

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

REGULAR MEETING OF THE BOARD OF DIRECTORS

Tuesday, January 9, 2024 - 7:00 p.m.

AGENDA

The Public may attend this meeting in person at the District Office located at 766 Main Street, Half Moon Bay or choose to watch and/or participate in the public meeting by joining the meeting through the Zoom Videoconference link provided below. The public may also join the meeting by calling the below listed teleconference phone number.

The meeting will begin at 7:00 p.m.

Join Zoom Meeting

<https://us06web.zoom.us/j/88691894625?pwd=UFBnaVYrSUNtUTE3NHIRZDFrVDhnZz09>

Meeting ID: 886 9189 4625

Passcode: 182549

One tap mobile

+16699006833,,88691894625#,,,,*182549# US (San Jose)

Dial by your location

+1 669 900 6833 US (San Jose)

Meeting ID: 886 9189 4625

Passcode: 182549

Find your local number: <https://us06web.zoom.us/j/88691894625?pwd=UFBnaVYrSUNtUTE3NHIRZDFrVDhnZz09>

Procedures to make a public comment with Zoom Video/Conference – All participants except the Board Members and Staff are muted on entry and video is disabled. Participants may not unmute themselves unless asked to unmute by the Moderator.

- **From a computer:** (1) Using the Zoom App. at the bottom of your screen, click on “Participants” and then “Raise Hand”. Participants will be called to comment in the order in which they are received.
- **From a phone:** Using your keypad, dial *9, and this will notify the Moderator that you have raised your hand. The Moderator will call on you by stating the last 4 digits of your phone number.

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. Members of the public attending in-person must complete and submit a speaker slip. Members of the public attending via Zoom must first "raise hand" and the Moderator will "ask to unmute". The President of the Board will recognize each speaker, at which time the speaker can 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, 2023:
Claims: \$ 917,111.28; Payroll: \$ 228,911.26 for a total of \$ 1,146,022.54 ([attachment](#))
December 2023 Monthly Financial Claims reviewed and approved by Director Feldman
- B. Acceptance of Financial Reports ([attachment](#))
- C. Approval of Minutes of December 12, 2023, Regular Board of Directors Meeting ([attachment](#))
- D. Installed Water Connection Capacity and Water Meters Report ([attachment](#))

- E. Total CCWD Production Report ([attachment](#))
- F. CCWD Monthly Sales by Category Report - December 2023 ([attachment](#))
- G. Leak/Flushing Report - December 2023 ([attachment](#))
- H. Monthly Rainfall Reports ([attachment](#))
- I. Notice of Completion - Poplar Street Water Main Replacement Project ([attachment](#))

5) MEETINGS ATTENDED / DIRECTOR COMMENTS

6) GENERAL BUSINESS

- A. Coastside County Water District Basic Financial Statements and Independent Auditor's Report for the Fiscal Year Ended June 30, 2023 ([attachment](#))
- B. Approval of Professional Services Agreement with EKI Environment and Water, Inc. for Capital Project Management and As-Needed Engineering Services ([attachment](#))
- C. Approval of Professional Services Agreement with EKI Environment and Water, Inc. for Engineering Services for the Alcatraz Avenue, Santa Rosa Avenue, and Ocean Colony Pipeline Projects ([attachment](#))
- D. Approval of Professional Services Agreement with Underwood & Rosenblum, Inc. for Civil Engineering Services for the Road Repair Project in Pilarcitos Canyon ([attachment](#))
- E. Approval of Professional Services Agreement with HDR Inc. to Conduct a Feasibility Study to Evaluate the Hydroelectric Energy Recovery Potential of the Pilarcitos Pipeline ([attachment](#))
- F. Quarterly Financial Review ([attachment](#))
- G. Review District Board Committees. Consider and Approve Appointments of Board Members to the Coastside County Water District Board Committees, and Appointment of District Representatives to External Organizations and Associations. Consider and Approve Establishment of New Advisory Committee(s) and External Organization Representation ([attachment](#))
- H. Appointment of CCWD Board Member Representative Alternate(s) to Participate in San Mateo Local Agency Formation Commission (LAFCo) Election of Officers ([attachment](#))
- I. Nunes Water Treatment Plant Upgrades Project Update #29 ([attachment](#))

7) MONTHLY INFORMATIONAL REPORTS

- A. General Manager's Report ([attachment](#))
 - Recent California Public Records Act Decisions

8) DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS

9) ADJOURNMENT

**COASTSIDE COUNTY WATER DISTRICT
CLAIMS FOR DECEMBER 2023**

CHECKS			
CHECK DATE	CHECK NO.	VENDOR	AMOUNT
12/07/2023	33093	GLORIA JEAN EZEKIEL	\$ 41.81
12/07/2023	33094	JUVENCIO DIAZ	\$ 19.24
12/08/2023	33095	HEALTH BENEFITS ACWA-JPIA	\$ 42,098.43
12/08/2023	33096	BADGER METER, INC.	\$ 66.00
12/08/2023	33097	EVAN SKIP BLOOM	\$ 1,100.00
12/08/2023	33098	CALCON SYSTEMS, INC.	\$ 328.13
12/08/2023	33099	CALIFORNIA SURVEYING & DRAFTING SUPPLY INC.	\$ 319.47
12/08/2023	33100	CECIL & CECIL ENTERPRISES, INC	\$ 16,033.89
12/08/2023	33101	COMCAST	\$ 286.43
12/08/2023	33102	JAMES COZZOLINO, TRUSTEE	\$ 275.00
12/08/2023	33103	DR. WELL, WATER SERVICES, INC	\$ 5,900.00
12/08/2023	33104	GRAINGER, INC.	\$ 328.86
12/08/2023	33105	IRVINE CONSULTING SERVICES, INC.	\$ 4,413.10
12/08/2023	33106	UMPQUA BANK	\$ 9,270.75
12/08/2023	33107	OCCUPATIONAL HEALTH CENTERS OF CALIFORNIA, A MEDICAL CORP.	\$ 338.00
12/08/2023	33108	PACIFIC GAS & ELECTRIC CO.	\$ 88.64
12/08/2023	33109	PACIFIC GAS & ELECTRIC CO.	\$ 25,242.39
12/08/2023	33110	PAULO'S AUTO CARE	\$ 36.00
12/08/2023	33111	RANGER PIPELINES, INC.	\$ 176,144.25
12/08/2023	33112	UBEO WEST, LLC	\$ 917.66
12/08/2023	33113	REPUBLIC SERVICES	\$ 613.66
12/08/2023	33114	RICE TRUCKING--SOIL FARM	\$ 36.09
12/08/2023	33115	ROGUE WEB WORKS, LLC	\$ 495.00
12/08/2023	33116	SAN MATEO CTY PUBLIC HEALTH LAB	\$ 1,080.00
12/08/2023	33117	SAN MATEO COUNTY	\$ 287.00
12/08/2023	33118	STATE WATER RESOURCES CONTROL BD	\$ 868.00
12/08/2023	33119	TPX COMMUNICATIONS	\$ 1,945.80
12/08/2023	33120	UNDERGROUND REPUBLIC WATER WORKS, INC.	\$ 105,325.40
12/08/2023	33121	HD SUPPLY INC	\$ 1,081.96
12/08/2023	33122	VERIZON CONNECT INC.	\$ 298.20
12/15/2023	33123	ANDREINI BROS. INC.	\$ 150,977.10
12/15/2023	33124	AT&T MOBILTY	\$ 86.48
12/15/2023	33125	BARTKIEWICZ, KRONICK & SHANAHAN	\$ 495.00
12/15/2023	33126	BAY AREA WATER SUPPLY &	\$ 1,440.00
12/15/2023	33127	BAY ALARM COMPANY	\$ 790.17
12/15/2023	33128	BFI OF CALIFORNIA, INC.	\$ 139.36
12/15/2023	33129	CALCON SYSTEMS, INC.	\$ 24,020.56
12/15/2023	33130	BRANDON WRIGHT	\$ 300.00
12/15/2023	33131	COMMUNICATION LEASING SERVICES, INC	\$ 15,209.03
12/15/2023	33132	DEL GAVIO GROUP	\$ 2,208.83
12/15/2023	33133	DE LAGE LANDEN FINANCIAL SERVICES, INC.	\$ 1,021.78
12/15/2023	33134	SEAN DONOVAN	\$ 90.00
12/15/2023	33135	ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE, INC.	\$ 11,000.00
12/15/2023	33136	GRAINGER, INC.	\$ 228.67
12/15/2023	33137	HANSONBRIDGETT. LLP	\$ 14,436.00
12/15/2023	33138	HUE & CRY, INC.	\$ 1,097.04
12/15/2023	33139	IRVINE CONSULTING SERVICES, INC.	\$ 2,628.82
12/15/2023	33140	MISSION UNIFORM SERVICES INC.	\$ 66.56
12/15/2023	33141	MONTEREY BAY ANALYTICAL SERVICES, INC.	\$ 2,974.01
12/15/2023	33142	MTA PARTS, INC.	\$ 8.19
12/15/2023	33143	JOHN MULLER	\$ 200.00
12/15/2023	33144	OFFICE DEPOT	\$ 743.82
12/15/2023	33145	MULTI SERVICE TECHNOLOGY SOLUTIONS, INC.	\$ 481.10
12/15/2023	33146	JEFFREY SCHNEIDER	\$ 1,140.00
12/15/2023	33147	JIM STEELE	\$ 5,000.00

WIRE PAYMENTS

12/15/2023	DFT0000487	PUB. EMP. RETIRE SYSTEM	\$	19,029.43
12/20/2023	DFT0000488	PUB. EMP. RETIRE SYSTEM	\$	19,949.50
11/30/2023		BANK AND CREDIT CARD FEES	\$	5,543.45
		SUBTOTAL WIRE PAYMENTS FOR MONTH	\$	44,522.38

TOTAL CLAIMS FOR THE MONTH \$ 917,111.28



	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	934,000.00	860,695.21	-73,304.79	-7.85%	7,007,000.00	6,565,120.67	-441,879.33	-6.31%	12,963,614.00
	Total RevType: 1 - Operating:	934,000.00	860,695.21	-73,304.79	-7.85%	7,007,000.00	6,565,120.67	-441,879.33	-6.31%	12,963,614.00
RevType: 2 - Non-Operating										
1-4170-00	Water Taken From Hydrants	3,000.00	2,142.39	-857.61	-28.59%	30,500.00	29,576.49	-923.51	-3.03%	52,000.00
1-4180-00	Late Notice - 10% Penalty	5,000.00	8,107.18	3,107.18	62.14%	32,500.00	57,366.54	24,866.54	76.51%	65,000.00
1-4230-00	Service Connections	750.00	167.52	-582.48	-77.66%	5,000.00	9,396.21	4,396.21	87.92%	10,000.00
1-4920-00	Interest Earned	7,000.00	33,003.44	26,003.44	371.48%	48,000.00	201,307.00	153,307.00	319.39%	90,000.00
1-4930-00	Tax Apportionments/County Checks	470,000.00	492,795.55	22,795.55	4.85%	560,000.00	591,501.48	31,501.48	5.63%	995,000.00
1-4950-00	Miscellaneous Income	400.00	0.00	-400.00	-100.00%	2,400.00	167.27	-2,232.73	-93.03%	5,000.00
1-4955-00	Cell Site Lease Income	16,000.00	18,740.37	2,740.37	17.13%	96,000.00	109,399.70	13,399.70	13.96%	195,000.00
1-4965-00	ERAF Refund - County Taxes	0.00	0.00	0.00	0.00%	300,000.00	337,790.18	37,790.18	12.60%	550,000.00
	Total RevType: 2 - Non-Operating:	502,150.00	554,956.45	52,806.45	10.52%	1,074,400.00	1,336,504.87	262,104.87	24.40%	1,962,000.00
	Total Revenue:	1,436,150.00	1,415,651.66	-20,498.34	-1.43%	8,081,400.00	7,901,625.54	-179,774.46	-2.22%	14,925,614.00
Expense										
ExpType: 1 - Operating										
1-5130-00	Water Purchased	100,203.00	110,724.82	-10,521.82	-10.50%	1,496,167.00	1,237,047.70	259,119.30	17.32%	2,461,346.00
1-5230-00	Nunes T P Pump Expense	4,500.00	4,481.01	18.99	0.42%	27,000.00	27,548.46	-548.46	-2.03%	57,000.00
1-5231-00	CSP Pump Station Pump Expense	12,000.00	-2,308.07	14,308.07	119.23%	226,000.00	16,258.20	209,741.80	92.81%	350,000.00
1-5232-00	Other Trans. & Dist Pump Expense	2,100.00	1,929.40	170.60	8.12%	12,900.00	12,994.78	-94.78	-0.73%	27,000.00
1-5233-00	Pilarcitos Canyon Pump Expense	13,000.00	9,218.03	3,781.97	29.09%	24,800.00	25,096.43	-296.43	-1.20%	69,000.00
1-5234-00	Denniston T P Pump Expense	3,000.00	6,466.36	-3,466.36	-115.55%	38,000.00	65,485.40	-27,485.40	-72.33%	89,000.00
1-5242-00	CSP Pump Station Operations	1,000.00	-1,655.81	2,655.81	265.58%	6,800.00	11,736.53	-4,936.53	-72.60%	13,000.00
1-5243-00	CSP Pump Station Maintenance	2,000.00	28.04	1,971.96	98.60%	17,000.00	3,867.87	13,132.13	77.25%	35,000.00
1-5246-00	Nunes T P Operations - General	8,000.00	9,815.30	-1,815.30	-22.69%	48,000.00	46,750.92	1,249.08	2.60%	102,000.00
1-5247-00	Nunes T P Maintenance	10,000.00	8,668.27	1,331.73	13.32%	59,000.00	46,520.74	12,479.26	21.15%	125,000.00
1-5248-00	Denniston T P Operations-General	4,000.00	852.65	3,147.35	78.68%	27,000.00	12,499.98	14,500.02	53.70%	54,000.00
1-5249-00	Denniston T.P. Maintenance	7,000.00	9,846.65	-2,846.65	-40.67%	93,000.00	74,432.74	18,567.26	19.96%	155,000.00
1-5250-00	Laboratory Expenses	7,000.00	4,696.00	2,304.00	32.91%	38,000.00	26,595.78	11,404.22	30.01%	77,000.00
1-5260-00	Maintenance - General	32,000.00	28,788.33	3,211.67	10.04%	193,000.00	297,500.88	-104,500.88	-54.15%	395,000.00
1-5261-00	Maintenance - Well Fields	8,000.00	6,675.00	1,325.00	16.56%	34,000.00	7,200.00	26,800.00	78.82%	50,000.00
1-5263-00	Uniforms	1,000.00	1,770.31	-770.31	-77.03%	8,000.00	13,033.18	-5,033.18	-62.91%	14,000.00
1-5318-00	Studies/Surveys/Consulting	10,000.00	21,064.03	-11,064.03	-110.64%	55,000.00	25,261.62	29,738.38	54.07%	160,000.00
1-5321-00	Water Resources	1,000.00	3,146.58	-2,146.58	-214.66%	8,000.00	5,198.48	2,801.52	35.02%	21,500.00

