A through January, 2018. Hetch Hetchy minimum instream release requirements for December and January are 50 cfs.

7,980 acre-feet by valve releases was made from Cherry Lake during the month of November to meet instream release requirements and to re-lower Cherry Lake (due to increased inflows caused by storm events) for valve work. No water was transferred via pumping from Lake Eleanor to Cherry Lake in November. The required minimum instream release from Cherry Lake is 5 cfs through June 30th, 2018. Required minimum release from Lake Eleanor is 5 cfs through March 1st. Lake Eleanor is currently nearly full, with releases targeting minimum instream release requirements.

Regional System Treatment Plant Production

The Harry Tracy Water Treatment Plant average production rate for November was 67 MGD. The Sunol Valley Water Treatment Plant production for the month was 29 MGD.

Local System Water Delivery

The average November delivery rate was 170 MGD which is a 22% decrease below the October delivery rate of 219 MGD.

Local Precipitation

Precipitation was widespread across the watersheds through November. The rainfall summary for the month is presented in Table 3.

Reservoir	Month Total (inches)	Percentage of Average for the Month	Water Year to Date ⁷ (inches)	Percentage of Average for the Year-to-Date ⁷
Pilarcitos	6.04	126 %	6.65	94 %
Lower Crystal Springs	4.05	118 %	4.37	91 %
Calaveras	2.46	92 %	2.82	75 %

⁷ WY 2018: Oct. 2017 through Sep. 2018.

Snowmelt and Water Supply

Cherry Lake was lowered to 5,000 acre-feet (5 TAF) for outlet valve repairs and replacement. The storm before Thanksgiving raised Cherry Lake storage to 22 TAF – it is currently being lowered back to 5 TAF. This is the minimum target, and Cherry Lake is expected to slowly refill while repairs are being made. Butterfly valve repair work scheduled to be completed in January, allowing for lake refilling throughout the winter. The hollow jet replacement scheduled to be completed in February, allowing for return to normal operations at Cherry Lake. Lake Eleanor is being kept at maximum storage. Water from Lake Eleanor will be transferred to Cherry Lake as soon as construction allows, which may be as early as late-December.

Hetch Hetchy is currently at 327 TAF, within our seasonal storage target. If Hetch Hetchy storage increases above 330 TAF, some additional power generation will be scheduled to reduce back to our seasonal target.

A pair of November storms resulted in significant inflows to all reservoirs. Both storms were warm, resulting in predominantly rain rather than snow. No significant snowpack has accumulated at this date.

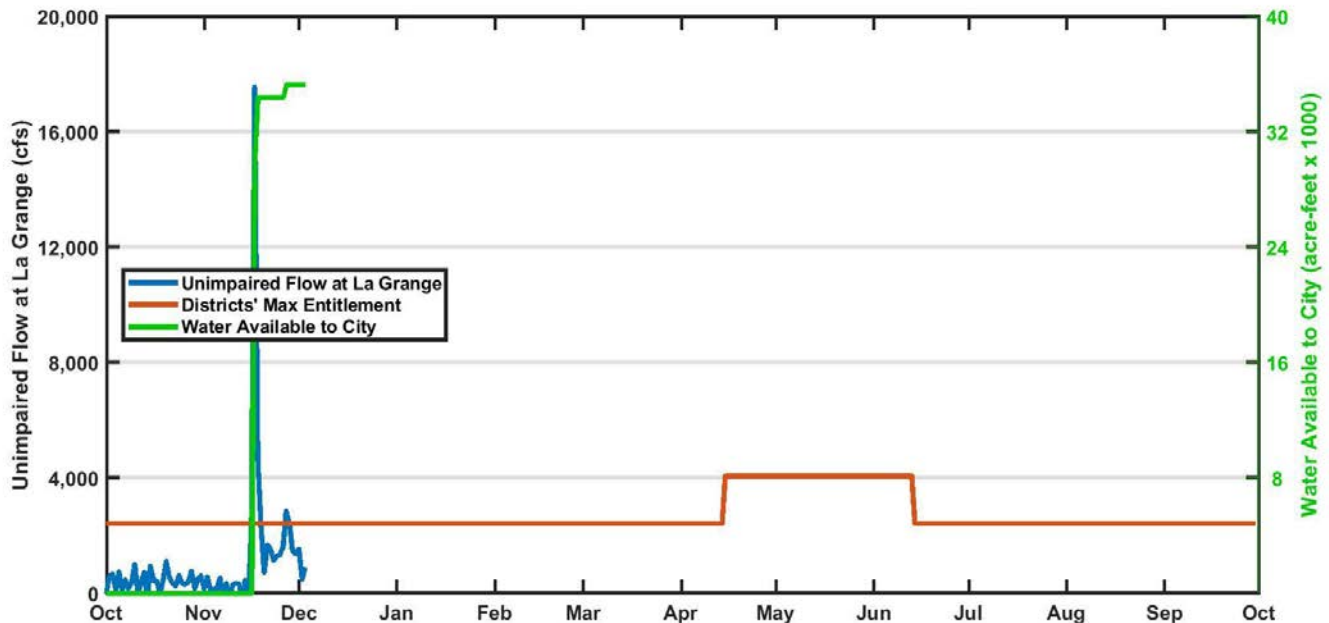


Figure 4: Calculated unimpaired flow at La Grange and the allocation of flows between the Districts and the City.

STAFF REPORT

To: Coastside County Water District Board of Directors

From: David R. Dickson, General Manager

Agenda: January 9, 2018

Date: January 4, 2018

Subject: Acceptance of a Non-Complex Pipeline Extension Project
Champs Elysee Avenue - Mark Stoloski and Robert Gonzalez

Recommendation:

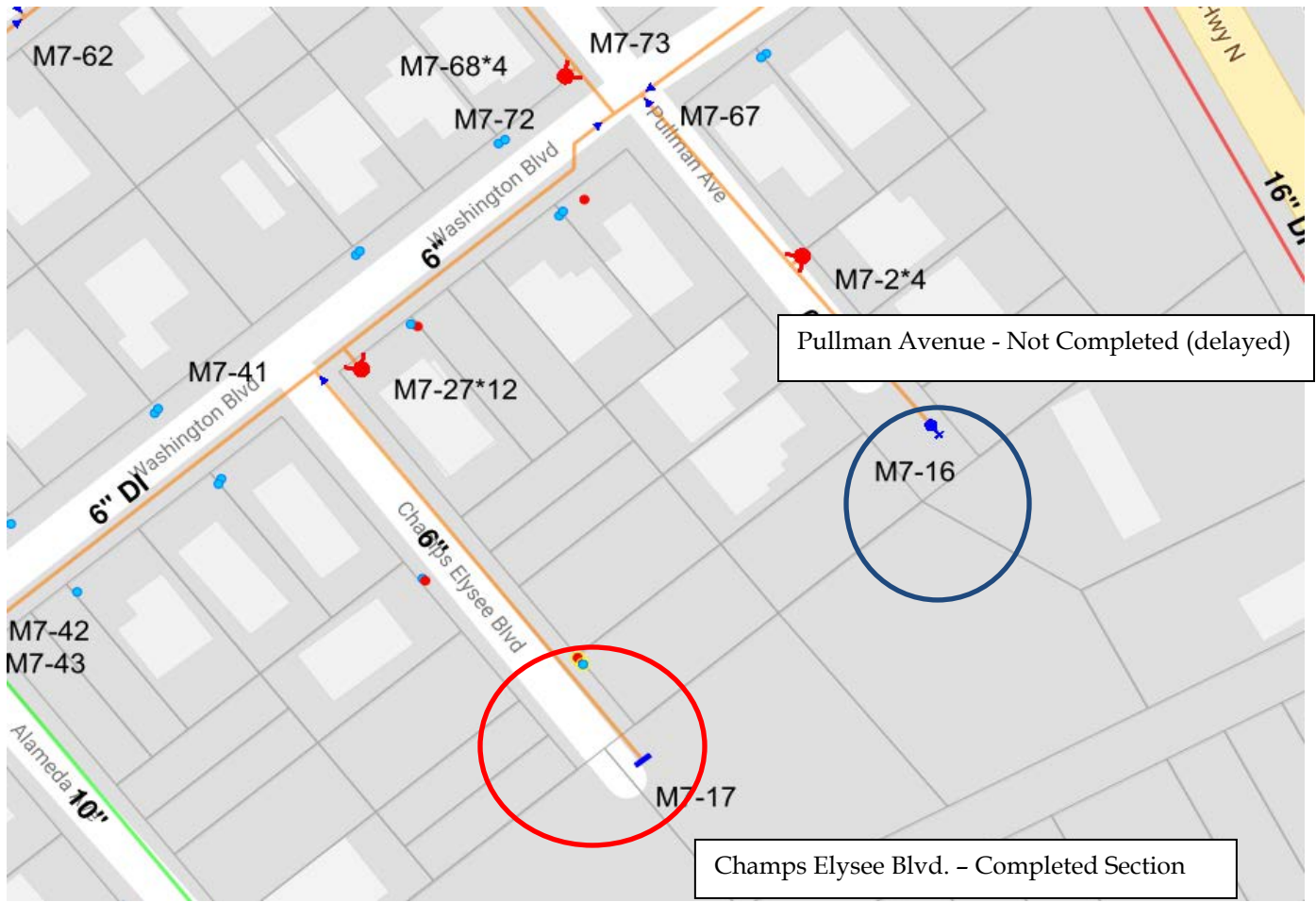
Accept water system improvements completed in Champs Elysee Boulevard in the City of Half Moon Bay under the terms of a Water Service Agreement (WSA) with Mark Stoloski and Robert Gonzalez dated August 12, 2016.

Background:

The WSA, approved by the Board at its July 12, 2016 meeting, included extending mains in Champs Elysee Boulevard and Pullman Avenue. The Champs Elysee portion of the work has been completed in compliance with all terms of the WSA. The District will accept the Pullman Avenue main extension, which has been delayed by permitting concerns, after its completion.

Fiscal Impact:

None.



STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, Assistant General Manager

Agenda: January 9, 2018

Report

Date: January 5, 2018

Subject: Coastside County Water District Basic Financial Statements and Independent Auditor's Report for the Fiscal Year Ended June 30, 2017

Recommendation:

Accept the Coastside County Water District Basic Financial Statements and Independent Auditor's Report for Fiscal Year Ended June 30, 2017.

Background:

Fedak & Brown LLP, the District's Independent Auditor, has completed work on the Basic Financial Statements for the Year Ended June 30, 2017. The Auditor's letter attests that the financial statements fairly represent the financial position of the District. No exceptions or concerns were noted.

Mr. Christopher Brown will be at the January Board meeting to discuss the Financial Statements and to answer the Board's questions.

Attachments:

- A. Coastside County Water District - Annual Financial Report for the Fiscal Year ended June 30, 2017
- B. Independent Auditor's Report on Internal Controls and Compliance



Coastside County Water District

Annual Financial Report

For the Fiscal Year Ended June 30, 2017





Mission Statement

The mission of Coastside County Water District is to provide our customers with high quality water and service at the lowest possible price, in accordance with the following values:

- *Reliability and sustainability of system facilities*
- *Timeliness of District policies, procedures, actions and decisions*
- *50-year outlook when replacing infrastructure*
- *Legality of all District actions and behaviors*
- *Culture of openness, fairness and inclusiveness*

Board of Directors as of June 30, 2017

<u>Name</u>	<u>Title</u>	<u>Elected/ Appointed</u>	<u>Current Term</u>
Glenn Reynolds	President	Elected	11/16-11/20
Bob Feldman	Vice-President	Appointed	11/14-11/18
Arnie Glassberg	Director	Elected	11/16-11/20
Ken Coverdell	Director	Elected	11/16-11/20
Chris Mickelsen	Director	Elected	11/14-11/18

**Coastside County Water District
David Dickson, General Manager
766 Main Street
Half Moon Bay, California 94019
(650) 726-4405 – www.coastsidewater.org**

Coastside County Water District

Annual Financial Report

For the Fiscal Year Ended June 30, 2017

**Coastside County Water District
Annual Financial Report
For the Fiscal Year Ended June 30, 2017**

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Financial Section

Independent Auditor's Report

Board of Directors
Coastside County Water District
Half Moon Bay, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Coastside County Water District (District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. The accompanying financial statements of the District as of June 30, 2016, were audited by other auditors whose report dated January 3, 2017, expressed an unmodified opinion on those statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of June 30, 2017, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Independent Auditor's Report, continued

Emphasis of Matter

As described in Note 11 to the financial statements, the District restated net position related to the difference in calculations of pension deferrals related to the net pension liability, for the year ended June 30, 2016. Our opinion is not modified with respect to this matter.

Prior Period Restatement

As part of our audit of the June 30, 2017 financial statements, we also audited the adjustment described in Note 11 that was applied to restate the June 30, 2016 financial statements. In our opinion, the adjustments are appropriate and have been properly applied.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 and the required supplementary information on pages 36 through 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance. This report can be found on pages 39 and 40.

Fedak & Brown LLP

Cypress, California

January 9, 2018

Coastside County Water District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Coastside County Water District (District) provides an introduction to the financial statements of the District for the fiscal year ended June 30, 2017. The following presentation is provided for comparative purposes. We encourage readers to consider the information presented here in conjunction with the basic financial statements and related notes, which follow this section.

Financial Highlights

- Net position increased 7.62%, or \$2,802,694 to \$39,575,817, as a result of ongoing operations and the effect of a prior period adjustment related to pension deferrals. See note 11 for further information.
- Operating revenues increased 13.21%, or \$1,269,802.
- Non-operating revenues decreased 7.72%, or \$113,621.
- Operating expenses decreased .50%, or \$35,431.
- Non-operating expenses increased 20.04%, or \$110,307.

Required Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The Statement of Net Position includes all of the District's investments in resources (assets) and deferred outflows of resources, and the obligations to creditors (liabilities) and deferred inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Financial Analysis of the District

One of the most important question asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about the District in a way that helps answer this question.

These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

Coastside County Water District
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2017

Financial Analysis of the District, continued

These two statements report the District's *net position* and changes in them. One can think of the District's net position – the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources – as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position are one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation, such as changes in Federal and State water quality standards.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 12 through 35.

Statements of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets of the District exceeded liabilities by \$39,575,817 as of June 30, 2017.

Condensed Statements of Net Position

	<u>2017</u>	<u>As Restated 2016</u>	<u>Change</u>
Assets:			
Current assets	\$ 7,446,689	4,462,907	2,983,782
Capital assets, net	<u>51,812,583</u>	<u>48,506,604</u>	<u>3,305,979</u>
Total assets	<u>59,259,272</u>	<u>52,969,511</u>	<u>6,289,761</u>
Deferred outflows of resources:			
Deferred pension outflows	<u>1,726,811</u>	<u>1,088,483</u>	<u>638,328</u>
Liabilities:			
Current liabilities	1,784,498	1,198,161	586,337
Non-current liabilities	<u>19,469,827</u>	<u>15,700,536</u>	<u>3,769,291</u>
Total liabilities	<u>21,254,325</u>	<u>16,898,697</u>	<u>4,355,628</u>
Deferred inflows of resources:			
Deferred pension inflows	<u>155,941</u>	<u>386,174</u>	<u>(230,233)</u>
Net position:			
Net investment in capital assets	36,370,412	36,326,164	44,248
Restricted	266,931	1,099,585	(832,654)
Unrestricted	<u>2,938,474</u>	<u>(652,626)</u>	<u>3,591,100</u>
Total net position	<u>\$ 39,575,817</u>	<u>36,773,123</u>	<u>2,802,694</u>

By far, the largest portion of the District's net position (92% as of June 30, 2017) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to customers within the District's service area; consequently, these assets are not available for future spending.

At the end of fiscal year 2017, the District showed a positive balance in its unrestricted net position of \$2,938,474, which may be utilized in future years. See note 10 for further information.

Coastside County Water District
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2017

Statements of Revenues, Expenses and Changes in Net Position

	<u>2017</u>	<u>As Restated 2016</u>	<u>Change</u>
Revenue:			
Operating revenue	\$ 10,882,907	9,613,105	1,269,802
Non-operating revenue	<u>1,357,837</u>	<u>1,471,458</u>	<u>(113,621)</u>
Total revenue	<u>12,240,744</u>	<u>11,084,563</u>	<u>1,156,181</u>
Expense:			
Operating expense	7,081,068	7,116,499	(35,431)
Depreciation	1,696,287	1,629,482	66,805
Non-operating expense	<u>660,695</u>	<u>550,388</u>	<u>110,307</u>
Total expense	<u>9,438,050</u>	<u>9,296,369</u>	<u>141,681</u>
Change in net position	2,802,694	1,788,194	1,014,500
Net position, beginning of year – as restated	<u>36,773,123</u>	<u>34,984,929</u>	<u>1,788,194</u>
Net position, end of year	<u>\$ 39,575,817</u>	<u>36,773,123</u>	<u>2,802,694</u>

The statements of revenues, expenses and changes of net position show how the District's net position changed during the fiscal years. In the case of the District, the change in net position increased 7.62%, or \$2,802,694 to \$39,575,817, as a result of ongoing operations. In fiscal year 2017, the District determined there was an error in the prior year pension deferral calculation. As a result, net position as previously reported increased by \$633,526 from \$36,139,597 to \$36,773,123. See note 11 for further information.

A closer examination of the sources of changes in net position reveals that:

In fiscal year 2017, the District's operating revenues increased 13.21%, or \$1,269,802, due to increases of \$1,250,348 in water consumption sales and \$19,454 in other charges and services.

In fiscal year 2017, the District's non-operating revenues decreased 7.72%, or \$113,621, primarily due to a decrease of \$184,346 in transmission and storage fees, which was offset by increases of \$34,500 in property taxes, \$17,980 in investment earnings, and \$11,320 in rental revenue.

In fiscal year 2017, the District's operating expenses decreased .50%, or \$35,431, primarily due to a decrease of \$178,976 in source of supply, which was offset by increases of \$40,088 in pumping costs, \$83,291 in transmission and distribution, and \$20,166 in general and administrative expenses.

In fiscal year 2017, the District's non-operating expenses increased 20.04%, or \$110,307, primarily due to an increase of \$108,799 in interest expense.

Coastside County Water District
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2017

Capital Asset Administration

Changes in capital asset amounts for 2017 were as follows:

	<u>Balance 2016</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2017</u>
Capital assets:				
Non-depreciable assets	\$ 2,892,250	3,229,411	(63,605)	6,058,056
Depreciable assets	74,308,557	1,844,209	(1,128,947)	75,023,819
Accumulated depreciation	<u>(28,694,204)</u>	<u>(1,696,287)</u>	<u>1,121,199</u>	<u>(29,269,292)</u>
Total capital assets, net	<u>\$ 48,506,603</u>	<u>3,377,333</u>	<u>(71,353)</u>	<u>51,812,583</u>

At the end of fiscal year 2017, the District's investment in capital assets amounted to \$51,812,583 (net of accumulated depreciation). This investment in capital assets includes land, source of supply infrastructure, transmission and distribution systems, the Crystal Springs pump station, treatment plants, well fields and tanks, pipelines and meters, buildings and structures, vehicles, furniture and equipment, and construction-in-process. See note 3 for further information.

Debt Administration

Changes in long-term debt amounts for 2017 were as follows:

	<u>Balance 2016</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2017</u>
Long-term debt:				
Bonds payable	\$ 5,576,783	-	(222,752)	5,354,031
Loans payable	<u>6,603,657</u>	<u>3,648,491</u>	<u>(164,008)</u>	<u>10,088,140</u>
Total long-term debt	<u>\$ 12,180,440</u>	<u>3,648,491</u>	<u>(386,760)</u>	<u>15,442,171</u>

See note 6 for further information.

Conditions Affecting Current Financial Position

Management is unaware of any conditions which could have a significant impact on the District's current financial position, net position or operating results based on past, present and future events.

Requests for Information

This financial report is designed to provide the District's funding sources, customers, stakeholders and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's Assistant General Manager at 766 Main Street, Half Moon Bay, California 94019 – (650) 726-5245.