Monthly Budget Report

For Fiscal: 2023-2024 Period Ending: 12/31/2023

		December Budget	December Activity	Variance Favorable (Unfavorable)	Percent Variance	YTD Budget	YTD Activity	Variance Favorable (Unfavorable)	Percent Variance	Total Budget
1-5322-00	Community Outreach	6,000.00	9,923.00	-3,923.00	-65.38%	27,000.00	11,645.14	15,354.86	56.87%	68,000.00
1-5381-00	Legal	9,000.00	8,387.00	613.00	6.81%	55,000.00	48,420.50	6,579.50	11.96%	110,000.00
1-5382-00	Engineering	7,200.00	9,702.00	-2,502.00	-34.75%	42,800.00	31,376.96	11,423.04	26.69%	86,000.00
1-5383-00	Financial Services	5,000.00	5,000.00	0.00	0.00%	19,000.00	16,722.00	2,278.00	11.99%	23,000.00
1-5384-00	Computer Services	28,000.00	28,194.55	-194.55	-0.69%	162,000.00	150,314.66	11,685.34	7.21%	339,974.00
1-5410-00	Salaries/Wages-Administration	111,186.00	108,502.30	2,683.70	2.41%	693,591.00	570,126.71	123,464.29	17.80%	1,381,887.00
1-5411-00	Salaries & Wages - Field	155,436.00	163,968.47	-8,532.47	-5.49%	969,624.00	894,473.74	75,150.26	7.75%	1,931,847.00
1-5420-00	Payroll Tax Expense	18,984.00	15,988.49	2,995.51	15.78%	118,424.00	97,490.05	20,933.95	17.68%	235,945.00
1-5435-00	Employee Medical Insurance	40,000.00	38,363.94	1,636.06	4.09%	240,000.00	211,560.53	28,439.47	11.85%	516,000.00
1-5436-00	Retiree Medical Insurance	3,600.00	3,401.83	198.17	5.50%	21,400.00	20,265.99	1,134.01	5.30%	46,000.00
1-5440-00	Employees Retirement Plan	54,000.00	49,502.75	4,497.25	8.33%	321,000.00	293,074.10	27,925.90	8.70%	642,924.00
1-5445-00	Supplemental Retirement 401a	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00%	38,000.00
1-5510-00	Motor Vehicle Expense	7,000.00	4,259.25	2,740.75	39.15%	42,000.00	41,441.09	558.91	1.33%	90,000.00
1-5620-00	Office & Billing Expenses	32,000.00	29,349.19	2,650.81	8.28%	192,000.00	164,997.84	27,002.16	14.06%	414,000.00
1-5625-00	Meetings / Training / Seminars	5,000.00	954.44	4,045.56	80.91%	22,000.00	13,986.97	8,013.03	36.42%	45,000.00
1-5630-00	Insurance	14,000.00	16,265.69	-2,265.69	-16.18%	84,000.00	92,597.35	-8,597.35	-10.23%	182,000.00
1-5687-00	Membership, Dues, Subscript.	5,000.00	4,884.30	115.70	2.31%	58,000.00	62,419.22	-4,419.22	-7.62%	118,825.00
1-5689-00	Labor Relations	500.00	0.00	500.00	100.00%	3,000.00	0.00	3,000.00	100.00%	6,000.00
1-5700-00	San Mateo County Fees	2,000.00	840.25	1,159.75	57.99%	16,000.00	12,520.60	3,479.40	21.75%	31,400.00
1-5705-00	State Fees	0.00	1,666.00	-1,666.00	0.00%	3,000.00	3,777.47	-777.47	-25.92%	48,000.00
	Total ExpType: 1 - Operating:	729,709.00	723,360.35	6,348.65	0.87%	5,501,506.00	4,692,240.61	809,265.39	14.71%	10,609,648.00
	ExpType: 4 - Capital Related									
1-5715-00	Debt Service/CIEDB 11-099	0.00	0.00	0.00	0.00%	275,701.00	275,701.00	0.00	0.00%	335,343.00
1-5716-00	Debt Service/CIEDB 2016	0.00	0.00	0.00	0.00%	240,637.00	240,636.61	0.39	0.00%	321,923.00
1-5717-00	Chase Bank - 2018 Loan	0.00	0.00	0.00	0.00%	388,096.00	388,095.98	0.02	0.00%	437,233.00
1-5718-00	First Foundation Bank - 2022	0.00	0.00	0.00	0.00%	345,524.00	345,524.31	-0.31	0.00%	417,501.00
	Total ExpType: 4 - Capital Related:	0.00	0.00	0.00	0.00%	1,249,958.00	1,249,957.90	0.10	0.00%	1,512,000.00
	Total Expense:	729,709.00	723,360.35	6,348.65	0.87%	6,751,464.00	5,942,198.51	809,265.49	11.99%	12,121,648.00
	Report Total:	706,441.00	692,291.31	-14,149.69		1,329,936.00	1,959,427.03	629,491.03		2,803,966.00

**COASTSIDE COUNTY WATER DISTRICT
MONTHLY INVESTMENT REPORT
December 31, 2023**

<u>RESERVE BALANCES</u>	Current Year as of 12/31/2023	Prior Year as of 12/31/2022
CAPITAL AND OPERATING RESERVE	\$12,743,997.22	\$14,655,733.43
RATE STABILIZATION RESERVE	\$250,000.00	\$250,000.00
TOTAL DISTRICT RESERVES	\$12,993,997.22	\$14,905,733.43

ACCOUNT DETAIL

ACCOUNTS WITH TRI COUNTIES BANK		
CHECKING ACCOUNT	\$1,615,783.25	\$4,350,239.30
CSP T & S ACCOUNT	\$192,346.30	\$200,401.90
MONEY MARKET GEN. FUND (Opened 7/20/17)	\$19,808.22	\$19,806.24
LOCAL AGENCY INVESTMENT FUND (LAIF) BALANCE	\$11,165,259.45	\$10,334,485.99
DISTRICT CASH ON HAND	\$800.00	\$800.00
TOTAL ACCOUNT BALANCES	\$12,993,997.22	\$14,905,733.43

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

COASTSIDE COUNTY WATER DISTRICT
 CAPITAL IMPROVEMENT PROJECTS - STATUS REPORT
 FISCAL YEAR 2023/2024

Prepared 1.2.2024

12/31/2023

* Approved June 2023

Status	Approved* CIP Budget FY23/24	Actual To Date FY23/24	Projected FY23/24	Variance vs. Budget	% Completed	Project Status/ Comments
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Equipment Purchases & Replacement

06-03	SCADA/Telemetry/Electrical Controls Replacement	ongoing	\$ 50,000		\$ 50,000	\$ -	n/a	
99-02	Vehicle Fleet Replacement	ongoing	\$ 80,000	\$ -	\$ -	\$ 80,000	100%	purchased vehicle in June 2023 (planned for FY2024)

Facilities & Maintenance

09-09	Fire Hydrant Replacement	ongoing	\$ 140,000	\$ 138,147	\$ 138,147	\$ 1,853	100%	
23-13	Pilarcitos Canyon Culvert Replacement	in design	\$ 40,000	\$ 2,734	\$ 40,000	\$ -	0%	
99-01	Meter Change Program	ongoing	\$ 10,000	\$ -	\$ 10,000	\$ -	n/a	

Pipeline Projects

14-01/23-10	Highway 92 - Emergency Pipeline Restoration and Replacement of Welded Steel Line	In design	\$ 2,500,000	\$ 324,287	\$ 1,000,000	\$ 1,500,000	0%	Possible delays to FY2025
16-09	Magellan at Hwy 1		\$ 500,000		\$ 200,000	\$ 300,000	0%	Awarded November 2023
22-07	Alameda Ave Crossing at Medio Creek		\$ 275,000	\$ 35,833	\$ 200,000	\$ 75,000	0%	Awarded November 2023
23-02	Poplar Street Pipeline Replacement	in construction	\$ 400,000	\$ 383,073	\$ 400,000	\$ -	100%	
24-01	Myrtle/2nd Ave Valve Replacement		\$ 100,000	\$ 12,957	\$ 250,000	\$ (150,000)	0%	Awarded November 2023

Pump Stations / Tanks / Wells

21-07	Carter Hill Tank Improvement Project	In design	\$ 300,000	\$ 38,734	\$ 200,000	\$ 100,000	0%	At 100% design
19-01	EG #1 Tank Improvement Project/New Pump Station	In design	\$ 150,000	\$ 28,124	\$ 150,000	\$ -	0%	
09-18	Denniston Well Field Replacements	TBD	\$ 500,000		\$ 250,000	\$ 250,000	0%	Under review with hydrogeologist
20-01	CSP Pump #1/2 Spare	on order	\$ 90,000		\$ 90,000	\$ -	0%	
23-11	CSP Screens - Intake Valves	tech memo	\$ 250,000	\$ 2,015	\$ 25,000	\$ 225,000		delayed to FY2025
19-05	Tanks - THM Control	Ongoing	\$ 50,000		\$ 50,000	\$ -	0%	

Water Supply Development

14-25	San Vicente/Denniston Water Supply Development	ongoing	\$ 500,000	\$ 78,843	\$ 350,000	\$ 150,000	n/a	
23-04	Lower Pilarcitos Well Development	TBD	\$ 100,000		\$ -	\$ 100,000	0%	delayed
17-12	Water Reuse Feasibility Study	in process	\$ 300,000	\$ 176,971	\$ 200,000	\$ 100,000	80%	

Water Treatment Plants

20-14	Nunes Water Treatment Plant Improvement Project	Construction	\$ 1,600,000	\$1,005,663	\$ 1,700,000	\$ (100,000)	75%	Construction started August 2021; To be completed in FY 2023/2024
23-05	Sodium Hypochlorite Generator Replacement (Nunes)	in design	\$ 200,000	\$ 13,021	\$ 200,000	\$ -	0%	Board approved August 2023
23-06	Existing Sedimentation Basin Rehabilitation	TBD	\$ 300,000		\$ 300,000	\$ -	0%	
23-09	Denniston Contact Clarifier Hatch Replacements	TBD	\$ 75,000	\$ 875	\$ 875	\$ 74,125	0%	delayed

COASTSIDE COUNTY WATER DISTRICT
 CAPITAL IMPROVEMENT PROJECTS - STATUS REPORT
 FISCAL YEAR 2023/2024

Prepared 1.2.2024

12/31/2023

* Approved June 2023

Status	Approved* CIP Budget FY23/24	Actual To Date FY23/24	Projected FY23/24	Variance vs. Budget	% Completed	Project Status/ Comments
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UNSCHEDULED/NEW CIP ITEMS FOR CURRENT FISCAL YEAR 2023/2024

20-07	766 Main Street Improvements		\$ 80,078	\$ 71,158	\$ (71,158)	100%	Outside lighting/landscaping
23-12	Alves Tank Roof Replacement	complete	\$ 26,600	\$ 26,600	\$ (26,600)	100%	
NN-00	Unscheduled CIP		\$ 100,000	\$ 100,000	\$ -	0%	

NEW FY2023/2024 CIP TOTAL	\$ 8,610,000	\$2,347,957	\$ 6,001,780	\$ 2,608,220
----------------------------------	---------------------	--------------------	---------------------	---------------------

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

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

Month	Admin (General Legal Fees)	Water Supply Development	Recycled Water	Uninstalled Connection Transfer Program	Capital Improvement Projects	Labor & Employment	Election (CVRA)	Cell Tower Leases	Public Records Requests	Litigation	Non CIP / Infrastructure (Project Review) <i>Reimbursable</i>	Total
Dec-22	4,760	2,884		512	395	277		711	1,861			11,399
Jan-23	3,486			963	2,646				1,938			9,033
Feb-23	3276	504			2,349				378			6,507
Mar-23	3150	3396			2,778				1,050			10,374
Apr-23	1872				1,551				5,490			8,913
May-23	2811	2226	1,050	540	519	0	0	714	966	0		8,826
Jun-23	4902		294		1,929				630		5,421	13,176
Jul-23	6300			516					756			7,572
Aug-23	4620			1,113	3,363			2,814				11,910
Sep-23	1764	210		606				3,444		1,386		7,410
Oct-23	7278			252	378	1,176		1,596		1,470		12,150
Nov-23	3486		2,814	564	4,980			168		2,424		14,436
TOTAL	47,705	9,220	4,158	5,066	20,888	1,453	0	9,447	13,069	5,280	5,421	121,706

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

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

Month	Admin & Retainer	CIP	Studies and Non - CIP Project	TOTAL	Reimbursable from Projects
Jan-23	480			480	
Feb-23	480			480	
Mar-23	480			480	
Apr-23	480			480	
May-23	480			480	
Jun-23	480			480	
Jul-23	480			480	
Aug-23	480			480	
Sep-23	480			480	
Oct-23	480			480	
Nov-23	480			480	
Dec-23	480			480	
TOTAL	5,760	0	0	5,760	0

Calcon T&M Projects Tracking

12/31/2023

Project No.	Name	Status	Proposal Date	Approved Date	Project Budget	Project Billings FY2023-2024
FY 2023-2024 Open Projects:						
	Nunes Magnetic Flow Meter					
	Nunes WTP Upgrade Project		9/19/2023	10/11/2023	\$59,917.00	\$ 40,526.88
Open Projects - Subtotal						\$40,526.88
Other: Monthly Maintenance						
Tanks						
Crystal Springs Maintenance						
	Nunes Maintenance					\$ 15,045.00
	Denniston Maintenance					\$ 3,854.96
	Distribution System					\$ 25,123.85
Wells						
	Cellular Telemetry					\$ 1,640.65
Subtotal Maintenance						\$ 45,664.46
FINAL TOTAL FY 2023/2024						\$86,191.34

EKI Environment & Water
Engineering Services Billed FY 2021-2022 to FY 2023-2024
Billed through 12/31/2023

	Contract Date	Not to Exceed Budget	Status	FY2021-2022	FY2022-2023	FY 2023-2024
CIP Project Management						
Fiscal Year 2020-2021	8.13.2020	\$ 100,000.00	Complete	\$ 33,162.48		
Fiscal Year 2021-2022 - Non-Complex Main line Extension Services	10.15.2021	\$ 25,000.00	Open	\$ 10,301.46	\$ 10,438.74	\$ 4,201.34
Fiscal Year 2021-2022 - Drought Relief Grant Application	12.2021		Complete	\$ 21,074.82		
Fiscal Year 2022-2023 - Capital Improvement Management	4.20.2022	\$ 117,000.00	Open	\$ 5,453.76	\$ 71,198.60	\$ 31,769.38
Fiscal Year 2022-2023 - Emergency Engineering Services	2/10/2023	\$ 28,000.00	Open		\$ 26,164.58	
Fiscal Year 2022-2023 - Emergency FEMA Grant Application		\$ 15,000.00	Open		\$ 16,568.76	
Sub Total - CIP Project Management Services		\$ 285,000.00		\$ 69,992.52	\$ 124,370.68	\$ 35,970.72

Highway 92 Potable Water Pipeline Phase 1 (2023)	14-01	6.13.2023	\$ 135,400.00	Open		\$ 22,894.82	\$ 56,710.75
Highway 92 Environmental Permitting - Emergency Restoration	23-10	3.15.2023	\$ 44,800.00	Open		\$ 321.36	\$ 12,796.87
Highway 92 Potable Water Pipeline Emergency Geotechnical	23-10	3.3.2023	\$ 63,400.00	Open		\$ 52,946.71	
Highway 92 Potable Water Pipeline Emergency Restoration-Design	23-10	3.15.2023	\$ 247,600.00	Open		\$ 55,017.03	\$ 106,986.92
Highway 92 Potable Water Pipeline Future Phases Geotechnical	14-01	3.3.2023	\$ 54,200.00	Open		\$ 26,884.03	\$ 22,730.72
Miramontes Point Road Water Main Replacement	22-01	7.14.2021	\$ 177,300.00	Open	\$ 92,356.96	\$ 46,900.62	
Medio Crossing-Alternatives Evaluation for Pipeline Replacement	22-07	4.25.2022	\$ 20,400.00	Complete	\$ 8,410.48	\$ 13,419.12	
Medio Creek and Magellan Pipeline/Miramar Deadends Design	22-07	3.15.2023	\$ 138,900.00	Open		\$ 39,015.39	\$ 18,362.02
Poplar Street Water Main Replacement Project	23-02	10.3.2022	\$ 29,200.00	Open		\$ 22,944.36	\$ 6,199.05
EG Tank #1 - Pre-design for New Pump Station	19-01	6.13.2023	\$ 25,000.00	Open		\$ 1,046.76	\$ 16,259.36
Highway 92 - 2017 Easements Land Description Packages	14-01	8.18.2023	\$ 14,000.00	Open			\$ 14,000.00
Highway 92 - Environmental Permitting Strategies	23-10	5.24.2023	\$ 29,700.00	Open			\$ 27,999.05
Miramar Deadends Project - Biological Resources Assessment	22-07	5.24.2023	\$ 18,200.00	Open			\$ 17,184.44
Grandview Crossing at Hwy 1	20-08	2.9.2021	\$ 156,500.00	Complete	\$ 37,244.28	\$ 32,891.30	
Grandview Crossing at Hwy 1 - Construction Management Services	20-08	9.16.2022	\$ 132,800.00	Complete		\$ 106,755.71	
Pilarcitos Creek Crossing Water Main Replacement Design	13-02	7.14.2020	\$ 99,900.00	Complete	\$ 31,454.78	\$ 28,025.40	
Pilarcitos Creek Crossing Water Main Replacement Field Surveys/Land Descriptions	13-02	9.13.2022	\$ 28,600.00	Complete	\$ 20,059.82	\$ 4,681.04	
Highway 92 Potable Water Pipeline Replacement Project Design	14-01	7.2.2021	\$ 24,800.00	Complete	\$ 18,139.94	\$ 6,631.56	
Purisima Way Water Main Replacement	14-29	10.18.2021	\$ 20,400.00	Complete	\$ 19,840.91		

Total - All Services

\$ 297,499.69 \$ 584,745.89 \$ 335,199.90

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

Tuesday, December 12, 2023

The Public was able to participate in the public meeting by joining the meeting in person or through the Zoom Video Conference link provided. The public was also able to join the meeting by calling a provided teleconference phone number.

- 1) **ROLL CALL** - President Muller called the meeting to order at 7:00 p.m. Present at roll call: Vice President Chris Mickelsen, Director Ken Coverdell, Director Bob Feldman. Director Glenn Reynolds stated he was participating remotely (Via Zoom by video and audio) pursuant to the "Just Cause" basis under AB2449 because of a physical disability. Director Reynolds stated there was no one over 18 in the room with him. Mr. Miyaki stated that all the requirements for Director Reynolds to participate in the Board meeting remotely under AB2449 have been satisfied.

Also present: Mary Rogren, General Manager, Jeffery Schneider, Asst. General Manager Finance/Admin., Patrick Miyaki, Legal Counsel; Cathleen Brennan, Water Resources Analyst, Lisa Sulzinger, Administrative Analyst and Emma Barr, Customer Service II

- 2) **PLEDGE OF ALLEGIANCE**
- 3) **PUBLIC COMMENT** - There were no public comments.
- 4) **SPECIAL ORDER OF BUSINESS**

Ms. Rogren introduced Jeffery Schneider, the District's new Assistant General Manager Finance/Administration.

- 5) **CONSENT CALENDAR**

A. Approval of disbursements for the month ending November 30, 2023:
Claims: \$ 942,778.59; Payroll: \$ 200,375.00 for a total of \$ 1,143,153.59

November 2023 Monthly Financial Claims reviewed and approved by Director Reynolds

- B. Acceptance of Financial Reports
- C. Approval of Minutes of November 14, 2023, Special Board of Directors Meeting
- D. Approval of Minutes of November 14, 2023, Regular Board of Directors Meeting
- E. Installed Water Connection Capacity and Water Meters Report
- F. Total CCWD Production Report
- G. CCWD Monthly Sales by Category Report - November 2023
- H. Leak/Flushing Report - November 2023
- I. Monthly Rainfall Reports

Director Reynolds stated he had reviewed the monthly financial claims and all appeared to be in order.

ON MOTION BY Director Coverdell and seconded by Director Feldman, the Board voted by roll call vote to approve the Consent Calendar:

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

6) MEETINGS ATTENDED / DIRECTOR COMMENTS

- President Muller attended the ACWA 2023 Fall Conference in Indian Wells, CA and reported on the various meetings he attended.
- Director Coverdell reported on the District Office Landscaping and recognized Ms. Brennan for all her hard work during the project.
- Vice President Mickelsen reported that the Bay Area Water Supply & Conservation Agency (BAWSCA) had just celebrated their 20-year anniversary.

7) GENERAL BUSINESS

A. Award of Contract - Crystal Springs Pump Station Fire Sprinkler Alarm System Upgrade/Replacement

Ms. Rogren summarized that in Summer, 2023, the existing fire sprinkler system located at Crystal Springs Pump Station had been overhauled to operate as originally designed. The fire alarm monitoring system now needs to be upgraded so that the pump station is adequately monitored for heat and smoke/fire.

ON MOTION BY Director Coverdell and seconded by Vice President Mickelsen, the Board voted by roll call vote to authorize the General Manager to enter into a contractual agreement

for the upgrade/replacement of the Crystal Springs Pump Station (CSP) Fire Sprinkler Alarm System for \$62,212 with Johnson Controls Fire Protection LP:

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

B. Approval of Professional Services Agreement with HDR, Inc. for the Denniston Water Treatment Plant Process Evaluation, Treatability Analysis, Corrosion Control, and Denniston and San Vicente Watershed Sanitary Surveys

Ms. Rogren summarized that the San Vicente pipeline design is nearly complete and the project is expected to go out to bid in spring 2024. The San Vicente water source is currently in a “standby” status with the State Water Resources Control Board Division of Drinking Water (DDW). Staff requested DDW to outline next steps required to move the San Vicente water source from “standby” to “active” status. DDW provided staff with a sampling program and list of technical engineering studies that will need to be completed. HDR, Inc. provided a proposal to assist the District with these studies.

ON MOTION BY Director Feldman and seconded by Director Reynolds, the Board voted by roll call vote to authorize the General Manager to execute a professional services agreement with HDR, Inc. for Denniston Water Treatment Plant Process Evaluation, Treatability Analysis, Corrosion Control, and Denniston and San Vicente Watershed Sanitary Surveys for a not to exceed amount of \$275,988:

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

C. Hanson Bridget Billing Rates - Proposed Increase

Mr. Miyaki, the District’s Legal Counsel, explained that in September 2020 the District approved a three-year rate schedule for Hanson Bridgett legal services effective January 1, 2021. Mr. Miyaki presented an updated three-year schedule for the Board’s approval. The first scheduled rate increase will be effective starting January 1, 2024.

ON MOTION BY President Muller and seconded by Director Coverdell, the Board voted by roll call vote to approve proposed increase to Hanson Bridgett Billing Rates effective January 1, 2024, January 1, 2025, and January 1, 2026:

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

D. Consider Approval of Resolution No. 2023-08 of the Board of Directors of the Coastside County Water District Amending Code of Conduct Section XII Regarding Board Member Compensation

Ms. Rogren summarized that at the November 14, 2023, Board of Director meeting the Board reviewed the Board of Directors compensation that was last set in October 2006 at \$150.00 per day for a maximum of \$600.00 per month (4 days per month) via Ordinance # 2006-01. This Ordinance specifies that the per day compensation applies to attendance at Regular, Special, and Standing Committee meetings. In October 2006, the Board also adopted Resolution 2006-19 that identified certain meetings, conferences, and activities that are pre-approved as services rendered at the request of the Board. After much discussion, the Board decided to expand the list of meetings, conferences, and educational seminars. The proposed Resolution No. 2023-08 accomplishes this by expanding the list of pre-approved meetings, conferences, and educational seminars, and allows for expense reimbursement for travel, lodging and meals.

ON MOTION BY Director Coverdell and seconded by Vice President Mickelsen, the Board voted by roll call vote to approve Resolution No. 2023-08 of the Board of Directors of the Coastside County Water District amending Code of Conduct Section XIIa regarding Board member compensation to expand the list of meetings, conferences, and educational seminars that are deemed preapproved service rendered at the request of the Board for which a Board member may receive compensation and expense reimbursement for travel, lodging and meals:

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

E. Nunes Water Treatment Plant Upgrades Project Update #28

Ms. Rogren gave an update on the progress made at the Nunes Water Treatment Plant during November 2023.

F. Election of Coastside County Water District Board President and Vice President

Nominations were open with Director Coverdell nominating Vice President Mickelsen to serve as the District's 2024 Board President. Director Feldman nominated Director Reynolds to service as Vice President.

ON MOTION BY President Muller and seconded by Director Coverdell, the Board voted by roll call vote to elect Chris Mickelsen as President and Glenn Reynolds as Vice President:

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

8) MONTHLY INFORMATIONAL REPORTS

A. General Manager's Report

- Ms. Rogren summarized that the board convened into closed session at the November 14 Board meeting to discuss the PFAS litigation against the E.I. DuPont de Nemours and Company and 3M Company. In the closed session, direction was given to legal counsel. In late November, the District learned that the City and County of San Francisco made the decision to opt out of the two settlements. Therefore the District filed the necessary documents to opt out of both of the settlements by the opt out deadlines.
- On December 13, 2023, the 2nd year Water Rate Notice was mailed to District customers.
- Ms. Rogren reported that the District is being recognized by ACWA/JPIA (Association of California Water Agencies/Joint Powers Insurance Authority) with the Presidents Special Recognition Award for having a loss ratio of 20% or less in their Liability, Property and Workers Compensation programs as a result of keeping claims low.
- At the November 28, 2023 San Francisco Public Utilities Commission meeting, the Commission approved the Amended and Updated Water System Level of Service Goals and Objectives.
- The Bay Area Water Supply and Conservation Agency recently celebrated their 20th anniversary.

B. Superintendent Of Operations Report

Ms. Rogren summarized the Operation Highlights for the month of November 2023.

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

There were no requests for future agenda items.

10) **ADJOURNMENT - Board Meeting Adjourned at 8:23 p.m.**

Respectfully submitted,

Mary Rogren, General Manager
Secretary to the District

John Muller, President
Board of Directors

TOTAL CCWD PRODUCTION (MG) ALL SOURCES- FY 2024

	CCWD Sources			SFPUC Sources		RAW WATER TOTAL	UNMETERED WATER	TREATED TOTAL
	DENNISTON WELLS	DENNISTON RESERVOIR	PILARCITOS WELLS	PILARCITOS LAKE	CRYSTAL SPRINGS RESERVOIR			
JUL	0.32	17.08	0.00	30.54	6.02	53.64	2.66	50.98
AUG	2.37	22.03	0.00	23.30	6.40	51.73	3.69	48.04
SEPT	2.31	18.49	0.00	24.22	8.42	51.13	3.87	47.26
OCT	0.51	6.09	0.00	37.04	6.54	49.67	2.58	47.09
NOV	0.05	15.80	11.9	9.68	2.94	40.32	2.42	37.90
DEC	0.00	7.40	17.29	11.08	2.46	38.23	2.03	36.20
JAN								
FEB								
MAR								
APR								
MAY								
JUN								
TOTAL	5.56	86.89	29.19	135.86	32.78	284.72	17.25	267.47
% MONTHLY TOTAL	0.0%	19.4%	45.2%	29.0%	6.4%	100.0%	5.3%	94.7%
% ANNUAL TO DATE TOTAL	2.0%	30.5%	10.3%	47.7%	11.5%	0.0%	6.1%	93.9%

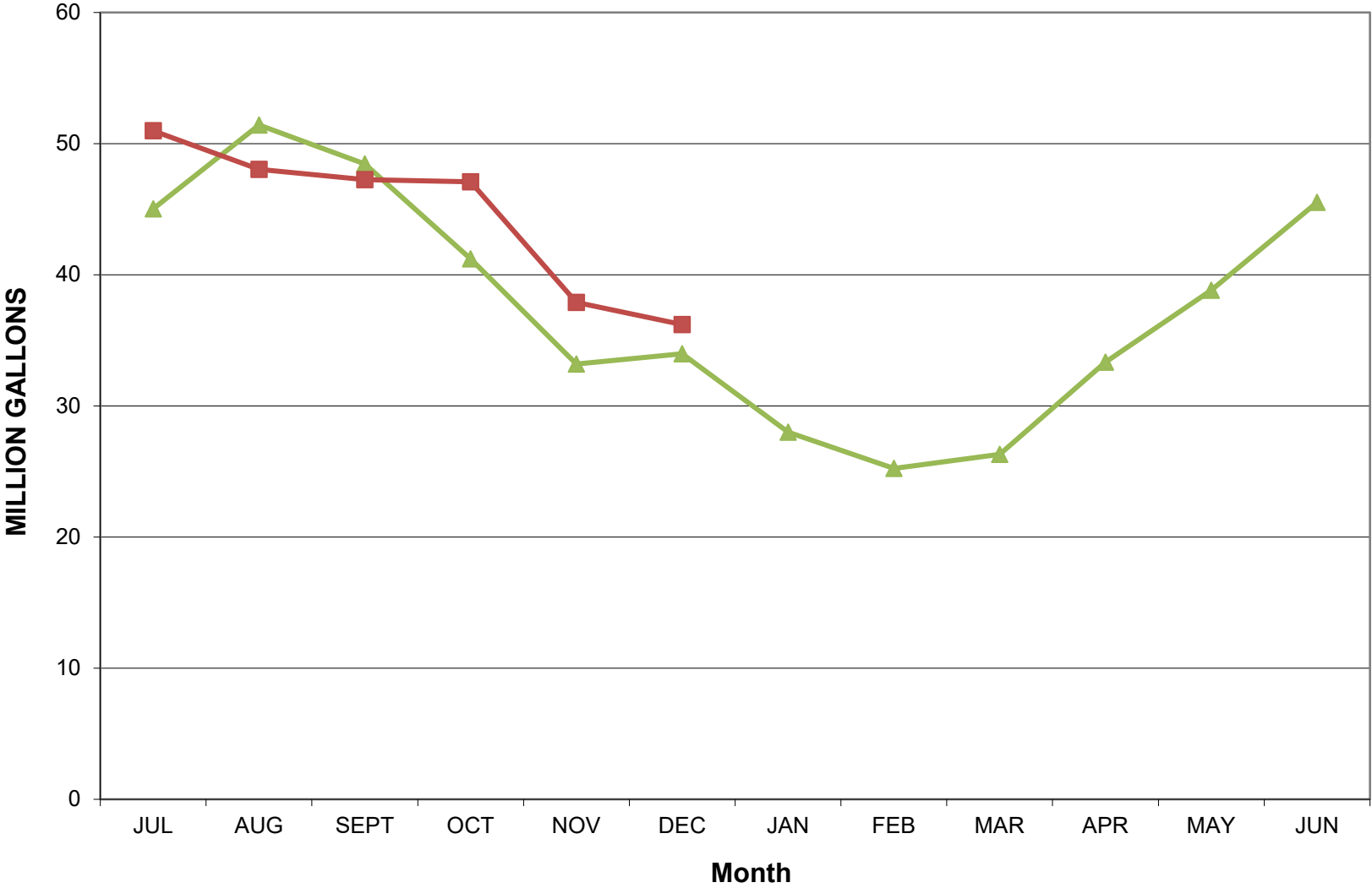
CCWD vs SFPUC- month 64.6%
 CCWD vs SFPUC- annual 42.7%

12 Month Running Treated Total **462.46**

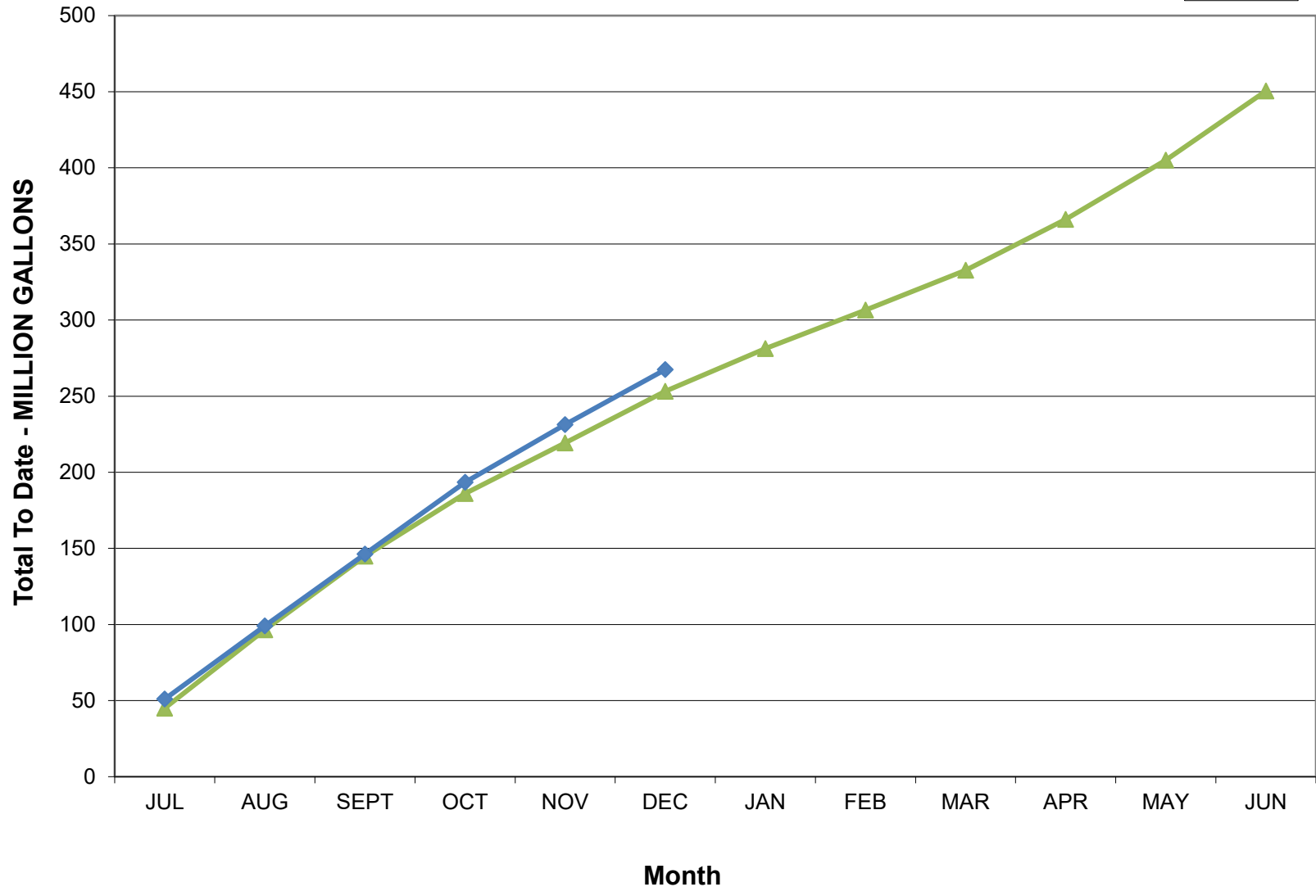
TOTAL CCWD PRODUCTION (MG) ALL SOURCES- FY 2023