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Basic Financial Statements

Coastside County Water District
Statement of Net Position
June 30, 2017

	2017
Current assets:	
Cash and cash equivalents (note 2)	\$ 5,276,856
Restricted – cash and cash equivalents (note 2)	16,931
Accrued interest receivable	16,515
Accounts receivable – water sales and services	1,811,518
Accounts receivable – other	35,605
Accounts receivable – property taxes	16,610
Materials and supplies inventory	156,017
Water-in-storage inventory	27,272
Prepaid expenses and other deposits	60,025
Bond issuance costs, net	29,340
Total current assets	7,446,689
Non-current assets:	
Capital assets – not being depreciated (note 3)	6,058,056
Capital assets, net – being depreciated (note 3)	45,754,527
Total non-current assets	51,812,583
Total assets	59,259,272
Deferred outflows of resources:	
Deferred pension outflows (note 7)	1,726,811
Total deferred outflows of resources	\$ 1,726,811

Continued on next page

See accompanying notes to the basic financial statements

**Coastside County Water District
Statement of Net Position, continued
June 30, 2017**

	2017
Current liabilities:	
Accounts payable and accrued expenses	\$ 908,336
Accrued wages and related payables	43,943
Customer deposits and deferred revenue	66,428
Accrued interest payable	207,432
Long-term liabilities – due within one year:	
Compensated absences (note 4)	38,611
Bonds payable (note 6)	235,000
Loans payable (note 6)	284,748
Total current liabilities	1,784,498
Non-current liabilities:	
Long-term liabilities – due in more than one year:	
Compensated absences (note 4)	115,833
Other post-employment benefit obligation (note 5)	881,815
Bonds payable (note 6)	5,119,031
Loans payable (note 6)	9,803,392
Net pension liability (note 7)	3,549,756
Total non-current liabilities	19,469,827
Total liabilities	21,254,325
Deferred inflows of resources:	
Deferred pension inflows (note 7)	155,941
Total deferred inflows	155,941
Net position:	
Net investment in capital assets (note 8)	36,370,412
Restricted (note 9)	266,931
Unrestricted (note 10)	2,938,474
Total net position	\$ 39,575,817

See accompanying notes to the basic financial statements

Coastside County Water District
Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2017

	2017
Operating revenues:	
Water consumption sales	\$ 10,845,348
Other charges for services	37,559
Total operating revenues	10,882,907
Operating expenses:	
Source of supply	2,222,253
Pumping	1,094,697
Transmission and distribution	1,406,609
General and administrative	2,357,509
Total operating expenses	7,081,068
Operating income before depreciation expense	3,801,839
Depreciation expense – capital recovery	(1,696,287)
Operating income	2,105,552
Non-operating revenue(expense):	
Property taxes	1,139,122
Investment earnings	23,729
Transmission and storage fees	16,030
Rental revenue	150,669
Interest expense	(637,988)
Amortization of debt issuance costs	(4,215)
Collection fees – County	(11,242)
Loss on disposition of assets	(7,250)
Other revenue	28,287
Total non-operating, net	697,142
Change in net position	2,802,694
Net position, beginning of year – as restated (note 11)	36,773,123
Net position, end of year	\$ 39,575,817

See accompanying notes to the basic financial statements

**Coastside County Water District
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2017**

	<u>2017</u>
Cash flows from operating activities:	
Cash receipts from customers for water sales and services	\$ 10,572,618
Cash paid to employees for salaries and wages	(2,466,525)
Cash paid to vendors and suppliers for materials and services	<u>(4,717,220)</u>
Net cash provided by operating activities	<u>3,388,873</u>
Cash flows from non-capital financing activities:	
Cash receipts from property taxes	1,138,763
Cash paid for collection fees	(11,242)
Other revenues	194,986
Other expenses	<u>(11,465)</u>
Net cash provided by operating activities	<u>1,311,042</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(4,742,608)
Proceeds from issuance of debt	3,648,491
Principal paid on long-term debt	(386,760)
Interest paid on long-term debt	<u>(593,643)</u>
Net cash used in capital and related financing activities	<u>(2,074,520)</u>
Cash flows from investing activities:	
Investment earnings	<u>10,611</u>
Net cash provided by investing activities	<u>10,611</u>
Net increase in cash and cash equivalents	2,636,006
Cash and cash equivalents, beginning of year	<u>2,657,781</u>
Cash and cash equivalents, end of year	<u><u>\$ 5,293,787</u></u>
Reconciliation of cash and cash equivalents to the statement of financial position:	
Cash and cash equivalents	\$ 5,276,856
Restricted assets – cash and cash equivalents	<u>16,931</u>
Total cash and cash equivalents	<u><u>\$ 5,293,787</u></u>

Continued on next page

See accompanying notes to the basic financial statements

**Coastside County Water District
Statement of Cash Flows, continued
For the Fiscal Year Ended June 30, 2017**

	2017
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 2,105,552
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,696,287
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
(Increase)Decrease in assets:	
Accounts receivable – water sales and services	(292,870)
Accounts receivable – other	(35,605)
Materials and supplies inventory	28,583
Water-in-storage inventory	(27,272)
Prepaid expenses and other deposits	(9,102)
Unamortized bond issuance costs	1,967
Increase in deferred outflows of resources	(638,328)
Increase(Decrease) in liabilities and deferred inflows:	
Accounts payable and accrued expenses	408,550
Accrued wages and related payables	(27,583)
Customer deposits and deferred revenue	18,186
Compensated absences	48,396
Other post-employment benefit obligation	(129,829)
Net pension liability	472,174
Decrease in deferred inflows of resources	(230,233)
Total adjustments	1,283,321
Net cash provided by operating activities	\$ 3,388,873
Non cash investing, capital and related financing activities:	
Amortization of debt issuance costs	\$ 4,215

See accompanying notes to the basic financial statements

Coastside County Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The Coastside County Water District (District) was formed in July 1947 for the purposes of furnishing potable water within the District's service area. The District operates under the authority of the provisions found in Division 12 of the State of California Water Code. The District is located in San Mateo County and includes the City of Half Moon Bay and the unincorporated communities of El Granada, Miramar, and Princeton-By-The-Sea. The District provides water to approximately 17,000 customers. The District is governed by a five-member Board of Directors who serve overlapping four-year terms.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Standards Board Statement No. 61, *The Financial Reporting Entity*. The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

B. Basis of Accounting and Measurement Focus

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing water to its service area on a continuing basis be financed or recovered primarily through user charges (water sales), capital grants and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as water sales and water purchases, result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

C. Financial Reporting

The District's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the District's proprietary fund.

The District has adopted the following GASB pronouncements in the current year:

In June 2015, the GASB issued Statement No. 74 – *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness or information about postemployment benefits other than pensions (other postemployment benefits of OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2017

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

C. Financial Reporting, continued

This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No.50, *Pension Disclosures*.

The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2016. There currently is no impact of the implementation of this Statement to the District's financial statements at this time.

In August 2015, the GASB issued Statement No. 77 – *Tax Abatement Disclosures*. The objective of this Statement is to improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Financial statement users need information about certain limitations on a government's ability to raise resources. This includes limitations on revenue-raising capacity resulting from governmental programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. Tax abatements are widely used by state and local governments, particularly to encourage economic development.

In December 2015, the GASB issued Statement No. 78 – *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that meet certain criteria.

In January 2016, the GASB issued Statement No. 80 – *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*.

In March 2016, the GASB issued Statement No. 82 – *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No.73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2017

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred inflows and Net Position

1. Use of Estimates

The preparation of the basic financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

2. Cash and Cash Equivalents

Substantially all of the District's cash is invested in interest bearing accounts. The District considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

3. Investments

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

4. Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset, as follows:

- *Level 1* – This valuation level is based on quoted prices in active markets for identical assets.
- *Level 2* – This valuation level is based on directly observable and indirectly observable inputs. These inputs are derived principally from or corroborated by observable market data through correlation or market-corroborated inputs. The concept of market-corroborated inputs incorporates observable market data such as interest rates and yield curves that are observable at commonly quoted intervals.
- *Level 3* – This valuation level is based on unobservable inputs where assumptions are made based on factors such as prepayment rates, probability of defaults, loss severity and other assumptions that are internally generated and cannot be observed in the market.

5. Accounts Receivable

The District extends credit to customers in the normal course of operations. Management has evaluated the accounts and believes all accounts are collectible at June 30. When management deems customer accounts uncollectible, the District uses the direct write off method for the write-off those accounts to bad debt expense.

6. Restricted Assets

Certain assets of the District are restricted for use by ordinance or debt covenant and, accordingly, are shown as restricted assets on the accompanying statements of net assets. The District uses restricted resources, prior to using unrestricted resources, to pay expenditures meeting the criteria imposed on the use of restricted resources by a third party.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2017

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position, continued

7. Inventory and Water-in-Storage

Materials and supplies inventory consists primarily of water meters, pipe and pipefittings for construction and repair to the District's water transmission and distribution system. Inventory is valued at cost using the weighted-average method. Inventory items are charged to expense at the time that individual items are withdrawn from inventory or consumed. Water-in-storage is valued at average cost.

8. Prepaids

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

9. Bond issuance costs, net

Capitalized bond issuance costs consist of prepaid surety insurance costs, related to the issuance of the Districts 2006 Series B Revenue Refunding bond debt. These prepaid costs were recognized as an asset upon issuance and are being amortized (expensed) over the life of the related debt.

10. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated assets are recorded at estimated fair market value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Source of supply infrastructure – 10 to 50 years
- Transmission and distribution system – 50 years
- Pump station – Crystal Springs – 50 years
- Treatment Plants – 30 years
- Well field and tanks – 10 to 50 years
- Buildings and structures – 5 to 50 years
- Vehicles – 5 to 10 years
- Furniture and equipment – 5 to 10 years

11. Deferred Outflows of Resources

The statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of resources applicable to future periods and therefore will *not* be recognized as an outflow of resources (expenditure) until that time. The District has the following pension related items that qualify for reporting in this category:

- Deferred outflow which is equal to the employer contributions made after the measurement date of the net pension liability. This amount will be amortized-in-full against the net pension liability in the next fiscal year.
- Deferred outflow for the net differences between the actual and expected experience which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2017

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position, continued

11. Deferred Outflows of Resources, continued

- Deferred outflow for the net difference in projected and actual earnings on investments of the pension plans fiduciary net position. This amount is amortized over a 5 year period.
- Deferred outflow for the net differences in actual and proportionate share of employer contribution and net changes in proportion which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.
- Deferred outflow for the net adjustment due to differences in the changes in proportions of the net pension liability which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.

12. Compensated Absences

The District's personnel policies provide for accumulation of vacation and sick leave. Liabilities for vacation and portions of sick leave are recorded when benefits are earned. Cash payment of unused vacation is available to those qualified employees when retired or terminated. Cash payment of unused sick leave is payable at 50% to those employees eligible for retirement and meet vesting requirements.

13. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and addition to/deduction from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation Date: June 30, 2015
- Measurement Date: June 30, 2016
- Measurement Period: July 1, 2015 to June 30, 2016

14. Deferred Inflows of Resources

The statement of net position will sometimes report a separate section for deferred inflows of resources. This financial statement element, *deferred inflows of resources*, represents an acquisition of resources applicable to future periods and therefore will *not* be recognized as an inflow of resources (revenue) until that time. The District has the following pension related item that qualifies for reporting in this category:

- Deferred inflow for the net changes in assumptions which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2017

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position, continued

15. Net Position

The District follows the financial reporting requirements of the GASB and reports net position under the following classifications:

- *Net Investment in Capital Assets Component of Net Position*– This component of net position consists of capital assets, net of accumulated depreciation, and reduced by any debt outstanding against the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt is included in this component of net position
- *Restricted Component of Net Position* – This component of net position consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through enabling legislation.
- *Unrestricted Component of Net Position* – This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted component of net position.

16. Property Taxes

Property taxes receivable at year-end are related to property taxes collected by the County of San Mateo, which have not been credited to the District's cash balance as of June 30. The property tax calendar is as follows:

Lien date	January 1
Levy date	July 1
Due dates	November 1 and February 1
Collection dates	December 10 and April 10

17. Capital Contributions

Capital contributions represent cash and capital asset additions contributed to the District by property owners, granting agencies or real estate developers desiring services that require capital expenditures or capacity commitment.

18. Budgetary Policies

The District adopts an annual non-appropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

19. Reclassification

The District has reclassified certain prior year information to conform to current year presentations.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2017

(2) Cash and Investments

Cash and investments as of June 30, are classified in the accompanying financial statements as follows:

	2017
Cash and cash equivalents	\$ 5,276,856
Cash and cash equivalents – restricted	16,931
Total cash and investments	\$ 5,293,787

Cash and cash equivalents as of June 30, consist of the following:

	2017
Cash on hand	\$ 700
Deposits with financial institutions	4,262,008
Deposits in Local Agency Investment Fund	1,031,079
Total cash and cash equivalents	\$ 5,293,787

As of June 30, the District's authorized deposits had the following maturities:

	2017
Deposits in Local Agency Investment Fund	194 days

Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized by the District in accordance with the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment in One Issuer
U.S. Treasury obligations	5 years	None	None
Federal agency and bank obligations	5 years	None	None
Certificates-of-deposit (negotiable or placed)	5 years	30%	10%
Commercial paper (prime)	270 days	10%	10%
Money market mutual funds	N/A	20%	None
State and local bonds, notes and warrants	N/A	None	None
California Local Agency Investment Fund (LAIF)	N/A	None	None

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2017

(2) Cash and Investments, continued

Investment in State Investment Pool, continued

The District's deposit and withdrawal restrictions and limitations are as follows:

- Same day transaction processing occurs for orders received before 10:00 a.m.
- Next day transactions processing occurs for orders received after 10:00 a.m.
- Maximum limit of 15 transactions (combination of deposits and withdrawals) per month.
- Minimum transaction amount requirement of \$5,000, in increments of a \$1,000 dollars.
- Withdrawals of \$10,000,000 or more require 24 hours advance.
- Prior to funds transfer, an authorized person must call LAIF to do a verbal transaction.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits.

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. Of the bank balances, up to \$250,000 held at each institution were federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Code and the District's investment policy contain legal and policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF and the Pool).

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to change with market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments, and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide for cash flow requirements and liquidity needed for operations.

At June 30, 2017, the District's investments held to maturity were categorized as twelve months or less.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2017

(2) Cash and Investments, continued

Concentration of Credit Risk

The District's investment policy contains no limitations on the amounts that can be invested in any one issuer as beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than for external investment pools) that represent 5% or more of total District's investments at June 30, 2017.

Fair Value Measurements

At June 30, 2017, the District did not hold any investments which require measurement at fair value on a recurring and non-recurring basis.

(3) Capital Assets

Major capital assets additions during the years include upgrades and extensions of the District's water transmission and distribution systems and equipment purchases in the following schedules:

Changes in capital assets for the year ended June 30 were as follows:

	<u>Balance 2016</u>	<u>Reclass</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2017</u>
Non-depreciable assets:					
Land	\$ 160,612	-	-	-	160,612
Construction-in-process	2,731,638	-	3,229,411	(63,605)	5,897,444
Total non-depreciable assets	<u>2,892,250</u>	<u>-</u>	<u>3,229,411</u>	<u>(63,605)</u>	<u>6,058,056</u>
Depreciable assets:					
Source of supply	401,040	-	-	-	401,040
Transmission and distribution	17,326,643	-	1,009,646	-	18,336,289
Pump station - Crystal Springs	23,924,637	1,426,805	80,421	-	25,431,863
Treatment plants	9,874,162	271,235	115,192	-	10,260,589
Well field and tanks	2,838,330	-	332,635	-	3,170,965
Contributed	2,899,227	(2,899,227)	-	-	-
Pipelines and meters	12,335,858	1,201,187	70,038	-	13,607,083
Buildings and structures	1,018,885	-	8,611	(7,532)	1,019,964
Vehicles	807,590	-	67,671	(353,209)	522,052
Furniture and equipment	2,882,185	-	159,995	(768,206)	2,273,974
Total depreciable assets	<u>74,308,557</u>	<u>-</u>	<u>1,844,209</u>	<u>(1,128,947)</u>	<u>75,023,819</u>
Accumulated depreciation:					
Depreciable assets	(28,694,204)	-	(1,696,287)	1,121,199	(29,269,292)
Total accumulated depreciation	<u>(28,694,204)</u>	<u>-</u>	<u>(1,696,287)</u>	<u>1,121,199</u>	<u>(29,269,292)</u>
Total depreciable assets, net	<u>45,614,353</u>	<u>-</u>	<u>147,922</u>	<u>(7,748)</u>	<u>45,754,527</u>
Total capital assets, net	\$ <u>48,506,603</u>	<u>-</u>	<u>3,377,333</u>	<u>(71,353)</u>	<u>51,812,583</u>

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2017

(4) Compensated Absences

Changes to compensated absences for the year ended June 30 were as follows:

<u>Balance</u> <u>2016</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance</u> <u>2017</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
\$ 106,048	201,005	(152,609)	\$ 154,444	\$ 38,611	\$ 115,833

(5) Other Post-Employment Benefits Obligation

Plan Description

The District provides other post-employment benefits (OPEB) to qualified employees who retire from the District and meet the District’s vesting requirements. During the fiscal year ended June 30, 2010, the District implemented GASB Statement No. 45, which changed the accounting and financial reporting used by local government employers for post-employment benefits. Previously, the costs of such benefits were generally recognized as expenses of local government employers on a pay-as-you-go basis. The new reporting requirements for these benefit programs as they pertain to the District are set forth below.

Eligibility for District-paid Benefits

To be eligible for retiree health benefits, an employee (including dependents) must retire from the District on or after age 55 with at least 15 years of continuous service. The District provides coverage of single-party medical, and vision premiums for life and dental benefits until age 65. Employees hired after November 14, 2006 and before November 1, 2008, will receive 50% of the benefits coverage offered. Employees hired after November 1, 2008, are not eligible for post-employment health benefits.

Membership in the Plan

Membership in the OPEB plan consisted of the following members as of June 30:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Active plan members	14	15	17
Retirees and beneficiaries receiving benefits	9	9	7
Total plan membership	<u>23</u>	<u>24</u>	<u>24</u>

Funding Policy

The District is required to accrue the *Annual Required Contribution (ARC) of the Employer*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current ARC rate is 13.22% of the annual covered payroll.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2017

(5) Other Post-Employment Benefits Obligation, continued

Annual OPEB Cost and Net OPEB Obligation

For the year ended June 30, 2017, the District's ARC cost is \$193,737. The District's net OPEB payable obligation amounted to \$881,515 for the year ended June 30, 2017. The District contributed \$67,668 in age adjusted contributions and premiums for current retiree OPEB premiums for the year ended June 30, 2017.

The balance at June 30 consists of the following:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual OPEB expense:			
Annual required contribution (ARC)	\$ 193,737	185,394	246,000
Interest on net OPEB obligation	33,839	28,616	-
Adjustment to annual required contribution	<u>(30,379)</u>	<u>(25,436)</u>	<u>-</u>
Total annual OPEB expense	<u>197,197</u>	<u>188,574</u>	<u>246,000</u>
Contributions:			
Retiree benefit payments paid	<u>(67,668)</u>	<u>(72,483)</u>	<u>(66,134)</u>
Total contributions made	<u>(67,668)</u>	<u>(72,483)</u>	<u>(66,134)</u>
Total change in net OPEB payable obligation	129,529	116,091	179,866
OPEB payable – beginning of year	<u>751,986</u>	<u>635,895</u>	<u>456,029</u>
OPEB payable – end of year	<u>\$ 881,515</u>	<u>751,986</u>	<u>635,895</u>

The District's Annual OPEB Cost, the Percentage of Annual OPEB Cost Contributed to the plan and the Net OPEB Obligation for the fiscal year ended June 30, 2017, and the two preceding years are shown in the following table.

<i>Three-Year History of Net OPEB Obligation</i>				
<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Retiree Benefit Payments</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2017	\$ 197,197	(67,668)	-34.31%	\$ 881,515
2016	188,574	(72,483)	-38.44%	751,986
2015	246,000	(66,134)	-26.88%	635,895

The most recent valuation (dated January 1, 2015) includes an Actuarial Accrued Liability and Unfunded Actuarial Accrued Liability of \$2,607,448. The covered payroll (annual payroll of active employees covered by the plan) for the year ended June 30, 2017, was \$2,135,603. The ratio of the unfunded actuarial accrued liability to annual covered payroll is 122.09%.