	CCWD Sources			SFPUC Sources		RAW WATER TOTAL	UNMETERED WATER	TREATED TOTAL
	DENNISTON WELLS	DENNISTON RESERVOIR	PILARCITOS WELLS	PILARCITOS LAKE	CRYSTAL SPRINGS RESERVOIR			
JUL	1.92	6.25	0.00	39.07	0.42	47.66	2.63	45.03
AUG	1.70	5.45	0.00	38.23	8.94	54.32	2.90	51.42
SEPT	1.65	5.86	0.00	15.86	27.69	51.06	2.62	48.44
OCT	0.57	3.62	0.00	37.14	3.13	44.46	3.25	41.21
NOV	0.54	13.55	7.66	11.91	2.57	36.23	3.04	33.19
DEC	0.37	10.59	15.88	7.30	2.26	36.40	2.42	33.98
JAN	0.00	0.00	24.62	4.53	0.00	29.15	1.15	28.00
FEB	0.00	0.00	24.29	2.56	0.00	26.85	1.62	25.23
MAR	0.00	0.00	26.21	2.19	0.00	28.40	2.09	26.31
APR	0.00	14.00	0.00	21.47	0.09	35.56	2.22	33.34
MAY	0.00	29.40	0.00	8.40	5.00	42.80	3.98	38.82
JUN	0.00	28.20	0.00	17.17	2.78	48.15	2.63	45.52
TOTAL	6.75	116.92	98.66	205.83	52.88	481.04	30.55	450.49
% Annual Total	1.4%	24.3%	20.5%	42.8%	11.0%	100.0%	9.3%	90.7%

Monthly Production FY 23 vs 24



Cumulative Production FY22 vs FY23



MONTH		December-23			Coastside County Water District Monthly Discharge Report							
EMERGENCY MAIN AND SERVICE REPAIRS												
C o u n t	Date Reported Discovered	Time Reported	Date Repaired	Time Repaired	Estimated Duration of Leak	(Identifier) Location	Estimated Water Volume Loss (MG)	Class Type	Material Type	Size (Inches)	Work Order Number	
1	12/31/2023	0015	12/31/2023	0530	5 Hours 15 Minutes	2452 S Cabrillo Hwy	0.150	Valve	Cast Iron	6"	6768	
2												
3												
4												
5												
6												
7												
8												
Total							0.150					

OTHER DISCHARGES	
Total Volumes (MG)	
Flushing Program	0.024
Reservoir Cleaning	0.000
Automatic Blowoffs	0.160
Dewatering Operations	0.000
Other (includes flow testing)	0.032
DISCHARGES GRAND TOTAL (MG)	
0.216	

Coastside County Water District
 766 Main Street
 July 2023 - June 2024

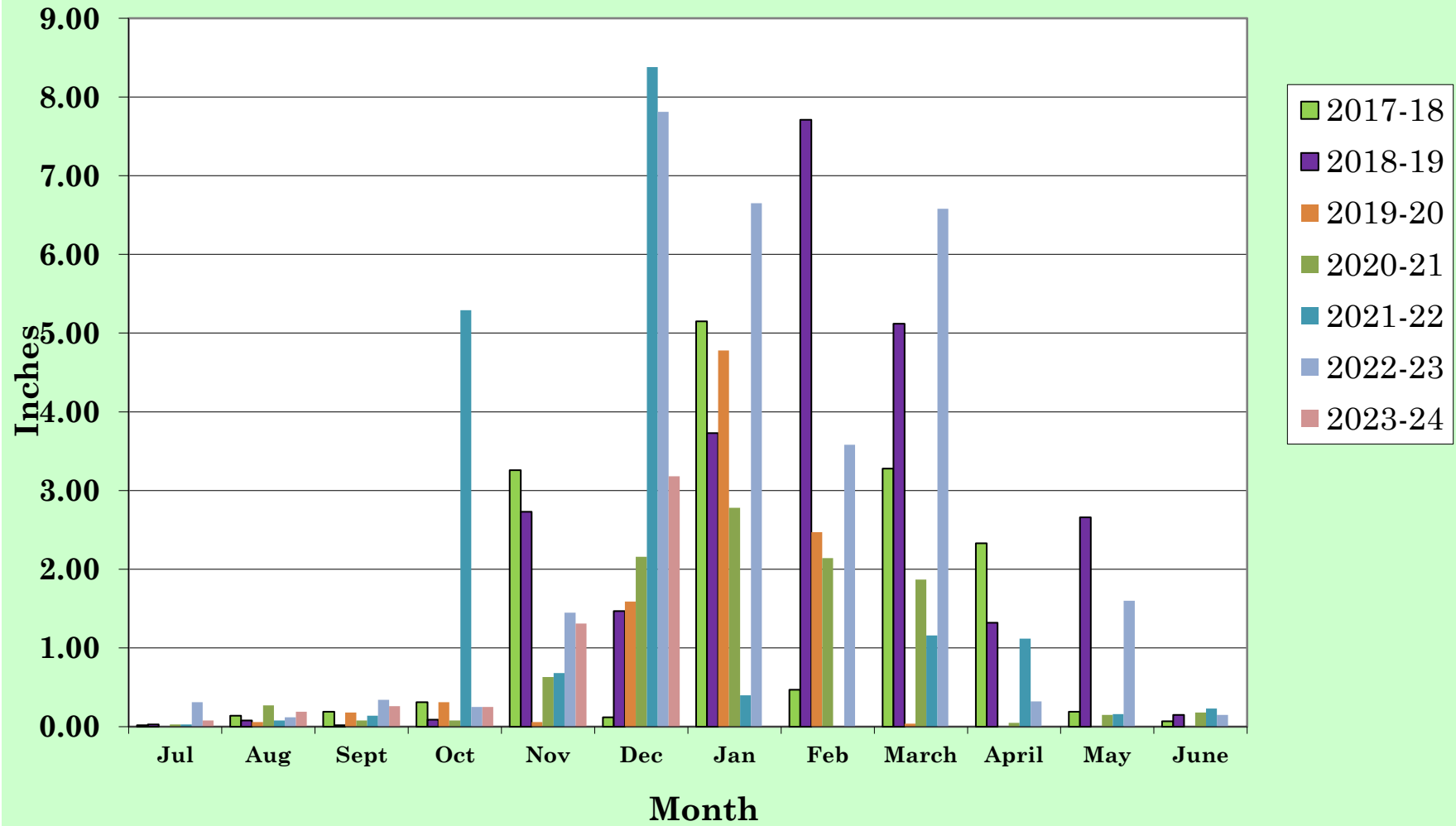
Nunes
 Rainfall in Inches

	2023						2024					
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
1	0	0.02	0.06	0	0	0.2						
2	0	0.01	0	0	0	0.13						
3	0	0.04	0	0	0	0						
4	0	0.02	0	0	0	0						
5	0	0	0	0	0.19	0						
6	0.02	0	0	0	0	0.12						
7	0.02	0	0	0	0	0.08						
8	0	0.03	0	0	0	0						
9	0.01	0.01	0	0.09	0	0						
10	0.01	0	0	0.02	0	0						
11	0.01	0	0	0	0	0						
12	0	0	0	0	0	0						
13	0	0.01	0	0	0	0						
14	0	0	0.01	0	0	0						
15	0	0	0.01	0.01	0.1	0						
16	0	0	0	0	0.18	0						
17	0	0.01	0	0.01	0.55	0						
18	0	0	0	0	0.04	0.07						
19	0	0	0	0	0	0.21						
20	0.01	0.01	0	0	0	0.91						
21	0	0.03	0	0	0	0						
22	0	0	0	0.1	0	0						
23	0	0	0	0.01	0	0						
24	0	0	0	0	0	0						
25	0	0	0.03	0.01	0	0						
26	0	0	0.08	0	0	0						
27	0	0	0	0	0	0.06						
28	0	0	0	0	0.23	0						
29	0	0	0.07	0	0.02	1.2						
30	0	0	0	0	0	0.15						
31	0	0	0	0	0	0.05						
Mon.Total	0.08	0.19	0.26	0.25	1.31	3.18						
Year Total	0.08	0.27	0.53	0.78	2.09	5.27						

Coastside County Water District

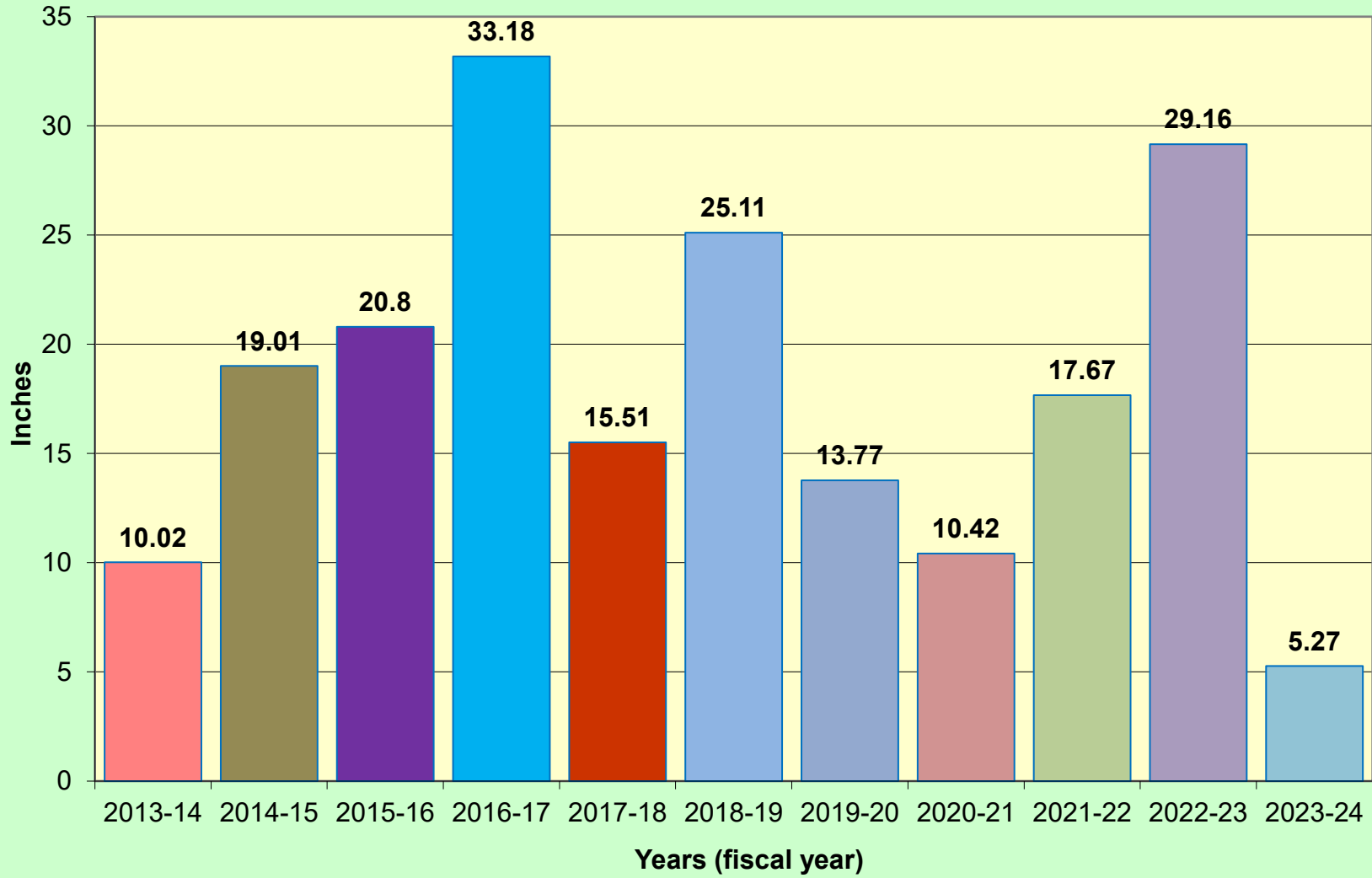
Rainfall by Month

Fiscal Years 18 - 24

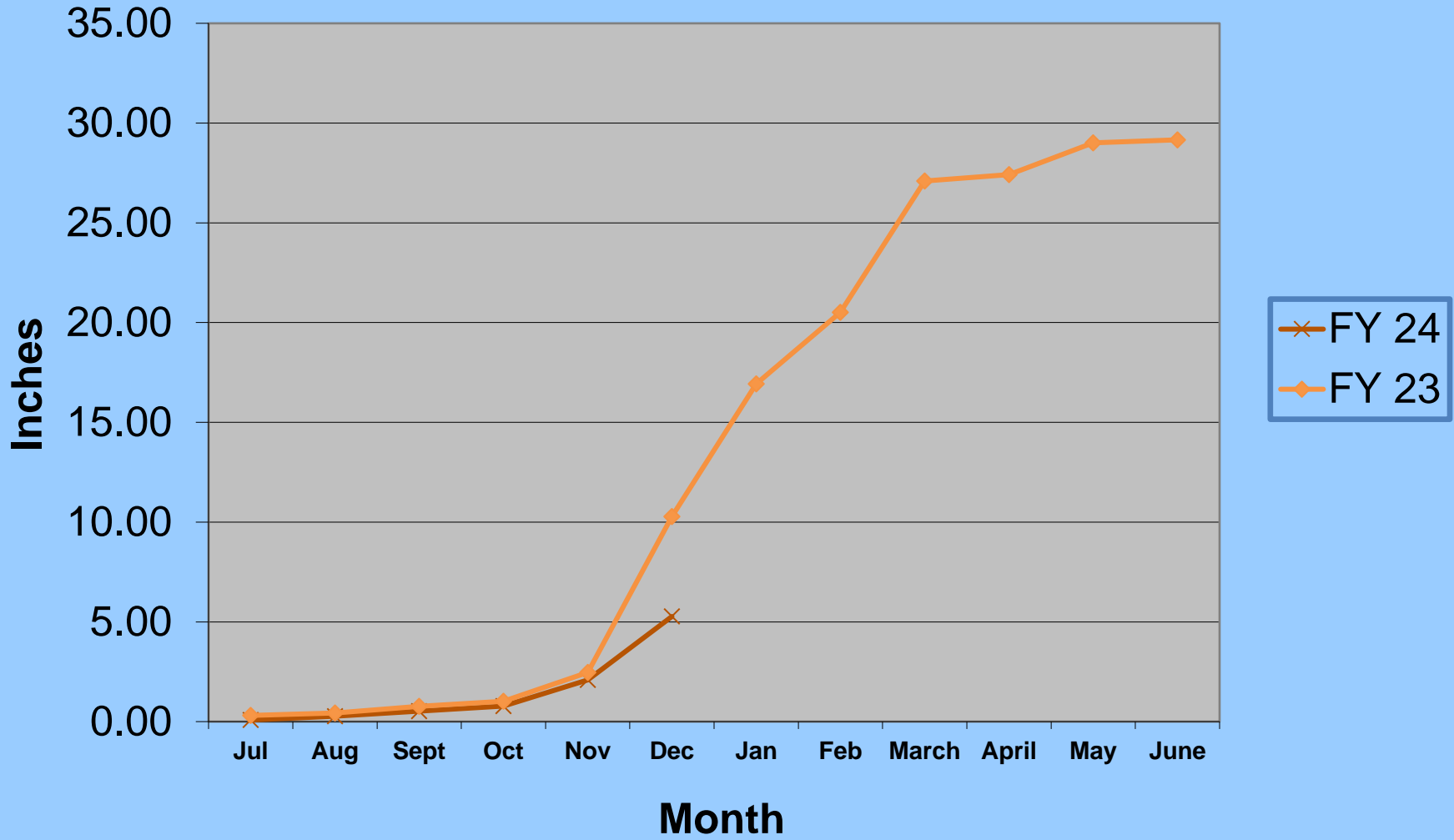


Rain Totals

Fiscal Years 14 - 24



Rainfall Total Comparison Fiscal Years 23-24



STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, General Manager

Agenda: January 12, 2024

Report

Date: January 3, 2024

Agenda

Title: Notice of Completion – Poplar Street Water Main Replacement Project

Recommendation/Motion:

That the Board of Directors take the following actions:

- (1) Accept the Poplar Street Water Main Replacement Project as complete.**
- (2) Authorize the Notice of Completion to be filed with the County of San Mateo.**
- (3) Authorize the release of the retention funds when the Notice of Completion has been recorded and returned to the District.**

Background

Coastside County Water District entered into a contract with Andreini Bros., Inc. on January 11, 2023, for the Poplar Street Water Main Replacement Project.

The work consisted of approximately 815 linear feet of 6-inch ductile iron pipe water line on Poplar Street. Abandonment of existing facilities, installation of one fire hydrant assembly and reconnection of all existing customer water service connections. The site of the work is located in Half Moon Bay, San Mateo County, California. All work was within the existing street and public utility right of way area.

The work was completed on November 22, 2023. The project was constructed according to District specifications.

Fiscal Impact: None.

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO

Name
Street
Address
City &
State

COASTSIDE COUNTY WATER DISTRICT
766 MAIN STREET
HALF MOON BAY, CA 94019

SPACE ABOVE THIS LINE FOR RECORDER'S USE

RECORD WITHOUT FEE Govt. Code § 6103 & 27383

NOTICE OF COMPLETION

1. The undersigned is an owner of an interest or estate in the hereafter described real property, the nature of which is: Fee

2. The full name and address of the undersigned is:

COASTSIDE COUNTY WATER DISTRICT
766 MAIN STREET
HALF MOON BAY, CALIFORNIA 94019

3. On January 9, 2024, there was completed upon the hereinafter described real property a work of improvement as a whole named Poplar Street Water Main Replacement Project. The work consisted of approximately 815 linear feet of 6-inch ductile iron pipe water line on Poplar Street. Abandonment of existing facilities, installation of one fire hydrant assembly and reconnection of all existing customer water service connections.