See the Schedule of Funding Status of the District's Other Post-Employment Benefits Obligation in the Required Supplementary Information Section on page 38.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2017

(5) Other Post-Employment Benefits Obligation, continued

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and the pattern of sharing of costs between the employer and plan members to that point. Consistent with the long-term perspective of actuarial calculations, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities for benefits.

The following is a summary of the actuarial assumptions and methods:

Valuation date	January 1, 2015
Actuarial cost method	Entry age normal cost method
Amortization method	Level percent of payroll amortization, closed
Remaining amortization period	25 Years as of the valuation date
Asset valuation method	N/A
Actuarial assumptions:	
Investment rate of return	4.50%
Projected salary increase	2.75%
Inflation - discount rate	2.75%
Healthcare - trend rate	4.00%

(6) Long-term Debt

Changes in long-term debt amounts for the year ended June 30 were as follows:

	<u>Balance</u> <u>2016</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>2017</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
Long-term debt:						
Bonds payable:						
2006B Water revenue refunding bonds	\$ 5,615,000	-	(225,000)	5,390,000	235,000	5,155,000
2006B discount	(38,217)	-	2,248	(35,969)	-	(35,969)
Total bonds payable	<u>5,576,783</u>	<u>-</u>	<u>(222,752)</u>	<u>5,354,031</u>	<u>235,000</u>	<u>5,119,031</u>
Loans payable:						
CIEDB Installment Loan – 2011	6,143,789	-	(164,008)	5,979,781	168,585	5,811,196
CIEDB Installment Loan – 2016	459,868	3,648,491	-	4,108,359	116,163	3,992,196
Total loans payable	<u>6,603,657</u>	<u>3,648,491</u>	<u>(164,008)</u>	<u>10,088,140</u>	<u>284,748</u>	<u>9,803,392</u>
Long-term debt	<u>\$ 12,180,440</u>	<u>3,648,491</u>	<u>(386,760)</u>	<u>15,442,171</u>	<u>519,748</u>	<u>14,922,423</u>

2006 Series B – Water Revenue Refunding Bonds

On June 1, 2006, the District issued \$7,295,000 of 2006 Series B Certificates of Participation to finance and refinance the construction of certain capital improvements to the District's water system. The bonds bear interest ranging from 3.50% to 4.75%. Debt service semi-annual installments are due each October 1st and April 1st with principal payments commencing on October 1, 2007, maturing in fiscal year 2033.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2017

(6) Long-term Debt, continued

2006 Series B – Water Revenue Refunding Bonds, continued

Future remaining debt service payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 235,000	248,919	483,919
2019	245,000	238,566	483,566
2020	255,000	226,831	481,831
2021	265,000	213,831	478,831
2022	280,000	200,206	480,206
2023-2027	1,615,000	786,003	2,401,003
2028-2032	2,030,000	360,525	2,390,525
2033	465,000	11,044	476,044
Total	5,390,000	<u>2,285,925</u>	<u>7,675,925</u>
Current	(235,000)		
Discount	<u>(35,969)</u>		
Long-term	<u>\$ 5,119,031</u>		

CEIDB Installment Loan – 2011

On October 10, 2011, the District entered into an installment loan in the amount \$6,765,500 from the California Infrastructure and Economic Development Bank (CIEDB) for the purpose of financing the construction of the Denniston Creek Water Treatment Plant improvement project. Terms of the loan included a 30-year term with semi-annual interest of 2.79% (plus an annual fee of 0.3%) which is payable on August 1 and February 1. Principal payments commenced on February 1, 2013, maturing in fiscal year 2042.

On March 1, 2015, the District and CEIDB into a replacement installment loan agreement for the outstanding balance of \$6,143,789 for the purpose of reducing the semi-annual interest to 2.54%.

Future remaining debt service payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 168,585	167,685	336,270
2019	173,288	162,837	336,125
2020	178,123	157,854	335,977
2021	183,093	152,733	335,826
2022	188,201	147,468	335,669
2023-2027	1,022,758	653,082	1,675,840
2028-2032	1,173,619	497,601	1,671,220
2033-2037	1,346,733	319,187	1,665,920
2038-2042	1,545,381	114,455	1,659,836
Total	5,979,781	<u>2,372,902</u>	<u>8,352,683</u>
Current	<u>(168,585)</u>		
Long-term	<u>\$ 5,811,196</u>		

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2017

(6) Long-term Debt, continued

CEIDB Installment Loan – 2016

On May 1, 2016, the District entered into an installment loan in the amount \$5,628,000 from the California Infrastructure and Economic Development Bank (CIEDB) for the purpose of financing the District's Facilities Improvements project. Terms of the loan included a 30-year term with semi-annual interest of 3.44% (plus an annual fee of 0.3%) which is payable on August 1 and February 1. Principal payments commenced on August 1, 2017, maturing in fiscal year 2046. As of June 30, 2017 the District had drawn \$4,108,359 of the total loan amount.

(7) Defined Benefit Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plan, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and the District's resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. The new legislation closed the District's CalPERS 2.0% at 60 (New Classic) Risk Pool Retirement Plan to new employee entrants effective December 31, 2012. Employees hired after January 1, 2013, and have not previously participated in a CalPERS plan are eligible for the District's CalPERS 2.0% at 62 Retirement Plan under PEPRA. New employees that have previously participated in the Classic Plan are eligible for the District's CalPERS 2.0% at 60 Retirement Plan.

The Plan's provisions and benefits in effect at June 30, 2017, are summarized as follows:

	Miscellaneous Plan		
	Classic	New Classic	PEPRA
	Prior to August 14, 2010	On or after January 1, 2013	On or after January 1, 2013
Hire date			
Benefit formula	2.5% @ 55	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	55 - 60	55 - 60	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.5% to 2.4%	1.0% to 2.5%
Required employee contribution rates	7.944%	6.886%	6.500%
Required employer contribution rates	10.808%	7.809%	6.930%

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2017

(7) Defined Benefit Pension Plan, continued

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers to be determined on an annual basis by the actuary and shall be effective on the July 1, following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30, by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

As of the fiscal year ended June 30, the contributions for the Plan were as follows:

	Miscellaneous Plan
	2017
Contributions – employer	\$ 490,718

Net Pension Liability

As of the fiscal year ended June 30, the District reported net pension liabilities for its proportionate share of the net pension liability of the Plan was as follows:

	Proportionate Share of Net Pension Liability
	2017
Miscellaneous Plan	\$ 3,549,756

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2016, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015, rolled forward to June 30, 2016, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the pension liability for the District's Plan as of the June 30, 2015 and 2016, was as follows:

	Miscellaneous
Proportion – June 30, 2015	0.04484%
Proportion – June 30, 2016	0.04102%
Change – Increase (Decrease)	0.00381%

Deferred Pension Outflows (Inflows) of Resources

As of June 30, 2017, the District recognized pension expense of \$94,329.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2017

(7) Defined Benefit Pension Plan, continued

Deferred Pension Outflows (Inflows) of Resources, continued

As of the fiscal year ended June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 490,718	-
Net differences between actual and expected experience	12,706	-
Net changes in assumptions	-	(155,941)
Net differences between projected and actual earnings on plan investments	811,623	-
Net differences between actual contribution and proportionate share of contribution	189,905	-
Net adjustment due to differences in proportions of net pension liability	<u>221,859</u>	<u>-</u>
Total	<u>\$ 1,726,811</u>	<u>(155,941)</u>

As of June 30 2017, employer pension contributions of \$490,718, reported as deferred outflows of resources related to contributions subsequent to the measurement date will be and was recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2018.

As of June 30, 2017, the District recognized other amounts reported by the Plan actuarial as deferred outflows of resources and deferred inflows of resources related to the pension liability. Pension related amounts will be recognized as pension expense as follows.

<u>Fiscal Year Ending June 30,</u>	<u>Deferred Net Outflows / (Inflows) of Resources</u>
2018	\$ 290,435
2019	269,886
2020	301,823
2021	218,008
2022	-
Thereafter	-

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2017

(7) Defined Benefit Pension Plan, continued

Actuarial Assumptions

The total pension liability in the June 30, 2016, actuarial valuation report was determined using the following actuarial assumptions:

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	7.65%
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Investment Rate of Return	7.50 % Net of Pension Plan Investment and Administrative Expenses; includes inflation
Mortality Rate Table*	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

* The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 Experience Study report. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.65% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, the amortization and smoothing periods recently adopted by CalPERS were utilized. The crossover test was performed for a miscellaneous agent plan and a safety agent plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments.

Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2017

(7) Defined Benefit Pension Plan, continued

Discount Rate, continued

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10*</u>	<u>Real Return Year 11+**</u>
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	20.0	0.99	2.43
Inflation Sensitive	6.0	0.45	3.36
Private Equity	10.0	6.83	6.95
Real Estate	10.0	4.50	5.13
Infrastructure and Forestland	2.0	4.50	5.09
Liquidity	1.0	(0.55)	(1.05)
Total	<u>100.0%</u>		

* An expected inflation of 2.5% used for this period

** An expected inflation of 3.0% used for this period

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the District's proportionate share of the net position liability for the Plan, calculated using the discount rate, as well as what the District's proportional share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

At June 30, 2017, the discount rate comparison was the following:

	<u>Discount Rate - 1% (6.65%)</u>	<u>Current Discount Rate (7.65%)</u>	<u>Discount Rate + 1% (8.65%)</u>
District's Net Pension Liability	\$ 5,098,289	3,549,756	2,269,969

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2017

(7) Defined Benefit Pension Plan, continued

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See pages 36 and 37 for the Required Supplementary Schedules.

Payable to the Pension Plan

At June 30, 2017, the District reported no payables for the outstanding amount of contribution to the pension plan.

(8) Net Investment in Capital Assets

Calculation of net investment in capital assets as of June 30 were as follows:

	2017
Capital assets:	
Capital assets – not being depreciated	\$ 6,058,056
Capital assets, net – being depreciated	45,754,527
Current:	
Bonds payable	(235,000)
Loans payable	(284,748)
Non-current:	
Bonds payable	(5,119,031)
Loans payable	(9,803,392)
Total net investment in capital assets	\$ 36,370,412

(9) Restricted Net Position

Calculation of restricted net position as of June 30 was as follows:

	2017
Restricted – cash and cash equivalents	\$ 16,931
Restricted – rate stabilization	250,000
Total restricted net position	\$ 266,931

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2017

(10) Unrestricted Net Position

Unrestricted net position as of June 30 were categorized as follows:

	2017
Non-spendable net position:	
Materials and supplies inventory	\$ 156,017
Water-in-storage inventory	27,272
Prepaid expenses and other deposits	29,340
Total non-spendable net position	212,629
Spendable net position are designated as follows:	
Unrestricted	2,725,845
Total spendable net position	2,725,845
Total unrestricted net position	\$ 2,938,474

(11) Adjustment to Net Position

Net Pension Liability – Pension Related Deferrals

In fiscal year 2017, the District determined that certain pension deferred outflows and inflows were calculated following incorrect assumptions. The assumptions followed to calculate the pension deferrals did not correctly take into consideration certain factors as described by the GASB 68 pronouncement. As a result, the District has adjusted net position as follows:

Net position at June 30, 2015, as previously stated	\$ 34,984,929
Effect of adjustment to pension related deferral:	
Differences between expected and actual experiences	(99,185)
Differences in changes in proportions of net pension liability	732,711
Total adjustment to net position	633,526
Change in net position at June 30, 2016, as previously stated	1,154,668
Net position at June 30, 2016, as restated	\$ 36,773,123

(12) Deferred Compensation Savings Plan

For the benefit of its employees, the District participates in a 457 Deferred Compensation Program (Program). The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust with The Variable Annuity Life Insurance Company (VALIC) and Mass Mutual for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors. The total market value of all plan assets held in trust at June 30, 2017, was \$1,776,044.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2017

(12) Deferred Compensation Savings Plan, continued

The District has implemented GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statements of net position.

(13) Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California water agencies. The purpose of the ACWA/JPIA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage. At June 30, 2017, the District participates in the ACWA/JPIA pooled programs for liability, property, and workers' compensation programs as follows:

- General and auto liability, public officials and employees' errors and omissions: The ACWA/JPIAs total risk financing self-insurance limits of \$5,000,000 per occurrence. The ACWA/JPIA purchased additional excess coverage layers: \$55 million for general, auto and public officials liability, which increases the limits on the insurance coverage noted above.

In addition, the District also has the following insurance coverage:

- Crime coverage up to \$100,000 per loss includes public employee dishonesty, depositor's forgery or alteration, theft, computer and funds transfer fraud coverage's, subject to \$1,000 deductible per loss.
- Property loss is paid at the replacement cost for property on file, if replaced within two years after the loss, otherwise paid on an actual cash value basis, to a combined total of \$150 million per loss, subject to a \$2,500 deductible per loss. Mobile equipment and vehicles, on file, are paid on actual cost value basis at time of loss and subject to \$1,000 deductible per loss.
- Boiler and machinery coverage for the replacement cost up to \$150 million per occurrence, subject to various deductibles depending on the type of equipment, on file.
- Workers' compensation coverage up to California statutory limits for all work related injuries/illnesses covered by California law; a pooled self-insured limit of \$2,000,000.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ending June 30, 2017, 2016 and 2015. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2017, 2016, and 2015, respectively.

(14) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2017, that has effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 75

In June 2015, the GASB issued Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2017

(14) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 75, continued

This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2017. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 81

In March 2016, the GASB issued Statement No. 81 – *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively.

Governmental Accounting Standards Board Statement No. 83

In November 2016, the GASB issued Statement No. 83 – *Certain Asset Retirement Obligations*. This Statement (1) addresses accounting and financial reporting for certain asset retirement obligations (AROs), (2) establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs, (3) requires that recognition occur when the liability is both incurred and reasonably estimable, (4) requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred, (5) requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation at least annually, and (6) and requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 84

In January 2017, the GASB issued Statement No. 84 – *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2017

(14) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 84, continued

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 85

In March 2017, the GASB issued Statement No. 85 – *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 86

In May 2017, the GASB issued Statement No. 86 – *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 87

In June 2017, the GASB issued Statement No. 87 – *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2017

(15) Commitments and Contingencies

Construction Contracts

The District has a variety of agreements with private parties relating to the installation, improvement or modification of water and wastewater facilities and distribution systems within its service area. The financing of such construction contracts is being provided primarily from the District's replacement reserves and capital contributions.

Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

(16) Subsequent Events

Events occurring after June 30, 2017, have been evaluated for possible adjustment to the financial statements or disclosure as of January 9, 2018, which is the date the financial statements were available to be issued. The District is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

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Required Supplementary Information

Coastside County Water District
District's Proportionate Share of the Net Pension Liability – Last Ten Years*
As of June 30, 2017

<u>Description</u>	<u>Measurement Date 6/30/2016</u>	<u>Measurement Date 6/30/2015</u>	<u>Measurement Date 6/30/2014</u>
District's Proportion of the Net Pension Liability	0.04102%	0.04484%	0.04212%
District's Proportionate Share of the Net Pension Liability	\$ 3,549,756	3,077,582	2,620,900
District's Covered-Employee Payroll	\$ 1,885,311	1,689,259	1,562,529
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	188.28%	182.19%	167.73%
District's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	69.14%	71.67%	76.34%

Notes:

Changes in Benefit Terms – For the measurement date June 30, 2016, there were no changes in the benefit terms.

Changes of Assumptions – For the measurement date June 30, 2016, there were no changes in the assumptions.

* Historical information presented above follows the measurement periods for which GASB 68 & 71 were applicable. The fiscal year ended June 30, 2015, was the first year of implementation required by GASB 68 & 71, therefore only three years are shown.

Coastside County Water District
Pension Plan Contributions – Last Ten Years*
As of June 30, 2017

Schedule of Pension Plan Contributions:	Fiscal Year 2016-2017	Fiscal Year 2015-2016	Fiscal Year 2014-2015
Actuarially Determined Contribution	\$ 489,709	451,848	389,014
Contribution's in Relation to the Actuarially Determined Contribution	<u>(490,718)</u>	<u>(461,241)</u>	<u>(415,861)</u>
Contribution Deficiency (Excess)	\$ <u>(1,009)</u>	<u>(9,393)</u>	<u>(26,847)</u>
Covered Payroll	\$ <u>1,885,311</u>	<u>1,689,259</u>	<u>1,562,529</u>
Contribution's as a percentage of Covered-employee Payroll	<u>25.97%</u>	<u>26.75%</u>	<u>24.90%</u>

Notes:

- * Historical information presented above follows the measurement periods for which GASB 68 & 71 were applicable. The fiscal year ended June 30, 2015, was the first year of implementation required by GASB 68 & 71, therefore only three years are shown.

Coastside County Water District
Schedule of Funding Status – Other Post-Employment Benefits Obligation
For the Fiscal Year Ended June 30, 2017

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
January 1, 2015	\$ -	2,607,448	2,607,448	0.00%	\$ 2,135,603	122.09%

Funding progress is presented for the years that an actuarial study has been prepared since the effective date of GASB Statement 45. Actuarial review and analysis of the post-employment benefits liability and funding status is performed every three years or annually if there are significant changes in the plan.

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Report on Internal Controls and Compliance

**Independent Auditor’s Report on Internal Controls Over Financial Reporting
And on Compliance and Other Matters Based on an Audits of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Board of Directors
Coastside County Water District
Half Moon Bay, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Coastside County Water District (District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprises the District’s basic financial statements, and have issued our report thereon dated January 9, 2018.

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered the District’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audits we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Independent Auditor's Report on Internal Controls Over Financial Reporting
And on Compliance and Other Matters Based on an Audits of Financial Statements
Performed in Accordance with *Government Auditing Standards*, (continued)**

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Fedak & Brown LLP
Cypress, California
January 9, 2018

STAFF REPORT

To: Coastside County Water District Board of Directors

From: David Dickson, General Manager

Agenda: January 9, 2018

Report

Date: January 4, 2018

Subject: Approval of First Amendment to Communications Site Lease with T-Mobile

Recommendation:

Authorize the General Manager to execute the attached First Amendment to the Communications Site Lease Agreement with T-Mobile dated June 26, 2008 for the cell site located at the District's Alves Tank property on Miramontes Point Road.

Background:

In June 2008, the District entered into a lease agreement with Metro-PCS (later acquired by T-Mobile) for a cell site at the Alves Tank property. Monthly rent for the site began at \$1800.00 and has increased to \$2,561.96 based on a 4% annual escalation factor. The total term of the Agreement, including three five-year extensions at the Lessee's option beyond the original five-year term, runs until June 2028. The Agreement specifies that any modifications to the cell site are subject to an increase in rent.

T-Mobile now proposes to modify the site's antenna array to relocate existing antennas and add three new, larger antennas. Our cell site consultant, Aaron Levinson of Communication Leasing Services, Inc. has assisted staff in negotiating a First Amendment to the Agreement which approves the site modifications and specifies additional rent of \$850.00 per month. The additional monthly rent would be subject to the same 4% annual escalation factor as the base rent.

Fiscal Impact:

Additional cell site revenue starting at \$10,200 per year.

FIRST AMENDMENT TO COMMUNICATIONS SITE LEASE AGREEMENT

THIS FIRST AMENDMENT TO COMMUNICATIONS SITE LEASE AGREEMENT ("First Amendment") is made and entered into on _____, 2017 ("Effective Date"), by and between Coastside County Water District, a Public Corporation ("Lessor"), and T-Mobile West LLC, a Delaware limited liability company, as successor-in-interest to MetroPCS California LLC, a Delaware limited liability company ("Lessee") (collectively, the "Parties").

Recitals

The Parties hereto recite, declare and agree as follows:

A. Lessor and Lessee entered into a COMMUNICATIONS SITE LEASE AGREEMENT, dated June 26, 2008 (the "Lease") for leased Premises (as therein described) commonly known as Assessor's Parcel Number 066-430-140 on Miramontes Pt. Rd. at Poppy Lane in Half Moon Bay, CA – San Mateo County (the "Lessor's Real Property").