4. The name of the original contractor for the work of improvement as a whole was: Andreini Bros., Inc. 151 Main Street, Half Moon Bay, CA 94019.

5. The real property herein referred to is situated in the County of San Mateo, California as described as follows:

The site of the work is located in Half Moon Bay, San Mateo County, California. All work was within the existing street and public utility right of way area.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

COASTSIDE COUNTY WATER DISTRICT

BY: _____
Mary Rogren, Secretary

VERIFICATION

I, Mary Rogren, declare that I am the Secretary of the Coastside County Water District and am authorized to make this verification for that reason. I have read said Notice of Completion and know the contents thereof to be true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on January 9, 2024, at Half Moon Bay, California
(Date) (Place where signed)

By: _____
Mary Rogren
Secretary of the District

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Jeffrey Schneider, Assistant General Manager - Finance and Administration

Agenda: January 9, 2024

Report Date: January 5, 2024

Agenda Title: Coastside County Water District Basic Financial Statements and Independent Auditor's Report for the Fiscal Year Ended June 30, 2023

Recommendation/Motion:

Accept the Coastside County Water District Basic Financial Statements and Independent Auditor's Report for Fiscal Year Ended June 30, 2023.

Background:

C.J. Brown & Company, CPAs (formerly known as Fedak and Brown LLP), the District's Independent Auditor, has completed work on the Basic Financial Statements for the Year Ended June 30, 2023. The Auditor's letter attests that the financial statements present, fairly, the financial position of the District. No exceptions or concerns were noted.

Mr. Jonathan Abadesco, the Audit Partner assigned to the District, will be at the January Board meeting via Zoom to discuss the Financial Statements and to answer the Board's questions.

Attachments:

- A. Coastside County Water District - Annual Financial Report for the Fiscal Years ended June 30, 2023 and 2022
- B. Independent Auditor's Report on Internal Controls and Compliance
- C. Management Report for the Year ended June 30, 2023
- D. C.J. Brown & Company, CPAs Presentation Materials

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Coastside County Water District

Annual Financial Report

For the Fiscal Years Ended June 30, 2023 and 2022





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*

**Coastside County Water District
Board of Directors as of June 30, 2023**

Name	Title	Elected/ Appointed	Current Term
John Muller	President	Appointed	12/20-11/24
Chris Mickelsen	Vice-President	Appointed	11/22-11/26
Ken Coverdell	Director	Appointed	12/20-11/24
Robert Feldman	Director	Appointed	11/22-11/26
Glenn Reynolds	Director	Appointed	12/20-11/24

**Coastside County Water District
Mary Rogren, 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 Years Ended June 30, 2023 and 2022

*Presentation Version
Subject to Board Approval*

**Coastside County Water District
Annual Financial Report
For the Fiscal Years Ended June 30, 2023 and 2022**

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Financial Section

*Presentation Version
Subject to Board Approval*

Independent Auditor's Report

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

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the Coastside County Water District (District), which comprises the statements of net position as of June 30, 2023 and 2022, and the related statements of revenues, expenses, and changes in net position for the fiscal years then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Coastside County Water District as of June 30, 2023 and 2022, and the changes in net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; 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 our audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditor's Report, continued

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District 's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control–related matters that we identified during the audits.

Emphasis of Matter

As discussed in Note 12 to the financial statements, in June 30, 2023, the District adopted the provisions of *Governmental Accounting Standards Board (GASB) Statement No. 96 – Subscription-Based Information Technology Arrangements*.

As a result, the District has restated its net position to reflect the effects of the change in its accounting policy. Our opinion is not modified with respect to this matter.

Independent Auditor's Report, continued

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 4 through 9 and the required supplementary information on pages 52 through 54 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, 2024, 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 55 and 56.

C.J. Brown & Company, CPAs
Cypress, California
January 9, 2024

Coastside County Water District
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022

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 years ended June 30, 2023 and 2022. 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

- In fiscal year 2023, the District's net position increased 5.10% or \$2,624,816 to \$54,081,737 as a result from ongoing operations. In fiscal year 2022, the District's net position increased 4.75% or \$2,331,249 to \$51,456,921 as a result from ongoing operations.
- In fiscal year 2023, the District's operating revenues decreased 9.78% or \$1,239,963 to \$11,442,912. In fiscal year 2022, the District's operating revenues decreased 5.47% or \$733,796 to \$12,682,875.
- In fiscal year 2023, the District's non-operating revenues increased 9.18% or \$186,176 to \$2,215,165. In fiscal year 2022, the District's non-operating revenues increased 15.44% or \$271,373 to \$2,028,989.
- In fiscal year 2023, the District's operating expenses decreased 17.61% or \$1,675,606 to \$7,840,882. In fiscal year 2022, the District's operating expenses increased 1.00% or \$94,516 to \$9,516,488.
- In fiscal year 2023, the District's non-operating expenses increased 19.42% or \$100,796 to \$619,807. In fiscal year 2022, the District's non-operating expenses increased 3.69% or \$18,475 to \$519,011.
- In fiscal year 2023, there were no reportable capital contributions. In fiscal year 2022, the District's capital contributions increased 100.00% or \$202,431.

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 include all of the District's investments in resources (assets), deferred outflows of resources, 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 Statements of Revenues, Expenses, and Changes in Net Position. These statements measure 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 report 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.

Coastside County Water District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2023 and 2022

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.

These two statements report the District's *net position* and changes in it. 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 15 through 51.

Statements of Net Position

Condensed Statements of Net Position

	<u>2023</u>	<u>As Restated 2022</u>	<u>Change</u>	<u>As Restated 2021</u>	<u>Change</u>
Assets:					
Current assets	\$ 15,745,146	18,741,000	(2,995,854)	13,642,622	5,098,378
Non-current assets	148,912	267,287	(118,375)	290,667	(23,380)
Capital assets, net	65,656,956	62,182,935	3,474,021	57,771,315	4,411,620
Total assets	<u>81,551,014</u>	<u>81,191,222</u>	<u>359,792</u>	<u>71,704,604</u>	<u>9,486,618</u>
Deferred outflows of resources:	<u>1,999,894</u>	<u>934,315</u>	<u>1,065,579</u>	<u>1,128,426</u>	<u>(194,111)</u>
Liabilities:					
Current liabilities	2,199,722	2,311,096	(111,374)	1,874,739	436,357
Non-current liabilities	26,070,285	25,708,581	361,704	21,090,338	4,618,243
Total liabilities	<u>28,270,007</u>	<u>28,019,677</u>	<u>250,330</u>	<u>22,965,077</u>	<u>5,054,600</u>
Deferred inflows of resources:	<u>1,199,164</u>	<u>2,648,939</u>	<u>(1,449,775)</u>	<u>742,281</u>	<u>1,906,658</u>
Net position:					
Net investment in capital assets	45,255,084	40,732,904	4,522,180	42,712,158	(1,979,254)
Restricted	314,093	450,382	(136,289)	370,599	79,783
Unrestricted	8,512,560	10,273,635	(1,761,075)	6,042,915	4,230,720
Total net position	<u>\$ 54,081,737</u>	<u>51,456,921</u>	<u>2,624,816</u>	<u>49,125,672</u>	<u>2,331,249</u>

Coastside County Water District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2023 and 2022

Statements of Net Position, continued

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 and deferred outflows exceeded liabilities and deferred inflows by \$54,081,737 and \$51,456,921 as of June 30, 2023 and 2022, respectively.

By far, the largest portion of the District's net position (84% and 79% as of June 30, 2023 and 2022, respectively) 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 years 2023 and 2022, the District showed a positive balance in its unrestricted net position of \$8,512,560 and \$10,273,635, respectively, which may be utilized in future years. See Note 11 for further information.

Statements of Revenues, Expenses, and Changes in Net Position

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	<u>2023</u>	<u>As Restated 2022</u>	<u>Change</u>	<u>As Restated 2021</u>	<u>Change</u>
Revenue:					
Operating revenue	\$ 11,442,912	12,682,875	(1,239,963)	13,416,671	(733,796)
Non-operating revenue	2,215,165	2,028,989	186,176	1,757,616	271,373
Total revenue	<u>13,658,077</u>	<u>14,711,864</u>	<u>(1,053,787)</u>	<u>15,174,287</u>	<u>(462,423)</u>
Expense:					
Operating expense	7,840,882	9,516,488	(1,675,606)	9,421,972	94,516
Depreciation	2,572,572	2,547,547	25,025	2,439,220	108,327
Non-operating expense	619,807	519,011	100,796	500,536	18,475
Total expense	<u>11,033,261</u>	<u>12,583,046</u>	<u>(1,549,785)</u>	<u>12,361,728</u>	<u>221,318</u>
Net income before capital contributions	2,624,816	2,128,818	495,998	2,812,559	(683,741)
Capital contributions:	-	202,431	(202,431)	-	202,431
Change in net position	2,624,816	2,331,249	293,567	2,812,559	(481,310)
Net position, beginning of year, as restated	<u>51,456,921</u>	<u>49,125,672</u>	<u>2,331,249</u>	<u>46,313,113</u>	<u>2,812,559</u>
Net position, end of year	<u>\$ 54,081,737</u>	<u>51,456,921</u>	<u>2,624,816</u>	<u>49,125,672</u>	<u>2,331,249</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, net position increased 5.10% or \$2,624,816, in fiscal year 2023 to \$54,081,737 as a result from ongoing operations. In fiscal year 2022, the District's net position increased 4.75% or \$2,331,249, to \$51,456,921 as a result of ongoing operations.

Coastside County Water District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2023 and 2022

Statements of Revenues, Expenses, and Changes in Net Position, continued

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

In fiscal year 2023, total revenues decreased 7.16% or \$1,053,786 to \$13,658,078. Operating revenues decreased 9.78% or \$1,239,963, due to a decrease in water consumption sales. Non-operating revenues increased 9.18% or \$186,176, primarily due to increases of \$303,001 in investment returns and \$25,245 in property taxes, offset by a decrease of \$136,255 in transmission and storage fees. In fiscal year 2022, total revenues decreased 3.05% or \$462,423 to \$14,711,864. Operating revenues decreased 5.47% or \$733,796, due to a decrease in water consumption sales. Non-operating revenues increased 15.44% or \$271,373, primarily due to increases of \$204,000 in property tax revenue, \$168,315 in transmission and storage fees, offset by a decrease of \$107,906 in investment returns.

In fiscal year 2023, total expenses (including depreciation) decreased 12.32% or \$1,549,785 to \$11,033,261. Operating expenses decreased 17.61% or \$1,675,606, due to decreases of \$799,293 in pumping expense which includes \$121,980 in pension related actuarial adjustments, \$791,263 in general and administrative expense which includes \$592,222 in pension related actuarial adjustments, \$108,691 in source of supply due to a decrease in consumption, which were offset by an increase of \$23,641 in transmission and distribution which includes \$345,615 in pension related actuarial adjustments as compared to prior year. Non-operating expenses increased 19.42% or \$100,796, due primarily to an increase of \$95,800 in interest related to long-term debt as compared to the prior year. In fiscal year 2022, total expenses (including depreciation) increased 1.79% or \$221,318 to \$12,583,046. Operating expenses increased 1.00% or \$94,516, due to increases of \$526,680 in general and administrative expense which includes \$289,430 in pension related actuarial adjustments, \$340,432 in transmission and distribution which includes \$153,228 in pension related actuarial adjustments, \$177,898 in pumping expense which includes \$124,853 in pension related actuarial adjustments, which were offset by a decrease of \$950,494 in source of supply as compared to prior year. Non-operating expenses increased 3.69% or \$18,475, due primarily to an increase of \$45,397 in interest related to long-term debt, offset by decreases of \$15,741 in County collection fees and \$13,681 in loss on disposition of capital assets as compared to the prior year.

In fiscal year 2023, there were no reportable capital contributions. In fiscal year 2022, the District's capital contributions increased 100.00% or \$202,431 due primarily to an increase in capital contributions sourcing from the State.

Capital Asset Administration

Changes in capital asset amounts for 2023 were as follows:

	<u>As Restated 2022</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2023</u>
Capital assets:				
Non-depreciable assets	\$ 9,657,257	5,814,108	(2,919,654)	12,551,711
Depreciable and amortizable assets	92,794,948	3,152,139	(17,165)	95,929,922
Accumulated depreciation and amortization	<u>(40,269,270)</u>	<u>(2,572,572)</u>	<u>17,165</u>	<u>(42,824,677)</u>
Total capital assets, net	<u>\$ 62,182,935</u>	<u>6,393,675</u>	<u>(2,919,654)</u>	<u>65,656,956</u>

Coastside County Water District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2023 and 2022

Capital Asset Administration, continued

Changes in capital asset amounts for 2022 were as follows:

	<u>As Restated 2021</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>As Restated 2022</u>
Capital assets:				
Non-depreciable assets	\$ 4,228,967	6,974,666	(1,546,376)	9,657,257
Depreciable and amortizable assets	91,318,681	1,538,532	(62,265)	92,794,948
Accumulated depreciation and amortization	<u>(37,776,333)</u>	<u>(2,547,547)</u>	<u>54,610</u>	<u>(40,269,270)</u>
Total capital assets, net	<u>\$ 57,771,315</u>	<u>5,965,651</u>	<u>(1,554,031)</u>	<u>62,182,935</u>

At the end of fiscal years 2023 and 2022, the District's investment in capital assets amounted to \$65,656,956 and \$62,182,935 (net of accumulated depreciation and amortization), respectively. 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, leased equipment, leased software, and construction-in-process. See Note 3 to the basic financial statements for further detailed information on the District's capital assets.

Debt Administration

Changes in long-term debt amounts for 2023 were as follows:

	<u>As Restated 2022</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2023</u>
Long-term debt:				
Lease payable	\$ 177,807	-	(47,480)	130,327
Loans payable	<u>21,272,224</u>	<u>-</u>	<u>(1,000,679)</u>	<u>20,271,545</u>
Total long-term debt	<u>\$ 21,450,031</u>	<u>-</u>	<u>(1,048,159)</u>	<u>20,401,872</u>

Changes in long-term debt amounts for 2022 were as follows:

	<u>As Restated 2021</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>As Restated 2022</u>
Long-term debt:				
Lease payable	\$ 223,967	-	(46,160)	177,807
Loans payable	<u>14,835,190</u>	<u>7,071,903</u>	<u>(634,869)</u>	<u>21,272,224</u>
Total long-term debt	<u>\$ 15,059,157</u>	<u>7,071,903</u>	<u>(681,029)</u>	<u>21,450,031</u>

In 2023, long-term debt decreased by \$1,048,159 due to current year scheduled principal payments. In 2022, long-term debt increased by \$7,071,903 and decreased by \$681,029 due to current year scheduled principal payments. The long-term debt position of the District is more fully analyzed in Note 6 to the basic financial statements.

Coastside County Water District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2023 and 2022

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 in terms of past, present, and future periods.

Requests for Information

This financial report is designed to provide the District's present users, including funding sources, customers, stakeholders, and other interested parties with a general overview of the District's finances and to demonstrate the District's accountability with respect to 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 – Finance and Administration at 766 Main Street, Half Moon Bay, California 94019 – (650) 726-4405.