B. Lessor and Lessee desire to enter into this First Amendment in order to modify and amend certain provisions of the Lease as described below.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee covenant and agree as follows:

1. Lessor Consent. Paragraphs 1 and 2 of the Lease ("Grant of Lease" and "Permitted Uses", respectively) are hereby modified to include the following modifications to the site: Lessor hereby grants Lessee the right and consents to Lessee's expansion of the Lessee's Facilities and the installation of additional equipment within the existing Premises, as described and depicted in their entirety on Exhibit B-1, attached hereto and by this reference incorporated herein, which equipment shall be considered hereafter as part of the "Lessee's Facilities" under the Lease. No additional equipment will be added to the Premises nor additional space used outside the existing Premises other than what is depicted on the attached Exhibit B-1. All new cabling required in Exhibit B-1 will fit within the existing cable runs used by Lessee prior to the execution of this First Amendment. After the full execution of this First Amendment, if the County of San Mateo (hereafter, "County") informs Lessor that it has received complaints from residents of the surrounding geographic area regarding the aesthetics of the additional antennas, then Lessee shall, at its sole cost and expense, make those modifications (after receiving Lessor's written approval) necessary to satisfy any new requirements of the County resulting from such complaints. As a separate matter, if the Lessor finds that the aesthetic appearance of the completed and built additional antennas and branches on the Monobush is not representative of the photo simulations attached hereto as part of Exhibit B-1, then Lessee shall, at its sole cost and expense, install more branching on the Monobush to bring its appearance in conformance with the photo simulations made by Lessee, to the reasonable satisfaction of Lessor.

2. Rent and Costs. Paragraph 5 ("Rent") of the Lease is hereby modified to reflect that the Rent that Lessee pays Lessor will be increased by Eight Hundred Fifty and No/100 Dollars (\$850.00) per month as of thirty (30) days from the date Lessee commences installation of the additional equipment. Thereafter, the Rent shall include the aforementioned increase and shall be payable in accordance with the terms of the Lease.

3. Lessee's Notice Address. Paragraph 21 ("Notices and Deliveries") of the Lease is hereby modified to reflect that Lessee's notice addresses in the Lease are deleted in their entirety and replaced with the following:

If to Lessee, to: T-Mobile USA, Inc.
12920 S.E. 38th Street
Bellevue, WA 98006
Attn.: Lease Compliance
Site No. SF71842M

4. Terms; Conflicts. The terms and conditions of the Lease are incorporated herein by this reference, and capitalized terms used in this First Amendment shall have the same meanings such terms are given in the Lease. Except as specifically set forth herein, this First Amendment shall in no way modify, alter or amend the remaining terms of the Lease, all of which are ratified by the Parties and shall remain in full force and effect. To the extent there is any conflict between the terms and conditions of the Lease and this First Amendment, the terms and conditions of this First Amendment will govern and control.

5. Approvals. Lessor represents and warrants to Lessee that the consent or approval of no third party, including, without limitation, a lender, is required with respect to the execution of this First Amendment, or if any such third party consent or approval is required, Lessor has obtained any and all such consents or approvals.

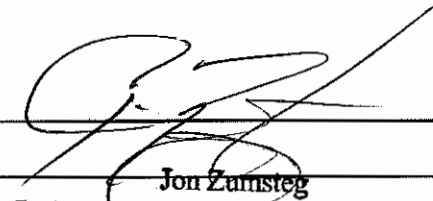
6. Authorization. The persons who have executed this First Amendment represent and warrant that they are duly authorized to execute this First Amendment in their individual or representative capacity as indicated.

IN WITNESS WHEREOF, the Parties have executed this First Amendment on the day and year first written above.

LESSOR:
Coastside County Water District, a Public Corporation

LESSEE:
T-Mobile West LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____
Date: _____

By: 
Name: Jon Zumsteg
Title: Sr. Director, West Region Development
Date: 12/4/17

T. Ruggin 9/17/17

T-Mobile®

T-Mobile®

PLANS PREPARED BY:
INFINIGY Design, Sdtd, Deliver.
 25455 RANCHO PRVY, SOUTH LAKE FOREST, CA 94030
 OFFICE # (949) 753-8837
 FAX # (949) 753-8833

CONSULTING GROUP:
core
 DEVELOPMENT SERVICES
 11 ROLLING ROAD, SUITE 202
 MILLBRAE, CA 94024

SITE NUMBER: SF71842M
SITE NAME: SF1842 RITZ WATER TANK
SITE TYPE: MONOBUSH

CITY: HALF MOON BAY
COUNTY: SAN MATEO
JURISDICTION: COUNTY OF SAN MATEO

PROJECT SUMMARY:

SITE ADDRESS: MIRAMONTES POINT ROAD @ POPPY LANE, HALF MOON BAY, CA 94019
PROPERTY OWNER: COASTSIDE COUNTY WATER DISTRICT
 765 MAIN STREET
 HALF MOON BAY, CA 94019
 CONTACT: STEVE TWICHELL
 PHONE: (850) 533-4602
APPLICANT: T-MOBILE WEST CORPORATION
 1855 GATEWAY BLVD., 5TH FLOOR
 CONCORD, CA 94520-3200

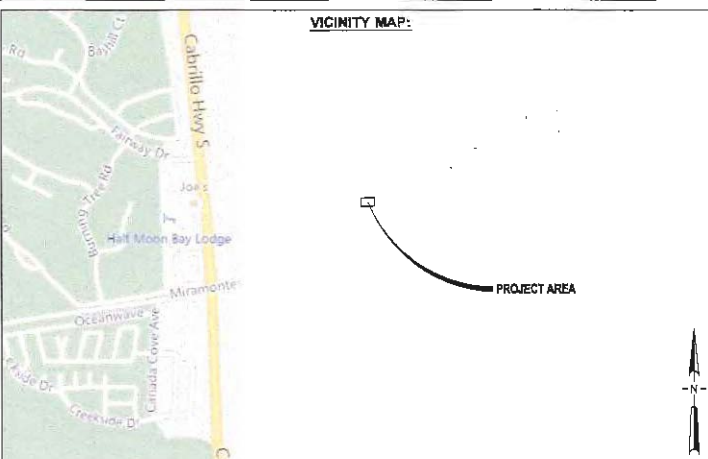
PROJECT DESCRIPTION (E. 704E ULR BEDS V1.1):
 THIS PROJECT INCLUDES THE MODIFICATIONS TO AN EXISTING T-MOBILE WIRELESS FACILITY, INCLUDING:

- ADD (3) NEW 8'-0" TALL DUAL 700MHz ANTENNAS TO THE EXISTING ANTENNA STRUCTURE
- ADD (3) NEW STYLE 4 TMAS
- REPLACE EXISTING CDMA CABINET WITH (1) NEW RBS 6201 GDE CABINET
- REPLACE EXISTING BATTERY CABINET WITH (1) PFS 6003 BATTERY CABINETS
- ADD (6) EXTRA 7/8" COAX LINES

BUILDING SUMMARY:
 OCCUPANCY CLASSIFICATION: B (TELEPHONE EXCHANGE)
 TYPE OF CONSTRUCTION: Y-3
 ZONING: R-1
 TOTAL LEASE AREA: 156 SQ. FT.
 ASSessor'S PARCEL NUMBER: 066-430-050-8

SHEET INDEX:

SHEET NUMBER	DESCRIPTION
T-1	TITLE SHEET
T-2	ABBREVIATIONS, SYMBOLS, GENERAL NOTES & SPECIFICATIONS
A-1	SITE PLAN & EQUIPMENT PLAN
A-2	ANTENNA SCHEDULE & ANT. LAYOUTS
A-3	ARCHITECTURAL ELEVATIONS
A-3.1	ARCHITECTURAL ELEVATIONS
A-4	ARCHITECTURAL DETAILS
E-1	EXISTING AND PROPOSED SINGLE LINE AND PANEL SCHEDULE



NO.	DATE	DESCRIPTION	BY
0	01/08/15	90% CD'S	HL
1	03/25/15	90% CD'S	SA
2	12/18/16	90% CD'S	JR
3	01/13/17	100% CD'S	JR

SITE INFORMATION:
SF1842
RITZ WATER TANK
SF71842M
 MIRAMONTES POINT ROAD
 @ POPPY LANE
 HALF MOON BAY, CA 94019

CONSULTING TEAM:

PROJECT MANAGER: CORE DEVELOPMENT SERVICES
 10 ROLLING ROAD, SUITE 202
 MILLBRAE, CA 94030
 CONTACT: GUNBAR KETEMA
 PHONE: (510) 959-1727
 EMAIL: gketema@core.us.com

ZONING MANAGER: CORE DEVELOPMENT SERVICES
 10 ROLLING ROAD, SUITE 202
 MILLBRAE, CA 94030
 CONTACT: LINDSAY GORTIZA
 PHONE: (714) 224-3133
 EMAIL: LHORN@core.us.com

CONSTRUCTION MANAGER: T-MOBILE
 1855 GATEWAY BLVD., 5TH FLOOR
 CONCORD, CA 94520-3200
 CONTACT: VINOD MANOHARAN
 PHONE: (510) 509-0755
 EMAIL: Vinod.Manoharan2@T-Mobile.com

ARCHITECTURAL & ENGINEERING: INFINIGY ENGINEERING
 25455 RANCHO PRVY SOUTH LAKE FOREST, CA 94030
 CONTACT: TAM CONNELL
 PHONE: (949) 306-4844

APPROVALS:

THE FOLLOWING PARTIES HEREBY APPROVE AND ACCEPT THESE DOCUMENTS AND AUTHORIZE THE CONTRACTOR TO PROCEED WITH THE CONSTRUCTION DESCRIBED HEREIN. ALL CONSTRUCTION DOCUMENTS ARE SUBJECT TO REVIEW BY THE LOCAL BUILDING DEPARTMENT AND ANY CHANGES AND MODIFICATIONS THEY MAY IMPOSE.

	PRINT NAME	SIGNATURE	DATE
LANDLORD	_____	_____	_____
DEVELOP. MGR	_____	_____	_____
CONST. MGR	_____	_____	_____
ZONING MGR	_____	_____	_____
RF ENGINEER	_____	_____	_____
OPERATIONS	_____	_____	_____
SAC REP.	_____	_____	_____
UTILITIES	_____	_____	_____

DRIVING DIRECTIONS:

DIRECTIONS FROM SAN FRANCISCO AIRPORT:

- TAKE RAMP RIGHT FOR US-101 SOUTH TOWARD SAN JOSE
- AT EXIT 414B, TAKE RAMP RIGHT FOR CA-92 WEST TOWARD HALF MOON BAY
- BEAR LEFT ONTO CA-35 / CA-92, BEAR LEFT ONTO CA-92
- TURN LEFT ONTO CA-1 S, TURN LEFT ONTO MIRAMONTES POINT RD
- ARRIVE AT MIRAMONTES POINT RD @ POPPY LANE, HALF MOON BAY, CA 94019

APPLICABLE CODES

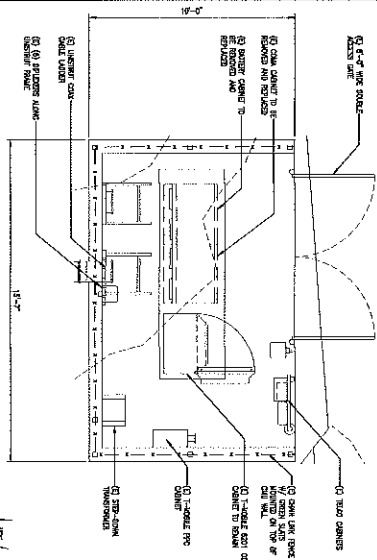
BUILDING CODE: CALIFORNIA BUILDING CODE 2016
 ALL WORK IS TO COMPLY WITH THE 2016 CALIFORNIA BUILDING CODE (CBC)
 TIA-222-G LIFE SAFETY CODE NFPA-101, 807 COMMERCIAL BUILDING GROUNDING AND BONDING REQUIREMENTS FOR TELECOMMUNICATIONS
 AISC - CONSTRUCTION MANUAL, 9TH EDITION OR LATER.
 CEC (CALIFORNIA ELECTRICAL CODE) 2019

SEAL:

SHEET TITLE:
TITLE SHEET

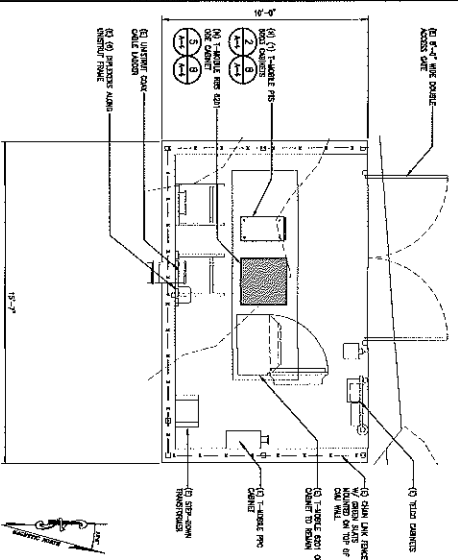
SHEET NUMBER:
T-1

NOTE:
 THIS SITE PLAN IS PRELIMINARY
 AND IS NOT TO BE USED FOR
 CONSTRUCTION WITHOUT THE
 BENEFIT OF A SURVEY.



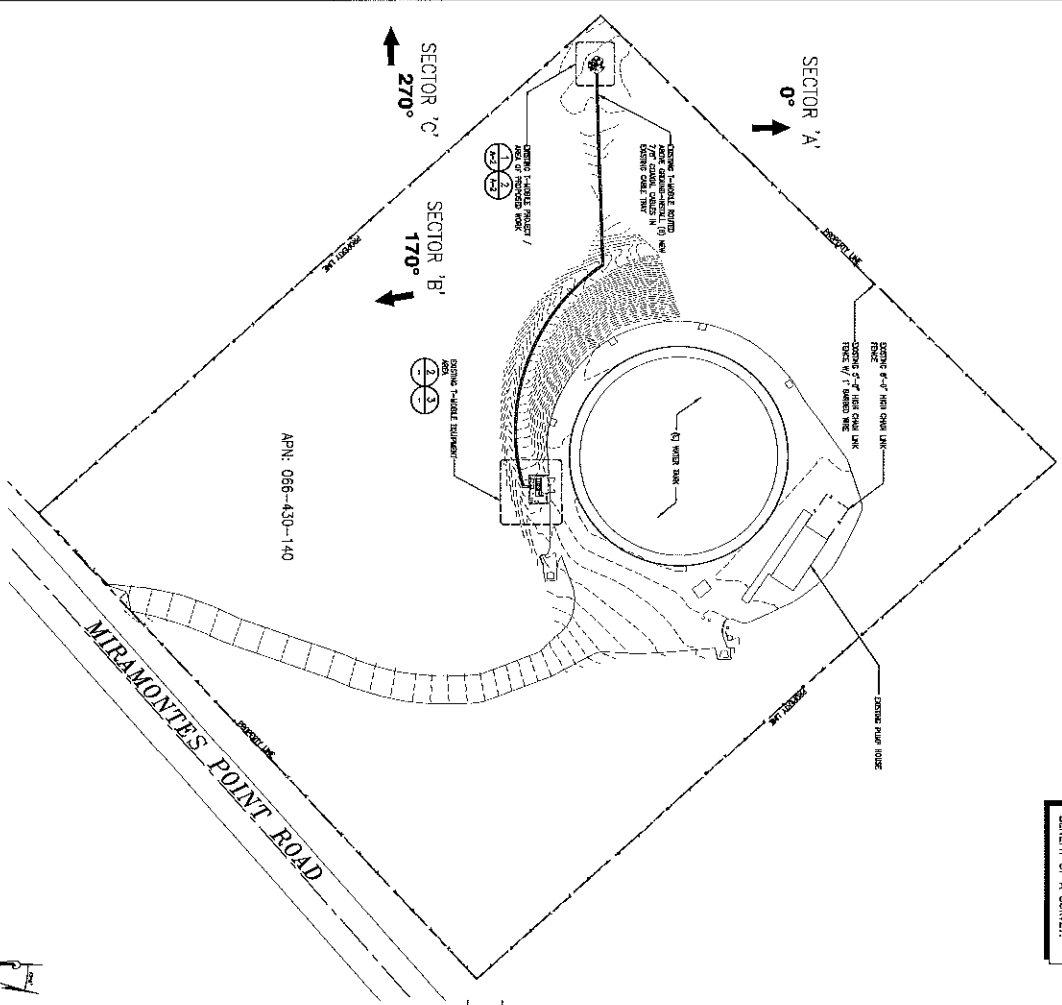
(E) EQUIPMENT PLAN

SCALE: 3/8"=1'-0"
 0 1 2 3
 2



NEW EQUIPMENT PLAN

SCALE: 3/8"=1'-0"
 0 1 2 3
 3



SITE PLAN

SCALE: 1"=30'-0"
 0 15' 30'
 1

PLANS PREPARED BY:
INFINIGY8 ENGINEERING
 26466 RANCHO TRAVY, SOUTH
 LANE, COSTA MESA, CALIFORNIA
 92626 (949) 261-8888

CONSULTING GROUP:
core
 DEVELOPMENT SERVICES
 10000 WILSON AVENUE
 WILSON, CALIFORNIA

NO.	DATE	DESCRIPTION	BY
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1	03/26/15	90% CDS	SA
2	12/19/16	90% CDS	JR
3	01/13/17	100% CDS	JR

SITE INFORMATION:
SF1842
RITZ WATER TANK
SF71842M
 MIRAMONTES POINT ROAD
 HALF MOON BAY, CA 94040

SHEET TITLE:
SITE PLAN & EQUIPMENT PLAN

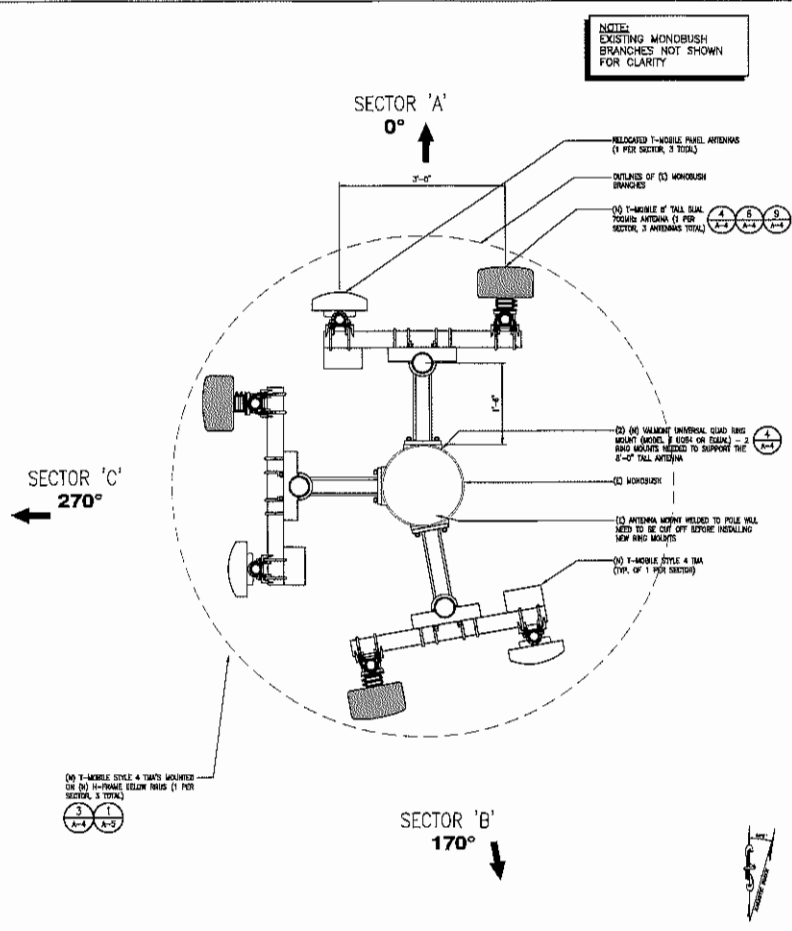
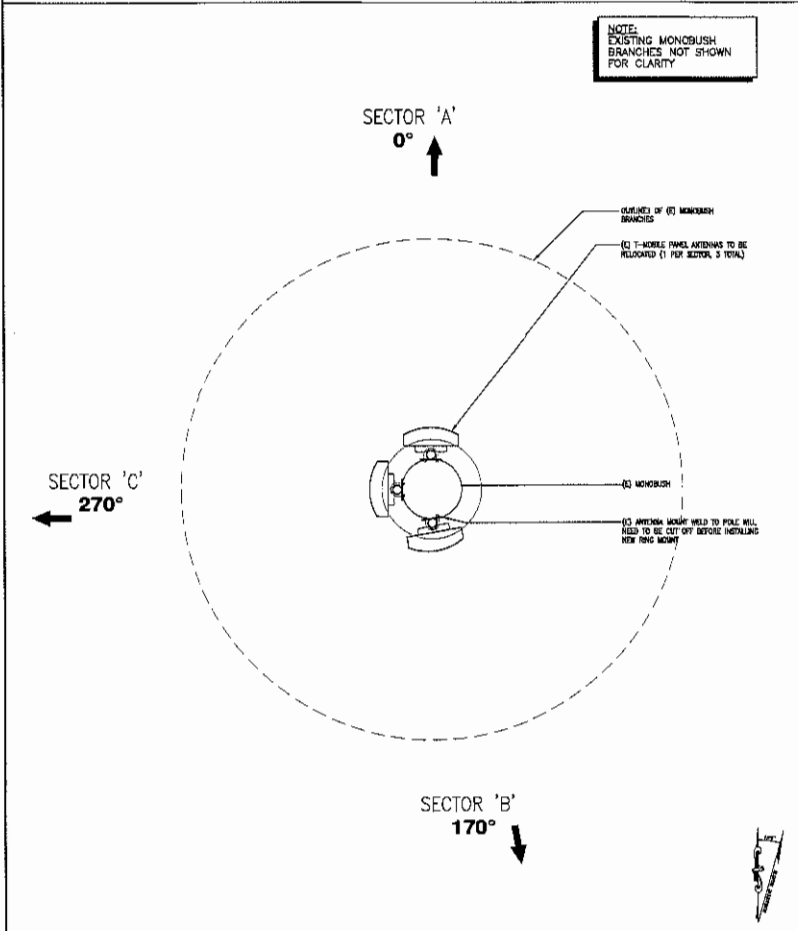
SHEET NUMBER:
A-1

EXISTING ANTENNA SCHEDULE									
SECTOR	ANT. TECH.	ANTENNA		ANTENNA AZIMUTH	RAD CENTER	TMA / RRU	CABLE TYPE	CABLE LENGTH	
		MODEL	SIZE						
SECTOR 'A'	A1	WELPS DUEMS	742 351	48"	0°	10'-0"	N/A	(2) 7/8" COAX	20'
SECTOR 'B'	B1	WELPS DUEMS	742 351	48"	170°	10'-0"	N/A	(2) 7/8" COAX	20'
SECTOR 'C'	C1	WELPS DUEMS	742 351	48"	270°	10'-0"	N/A	(2) 7/8" COAX	20'

PROPOSED ANTENNA SCHEDULE (RFDS VERSION 3)									
SECTOR	ANT. TECH.	ANTENNA		ANTENNA AZIMUTH	RAD CENTER	TMA / RRU	CABLE TYPE	CABLE LENGTH	
		MODEL	SIZE						
SECTOR 'A'	A1	WELPS DUEMS	742 351	48"	0°	10'-0"	N/A	(4) 7/8" COAX	20'
	A2	LTE_700	APXVF24-C-A20	93"	0°	10'-0"	(1) STYLE 4 -ETM18V2512UB		
SECTOR 'B'	B1	WELPS DUEMS	742 351	48"	170°	10'-0"	N/A	(4) 7/8" COAX	20'
	B2	LTE_700	APXVF24-C-A20	93"	170°	10'-0"	(1) STYLE 4 -ETM18V2512UB		
SECTOR 'C'	C1	WELPS DUEMS	742 351	48"	270°	10'-0"	N/A	(4) 7/8" COAX	20'
	C2	LTE_700	APXVF24-C-A20	93"	270°	10'-0"	(1) STYLE 4 -ETM18V2512UB		

ANTENNA SCHEDULE

3



EXISTING ANTENNA LAYOUT

PROPOSED ANTENNA LAYOUT



PLANS PREPARED BY:
INFINIGY8 Design, Inc. Dublin, CA
26456 RANCHO PINNY, SOUTH LAKE FOREST, CA 92650
OFFICE: (949) 755-8007 FAX: (949) 755-8833

CONSULTING GROUP:
core
DEVELOPMENT SERVICES
30000 ROAD, SUITE 302
MILLBRAE, CALIF.

NO.	DATE:	DESCRIPTION:	BY:
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1	03/25/15	90% CD'S	SA
2	12/19/16	90% CD'S	JR
3	01/13/17	100% CD'S	JR

SITE INFORMATION:
SF1842
RITZ WATER TANK
SF71842M
MIRAMONTES POINT ROAD
© POPPY LANE
HALF MOON BAY, CA 94019

SEAL:

SHEET TITLE:
ANTENNA LAYOUTS & ANTENNA SCHEDULE

SHEET NUMBER:
A-2

FF-Mobile®

PLANS PREPARED BY:

INFINIGY
 24455 RANCHO BWAY, SOUTH
 LAGUNA BEACH, CA 92653
 (949) 761-1100
 www.infinigy.com

CONSULTING GROUPS:

core
 ARCHITECTURAL CONSULTANTS
 10000 S. HUNTERS BLVD., SUITE 100
 LAGUNA BEACH, CA 92653

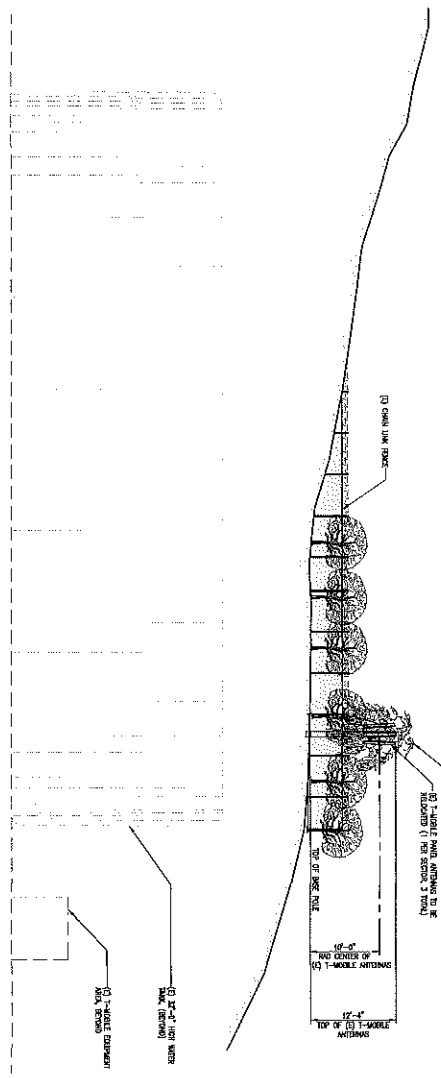
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3	01/13/17	100% CD'S	JR

SITE INFORMATION:

SF1842
RITZ WATER TANK
 MIRAMANTES POINT ROAD
 @ POPPY LAKE
 HALF MOON BAY, CA 94019

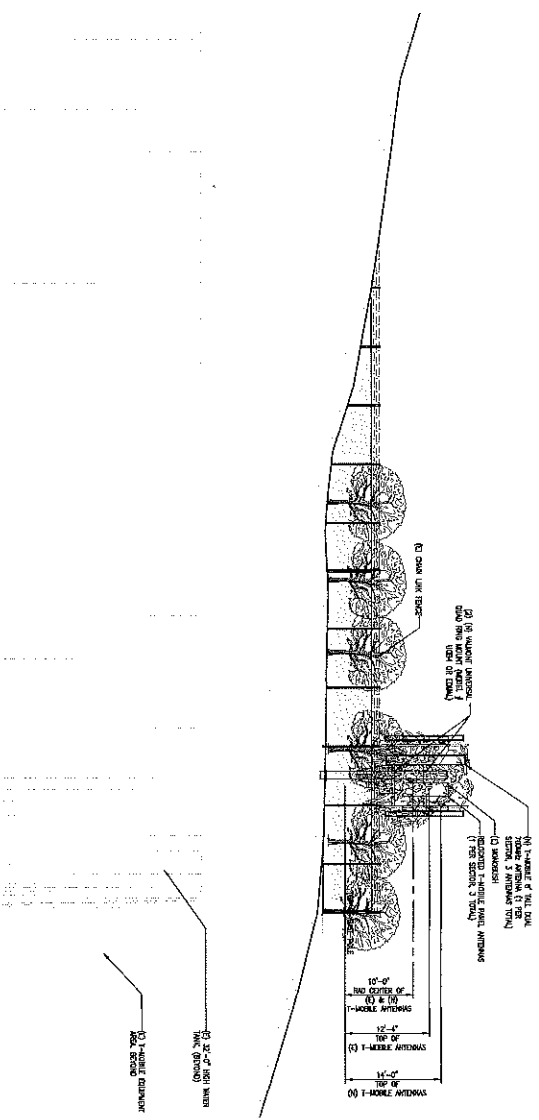
SCALE: _____

EXISTING WEST ELEVATION



SCALE: 1/8"=1'-0"
 0 4' 8'

PROPOSED WEST ELEVATION



SCALE: 1/8"=1'-0"
 0 4' 8'

SHEET TITLE:
ARCHITECTURAL ELEVATIONS

SHEET NUMBER:
A-3

F-Mobile

PLANS PREPARED BY:
INFINIGY INC.
 2645 SANCHO PARRA, SOUTH
 OFFICE & MAIL ROOM
 SAN JOSE, CA 95128

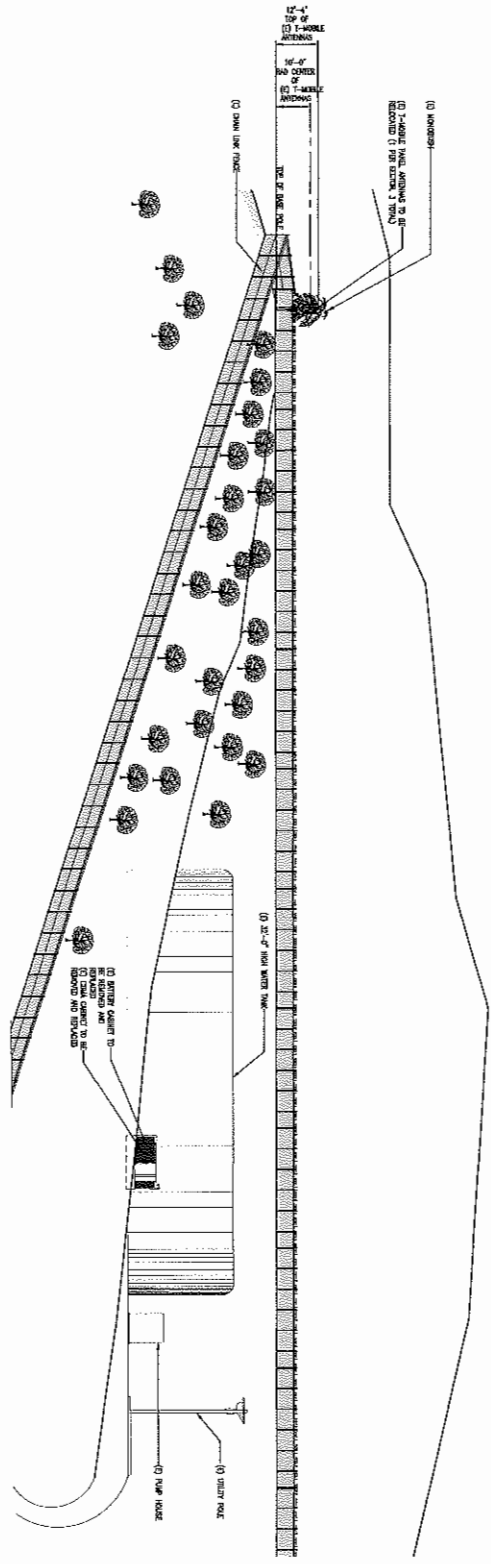
CONSULTING GROUP:
core
DEVELOPMENT SERVICES
 15000 N. 10TH AVE., SUITE 100
 DENVER, CO 80231

NO.	DATE	DESCRIPTION	BY	HL
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1	02/25/15	SIGN CD'S	HR	
2	12/19/16	SIGN CD'S	HR	
3	01/12/17	100% CD'S	HR	

SITE INFORMATION:
SF1842
RITZ WATER TANK
SF71842M
 MIRAMONTES POINT ROAD
 @ POPPY LAKE
 HALF MOON BAY, CA 94020

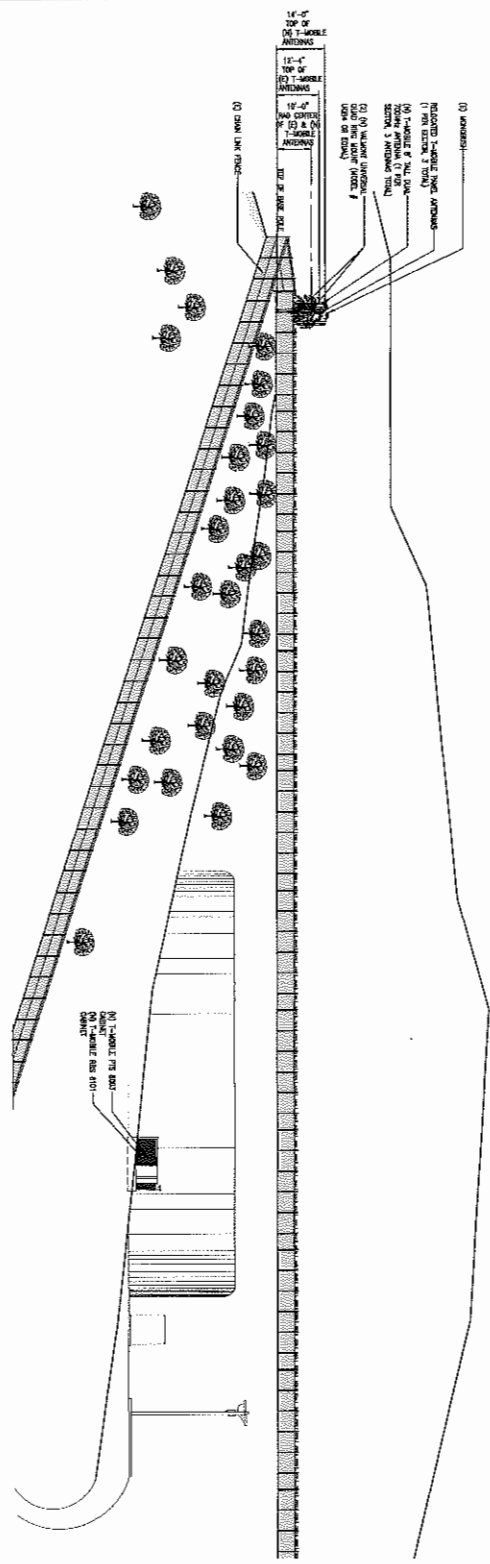
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**ARCHITECTURAL
 ELEVATIONS**

SHEET NUMBER:
A-3.1



EXISTING NORTH ELEVATION

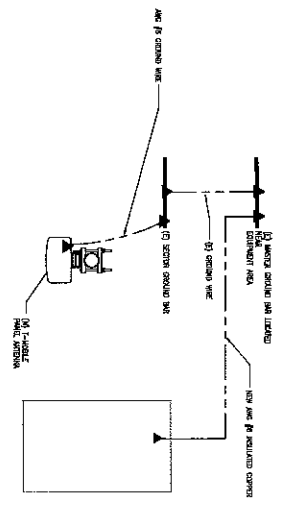
SCALE: 1/16" = 1'-0"
 0 8'-0" 16'



PROPOSED NORTH ELEVATION

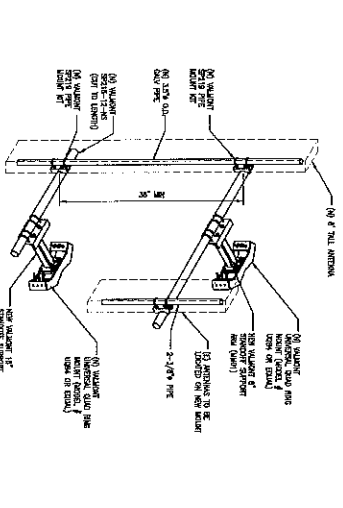
SCALE: 1/16" = 1'-0"
 0 8'-0" 16'

SYMBOL LEGEND
 ■ ELECTRICAL CONNECTION
 ▲ MECHANICAL CONNECTION



ANTENNA / CABINET GROUNDING

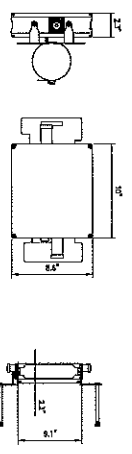
SCALE: 1
 N.T.S.



ANTENNA TRI-BRACKET MOUNT

SCALE: 4
 N.T.S.

DIMENSIONS: (N) (N) 285.0(11.6) INCHES (11'8.8\"/>
 WEIGHT: (N) (N) 5.1 KG (11.2 LBS)
 FINISH: GRAY PAINT

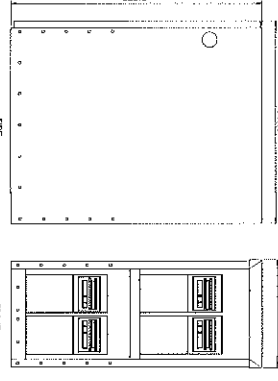


EM19V2S12UB MODEL

STYLE 4 TMA DETAIL

SCALE: 7
 N.T.S.

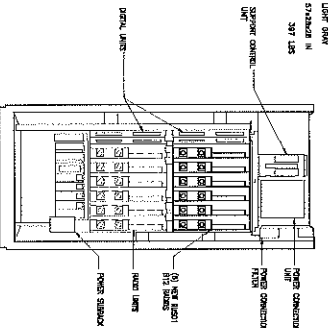
PTS - PTS8003
 CABINET COLOR: AUTO POWER COAT
 DIMENSIONS (Overall H): 32.4(1.27) INCHES
 UNIT WEIGHT: 61.05 LBS



PTS 8003 BATTERY CABINET

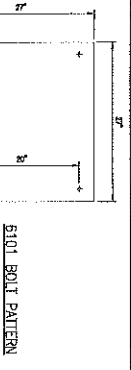
SCALE: 2
 N.T.S.

ERICSSON - RBS 6201 ODE -BTS
 CABINET COLOR: LIGHT GRAY
 DIMENSIONS (Overall H): 57.0(2.24) INCHES
 WEIGHT (Excluding Batteries): 387 LBS



6201 ODE CABINET DETAIL

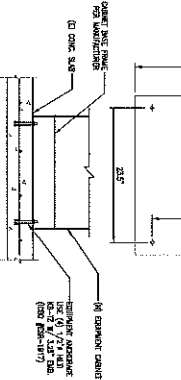
SCALE: 5
 N.T.S.



6101 BOLT PATTERN

EQUIPMENT MOUNTING DETAIL

SCALE: 8
 N.T.S.



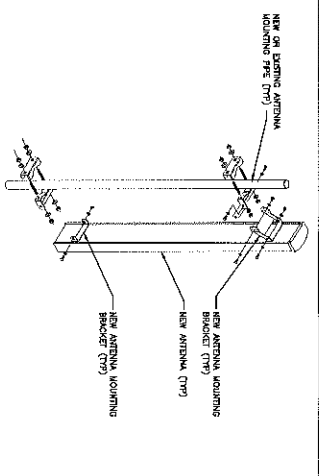
UNUSED

SCALE: 3
 N.T.S.

MODEL	HEIGHT, H (N)	WIDTH, W (N)	DEPTH, D (N)	WEIGHT (LBS)
700MHz COMPOSITE ANTENNAS				
APR422-C-120	9.3	14.5	6.9	50.7

8' TALL 700 MHz ANTENNA DETAILS

SCALE: 6
 N.T.S.



ANTENNA MOUNTING DETAIL

SCALE: 9
 N.T.S.