Presentation Version
Subject to Board Approval

Basic Financial Statements

*Presentation Version
Subject to Board Approval*

Coastside County Water District
Statements of Net Position
June 30, 2023 and 2022

	2023	As Restated 2022
Current assets:		
Cash and cash equivalents (note 2)	\$ 13,349,964	16,113,342
Restricted – cash and cash equivalents (note 2)	64,093	200,382
Accrued interest receivable	101,779	18,632
Accounts receivable – water sales and services	1,531,293	1,666,569
Accounts receivable – other	22,647	26,547
Accounts receivable – property taxes	21,554	16,423
Materials and supplies inventory	274,166	228,322
Water-in-storage inventory	33,088	35,130
Prepaid expenses and other deposits	228,187	249,253
Leases receivable (note 3)	118,375	186,400
Total current assets	15,745,146	18,741,000
Non-current assets:		
Leases receivable (note 3)	148,912	267,287
Capital assets – not being depreciated (note 4)	12,551,711	9,657,257
Capital assets, net – being depreciated and amortized (note 4)	53,105,245	52,525,678
Total non-current assets	65,805,868	62,450,222
Total assets	81,551,014	81,191,222
Deferred outflows of resources:		
Deferred other post-employment benefits outflows (note 7)	43,202	123,441
Deferred pension outflows (note 8)	1,956,692	810,874
Total deferred outflows of resources	\$ 1,999,894	934,315

Continued on next page

See accompanying notes to the basic financial statements

Coastside County Water District
Statements of Net Position, continued
June 30, 2023 and 2022

	<u>2023</u>	<u>As Restated 2022</u>
Current liabilities:		
Accounts payable and accrued expenses	\$ 740,219	817,378
Accrued wages and related payables	107,246	100,001
Customer deposits and deferred revenue	65,749	59,485
Accrued interest payable	198,529	202,641
Long-term liabilities – due within one year:		
Compensated absences (note 5)	94,820	83,431
Leases payable (note 6)	47,284	47,480
Loans payable (note 6)	945,875	1,000,680
Total current liabilities	<u>2,199,722</u>	<u>2,311,096</u>
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (note 5)	284,461	250,294
Leases payable (note 6)	83,043	130,327
Loans payable (note 6)	19,325,670	20,271,544
Net other post-employment benefit liability (note 7)	1,749,650	2,643,416
Net pension liability (note 8)	4,627,461	2,413,000
Total non-current liabilities	<u>26,070,285</u>	<u>25,708,581</u>
Total liabilities	<u>28,270,007</u>	<u>28,019,677</u>
Deferred inflows of resources:		
Deferred other post-employment benefits inflows (note 7)	658,144	35,556
Deferred pension inflows (note 8)	291,094	2,185,310
Deferred lease inflows (note 3)	249,926	428,073
Total deferred inflows	<u>1,199,164</u>	<u>2,648,939</u>
Net position:		
Net investment in capital assets (note 9)	45,255,084	40,732,904
Restricted (note 10)	314,093	450,382
Unrestricted (note 11)	8,512,560	10,273,635
Total net position	<u>\$ 54,081,737</u>	<u>51,456,921</u>

See accompanying notes to the basic financial statements

Coastside County Water District
Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2023 and 2022

	2023	As Restated 2022
Operating revenues:		
Water consumption sales	\$ 11,442,912	12,682,875
Total operating revenues	11,442,912	12,682,875
Operating expenses:		
Source of supply	1,865,181	1,973,872
Pumping	865,188	1,664,481
Transmission and distribution	2,351,239	2,327,598
General and administrative	2,759,274	3,550,537
Total operating expenses	7,840,882	9,516,488
Operating income before depreciation and amortization expense	3,602,030	3,166,387
Depreciation and amortization expense	(2,572,572)	(2,547,547)
Operating income	1,029,458	618,840
Non-operating revenue(expense):		
Property taxes	1,745,578	1,720,333
Investment returns	199,455	(103,546)
Transmission and storage fees	64,120	200,375
Lease revenue	179,366	176,342
Lease interest earnings	10,522	12,386
Interest expense	(601,521)	(505,721)
Collection fees – County	(18,286)	(13,290)
Gain on disposition of assets	3,500	2,500
Other revenue	12,624	20,599
Total non-operating, net	1,595,358	1,509,978
Net income before capital contributions	2,624,816	2,128,818
Capital contributions:		
Capital contributions – state	-	202,431
Total capital contributions	-	202,431
Change in net position	2,624,816	2,331,249
Net position, beginning of year, as restated (note 12)	51,456,921	49,125,672
Net position, end of year	\$ 54,081,737	51,456,921

See accompanying notes to the basic financial statements

Coastside County Water District
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2023 and 2022

	2023	As Restated 2022
Cash flows from operating activities:		
Cash receipts from customers for water sales and services	\$ 11,588,352	12,714,387
Cash paid to employees for salaries and wages	(1,732,468)	(3,438,546)
Cash paid to vendors and suppliers for materials and services	(5,306,525)	(5,003,363)
Net cash provided by operating activities	4,549,359	4,272,478
Cash flows from non-capital financing activities:		
Cash receipts from property taxes	1,740,447	1,718,883
Cash paid for collection fees	(18,286)	(13,290)
Net cash provided by operating activities	1,722,161	1,705,593
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(8,030,767)	(6,942,350)
Proceeds from capital contributions	-	202,431
Proceeds from sale of capital assets	3,500	2,500
Proceeds from issuance of debt	-	7,071,903
Principal paid on long-term debt	(1,048,159)	(681,029)
Interest paid on long-term debt	(605,633)	(464,072)
Net cash used in capital and related financing activities	(9,681,059)	(810,617)
Cash flows from investing activities:		
Investment returns	312,949	14,483
Principal received on leases receivable	186,400	3,889
Interest received on leases receivable	10,522	12,386
Net cash provided by investing activities	509,871	30,758
Net (decrease) increase in cash and cash equivalents	(2,899,668)	5,198,212
Cash and cash equivalents, beginning of year	16,313,724	11,115,512
Cash and cash equivalents, end of year	\$ 13,414,056	16,313,724
Reconciliation of cash and cash equivalents to the statement of financial position:		
Cash and cash equivalents	\$ 13,349,964	16,113,342
Restricted assets – cash and cash equivalents	64,093	200,382
Total cash and cash equivalents	\$ 13,414,057	16,313,724

Continued on next page

See accompanying notes to the basic financial statements

**Coastside County Water District
Statements of Cash Flows, continued
For the Fiscal Years Ended June 30, 2023 and 2022**

	2023	As Restated 2022
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ <u>1,029,458</u>	<u>618,840</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	2,572,572	2,547,547
Other revenues	256,110	397,316
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
(Increase)Decrease in assets:		
Accounts receivable – water sales and services	135,276	265,608
Accounts receivable – other	3,900	(18,664)
Materials and supplies inventory	(45,844)	(51,226)
Water-in-storage inventory	2,042	9,644
Prepaid expenses and other deposits	21,066	(70,255)
(Increase)Decrease in deferred outflows of resources		
Deferred other post-employment benefits outflows	80,239	90,333
Deferred pension outflows	(1,145,818)	103,778
Increase(Decrease) in liabilities and deferred inflows:		
Accounts payable and accrued expenses	(77,159)	209,095
Accrued wages and related payables	7,245	13,137
Customer deposits and deferred revenue	6,264	(215,432)
Compensated absences	45,556	83,110
Other post-employment benefit obligation	893,766	(74,589)
Net pension liability	2,214,461	(1,542,422)
Decrease in deferred inflows of resources		
Deferred other post-employment benefits inflows	622,588	(96,056)
Deferred pension inflows	(1,894,216)	2,006,155
Deferred lease inflows	(178,147)	(3,441)
Total adjustments	<u>3,519,901</u>	<u>3,653,638</u>
Net cash provided by operating activities	\$ <u>4,549,359</u>	<u>4,272,478</u>
Non cash investing, capital and related financing activities:		
Change in fair value of funds deposited with LAIF	\$ <u>196,641</u>	<u>132,361</u>

See accompanying notes to the basic financial statements

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(1) Reporting Entity and Summary of Significant Accounting Policies

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 19,000 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.

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.

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.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

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

Financial Reporting

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

Governmental Accounting Standards Board Statement No. 91

In May 2019, the GASB issued Statement No. 91 – *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 93

In March 2020, the GASB issued Statement No. 93 – *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by: (1) Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment; (2) Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; (3) Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable; (4) Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; (5) Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap; (6) Clarifying the definition of reference rate, as it is used in Statement 53, as amended; and (7) Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

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

Financial Reporting, continued

Governmental Accounting Standards Board Statement No. 93, continued

The requirements of this Statement were effective as follows: (1) The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021; and (2) All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective dates have been postponed by one year. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 94

In March 2020, the GASB issued Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 96

In May 2020, the GASB issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

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

Financial Reporting, continued

Governmental Accounting Standards Board Statement No. 97

In June 2020, the GASB issued Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 41 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement. The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance.

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

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.

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.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

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

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.

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.

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.

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.

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.

Prepays

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

Lease Receivable / Payable

Leases receivable / payable are measured at the present value of payments expected to be received (paid) during the lease term.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

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

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

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

Leased equipment is amortized on a straight-line basis over the life of the lease.

Deferred Outflows of Resources

The statements 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:

Post-Employment Benefits Other Than Pensions (OPEB)

- Deferred outflow which is equal to the employer contributions made after the measurement date of the total OPEB liability. This amount will be amortized-in-full against the total OPEB liability in the next fiscal year.

Pensions

- 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.
- Deferred outflow for the net change 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.
- 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.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(1) Reporting Entity and Summary of Significant Accounting Policies, continued
Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

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.

Post-Employment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB plan (Plan) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

GASB 75 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, 2022 and June 30, 2020
- Measurement Dates: June 30, 2022 and June 30, 2021
- Measurement Periods: July 1, 2021 to June 30, 2022 and July 1, 2020 to June 30, 2021

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 Dates: June 30, 2021 and June 30, 2020
- Measurement Dates: June 30, 2022 and June 30, 2021
- Measurement Periods: July 1, 2021 to June 30, 2022 and July 1, 2020 to June 30, 2021

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

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

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

Deferred Inflows of Resources

The statements 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:

Post-Employment Benefits Other Than Pensions (OPEB)

- Deferred inflow for the Plans' experience (gains)/losses 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 OPEB through the Plan.
- 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 OPEB through the Plan.

Pensions

- Deferred inflow for the net difference in actual and proportionate share of employer contribution 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 inflow 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.

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* – 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* – 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* – 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.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(1) Reporting Entity and Summary of Significant Accounting Policies, continued
Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

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

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.

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.

(2) Cash and Investments

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

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 13,349,964	16,113,342
Cash and cash equivalents – restricted	<u>64,093</u>	<u>200,382</u>
Total cash and investments	<u>\$ 13,414,057</u>	<u>16,313,724</u>

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

	<u>2023</u>	<u>2022</u>
Cash on hand	\$ 800	800
Deposits with financial institutions	628,903	4,144,848
Investments	<u>12,784,354</u>	<u>12,168,076</u>
Total cash and cash equivalents	<u>\$ 13,414,057</u>	<u>16,313,724</u>

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

	<u>2023</u>	<u>2022</u>
Deposits in Local Agency Investment Fund	260 days	311 days

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(2) Cash and Investments, continued

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

The table on the following page 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.

The pool portfolio is invested in a manner that meets the maturity, quality, diversification, and liquidity requirements set forth by GASB 79 for external investments pools that elect to measure, for financial reporting purposes, investments at amortized cost. LAIF does not have any legally binding guarantees of share values. LAIF does not impose liquidity fees or redemption gates on participant withdrawals.

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.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(2) Cash and Investments, continued

Custodial Credit Risk, continued

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, 2023 and 2022, the District's investments held to maturity were categorized as twelve months or less, respectively.

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.

Credit ratings at June 30, 2023 consisted of the following:

<u>Investment Types</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Year End</u>	
			<u>AAA</u>	<u>Not Rated</u>
Local Agency Investment Fund (LAIF)	\$ 12,764,547	N/A	\$ -	12,764,547
Money Market Funds	19,807	AAA	19,807	-
Total	\$ 12,784,354		\$ 19,807	12,764,547

Credit ratings at June 30, 2022 consisted of the following:

<u>Investment Types</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Year End</u>	
			<u>AAA</u>	<u>Not Rated</u>
Local Agency Investment Fund (LAIF)	\$ 10,148,448	N/A	\$ -	10,148,448
Money Market Funds	2,019,628	AAA	2,019,628	-
Total	\$ 12,168,076		\$ 2,019,628	10,148,448

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(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, 2023 and 2022, respectively.

Fair Value Measurements

Investments measured at fair value on a recurring and non-recurring basis at June 30, 2023 are as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Money market funds	\$ 19,807	19,807	-	-
Total investments measured at fair value	19,807	19,807	-	-
Investments measured at amortized cost:				
Local Agency Investment Fund (LAIF)	12,764,547			
Total	\$ 12,784,354			

Investments measured at fair value on a recurring and non-recurring basis at June 30, 2022 are as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Money market funds	\$ 2,019,628	2,019,628	-	-
Total investments measured at fair value	2,019,628	2,019,628	-	-
Investments measured at amortized cost:				
Local Agency Investment Fund (LAIF)	10,148,448			
Total	\$ 12,168,076			

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(3) Leases Receivable

Changes in leases receivable for the year ended June 30, were as follows:

	<u>Balance 2022</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance 2023</u>	<u>Current Portion</u>	<u>Long-term Portion</u>	<u>Deferred Inflows</u>
Leases receivable:							
T Mobile SF1842	\$ 56,268	-	(48,074)	8,194	8,194	-	\$ (7,275)
T Mobile SF1943	46,988	-	(40,146)	6,842	6,842	-	(6,079)
Crown 147386	113,168	-	(33,844)	79,324	35,563	43,761	(71,312)
Crown 150104b	163,020	-	(32,404)	130,616	34,082	96,534	(127,262)
Verizon	74,243	-	(31,932)	42,311	33,694	8,617	(37,998)
Total leases receivable \$	<u>453,687</u>	<u>-</u>	<u>(186,400)</u>	<u>267,287</u>	<u>118,375</u>	<u>148,912</u>	<u>\$ (249,926)</u>

Changes in leases receivable for the year ended June 30, were as follows:

	<u>As Restated 2021</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance 2022</u>	<u>Current Portion</u>	<u>Long-term Portion</u>	<u>Deferred Inflows</u>
Leases receivable:							
T Mobile SF1842	\$ 101,135	-	(44,867)	56,268	48,074	8,194	\$ (50,928)
T Mobile SF1943	84,455	-	(37,467)	46,988	40,146	6,842	(42,555)
Crown 147386	144,848	-	(31,680)	113,168	33,844	79,324	(104,224)
Crown 150104a	23,025	-	(23,025)	-	-	-	-
Crown 150104b	-	173,539	(10,519)	163,020	32,404	130,616	(161,970)
Verizon	104,113	-	(29,870)	74,243	31,932	42,311	(68,396)
Total leases receivable \$	<u>457,576</u>	<u>173,539</u>	<u>(177,428)</u>	<u>453,687</u>	<u>186,400</u>	<u>267,287</u>	<u>\$ (428,073)</u>

T-Mobile – SF1842

On August 25, 2008, the District entered into a lease agreement with T-Mobile Wireless. T-Mobile has agreed to pay the District for purpose of leasing communication tower space at the Alves Tank site. The terms of the agreement require T-Mobile to pay the District in annual installments through August 2028 and is adjusted annually by a rate of 4.00%.

Following the provisions set forth by *GASB Statement No. 87*, the District recorded a lease receivable and a deferred inflow at present value using a discount rate of 4.00%. The deferred inflow is amortized on a straight-line basis over the term of the lease. As of June 30, 2023 and 2022, deferred inflows were reported at \$7,275 and \$50,928, respectively.

Future payments to be received and deferred inflows as of June 30, 2023, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Deferred Inflows</u>
2024	\$ 8,194	29	8,223	\$ (7,275)
Total	8,194	29	8,223	\$ (7,275)
Current	<u>(8,194)</u>			
Non-current	<u>\$ -</u>			

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(3) Leases Receivable, continued

T-Mobile – SF1943

On August 25, 2008, the District entered into a lease agreement with T-Mobile Wireless. T-Mobile has agreed to pay the District for purpose of leasing communication tower space at the Miramar Tank site. The terms of the agreement require T-Mobile to pay the District in annual installments through August 2028 and is adjusted annually by a rate of 4.00%.

Following the provisions set forth by *GASB Statement No. 87*, the District recorded a lease receivable and a deferred inflow at present value using a discount rate of 4.00%. The deferred inflow is amortized on a straight-line basis over the term of the lease. As of June 30, 2023 and 2022, deferred inflows were reported at \$6,079 and \$42,555, respectively.

Future payments to be received and deferred inflows as of June 30, 2023, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Deferred Inflows</u>
2024	\$ 6,842	24	6,866	\$ (6,079)
Total	6,842	24	6,866	\$ (6,079)
Current	(6,842)			
Non-current	\$ -			

Crown – 147386

On September 1, 2000, the District entered into a lease agreement with Sprint Wireless (Crown). Crown has agreed to pay the District for purpose of leasing communication tower space at the Miramar Tank site. The terms of the agreement require Crown to pay the District in annual installments through August 2030 and is adjusted annually by a CPI rate of 3.00%.

Following the provisions set forth by *GASB Statement No. 87*, the District recorded a lease receivable and a deferred inflow at present value using a discount rate of 4.00%. The deferred inflow is amortized on a straight-line basis over the term of the lease. As of June 30, 2023 and 2022, deferred inflows were reported at \$71,312 and \$104,224, respectively.

Future payments to be received and deferred inflows as of June 30, 2023, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Deferred Inflows</u>
2024	\$ 35,563	1,801	37,364	\$ (32,913)
2025	37,348	764	38,112	(32,913)
2026	6,413	23	6,436	(5,486)
Total	79,324	2,588	81,912	\$ (71,312)
Current	(35,563)			
Non-current	\$ 43,761			

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(3) Leases Receivable, continued

Crown – 150104 b & a

On March 1, 1997, the District entered into a lease agreement with Sprint Wireless (Crown). Crown has agreed to pay the District for purpose of leasing communication tower space at the Nunes Waste Treatment Plant site. The terms of the agreement require Crown to pay the District in annual installments through February 2027 and is adjusted annually by a CPI rate of 3.00%.

Following the provisions set forth by *GASB Statement No. 87*, the District recorded a lease receivable and a deferred inflow at present value using a discount rate of 4.00%. The deferred inflow is amortized on a straight-line basis over the term of the lease. As of June 30, 2023 and 2022, deferred inflows were reported at \$127,262 and \$161,970, respectively. In fiscal year 2022, the “a” segment of the agreement ended and was replaced with the “b” segment.