T-Mobile

PLANS PREPARED BY:
INFINIGY
 26165 MANCINI DRIVE, SUITE 100
 CHINA GLEN, CA 94503
 TEL: (925) 755-9333
 FAX: (925) 755-9333

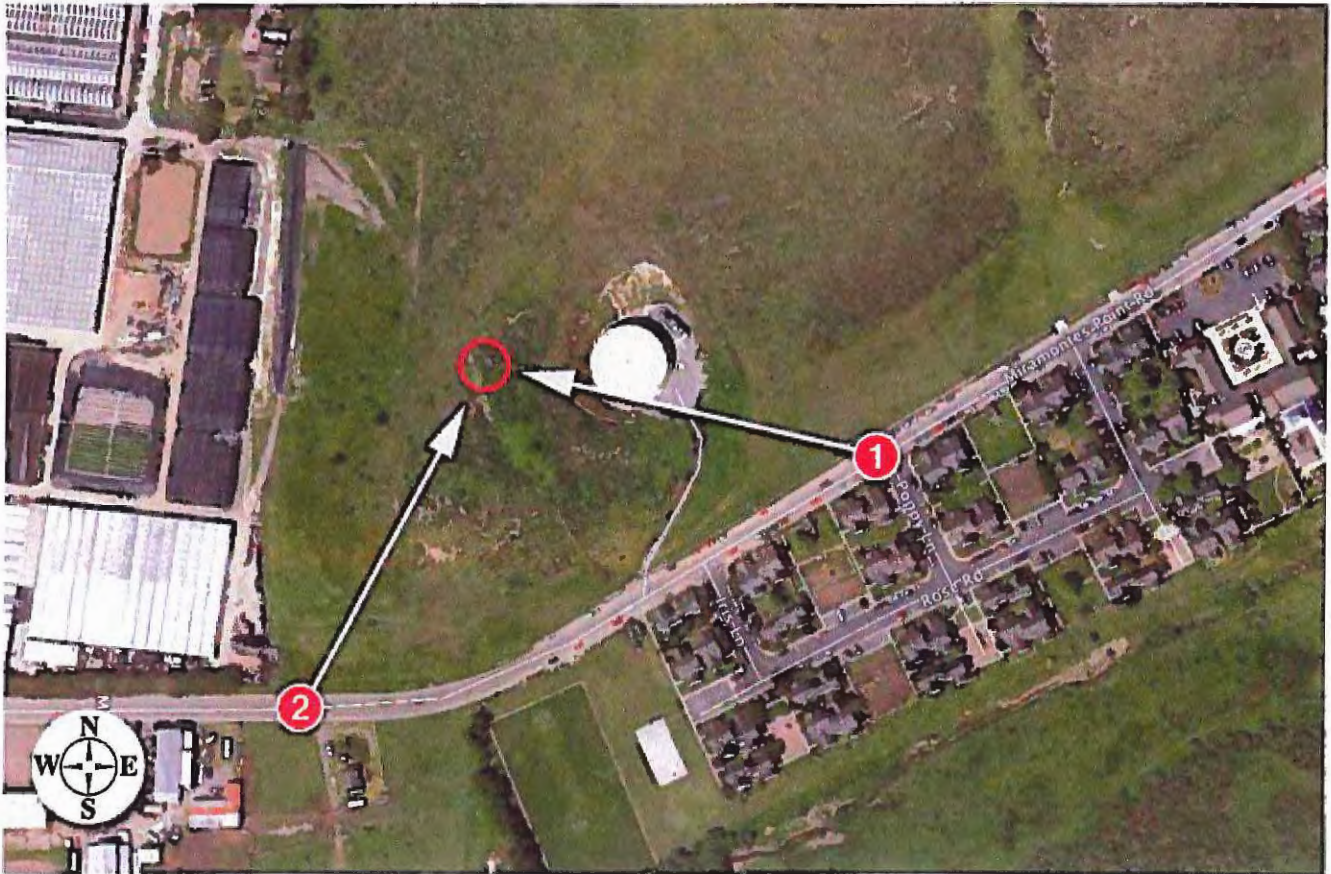
CONSULTING GROUP:
core
 CORE CONSULTING SERVICES
 1500 S. GARDEN AVENUE, SUITE 200
 MILPITAS, CA 95030

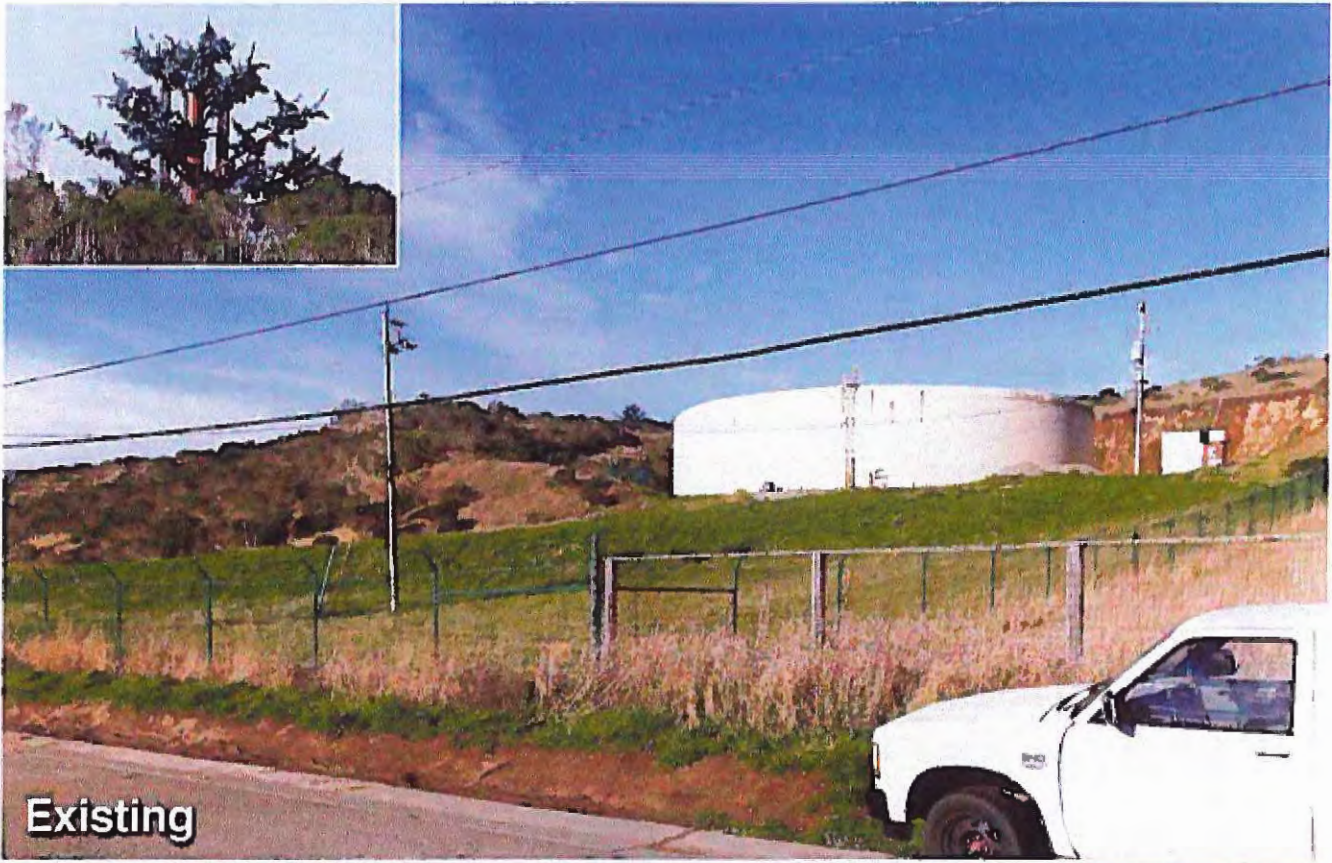
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1	03/25/15	90% CD'S	SK
2	12/19/15	90% CD'S	JR
3	01/13/17	100% CD'S	JR

SITE INFORMATION:
SF1842
RITZ WATER TANK
SF71842M
 MISIONTES BOULEVARD
 @ POYRY LANE
 HALF MOON BAY, CA 94019

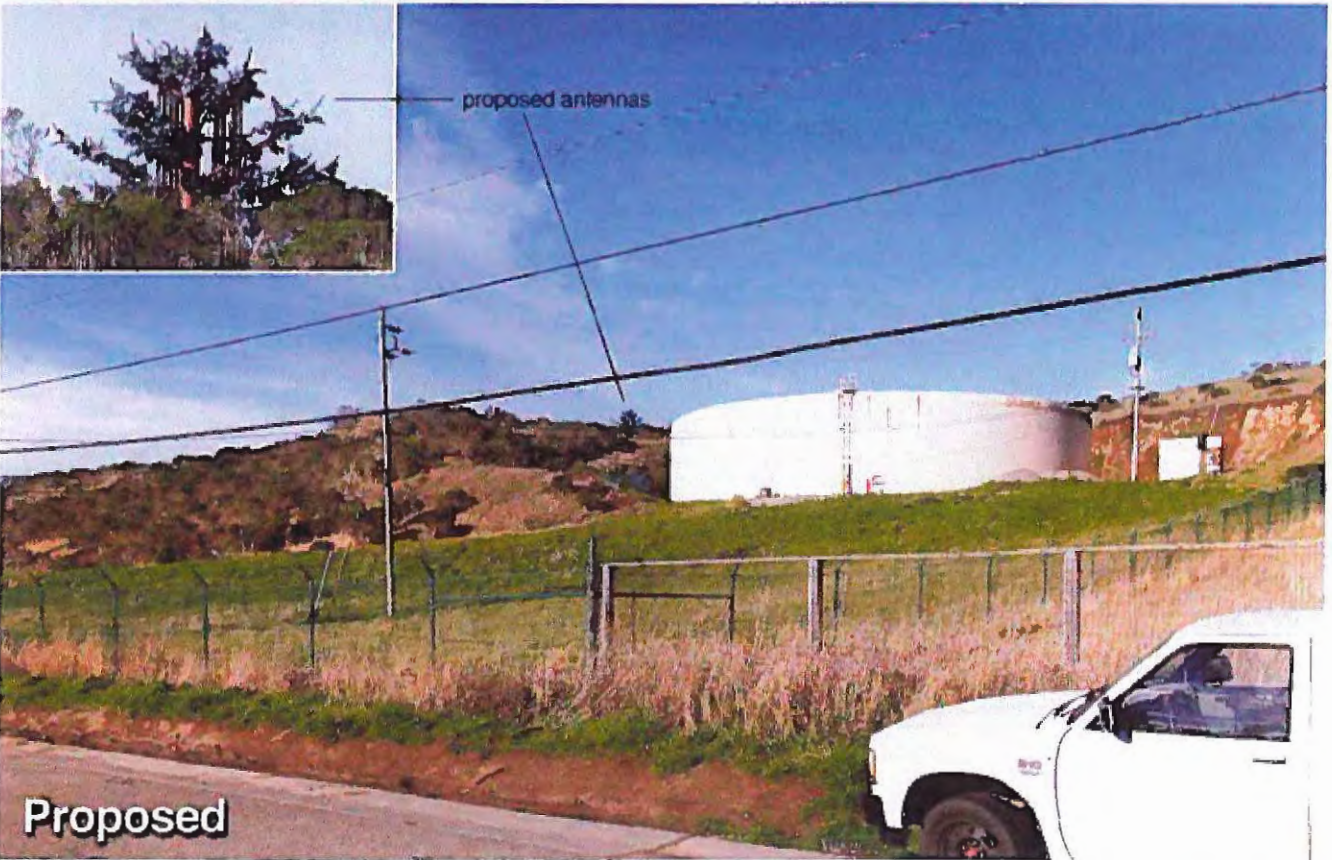
SHEET TITLE:
ARCHITECTURAL
DETAILS

SHEET NUMBER:
A-4

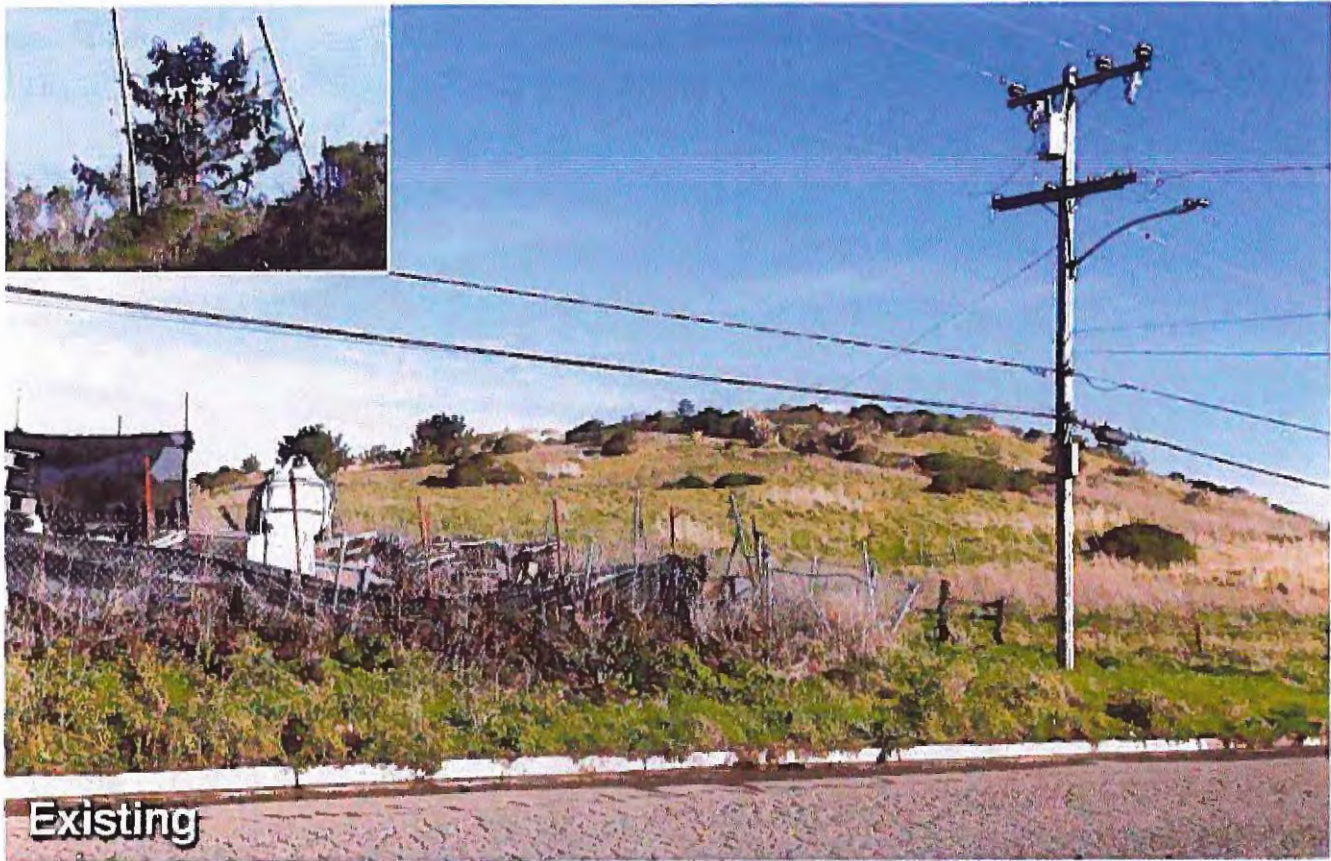




Existing



Proposed



Existing



proposed antennas

Proposed

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, Assistant General Manager

Agenda: January 9, 2018

Report

Date: January 5, 2018

Subject: Agreement with Raftelis Financial Consultants, Inc. for FY2018-2019 Water Rate Study

Recommendation:

Authorize the General Manager to execute a professional services agreement with Raftelis Financial Consultants, Inc. to provide a Water Rate Study for FY2018-2019 at a time-and-materials cost not to exceed \$52,725.

Background:

Setting water rates which will recover the District's revenue requirements and complying with the standards set by Proposition 218 and the San Juan Capistrano decision continue to pose a challenge. Anticipating the need to begin looking at the FY2018-2019 rates early in the budgeting process, staff met with Raftelis Financial Consultants, Inc. and requested the proposal presented in Attachment A. The scope will include performing a cost of service analysis and developing a simplified rate structure based on the District's revenue requirement.

Raftelis Financial Consultants is recognized as one of the leading rate consultants in California in helping utilities design water rates to maintain financial sustainability. Sanjay Gaur, Vice President, has extensive experience in providing rate structure design. Clients include Alameda County Water District, East Bay Municipal Water District, and Santa Cruz Water District among many others. Mr. Gaur also regularly participates in many industry forums as well as on AWWA and ACWA committees focusing on water rates.

Staff discussed this proposal with the Facilities Committee on January 3. A special board meeting is proposed for mid-January in order to kick off the Water Rate Study, and for our Board members to voice priorities and goals for the study to our consultant.

Fiscal Impact:

Cost of \$52,725.



445 S. Figueroa Street
Suite 2270
Los Angeles, CA 90071

Phone 213.262.9300
Fax 213.262.9303

www.raftelis.com

December 14, 2017

Mary E. Rogren
Assistant General Manager
Coastside County Water District
766 Main Street
Half Moon Bay, CA 94019

Subject: 2018 Water Rate Study

Dear Ms. Rogren:

Raftelis Financial Consultants, Inc. (Raftelis) is pleased to submit this scope of services to provide a Water Rate Study for Coastside County Water District (District). The following sections outline the tasks Raftelis believes will be involved in completing a study that accomplishes the District's goals. Specifically, Raftelis will perform the following tasks:

1. Perform a cost of service analysis and develop a simplified rate structure based on the utility's revenue requirement as determined by the District's financial plan
2. Organize a series of meetings, including a kick-off meeting with staff and three workshops with the Board of Directors
3. In accordance with the requirements of Proposition 218:
 - a. Write an administrative report that explains the allocation of costs and development of fair and equitable rates
 - b. Prepare the notice and present rates for approval at a Board of Directors' Public Hearing

We look forward to working with you on this important study.

Sincerely,

RAFTELIS FINANCIAL CONSULTANTS, INC.

Sanjay Gaur
Vice President

Scope of Service

Task 1: Project Management, Kick-Off Meeting, and Data Collection

Our project management approach stresses communication, teamwork, objectivity, and accountability to meet project objectives. We believe in a no-surprises approach and communicate regularly with clients through face-to-face meetings, web and telephone conferences, so that the District is aware of the project status at all times. Raftelis' quality assurance / quality control (QA/QC) process fosters high quality and accurate work. This includes a review of the report, not only to ensure that it is a high quality and comprehensive report that is consistent with Study results, but also to make certain that it clearly conveys the rationale and derivation of any recommendations.

We believe that the execution of a productive kick-off meeting is the most effective way to begin an engagement of this nature. Raftelis uses the kick-off meeting to perform our due diligence and ensure that project stakeholders agree to the goals, approach, work plan, schedule, and study priorities. In addition, we will discuss any pertinent background information as well as gain a general familiarity with the District. As part of the meeting, Raftelis will:

- Discern the major drivers for the study
- Work with District staff to identify and prioritize objectives
- Develop an understanding of the financial plan and current rate structure
- Review the data request list and pinpoint data gaps or questions

A detailed data request list will be submitted prior to the kick-off meeting so that the District can begin assembling any appropriate data.

Meetings: *One on-site kick-off meeting with District staff*

Deliverables: *Data Request List; Kick-off Meeting presentation materials, meeting minutes*

Task 2: Cost of Service Analysis

The cost of service analysis is based on industry standards and methodologies approved by the AWWA and described in their M1 Manual. Cost allocations among customer classes will be based on the AWWA-approved Base-Extra Capacity approach which focuses on the different usage patterns (or peaking factors) demonstrated by each customer class. At this stage, Raftelis will also identify any new customer classes, if warranted.

Based on the revenue requirement identified in the District's current financial plan, water expenses are allocated to cost causation components, including capacity-related costs, commodity costs (including the purchase of water from the San Francisco Public Utilities Commission, pumping of groundwater, diversion of surface water, water treatment, and distribution), customer costs, conservation costs, and other direct and indirect costs consistent with industry standards. The end goal of this task is to distribute the cost components to customer classes based on the cost responsibility of each. The result is the total cost to serve each customer class and is used as the basis

to develop rates. Throughout the water cost allocation process, Raftelis will incorporate the District's policy considerations, as well as current federal, state, and local rules and regulations, such as Proposition 218.