Future payments to be received and deferred inflows as of June 30, 2023, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Deferred Inflows</u>
2024	\$ 34,082	3,282	37,364	\$ (34,708)
2025	35,824	2,288	38,112	(34,708)
2026	35,984	1,261	37,245	(34,708)
2027	24,726	266	24,992	(23,138)
Total	130,616	7,097	137,713	\$ (127,262)
Current	(34,082)			
Non-current	\$ 96,534			

Verizon

On October 1, 2009, the District entered into a lease agreement with Verizon Wireless (Verizon). Verizon has agreed to pay the District for purpose of leasing communication tower space at the Nunes Waste Treatment Plant site. The terms of the agreement require Verizon to pay the District in annual installments through February 2027 and is adjusted annually by a CPI rate of 3.00%.

Following the provisions set forth by *GASB Statement No. 87*, the District recorded a lease receivable and a deferred inflow at present value using a discount rate of 4.00%. The deferred inflow is amortized on a straight-line basis over the term of the lease. As of June 30, 2023 and 2022, deferred inflows were reported at \$37,998 and \$68,936, respectively.

Future payments to be received and deferred inflows as of June 30, 2023, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Deferred Inflows</u>
2024	\$ 33,694	770	34,464	\$ (30,398)
2025	8,617	41	8,658	(7,600)
Total	42,311	811	43,122	\$ (37,998)
Current	(33,694)			
Non-current	\$ 8,617			

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(4) Capital Assets

Changes in capital assets for the year ended June 30, 2023 were as follows:

	<u>As Restated 2022</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2023</u>
Non-depreciable assets:				
Land	\$ 574,372	-	-	574,372
Construction-in-process	9,082,885	5,814,108	(2,919,654)	11,977,339
Total non-depreciable assets	<u>9,657,257</u>	<u>5,814,108</u>	<u>(2,919,654)</u>	<u>12,551,711</u>
Depreciable and amortizable assets:				
Source of supply	401,040	-	-	401,040
Transmission and distribution	19,765,574	44,023	-	19,809,597
Pump station – Crystal Springs	26,172,476	292,779	-	26,465,255
Treatment plants	12,896,233	-	-	12,896,233
Well field and tanks	4,459,150	19,872	-	4,479,022
Pipelines and meters	23,248,834	2,626,003	-	25,874,837
Buildings and structures	1,422,314	-	-	1,422,314
Vehicles	1,353,943	104,585	(17,165)	1,441,363
Furniture and equipment	2,790,438	64,877	-	2,855,315
Leased equipment	42,465	-	-	42,465
Leased software	242,481	-	-	242,481
Total depreciable and amortizable assets	<u>92,794,948</u>	<u>3,152,139</u>	<u>(17,165)</u>	<u>95,929,922</u>
Accumulated depreciation and amortization:				
Depreciable assets	(40,191,849)	(2,523,662)	17,165	(42,698,346)
Amortizable assets	(77,421)	(48,910)	-	(126,331)
Total accumulated depreciation and amortization:	<u>(40,269,270)</u>	<u>(2,572,572)</u>	<u>17,165</u>	<u>(42,824,677)</u>
Total depreciable assets, net	<u>52,525,678</u>	<u>579,567</u>	<u>-</u>	<u>53,105,245</u>
Total capital assets, net	\$ 62,182,935	6,393,675	(2,919,654)	65,656,956

Major changes to capital assets in 2023 consisted primarily of additions of \$44,023 in upgrades to transmission and distribution assets, \$292,779 in upgrades to pump station – Crystal Springs, \$19,872 in upgrades to well field and tank assets, \$2,626,003 in upgrades to pipelines and meters, \$104,585 in additions to vehicles, and \$64,877 in additions to furniture and equipment. \$242,481 in leased equipment was added during the implementation of GASB 96. Please see Note 13 for further information. Major deletions include \$2,919,654 in transfers from construction in progress to depreciable assets, \$17,165 in disposals of vehicles.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(4) Capital Assets, continued

Changes in capital assets for the year ended June 30, 2022 were as follows:

	<u>As Restated 2021</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>As Restated 2022</u>
Non-depreciable assets:				
Land	\$ 574,372	-	-	574,372
Construction-in-process	3,654,595	6,974,666	(1,546,376)	9,082,885
Total non-depreciable assets	<u>4,228,967</u>	<u>6,974,666</u>	<u>(1,546,376)</u>	<u>9,657,257</u>
Depreciable and amortizable assets:				
Source of supply	401,040	-	-	401,040
Transmission and distribution	19,604,200	161,374	-	19,765,574
Pump station – Crystal Springs	26,172,476	-	-	26,172,476
Treatment plants	12,590,950	305,283	-	12,896,233
Well field and tanks	4,459,150	-	-	4,459,150
Pipelines and meters	22,983,100	265,734	-	23,248,834
Buildings and structures	1,258,882	163,432	-	1,422,314
Vehicles	984,745	412,705	(43,507)	1,353,943
Furniture and equipment	2,579,192	230,004	(18,758)	2,790,438
Leased equipment	42,465	-	-	42,465
Leased software	242,481	-	-	242,481
Total depreciable and amortizable assets	<u>91,318,681</u>	<u>1,538,532</u>	<u>(62,265)</u>	<u>92,794,948</u>
Accumulated depreciation and amortization:				
Depreciable assets	(37,747,822)	(2,498,637)	54,610	(40,191,849)
Amortizable assets	(28,511)	(48,910)	-	(77,421)
Total accumulated depreciation and amortization:	<u>(37,776,333)</u>	<u>(2,547,547)</u>	<u>54,610</u>	<u>(40,269,270)</u>
Total depreciable assets, net	<u>53,542,348</u>	<u>(1,009,015)</u>	<u>(7,655)</u>	<u>52,525,678</u>
Total capital assets, net	\$ <u>57,771,315</u>	<u>5,965,651</u>	<u>(1,554,031)</u>	<u>62,182,935</u>

Major changes to capital assets in 2022 consisted primarily of additions of \$305,283 in upgrades to treatment plant assets, \$265,734 in additions to pipelines and meters, \$161,374 in upgrades to transmission and distribution assets, \$163,432 in upgrades to buildings and structures, \$412,705 in additions to vehicles, and \$230,004 in additions to furniture and equipment. \$42,465 in leased equipment was added during the implementation of GASB 87. Please see Note 13 for further information. Major deletions include \$1,546,376 in transfers from construction in progress to depreciable assets, \$43,507 in disposals of vehicles, and \$18,758 in disposals of furniture and equipment.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(5) Compensated Absences

Changes to compensated absences for the year ended June 30, 2023 were as follows:

<u>Balance</u> <u>2022</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance</u> <u>2023</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
\$ 333,725	316,175	(270,619)	379,281	94,820	284,461

Changes to compensated absences for the year ended June 30, 2022 were as follows:

<u>Balance</u> <u>2021</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance</u> <u>2022</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
\$ 250,615	295,860	(212,750)	333,725	83,431	250,294

(6) Long-term Debt

Changes in long-term debt amounts for the year ended June 30, 2023 were as follows:

	<u>As Restated</u> <u>2022</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>2023</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
Long-term debt:						
Lease payable:						
Ray Morgan Company	\$ 16,259	-	(8,779)	7,480	7,480	-
Aclara software	161,548	-	(38,701)	122,847	39,804	83,043
Total lease payable	<u>177,807</u>	<u>-</u>	<u>(47,480)</u>	<u>130,327</u>	<u>47,284</u>	<u>83,043</u>
Loans payable:						
CIEDB Installment Loan – 2011	\$ 5,088,492	-	(193,452)	4,895,040	198,849	4,696,191
CIEDB Installment Loan – 2016	5,005,827	-	(137,564)	4,868,263	142,298	4,725,965
JP Morgan Chase Bank NA	4,106,002	-	(323,617)	3,782,385	334,197	3,448,188
First Foundation Public Finance	7,071,903	-	(346,046)	6,725,857	270,531	6,455,326
Total loans payable	<u>21,272,224</u>	<u>-</u>	<u>(1,000,679)</u>	<u>20,271,545</u>	<u>945,875</u>	<u>19,325,670</u>
Long-term debt	<u>\$ 21,450,031</u>	<u>-</u>	<u>(1,048,159)</u>	<u>20,401,872</u>	<u>993,159</u>	<u>19,408,713</u>

Changes in long-term debt amounts for the year ended June 30, 2022 were as follows:

	<u>As Restated</u> <u>2021</u>	<u>Additions</u>	<u>Payments</u>	<u>As Restated</u> <u>2022</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
Long-term debt:						
Lease payable:						
Ray Morgan Company	\$ 24,791	-	(8,532)	16,259	8,779	7,480
Aclara software	199,176	-	(37,628)	161,548	38,701	122,847
Total lease payable	<u>223,967</u>	<u>-</u>	<u>(46,160)</u>	<u>177,807</u>	<u>47,480</u>	<u>130,327</u>
Loans payable:						
CIEDB Installment Loan – 2011	\$ 5,276,693	-	(188,201)	5,088,492	193,452	4,895,040
CIEDB Installment Loan – 2016	5,138,818	-	(132,991)	5,005,827	137,565	4,868,262
JP Morgan Chase Bank NA	4,419,679	-	(313,677)	4,106,002	323,617	3,782,385
First Foundation Public Finance	-	7,071,903	-	7,071,903	346,046	6,725,857
Total loans payable	<u>14,835,190</u>	<u>7,071,903</u>	<u>(634,869)</u>	<u>21,272,224</u>	<u>1,000,680</u>	<u>20,271,544</u>
Long-term debt	<u>\$ 15,059,157</u>	<u>7,071,903</u>	<u>(681,029)</u>	<u>21,450,031</u>	<u>1,048,160</u>	<u>20,401,871</u>

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(6) Long-term Debt, continued

Ray Morgan Company – Equipment Lease

On March 4, 2019, the District entered into an agreement with Ray Morgan Company, to lease copier equipment for use in the District’s administrative office. Terms of the agreement commenced on April 15, 2019, for a period of 60 months, with rent due monthly at \$761 per month for the entire lease term.

Following the provisions set forth by *GASB Statement No. 87*, the District has recorded a right-to-use asset and a lease payable at present value with an implicit rate of 2.85%. The right-to-use asset is amortized on a straight-line basis over the term of the lease.

Annual lease payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 7,480	98	7,578
Total	7,480	98	7,578
Current	(7,480)		
Long-term	\$ -		

Aclara Software – Software Lease

On April 1, 2017, the District entered into an agreement with Aclara Software, to lease AMI meter monitoring software for managing the District’s meter infrastructure. Terms of the agreement commenced on April 1, 2017, for a period of 9 years, with payments due annually at \$43,305 per year for the entire lease term.

Following the provisions set forth by *GASB Statement No. 96*, the District has recorded a right-to-use asset and a lease payable at present value with an implicit rate of 2.85%. The right-to-use asset is amortized on a straight-line basis over the term of the lease.

Annual lease payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 39,804	3,501	43,305
2025	40,938	2,367	43,305
2026	42,105	1,200	43,305
Total	122,847	7,068	129,915
Current	(39,804)		
Long-term	\$ 83,043		

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.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(6) Long-term Debt, continued

CEIDB Installment Loan – 2011, continued

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>
2024	\$ 198,849	136,494	335,343
2025	204,397	116,687	321,084
2026	210,099	111,423	321,522
2027	215,961	106,012	321,973
2028	221,987	100,450	322,437
2029-2033	1,206,363	413,238	1,619,601
2034-2038	1,384,307	248,979	1,633,286
2039-2042	1,253,077	64,751	1,317,828
Total	4,895,040	<u>1,298,035</u>	<u>6,193,075</u>
Current	<u>(198,849)</u>		
Long-term	\$ <u>4,696,191</u>		

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.

Future remaining debt service payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 142,298	165,021	307,319
2025	147,193	160,041	307,234
2026	152,256	154,891	307,147
2027	157,494	149,563	307,057
2028	162,912	144,052	306,964
2029-2033	902,577	630,729	1,533,306
2034-2038	1,068,874	461,570	1,530,444
2039-2043	1,265,812	261,245	1,527,057
2044-2046	868,847	45,506	914,353
Total	4,868,263	<u>2,172,618</u>	<u>7,040,881</u>
Current	<u>(142,298)</u>		
Long-term	\$ <u>4,725,965</u>		

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(6) Long-term Debt, continued

JP Morgan Chase Loan – 2018

On July 23, 2018, the District entered into an installment loan agreement with JP Morgan Chase Bank in the amount of \$5,311,319 for purpose of refinancing the District’s 2006 Series B Water Revenue Bonds (through the California Statewide Communities Development Authority) originally used to finance certain capital improvements to the District’s water system. Terms of the loan include semi-annual interest of 2.85% which is payable on October 1 and April 1. Principal payments commenced on October 1, 2018, maturing in fiscal year 2033.

Future remaining debt service payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 334,197	103,036	437,233
2025	339,384	93,437	432,821
2026	349,256	83,624	432,880
2027	363,716	73,464	437,180
2028	372,663	62,971	435,634
2029-2033	2,023,169	147,474	2,170,643
Total	3,782,385	<u>564,006</u>	<u>4,346,391</u>
Current	<u>(334,197)</u>		
Long-term	\$ <u>3,448,188</u>		

First Foundation Public Finance– 2022

On March 11, 2022, the District entered into an installment loan agreement with First Foundation Public Finance in the amount of \$7,071,903 for purpose of financing capital improvements to the District’s water system. Terms of the loan include semi-annual interest of 2.23% which is payable on September 1 and March 1. Principal payments commence on September 1, 2022, maturing in fiscal year 2043.

Future remaining debt service payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 270,531	146,970	417,501
2025	276,564	140,870	417,434
2026	282,731	134,634	417,365
2027	289,036	128,259	417,295
2028	295,482	121,741	417,223
2029-2033	1,579,234	464,130	2,043,364
2034-2038	1,763,349	297,622	2,060,971
2039-2043	1,968,930	111,704	2,080,634
Total	6,725,857	<u>1,545,930</u>	<u>8,271,787</u>
Current	<u>(270,531)</u>		
Long-term	\$ <u>6,455,326</u>		

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(7) Other Post-employment Benefits (OPEB) Plan

General Information about the OPEB Plan

Plan Description

The District's defined benefit Other Post-Employment Benefit (OPEB) Plan (Plan) provides OPEB for all vested full-time employees who satisfy the eligibility rules. The Plan is a single-employer defined benefit OPEB plan administered by the District. The District's Board has the authority to establish and amend the benefit terms and financing requirements of the Plan.

Benefits Provided

To be eligible for retiree health benefits, an employee must retire from the District on or after age 55 with at least 15 years of continuous service. Dependents are also eligible to receive benefits. Retirees may enroll in any plan available through the District's ACWA-JPIA (Association of California Water Agencies Joint Powers Insurance Authority) Medical Program. 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.

Employees Covered by Benefit Terms

At June 30, the following employees were covered by the benefit terms:

	2023	2022
Active plan members	8	8
Retirees and beneficiaries receiving benefits	8	8
Total Plan membership	16	16

Contributions

The Plan and its contribution requirements for eligible retired employees of the District are established and may be amended by the Board of Directors. The District pays 100% of its share of the cost of health and vision insurance for retirees and dental insurance up to age 65 under any group plan offered by ACWA-JPIA, subject to certain restrictions as determined by the District. The annual contribution is based on the actuarially determined contribution.

As of the fiscal years ended June 30, the contributions were as follows:

	2023	2022
Contributions – employer	\$ 43,202	56,080

As of June 30, 2023 and 2022, employer OPEB contributions of \$43,202 and \$56,080 will be and were recognized as a reduction of total OPEB liability in the fiscal years ended June 30, 2024 and 2023, respectively.

Total OPEB Liability

As of the fiscal year ended June 30, the District reported its total OPEB liability as follows:

	2023	2022
Total OPEB liability	\$ 1,749,650	2,643,416

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(7) Other Post-employment Benefits (OPEB) Plan, continued

Total OPEB Liability, continued

The District's total OPEB liability was measured as of June 30, 2023 and 2022, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of June 30, 2022 and 2020, respectively. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Changes in the Total OPEB Liability

Changes in the total OPEB liability as of June 30, were as follows:

	June 30, 2023	June 30, 2022
Balance at beginning of year	\$ 2,643,416	2,568,827
Changes for the year:		
Service cost	78,246	75,384
Interest	57,080	56,548
Employer contributions	(71,050)	(59,118)
Expected minus actual payments	(8,848)	(13,149)
Experience (gains)/losses	(624,852)	-
Assumption changes	(324,342)	14,924
Net changes	(893,766)	74,589
Balance at end of year	\$ 1,749,650	2,643,416

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal years ended June 30, 2023 and 2022, the District recognized OPEB (income) and expense of \$147,737 and \$124,926, respectively.