Meetings: *Four web meetings with District staff*

Deliverables: *Draft Cost of Service Analysis in Microsoft Excel*

Task 3: Rate Design and Rate Model Development

Raftelis will develop a water rate model with the flexibility to compare the current rate structure with proposed rate structures. The model will have the capability to examine different rate scenarios to enhance revenue stability in light of competing objectives, such as affordability for essential needs and conservation. The baseline rate design will preserve the current rate structure to compare the customer impacts of the alternative rate structures to the baseline.

The District currently charges a fixed monthly or bimonthly charge based on meter size. For residential customers, it also utilizes a tiered volumetric rate. The District charges all other customers a uniform volumetric rate. The District would like to consider reducing the residential tiers to two while maintaining a uniform rate for its other customers. The rate model will be designed to compare the current rate structure with this potential structure.

Proposed rates will be designed to be defensible and to fall within regulatory and legal requirements. While Raftelis is not a law firm, we have helped numerous agencies throughout the State develop rates and rate structures that are defensible and meet Proposition 218 requirements. Raftelis recently assisted the Sweetwater Authority and San Juan Capistrano with revised rates given their recent legal challenges.

Meetings: *Four web meetings with District staff*

Deliverables: *Draft Rate Model in Microsoft Excel*

Task 4: Board Workshops

Raftelis will conduct three workshops with the Board of Directors. The first will discuss the process of the cost of service development and the necessary considerations under Proposition 218. This session will also include a preliminary discussion on rates and potential options for the District. The second workshop will incorporate feedback from the Board of Directors. The final workshop will be a discussion of the final results and rate recommendations stemming from the revisions proposed in the second workshop as well as staff comments. This final workshop will also serve as a Proposition 218 authorization meeting, to allow staff to mail out the notices 45 days prior to the public hearing. This workshop Board sufficient time to discuss the rates and for Raftelis to thoroughly address any questions.

Meetings: *Three web meeting with District staff; Three Board of Directors workshops*

Deliverables: *Presentation materials, meeting minutes*

Task 5: Draft and Final Report Preparation

The draft report will include an executive summary highlighting the major issues and decisions reached during the cost of service analysis and rate development. The main body of the report will include a brief physical description of the water system, service area description, an overview of operation and maintenance expenses, the Capital Improvement Plan, the financial plan, and the proposed rates. It will also contain a discussion on rate structure selection, rate design assumptions, and methodologies used to develop the rates. The methodology describing the cost of service and rate calculations will be described in detail so that the nexus between costs and rates is clearly defined and understandable. District staff and the Board will provide comments for incorporation into the final report. The final report will be submitted to address Proposition 218 requirements.

***Meetings/Conferences:** Three web meeting with District staff*

***Deliverables:** Completed Rate Model in Microsoft Excel; Draft and Final Reports*

Task 6: Proposition 218 Notice and Public Hearing

Proposition 218 requires specific procedures to be followed for the adoption of new rates and charges for parcel related services, water included. Raftelis will assist in preparing the Proposition 218 notice for mailing prior to the required 45-day noticing period. The notice will outline the proposed water rate changes, discuss the drivers of the rate changes, explain the ratepayer's right to challenge the proposed rates, and will meet and comply with all noticing requirements of Proposition 218. Once the notices have been posted to the District's ratepayers, a Public Hearing to adopt or reject the rates may be scheduled as early as 45 days after mailing. Raftelis will be available to attend, and if desired, present the study results at the Proposition 218 hearing in which we will address Board and general public questions and comments. Presentation materials will be provided to District staff well before the Public Hearing for review.

***Meetings:** One Public Hearing*

***Deliverables:** Proposition 218 notice, Presentation materials*

Fee Schedule

Raftelis proposes to complete the scope of work outlined above on a time-and-materials basis with a not-to-exceed cost of \$52,725. The following work plan provides a breakdown of the estimated level of effort required for completing each task described and the hourly billing rates for the personnel scheduled to complete the project.

Coastside County Water District 2018 Water Rate Study

Task	Task Descriptions	No of Webinars	No of Meetings	Hours Requirements					Total Fees & Expenses
				PM	TR	FC	Admin	Total	
				\$290	\$235	\$180	\$75		Total
	HOURLY RATES								
1	Project Management, Kick-Off Meeting, and Data Collection	0	1	10	1	16	4	31	\$7,405
2	Cost of Service Analysis	4	0	6	3	20	0	29	\$6,335
3	Rate Design and Rate Model Development	4	0	8	3	40	0	51	\$10,735
4	Board Workshops	3	3	33	0	10	0	43	\$14,140
5	Draft and Final Report Preparation	3	0	8	6	32	0	46	\$9,950
6	Proposition 218 Notice and Public Hearing	0	1	10	0	2	0	12	\$4,160
	TOTAL ESTIMATED WEBINARS/ MEETINGS / HOURS	14	5	75	13	120	4	212	
	PROFESSIONAL FEES			\$21,750	\$3,055	\$21,600	\$300	\$46,705	
Project Manager (PM)				Total Fees					\$46,705
Technical Reviewer (TR)				Total Expenses					\$6,020
Financial Consultants (FC)				TOTAL FEES & EXPENSES					\$52,725
Administrative Staff (Admin)									

STAFF REPORT

To: Coastside County Water District Board of Directors

From: David Dickson, General Manager

Agenda: January 9, 2018

Report

Date: January 4, 2018

Subject: Agreement with Cornerstone Structural Engineering Services Group for Seismic Evaluation of Alves Tank

Recommendation:

Authorize the General Manager to execute a Professional Services Agreement with Cornerstone Structural Engineering Services Group for seismic evaluation of the Alves Tank at a time-and-materials cost not to exceed \$40,550.

Background:

The Alves Tank, built in 1970, is the District's largest tank at a capacity of 2.0 million gallons. The current Capital Improvement Program provides funding for recoating and rehabilitating the tank, starting with \$100,000 for evaluation and engineering design in FY17/18. The CIP includes a preliminary estimate of \$1.5 million in FY18/19 for construction.

Based on discussion with our consultants, staff believes that performing an evaluation of the tank's ability to meet current seismic standards is an essential first step in the design process. Failure of the tank in an earthquake would have devastating consequences for people and property and would limit the District's ability to maintain water service for its customers. The rehabilitation project will provide an opportunity to strengthen the tank and mitigate earthquake risk.

Staff proposes to contract with Cornerstone Structural Engineering Services Group (CSEG) for the seismic evaluation. We have met with CSEG to discuss the project and have reviewed similar tank evaluations done for other water utilities. Their proposal dated January 3, 2018 (attached) outlines their scope of work and provides a not-to-exceed cost of \$40,550.

Fiscal Impact:

Cost of \$40,550. The approved FY17/18 - FY26/27 CIP includes \$100,000 in funding in FY17/18 for engineering related to the Alves Tank rehabilitation project.



www.cseg.com

January 3, 2018
2018XXX

Coastside County Water District
766 Main Street
Half Moon Bay, CA 94019

Attention: David Dickson

Subject: Water Tank Seismic Retrofit Strategy
Alves Tank
Coastside County Water District
Half Moon Bay, CA
Structural Engineering Services

Dear Mr. Dickson:

Per your request, Cornerstone Structural Engineering Group would like to submit this proposal to provide structural engineering services for the subject water tank. We understand that the existing tank was constructed in approximately 1970, and is 140 feet in diameter, approximately 24 feet tall and has a capacity of 2.5MG. Cornerstone is going to perform a seismic and conditional assessment of the tank using the current AWWA D100 as the acceptance standard for an essential services facility.

Based on our conversations, a site visit, our understanding of the scope of structural engineering services is as follows:

SCOPE OF SERVICES

ASSESSMENT and STRATEGY REPORT

1. Review available documents for water tank, including structural drawings and previous reports.
2. Perform a site visit to observe the existing structural conditions for the tank and Pump Building.
3. Determine interior framing sizes from previous report data.
4. Perform a cursory AWWA D100 seismic evaluation for the tank. List and compare deficient elements performance to current code level design criteria. A seismic importance factor of 1.5 will be used also if this is to be considered an essential services facility.
5. Provide commentary on conditional issues and potential remediation strategies.
6. Prepare a report describing the findings of our structural review and seismic risk assessment for the tank with specific information related to the likely structural performance in a code-level earthquake. Compare results with previous report, provide qualitative commentary on construction access, and provide

- commentary on qualitative conceptual seismic and conditional rehabilitation strategies.
7. Compile CSEG assessment recommendations and summarize final seismic strengthening goals.
 8. Coordinate with a tank manufacturer for general quality assurance consultation, cost estimating purposes and constructability quality control peer review.
 9. Attend 1 project meeting.
 10. Provide conceptual details as applicable for:
 - a. Rafter strengthening, rafter straightening, and stability bracing
 - b. Foundation remediation (ring beam and pressure grouting)
 - c. Tie-down anchors for shell
 - d. Corrosion repairs of bottom plate
 11. Provide commentary on conditional issues and extents of work.
 12. Prepare a report describing the construction recommendations based on our structural review and seismic risk assessment for the tank with specific detail sketches for cost estimating.
 13. Coordinate with PCG for cost estimating efforts.
 14. The report summary will be itemized with discussion so the District can select which combination of options they prefer to pursue further.

ASSUMPTIONS AND LIMITATIONS:

1. Design services for either retrofit or replacement of the tank are not included in this proposal.
2. Geotechnical report and additional recommendations will be provided by other subconsultants if necessary.
3. Civil Engineer will provide existing tank size and geometry.
4. We understand that as-built shop drawing plans may not be available for the tank. Material data may be available for our use from previous investigations. This fee does not include materials investigations or as-built documentation if necessary.
5. The scope of our services is limited to structural engineering issues only. Project management services will be provided by others.
6. Reimbursable expenses are included in the base fee but are not anticipated beyond minor printing and shipping.



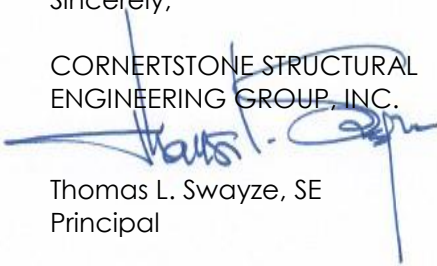
Cornerstone Structural Engineering Group proposes to provide the structural engineering services described above on a time and materials basis not to exceed the amounts outlined below per attached rate sheet:

Assessment and Strategy Report:	\$34,500
Tank mfr. consultation:	\$5,500
Sub-consultant Markup:	\$550
Total:	\$40,550

Should you have any questions or comments please do not hesitate to call.

Sincerely,

CORNERTSTONE STRUCTURAL
ENGINEERING GROUP, INC.



Thomas L. Swayze, SE
Principal



CHARGE RATE SCHEDULE

Principal	215.00/hr
Associate	200.00
Construction Manager	160.00
Engineering Manager	160.00
Resident Engineer/Structure Representative	150.00
Assistant Structure Representative	140.00
Project Administrator	150.00
Senior Engineer	145.00
Project Engineer	130.00
Staff Engineer	115.00
Structural Designer II	105.00
Structural Designer I	100.00
Junior Engineer	95.00
Senior Computer Drafter	105.00
Computer Drafter	100.00
Junior Computer Drafter	85.00
Accounting Assistant	100.00
Administrative Assistant II	80.00
Administrative Assistant I	75.00
Expert Witness Services	300.00

Subconsultants	Cost Plus 10%
Expenses	Cost Plus 15%

CADD Services

Plots/Prints on Bond	\$1.50/sq. ft.
Mylar Plots	\$3.00/sq. ft.
Copies	\$0.05 per b/w copy \$1.00 per color copy

Charge Rates Applicable January 1, 2018 through December 31, 2018



STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, Assistant General Manager

Agenda: January 9, 2018

Report

Date: January 5, 2018

Subject: Quarterly Financial Review

Recommendation:

Information Only.

Background:

The attached Period Budget Analysis summarizes year-to-date revenue and expenses for the first six months of Fiscal Year 2017-2018. Key highlights include:

- Year-to-date revenue is \$402,000 above budget primarily due to higher water sales (\$341,000) and property tax receipts (\$61,000).
- Year-to-date expenses are \$614,000 under plan, including:
 - Water purchased from SFPUC reflects a savings of \$283,000 due to our continued ability to draw water from Denniston and other local sources.
 - Electricity reflects a savings of \$20,000 due to use of local water sources vs. pumping from Crystal Springs.
 - Personnel costs include \$142,000 savings due to open positions and the partial service retirement of the General Manager resulting in a reduction of his salary expenses.
 - Legal, Engineering and Financial Services are under plan by \$67,000.
 - Other savings of \$102,000 primarily reflect expense timing as compared to budget.

COASTSIDE COUNTY WATER DISTRICT - PERIOD BUDGET ANALYSIS
31-Dec-17

ACCOUNT	DESCRIPTION	YTD BUDGET	YTD ACTUAL	Variance Favorable (Unfavorable)	% Variance
OPERATING REVENUE					
1-0-4120-00	Water Revenue -All Areas	6,012,544.00	6,353,491.42	340,947.42	5.7%
TOTAL OPERATING REVENUE		6,012,544.00	6,353,491.42	340,947.42	5.7%
NON-OPERATING REVENUE					
1-0-4170-00	Water Taken From Hydrants	24,990.00	33,654.23	8,664.23	34.7%
1-0-4180-00	Late Notice -10% Penalty	29,988.00	26,909.39	(3,078.61)	-10.3%
1-0-4230-00	Service Connections	4,998.00	6,314.61	1,316.61	26.3%
1-0-4920-00	Interest Earned	3,087.00	2,797.10	(289.90)	-9.4%
1-0-4930-00	Tax Apportionments/Cnty Checks	375,000.00	435,667.12	60,667.12	
1-0-4950-00	Miscellaneous Income	18,500.00	11,036.20	(7,463.80)	-40.3%
1-0-4955-00	Cell Site Lease Income	77,000.00	77,821.15	821.15	1.1%
1-0-4965-00	ERAF REFUND -County Taxes	0.00	0.00	0.00	0.0%
TOTAL NON-OPERATING REVENUE		533,563.00	594,199.80	60,636.80	11.4%
TOTAL REVENUES		6,546,107.00	6,947,691.22	401,584.22	6.1%
OPERATING EXPENSES					
1-1-5130-00	Water Purchased	1,410,100.00	1,126,824.19	283,275.81	20.1%
1-1-5230-00	Pump Exp, Nunes T P	20,140.00	20,205.45	(65.45)	-0.3%
1-1-5231-00	Pump Exp, CSP Pump Station	265,000.00	229,488.73	35,511.27	13.4%
1-1-5232-00	Pump Exp, Trans. & Dist.	14,500.00	12,250.09	2,249.91	15.5%
1-1-5233-00	Pump Exp, Pilarcitos Canyon	12,900.00	6,597.25	6,302.75	48.9%
1-1-5234-00	Pump Exp. Denniston Proj.	27,000.00	50,831.53	(23,831.53)	-88.3%
1-1-5242-00	CSP Pump Station Operations	5,250.00	4,525.66	724.34	13.8%
1-1-5243-00	CSP Pump Station Maintenance	8,328.00	5,208.12	3,119.88	37.5%
1-1-5246-00	Nunes T P Operations	36,000.00	25,131.86	10,868.14	30.2%
1-1-5247-00	Nunes T P Maintenance	61,200.00	38,326.31	22,873.69	37.4%
1-1-5248-00	Denniston T.P. Operations	14,000.00	22,528.01	(8,528.01)	-60.9%
1-1-5249-00	Denniston T.P. Maintenance	30,000.00	52,658.88	(22,658.88)	-75.5%
1-1-5250-00	Laboratory Services	23,000.00	26,168.79	(3,168.79)	-13.8%
1-1-5260-00	Maintenance -General	145,850.00	97,201.01	48,648.99	33.4%
1-1-5261-00	Maintenance -Well Fields	20,500.00	0.00	20,500.00	100.0%
1-1-5263-00	Uniforms	5,000.00	4,763.62	236.38	0.0%
1-1-5318-00	Studies/Surveys/Consulting	50,000.00	33,395.00	16,605.00	33.2%

ACCOUNT	DESCRIPTION	YTD BUDGET	YTD ACTUAL	Variance Favorable (Unfavorable)	% Variance
1-1-5321-00	Water Resources	18,500.00	8,310.04	10,189.96	55.1%
1-1-5322-00	Community Outreach	16,000.00	14,390.78	1,609.22	10.1%
1-1-5381-00	Legal	55,002.00	21,129.50	33,872.50	61.6%
1-1-5382-00	Engineering	50,000.00	20,405.69	29,594.31	59.2%
1-1-5383-00	Financial Services	17,000.00	13,428.00	3,572.00	21.0%
1-1-5384-00	Computer Services	72,400.00	51,994.87	20,405.13	28.2%
1-1-5410-00	Salaries/Wages-Administration	575,500.00	430,268.99	145,231.01	25.2%
1-1-5411-00	Salaries & Wages -Field	633,000.00	681,059.66	(48,059.66)	-7.6%
1-1-5420-00	Payroll Tax Expense	85,275.00	77,037.07	8,237.93	9.7%
1-1-5435-00	Employee Medical Insurance	215,280.00	190,428.07	24,851.93	11.5%
1-1-5436-00	Retiree Medical Insurance	22,602.00	20,125.31	2,476.69	11.0%
1-1-5440-00	Employees Retirement Plan	272,190.00	263,003.76	9,186.24	3.4%
1-1-5445-00	Supplemental Retirement 401a	0.00	0.00	0.00	0.0%
1-1-5510-00	Motor Vehicle Expense	25,350.00	33,525.80	(8,175.80)	-32.3%
1-1-5620-00	Office Supplies & Expense	112,752.00	118,478.16	(5,726.16)	-5.1%
1-1-5625-00	Meetings / Training / Seminars	12,000.00	12,252.64	(252.64)	-2.1%
1-1-5630-00	Insurance	60,000.00	60,028.45	(28.45)	0.0%
1-1-5687-00	Membership, Dues, Subscript.	34,000.00	42,611.67	(8,611.67)	-25.3%
1-1-5688-00	Election Expenses	0.00	0.00	0.00	0.0%
1-1-5689-00	Labor Relations	4,000.00	0.00	3,000.00	75.0%
1-1-5700-00	San Mateo County Fees	10,000.00	12,855.62	(2,855.62)	-28.6%
1-1-5705-00	State Fees	4,000.00	2,181.95	1,818.05	45.5%
TOTAL OPERATING EXPENSES		4,443,619.00	3,829,620.53	613,998.47	13.8%
CAPITAL ACCOUNTS					
1-1-5712-00	Debt Srvc/Existing Bonds 2006B	361,956.25	361,747.38	208.87	0.0%
1-1-5715-00	Debt Srvc/CIEDB 11-099 (I-BANK)	262,467.17	262,467.17	0.00	0.0%
1-1-5716-00	Debt Srvc/CIEDB 2016 (I-BANK)	229,848.33	229,848.34	(0.01)	0.0%
TOTAL CAPITAL ACCOUNTS		854,271.75	854,062.89	208.86	0.0%
TOTAL EXPENSES		5,297,890.75	4,683,683.42	614,207.33	11.6%
CONTRIBUTION TO CIP/RESERVES		1,248,216.25	2,264,007.80		

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, Assistant General Manager

Agenda: January 9, 2018

Report

Date: January 5, 2018

Subject: Fiscal Year 2018-2019 Budget Process Timeline

Recommendation:

None. Information only.

Background:

The attached Budget Process Timeline lays out the proposed schedule for presentation and consideration of the Fiscal Year 2018-2019 Budget and the Fiscal Year 18/19 - 27/28 Capital Improvement Program. Key timeline milestones follow the pattern established over the last two budget cycles, culminating in the public hearing on the budget scheduled for the regular June Board meeting.

Staff will review the budget process and answer any questions the Board may have.

Fiscal Impact:

None.

**Coastside County Water District
BUDGET (CIP and O&M) PROCESS TIMELINE
Fiscal Year 2018-2019**

Description	Date
Staff Internal Budget Review – Distribute O&M Budget Worksheets and Update CIP budget spreadsheet	January 2018
Finance Committee Meeting - Introduction to Budget Process/Timeline	January 3, 2018
Present Budget Timeline for Board approval	January 9, 2018 Regular Board Meeting
Special Board Meeting - Rate Study Kickoff	January 17, 2018
Staff Internal Budget Review – Worksheets Due/Review CIP Budget	January 24, 2018
Facilities Committee Meeting – Review Draft CIP Budget	January __, 2018
Finance Committee Meeting – Review Draft O&M Budget	January 29, 2018 9 AM
Present “Draft” O&M Budget to Board of Directors at Board Meeting	February 13, 2018 Regular Board Meeting
Present “Draft” O&M Budget and CIP to Board of Directors at Board Meeting	March 13, 2018 Regular Board Meeting
Customer Outreach – Website – Draft Budget and Finance Plan FY 2019	March __, 2018
Customer Outreach – E-Newsletter – Shared with Facebook and Twitter Message: Public Meeting Schedule for Budget –Links to Operations Budget and CIP	March __, 2018
Present “Draft” O&M Budget and CIP to Board of Directors at Board Meeting – Approve Notice of Rate Increase (Prop 218)	April 10, 2018 Regular Board Meeting
Special Meeting: Budget/Finance Plan Work Session with Board of Directors; Approve Notice of Rate Increase (Prop 218)	April 16, 2018 Special Meeting
Mail Notice of Rate Increase (Prop 218) – Minimum 45-Day Notice Before Public Hearing and post Notice on Bulletin Board.	April 23, 2018
Prop 218 Notice published in the Half Moon Bay Review	April 25, 2018 & May 2, 2018

January 3, 2018

Customer Outreach – E-Newsletter Message: Understanding Budget and Proposed Rate Increase	May __,2018
Present & Discuss “Draft” CIP and O&M Budget and Finance Plan	May 8, 2018 Regular Board Meeting
Rate Increase Hearing - Approve O&M Budget and CIP – Approve Rate Increase	June 12, 2018 Regular Board Meeting

STAFF REPORT

To: Coastside County Water District Board of Directors

From: David Dickson, General Manager

Agenda: January 9, 2018

Subject: Coastside County Water District Board Committees

Recommendation:

Consider appointments of Board members to serve on District Committees and as District representatives to external organizations and associations. Past practice has established that the President of the Board makes the appointments to committees and designates who will serve as the District representative to external agencies, except for the Bay Area Water Supply & Conservation Agency (BAWSCA) representative, who must be appointed by CCWD Board action. A copy of the current list of Board Committees is attached.

Background:

The purpose of the District's Committees is to assist the Board with issues and decisions and provide recommendations pertaining to a variety of areas, including Finance, Water Quality, Human Resources, Water Resources and District Facilities. Each of the committees is comprised of two Board members with interest in the specific subject matter.

Each of the Committees has a particular charge or set of tasks to address. Standing Committees do their assigned work on a continuing basis. Committees meet as needed rather than on an established regular schedule. The District notices and conducts all Standing Committee meetings in accordance with Brown Act public meeting requirements.

The Board President and the Board may also form temporary Advisory Committees focused on a specific task or objective. An Advisory Committee dissolves after the completion of the task or achievement of the objectives.

Past District practice has established that committee appointments are the prerogative of the Board President. The paragraphs below provide additional detail on the District's Committees.

Coastside County Water District Standing Committees

Finance Committee

The Finance Committee is responsible for reviewing and providing recommendations regarding the annual Operations and Maintenance and Capital Improvement Program budgets, and annual financial audits, as well as financial performance oversight. This Committee is also responsible for the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA) related matters.

Water Quality Committee

This Committee reviews and oversees the health and safety certification and compliance process required by state and federal laws, and all other issues related to water quality. This Committee also reviews the Annual Water Quality Report (Consumer Confidence Report), and the Annual Report to the Drinking Water Program.

Human Resources (Personnel & Recruitment) Committee

The development and review of the General Manager's Performance Plan is the responsibility of this Committee, and includes meeting to discuss the mid-term and the annual performance evaluations, as well as preparation of the evaluation report to be approved by the Board. This Committee also reviews changes to staff position descriptions, revisions and additions to the District's personnel manual, and recruitment for vacant staff positions when necessary.

Water Resources Committee

This Committee is responsible for oversight of the Pilarcitos Integrated Watershed Management Plan and reviews the District's Urban Water Management Plan, the Water Shortage and Drought Contingency Plan and the Memorandum of Understanding and Best Management Practices associated with the California Urban Water Conservation Council. This Committee may also be involved with San Francisco Public Utilities Commission (SFPUC) matters, including supply contract negotiations with the SFPUC in conjunction with the Bay Area Water Supply and Conservation Agency (BAWSCA).

District Facilities Committee

This Committee oversees the development and implementation of the annual Capital Improvement Program. The Committee also reviews the Capital Improvement Program budget and schedule and presents recommendations to the Finance Committee. This Committee is also involved in the Denniston Restoration Project.

Coastside County Water District Advisory Committees

Montara Water & Sanitary District (MWSD) Mutual Interest Committee

This Committee meets with members of the Montara Water & Sanitary District (MWSD) Committee to develop goals in areas of mutual interest to both Districts.

Recycled Water Committee

This Committee meets with representatives from the Sewer Authority Mid-Coastside (SAM) and its member agencies to discuss potential recycled water opportunities for the Coastside.

Coastside County Water District External Organization Representatives

In addition to the District's Standing and Advisory Committees, Board members may also serve as representatives to several external organizations, including the following:

Association of California Water Agencies (ACWA)

ACWA is the largest statewide coalition of public water agencies in the country. It is a leader on California water issues and a respected voice for its members in both Sacramento and Washington, D.C. ACWA's 450 public agency members are responsible for 90% of the water delivered to communities, farms, and businesses in California. ACWA plays an active role in managing the states' water resources and promoting investments in water use efficiency, water recycling, ground management and desalination. ACWA's membership is organized into ten geographic regions. The regions provide a structure in which members can discuss issues of mutual concern, and based on that interaction, provide representative input to the ACWA Board. The District's ACWA representative typically attends the annual Spring and Fall Conferences and is eligible to vote as the District's voting designee in ACWA elections. A District Board Member may also serve as an ACWA Region 5 Director.

Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA)

ACWA/JPIA provides liability coverages tailored to the unique needs of California Water Agencies. The District obtains its property, liability and worker's compensation coverage from the JPIA. As a member of the JPIA, the District names one of its directors and at least one alternate to sit on the ACWA/JPIA Board of Directors. The designated representative is able to vote at conferences. If the designated Director cannot attend a conference, then the alternate Director is allowed to vote in his/her absence. The designated Board member's term coincides with their term on the CCWD Board.

California Special District Association (CSDA)

CSDA was formed in 1969 to provide active representation at the State Capitol for its nearly 900 members, made up of independent special districts, including irrigation, water, parks and recreation, cemetery, fire, police protection, library, utility, harbor, healthcare and community service districts. CSDA pursues statewide policy legislation of benefit to special districts and provides advocacy, training, information, and financial services to help strengthen and increase the efficiency of special district operations. The agency is governed by a 19-member Board of Directors representing 6 regions throughout California. The District designates a CSDA representative to receive information and updates from CSDA.

Bay Area Water Supply & Conservation Agency (BAWSCA)

BAWSCA was created on May 27, 2003 to represent the interests of the cities and water districts, and two private utilities located in Alameda, Santa Clara and San Mateo Counties that purchase water on a wholesale basis from the San Francisco Regional Water System. BAWSCA's goals are to ensure a reliable supply of high quality water at a fair price. The agency is governed by a 27-member Board of Directors comprised of representatives from all BAWSCA agencies. The District's BAWSCA representative must be appointed by Coastside County Water District Board action. The CCWD Board appointed Director Mickelsen in June of 2013 to serve as the BAWSCA representative for the current term through June 30, 2017.

Local Agency Formation Commission (LAFCo)

LAFCo is a state-mandated, independent agency with countywide jurisdiction over changes in organization and boundaries of cities and special districts, including annexations, detachments, incorporations and formations. The District annually designates a Board member and an alternate to represent the District for the purposes of participation in the LAFCo election of officers.

COASTSIDE COUNTY WATER DISTRICT BOARD COMMITTEES

Updated: November 14, 2017

<u>Standing Committees</u>	<u>Directors</u>
Finance Committee	Coverdell, Glassberg
Water Quality Committee	Feldman, Mickelsen
Human Resources Committee	Glassberg, Mickelsen
Water Resources Committee	Mickelsen, Reynolds
District Facilities Committee	Feldman, Reynolds

<u>Advisory Committees</u>	<u>Directors</u>
Montara Water & Sanitary District (MWSD) Mutual Interest Committee	Feldman, (other position vacant effective November 14, 2017)
Recycled Water Committee	Coverdell, Reynolds

<u>External Organizations</u>	<u>Director</u>
Association of California Water Agencies (ACWA)	Reynolds
Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA)	Reynolds
California Special District Association (CSDA)	Glassberg
Bay Area Water Supply & Conservation Agency (BAWSCA) - 4 year term - June 2013 to June 30, 2017	Mickelsen
Local Agency Formation Commission (LAFCo)	Board President *

* All other Directors are designated as alternates for the purpose of participation in LAFCo's election of officers

STAFF REPORT

To: Coastside County Water District Board of Directors
From: David Dickson, General Manager
Agenda: January 9, 2018
Subject: Appointment of CCWD Board Member Representative Alternate(s) to participate in San Mateo Local Agency Formation Commission (LAFCo) election of officers

Recommendation:

Appoint CCWD Board Member Representative alternate(s) to participate in San Mateo Local Agency Formation Commission (LAFCo) election of officers.

Background:

The Local Agency Formation Commission (LAFCo) is a state mandated, independent agency with countywide jurisdiction over changes in organization and boundaries of cities and special districts, including annexations, detachments, incorporations and formations. The Commission is comprised of two county supervisor members appointed by the Board of Supervisors, two city council members appointed by the City Selection Committee, two special district members selected by the Special Districts Selection Committee (comprised of the presiding officers of the independent special districts) and one public member appointed by the six members of the Commission.

Pursuant to Government Code Section 56332, the Independent Special District Selection Committee shall consist of the Presiding Officer/President of the legislative body of each of the independent special districts. The legislative body of the district may appoint one of its board members to attend and vote in the presiding officer's place if the presiding officer will not be present at the meeting. (Government Code Section 56332(b)). Since only the District's Board President or a Board appointed alternate member may vote in LAFCo's election of officers, LAFCo recommends that standing voting representatives and alternates by referenced by name, in case a special district selection committee is called due to a vacancy and the District's presiding officer is not able to attend the meeting.

Past practice of the District has been to revisit this particular item on an agenda of each new year and appoint the alternate representatives in succession by naming the Vice-President, followed by Board members in order of seniority. Staff notifies LAFCo of the appointments by forwarding a copy of the approved minutes.

STAFF REPORT

To: Coastside County Water District Board of Directors

From: David Dickson, General Manager

Agenda: January 9, 2018

Report

Date: January 5, 2018

Subject: General Manager's Report

Recommendation:

None. Information only.

Background:

The following responds to an inquiry from the Board at the December 12, 2017 meeting:

Recycled Water Update: I last updated the Board on recycled water project status at the July 11, 2017 meeting, as described in the July 11 minutes:

H. Recycled Water Update

Mr. Dickson reviewed the background of this item, advising the Board that at their June 12, 2017 meeting, the Sewer Authority Mid-Coastside (SAM) accepted a recycled water Finance Plan prepared as an element of SRT's 25% design. He then outlined Table 3 of the Finance Plan and reviewed estimated capital costs and annual unit costs. He emphasized that the next step in developing the recycled water project incorporating the proposed general terms into an agreement. Brief discussion ensued with the Board providing direction for staff to (1) pursue meeting with Ocean Colony Partners to determine if, based on the estimated costs provided by SAM and CCWD's view of these estimates Ocean Colony Partners is interested and committed to step up and contribute to the shortfall of funds for this project, and (2) pursue meeting with SAM staff upon the SAM Board's authorization to do so, to negotiate the terms of a detailed agreement, based upon the guiding principles.

I spoke about the Board's direction with SAM General Manager Beverli Marshall after the July 11 meeting. Since that time, there has been no authorization or guidance provided to SAM staff regarding negotiation of a detailed recycled water agreement.

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, Assistant General Manager

Agenda: January 9, 2018

Report

Date: January 5, 2018

Subject: Assistant General Manager's Report

Recommendation: none

Background:

- **SFPUC Water Rates:** SFPUC recently announced that they are not planning an increase to wholesale water rates for FY2018-2019. (See Attachment A.) SFPUC will share future years' projections at the February 2018 meeting with Wholesale Customers.
- **CCWD Leak Adjustment Policy:** At the December Board meeting, Director Reynolds inquired if the District has a mechanism to provide relief to customers who experience an unusually high bill due to a leak. Attached is a copy of Resolution No. 2006-23 that outlines the District's policy regarding leaks (Attachment B.) Presently, the District provides residential customers with relief up to a maximum of \$500 from extraordinary water supply pipe failures. The District also allows customers to set up a payment plan for high bills.

Although high bills can be problematic for our customers, District staff has not consistently heard requests to modify our policy and practices. During 2018, the District will be implementing Advanced Metering Infrastructure (AMI) along with an online tool/app, "Water Smart" that will allow our customers to personally monitor water consumption and to set alerts if they are experiencing unusually high usage. As part of the roll-out of Water Smart, the District may consider incentivizing customers to sign up for Water Smart as part of our leak adjustment practices.

- **AMI (Advanced Metering Infrastructure) Installation:** Professional Meters, Inc. (PMI) will be installing meters in Half Moon Bay during the month of January. PMI estimates that they will complete installations District-wide in March, 2018.



San Francisco
Water Power Sewer
 Operator of the Hetch Hetchy Regional Water System

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December 26, 2017

Nicole Sandkulla, General Manager
 Bay Area Water Supply and
 Conservation Agency
 155 Bovet Road, Suite 650
 San Mateo, California 94402

Re: Probable Fiscal Year 2018-19 Wholesale Water Rate Range

Dear Ms. Sandkulla,

As agreed to at the joint SFPUC and BAWSCA meeting of June 1, 2011, the San Francisco Public Utilities Commission (SFPUC) has reviewed and analyzed Wholesale Water Rate inputs and is providing a probable Fiscal Year 2018-19 rate range for Wholesale Water charges. This memorandum also summarizes relevant rate inputs.

In the 5-year Wholesale rate forecast issued on April 4, 2017, the SFPUC projected no change from the current rate of \$4.10/Ccf for FY 2018-19.

The SFPUC has since updated the revenue requirement for FY 2018-19, and based on the most recent available data, the revenue requirement inputs are as follows:

Expenses (\$ million)	
Wholesale Revenue Requirement	(\$267)
Debt Service Coverage	(\$ 6)
Less: Partial Balancing Account Payment	<u>\$ 18</u>
Total	<u>(\$255)</u>
Revenues (\$ million)	
Fixed Service Charge	\$ 4
Volumetric Charge	<u>\$ 251</u>
Total	<u>\$ 255</u>

London Breed
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 the Board of
 Supervisors and
 Acting Mayor

Ike Kwon
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Ann Moller Caen
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 Commissioner

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 Commissioner

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 General Manager

Services of the San Francisco Public Utilities Commission

OUR MISSION: To provide our customers with high-quality, efficient and reliable water, power and sewer services in a manner that values environmental and community interests and sustains the resources entrusted to our care.



These volumetric revenues assumed 125 MGD based on water delivery data through November 2017. The projected revenues are sufficient to cover the estimated expenses, and therefore no rate change is anticipated.

As a result of these estimates, the SFPUC continues to project no change to the current rate for FY 2018-19 as included in the 5-Year Rate Noticing memo of April 4, 2017.

The SFPUC will next share updated rate projections with Wholesale Customers at the February 2018 meeting.

Amy Javelosa-Rio, Rates Administrator and I are available to discuss the supporting analysis with you or your staff. We look forward to your input. I can be reached at (415) 487-5262.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read 'CP', with a long horizontal flourish extending to the right.

Charles Perl
Deputy Chief Finance Officer

cc: Eric Sandler, SFPUC, CFO and AGM, Business Services
Kristina Cordero, SFPUC, Financial Planning Director
Christina Tang, BAWSCA, Senior Administrative Analyst

RESOLUTION NO. 2006-23

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE COASTSIDE COUNTY WATER DISTRICT AMENDING THE
DISTRICT'S GENERAL REGULATIONS REGARDING WATER SERVICE
AT SECTION H, PERTAINING TO HIGH BILL RELIEF**

BE IT RESOLVED, by the Board of Directors of the Coastsides County Water District that section H "Meter Error" of the Code of General Regulations is hereby amended to read as follows:

H. High Bill Relief/Meter Error Or Leak

Any customer that receives an unusually high water bill may request that the District test the meter through which water is being furnished to determine if it is leaking or incorrectly registering. If the Manager determines that the unusually high bill is attributable to a leak or other circumstance that exists on the customer's side of the meter, it shall remain the responsibility of the customer. If the meter is found to be leaking or incorrectly recording water usage, the meter shall be properly adjusted or replaced, and the water bill for the current month shall be adjusted accordingly. In rare cases, if a customer presents clear and convincing evidence satisfactory to the Manager that a leak was caused by circumstances beyond the customer's control and could not have been avoided by the exercise of reasonable care, and that appropriate measures have been taken to prevent similar future occurrences, then relief from an unusually high bill may be granted in the discretion of the Manager, provided that the amount of relief shall not exceed 25% of the difference between the amount of the high bill and the amount of the average of the prior years' bills, or \$500.00, whichever amount is less. The Manager's determination shall be final and not appealable to the Board of Directors."

BE IS RESOLVED FURTHER that this amendment shall be effective immediately upon its adoption, and that the General Manager is directed to incorporate the foregoing amendment into the Code of General Regulations.

PASSED AND ADOPTED by the Board of Directors of the Coastside County Water District this 14th day of November, 2006, by the following vote:

AYES:	Members	Coverdell, Mickelsen, Feldman, Ascher
NOES:	Members	None
ABSTAIN:	Members	None
ABSENT:	Members	Larimer



Everett Ascher
President, Board of Directors
Coastside County Water District

ATTEST:



Secretary

MONTHLY REPORT

To: David Dickson, General Manager
From: James Derbin, Superintendent of Operations
Agenda: January 9, 2018

Report
Date: January 9, 2018

Monthly Highlights

- Total annual production for the Denniston water treatment plant was 198.1 Million Gallons (MG) for 2017. Annual production for previous calendar years are shown below:
 - 2016 146.2 MG
 - 2015 73.6 MG
 - 2014 42 MG
- Denniston annual filter surveillance completed on 1/9/18 in preparation for topping off with filter media

Source of Supply

Denniston Well 9, with Denniston and Crystal Springs Reservoirs as the sources of supply in December. Pilarcitos Wells 1, 3, 3A, 4 and 5 ran in December. Combined flows from the Pilarcitos wells is currently ~300 gpm.

Projects

Denniston Pump Station and Bridgeport Transmission Main Project

Staff continues to work with Kennedy Jenks, Pump Repair Service and Goulds to get this project completed. Anchor bolts have been installed on the base plates. Contractor is re-grouting the base plates and will then conduct vibration testing once the grout cures.

Automatic Meter Infrastructure

As of 1/4/18, PMI has installed a total of 1,701 new meters and CCWD staff has installed 1,025 meters in house.

Downtown 2" Main Replacement Project

Andreini Brothers Construction completed replacing the 2" main on Miramontes Street by the cemetery by installing 600' of 6" ductile iron pipe. Once encroachment permits are approved by the City of Half Moon Bay, Andreini will mobilize to Correas Street.

STAFF REPORT

To: Board of Directors
From: Cathleen Brennan, Water Resources Analyst
Agenda: January 9, 2018

Report Date: January 3, 2018

Subject: Water Resources

Informational Report: Update on the 2015 Urban Water Management Plan

On September 27, 2016, the Department of Water Resources received Coastside County Water District's (District) 2015 Urban Water Management Plan (Plan). The Department of Water Resources reviewed the District's Plan and found it addressed the requirements of the California Water Code. The District received notice that the Plan was accepted on December 15, 2017. An image of the letter can be found below. The Plan is posted on the District's website.

http://www.coastsidewater.org/reports_and_studies/2015-UWMP.pdf