At June 30, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	June 30, 2023		June 30, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to the measurement date at June 30	\$ 43,202	-	56,080	-
Net change in assumptions	-	(218,721)	67,361	-
Experience (gains)/losses	-	(439,423)	-	(35,556)
Total	\$ 43,202	(658,144)	123,441	(35,556)

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(7) Other Post-employment Benefits (OPEB) Plan, continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB, continued

As of June 30, 2023, the District recognized other amounts reported by the Plan actuarial as deferred outflows of resources and deferred inflows of resources related to the total OPEB liability. OPEB related amounts will be recognized as OPEB expense as follows.

Fiscal Year Ending June 30,	Deferred Net Outflows / (Inflows) of Resources
2024	\$ (298,880)
2025	(299,389)
2026	(59,875)

Actuarial Assumptions

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2023 and 2022 – 2.50 percent
Salary increases	2.75 percent
Discount rate	2023 – 3.54 percent
	2022 – 2.16 percent
Healthcare cost trend rates	4.00 percent per year
Retirees' share of benefit-related costs	100 percent of projected health insurance premiums for retirees at age 55 with a minimum 15 years of service who were hired prior to November 15, 2006.
	50 percent of projected health insurance premiums for retirees at age 55 with a minimum 15 years of service who were hired after November 14, 2006 and before November 1, 2008.

Discount Rate

As of the measurement dates June 30, 2022 and 2021, the discount rate used to measure the total OPEB liability was 3.54 percent and 2.16 percent, respectively. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The table on the following page presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(7) Other Post-employment Benefits (OPEB) Plan, continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate, continued

At June 30, 2023, the discount rate comparison was the following:

		Discount Rate - 1% (2.54%)		Current Discount Rate (3.54%)		Discount Rate + 1% (4.54%)
District's total OPEB liability	\$	<u>1,523,393</u>		<u>1,749,650</u>		<u>2,026,750</u>

At June 30, 2022, the discount rate comparison was the following:

		Discount Rate - 1% (1.16%)		Current Discount Rate (2.16%)		Discount Rate + 1% (3.16%)
District's total OPEB liability	\$	<u>3,039,417</u>		<u>2,643,416</u>		<u>2,319,852</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.00 percent decreasing to 2.00 percent) or 1-percentage-point higher (5.00 percent decreasing to 4.00 percent) than the current healthcare cost trend rates:

At June 30, 2023 the healthcare cost trend rate comparison was the following:

		1% Decrease (3.00% decreasing to 2.00%)		Healthcare Cost Trend Rates (4.00% decreasing to 3.00%)		1% Increase (5.00% decreasing to 4.00%)
District's total OPEB liability	\$	<u>1,523,393</u>		<u>1,749,650</u>		<u>2,026,750</u>

At June 30, 2022 the healthcare cost trend rate comparison was the following:

		1% Decrease (3.00% decreasing to 2.00%)		Healthcare Cost Trend Rates (4.00% decreasing to 3.00%)		1% Increase (5.00% decreasing to 4.00%)
District's total OPEB liability	\$	<u>2,251,989</u>		<u>2,643,416</u>		<u>3,134,025</u>

Schedule of Changes in the District's Total OPEB Liability and Related Ratios

See page 52 for the Required Supplementary Information.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(8) 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 are summarized as follows:

	Miscellaneous Plan		
	Classic	New Classic	PEPRA
Hire date	Prior to August 14, 2010	On or after August 14, 2010, and prior to January 1, 2013	On or after January 1, 2013
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%
2023:			
Required employee contribution rates	8.00%	7.00%	7.25%
Required employer contribution rates	13.02%	9.30%	7.76%
2022:			
Required employee contribution rates	7.96%	6.92%	7.25%
Required employer contribution rates	12.99%	9.30%	7.73%

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(8) 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	
		2023	2022
	Contributions – employer	\$ 604,192	527,859

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	
		2023	2022
	Miscellaneous Plan	\$ 4,627,461	2,413,000

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, 2022 and 2021, 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, 2021 and 2020, rolled forward to June 30, 2022 and 2021, respectively, 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 change in the proportionate share of the pension liability for the District's Plan as of the fiscal year ended June 30, were as follows:

		Miscellaneous Plan	
		2023	2022
	Proportion – beginning of year	0.04462%	0.03635%
	Proportion – end of year	0.04006%	0.04462%
	Change – Increase (Decrease)	-0.00456%	0.00827%

Deferred Pension Outflows (Inflows) of Resources

As of June 30, 2023 and 2022, the District recognized pension (income) and expense of \$221,381 and \$1,095,370, respectively.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(8) Defined Benefit Pension Plan, continued

Deferred Pension Outflows (Inflows) of Resources, continued

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

<u>Description</u>	<u>June 30, 2023</u>		<u>June 30, 2022</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 604,192	-	527,859	-
Net difference between actual and expected experience	30,689	-	270,592	-
Net change in assumptions	474,181	-	-	-
Net difference between projected and actual earnings on plan investments	847,630	-	-	(2,106,420)
Net difference between actual contribution and proportionate share of contribution	-	(78,795)	12,423	-
Net adjustment due to differences in proportions of net pension liability	-	(212,299)	-	(78,890)
Total	<u>\$ 1,956,692</u>	<u>(291,094)</u>	<u>810,874</u>	<u>(2,185,310)</u>

As of June 30 2023 and 2022, employer pension contributions of \$604,192 and \$527,859, 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, 2024 and 2023, respectively.

As of June 30, 2023, 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>
2024	\$ 206,365
2023	181,748
2024	64,948
2027	608,345

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(8) Defined Benefit Pension Plan, continued

Actuarial Assumptions

The total pension liability in the June 30, 2022 and 2021, actuarial valuation report was determined using the following actuarial assumptions:

Valuation Date	June 30, 2021 and 2020
Measurement Date	June 30, 2022 and 2021
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
 Actuarial assumptions:	
Discount rate	2023 - 6.90% 2022 - 7.15%
Inflation	2023 - 2.30% 2022 - 2.50%
Salary increases	Varies by Entry Age and Service
Investment Rate of Return	6.90 % Net of pension plan investment and administrative expenses; includes inflation
Mortality Rate Table*	Derived using CalPERS' Membership Data for all Funds
Period upon which actuarial Experience Survey assumptions were based	2023 and 2022 – 1997–2015
Post Retirement Benefit	Contract COLA up to 2.50% until purchasing power protection allowance floor on purchasing

* 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 6.90% 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 Years Ended June 30, 2023 and 2022

(8) 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 tables below reflect 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.

As of June 30, 2022 the target allocation and the long-term expected real rate of return by asset class were as follows:

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10</u>
Global Equity - Cap-weighted	30.0%	4.45%
Global Equity Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	27.00%
Mortgage-backed Securities	5.0%	50.00%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	<u>100%</u>	

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

The table on the following page 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:

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(8) Defined Benefit Pension Plan, continued

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

At June 30, 2023 the discount rate comparison was the following:

	Discount Rate – 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
District's Net pension liability	\$ 6,872,514	4,627,461	2,780,339

At June 30, 2022 the discount rate comparison was the following:

	Discount Rate – 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
District's Net pension liability	\$ 4,446,104	2,413,000	732,263

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 53 and 54 for the Required Supplementary Information.

Payable to the Pension Plan

At June 30, 2023 and 2022, the District reported no payables for the outstanding amount of contribution to the pension plan, respectively.

(9) Net Investment in Capital Assets

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

	2023	As Restated 2022
Capital assets:		
Capital assets – not being depreciated	\$ 12,551,711	9,657,257
Capital assets, net – being depreciated and amortized	53,105,245	52,525,678
Current:		
Leases payable	(47,284)	(47,480)
Loans payable	(945,875)	(1,000,680)
Non-current:		
Leases payable	(83,043)	(130,327)
Loans payable	(19,325,670)	(20,271,544)
Total net investment in capital assets	\$ 45,255,084	40,732,904

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(10) Restricted Net Position

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

	2023	As Restated 2022
Restricted – cash and cash equivalents	\$ 64,093	200,382
Restricted – rate stabilization	250,000	250,000
Total restricted net position	\$ 314,093	450,382

(11) Unrestricted Net Position

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

	2023	As Restated 2022
Non-spendable net position:		
Materials and supplies inventory	\$ 274,166	228,322
Water-in-storage inventory	33,088	35,130
Prepaid expenses and other deposits	228,187	249,253
Total non-spendable net position	535,441	512,705
Spendable net position are designated as follows:		
Unrestricted	7,977,119	9,760,930
Total spendable net position	7,977,119	9,760,930
Total unrestricted net position	\$ 8,512,560	10,273,635

(12) Adjustments to Net Position

In fiscal year 2023, the District implemented GASB Statement No. 96 to recognize its subscription based internet technology agreements. The nature, justification, and an explanation of the change are included in Note 1.C.

As a result of the implementation for the District’s lessee software agreement, the District recorded a right to use asset included as part of capital assets, a lease payable, reclassified a portion of its software lease expense to interest expense, and has recorded prior period adjustments to restate net position as of June 30, 2021 and 2022. Please see Notes 4 and 6 for further information.

In fiscal year 2022, the District implemented GASB Statement No. 87 to recognize its lessee and lessor agreements. The nature, justification, and an explanation of the change are included in Note 1.C.

As a result of the implementation for the District’s lessee agreement, the District recorded a right to use asset included as part of capital assets, a lease payable, reclassified a portion of its equipment lease expense to interest expense, and has recorded prior period adjustments to restate net position as of June 30, 2020 and 2021. Please see Notes 4 and 6 for further information.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(12) Adjustments to Net Position, continued

As a result of the implementation for the District's lessor agreements, the District recorded leases receivable, deferred lease inflows of resources, reclassified a portion of its rental income to interest income, and has recorded prior period adjustments to restate net position as of June 30, 2020 and 2021. Please see Note 3 for further information.

In fiscal year 2023, the adjustments to net position were as follows:

Net position at July 1, 2020, as adjusted	\$ <u>46,313,113</u>
Change in net position at June 30, 2021, as previously stated	2,779,357
Effect of the adjustments for 2021 software lease asset and liability balances as a result of GASB 96	<u>33,202</u>
Subtotal adjustments	<u>33,202</u>
Net position at June 30, 2021, as restated	\$ <u>49,125,672</u>
Change in net position at June 30, 2022, as previously stated	2,334,035
Effect of the adjustments for 2022 software lease asset and liability balances as a result of GASB 96	<u>(2,786)</u>
Subtotal adjustments	<u>(2,786)</u>
Net position at June 30, 2022, as restated	\$ <u><u>51,456,921</u></u>

In fiscal year 2022, the adjustments to net position were as follows:

Net position at July 1, 2019, as previously stated	\$ <u>43,027,900</u>
Effect of the adjustment to establish a right-to-use asset and lease payable as a result of GASB 87	<u>(95)</u>
Net position at July 1, 2019, as adjusted	<u>43,027,805</u>
Change in net position at June 30, 2020, as previously stated	3,267,774
Effect of the adjustments for 2020 equipment lease asset and liability balances as a result of GASB 87	<u>(436)</u>
Effect of the adjustments for 2020 to record lease receivables and deferred inflows as a result of GASB 87	<u>17,970</u>
Subtotal adjustments	<u>17,534</u>
Net position at June 30, 2020, as restated	\$ <u>46,313,113</u>
Change in net position at June 30, 2021, as previously stated	2,771,468
Effect of the adjustments for 2021 equipment lease asset and liability balances as a result of GASB 87	<u>(203)</u>
Effect of the adjustments for 2021 to record lease receivables and deferred inflows as a result of GASB 87	<u>8,092</u>
Subtotal adjustments	<u>7,889</u>
Net position at June 30, 2021, as restated	\$ <u><u>49,092,470</u></u>

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(13) Other District Sponsored Retirement Plans

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. The assets are held with the Variable Annuity Life Insurance Company (VALIC) and Empower 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, 2023 and 2022, were \$2,196,575 and \$1,909,363, respectively.

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.

Defined Contribution Retirement Plan

For the benefit of its employees, the District participates in a 401a defined contribution retirement plan (Plan). The purpose of this Plan is to provide a post-retirement medical defined contribution plan for public employees that elect to participate in the Plan.

Federal law requires defined-contribution assets to be held in trust. The assets are held with Mission Square Retirement 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, 2023 and 2022, were \$465,846 and \$354,625, respectively.

(14) 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, 2023, 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: \$50 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.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(14) Risk Management, continued

- 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 \$500 million per loss, subject to a \$5,000 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 \$100 million per occurrence, subject to various deductibles depending on the type of equipment, on file.
- Cyber liability: including cyber-security up to \$5,000,000 program aggregate limit, subject to a \$2,000,000 limit maximum per member. Cyber liability deductible is \$100,000 per incident.
- 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. The ACWA/JPIA purchased additional excess coverage layer: \$2,000,000 employer's liability.

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, 2023, 2022 and 2021. 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, 2023, 2022, and 2021, respectively.

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

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2023 that have effective dates that may impact future financial presentations.

The following pronouncement implementation dates have been delayed due to the COVID-19 pandemic.

Governmental Accounting Standards Board Statement No. 99

In April 2022, the GASB issued Statement No. 99 – *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 100

In June 2022, the GASB issued Statement No. 100 – *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

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

Governmental Accounting Standards Board Statement No. 100, continued

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 101

In June 2022, the GASB issued Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(16) 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.

(17) Subsequent Events

Events occurring after June 30, 2023, have been evaluated for possible adjustment to the financial statements or disclosure as of January 9, 2024, which is the date the financial statements were available to be issued.

Presentation Version
Subject to Board Approval

Required Supplementary Information

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Coastside County Water District
Schedules of Changes in the District's Total OPEB Liability and Related Ratios
As of June 30, 2023
Last Ten Years*

Fiscal year	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB liability						
Service cost	\$ 78,246	75,384	42,880	46,953	45,696	44,473
Interest	57,080	56,548	80,847	90,043	91,126	81,573
Employer contributions	(71,050)	(59,118)	(53,593)	(40,360)	(61,033)	(58,686)
Expected minus actual payments	-	(13,149)	-	(16,052)	-	-
Assumption changes	(324,342)	14,924	247,093	97,523	(107,249)	-
Experience (gains)/losses	(633,700)	-	(66,627)	(234,153)	-	-
Net change in total OPEB liability	(893,766)	74,589	250,600	(56,046)	(31,460)	67,360
Total OPEB liability – beginning	2,643,416	2,568,827	2,318,227	2,374,273	2,405,733	2,338,373
Total OPEB liability – ending	\$ 1,749,650	2,643,416	2,568,827	2,318,227	2,374,273	2,405,733
Covered employee payroll	\$ 2,353,833	2,224,572	2,177,776	2,330,675	1,990,577	1,939,509
Total OPEB liability as a percentage of covered payroll	134.53%	84.16%	84.78%	100.54%	83.84%	80.62%
Valuation Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2017	June 30, 2017

Methods and Assumptions Used to

Determine Contribution Rates:

Single and Agent Employers Amortization Method	Entry age (1)	Entry age (1)	Entry age (1)	Entry age (1)	Entry age (1)	Entry age (1)
Inflation	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%
Salary Increases	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Investment Rate of Return	3.54%	2.16%	2.20%	3.50%	3.80%	3.50%
Mortality, Retirement, Turnover	(2)	(2)	(2)	(2)	(2)	(2)

(1) Level percentage of payroll, closed

(2) 2017 CalPERS OPEB Assumption Model (2021)

2014 CalPERS OPEB Assumption Model (2020 – 2018)

* The District has presented information for those years for which information is available until a full 10-year trend is compiled.

Coastside County Water District
Schedules of the District's Proportionate Share of the Net Pension Liability
As of June 30, 2023
Last Ten Years*

Description	Measurement Dates								
	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability	0.04006%	0.04462%	0.03635%	0.03746%	0.03848%	0.03951%	0.04102%	0.04484%	0.04212%
District's proportionate share of the net pension liability	\$ 4,627,461	2,413,000	3,955,422	3,838,142	3,708,081	3,917,927	2,413,000	3,077,582	2,620,900
District's covered payroll	\$ 2,353,833	2,224,572	2,177,776	2,330,675	1,990,577	1,939,509	1,885,311	1,689,259	1,562,529
District's proportionate share of the net pension liability as a percentage of its covered payroll	196.59%	108.47%	181.63%	164.68%	186.28%	202.01%	127.99%	182.19%	167.73%
District's fiduciary net position as a percentage of the district's total pension liability	71.90%	84.33%	71.75%	72.87%	71.99%	69.62%	69.14%	71.67%	76.34%

Notes To Schedule:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses.

The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%

From fiscal year June 30, 2018 to June 30, 2019:

The inflation rate was reduced from 2.75% to 2.50%

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

There were no changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate was reduced from 7.15% to 6.90%

The inflation rate was reduced from 2.50% to 2.30%

* The District has presented information for those years for which information is available until a full 10-year trend is compiled.

**Coastside County Water District
Schedules of Pension Plan Contributions
As of June 30, 2023
Last Ten Years***

	Fiscal Years Ended								
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially determined contribution	\$ 596,014	570,912	498,892	446,799	591,439	537,586	489,709	451,848	389,014
contribution's in relation to the									
actuarially determined contribution	(596,014)	(570,912)	(498,892)	(446,799)	(591,439)	(537,586)	(489,709)	(451,848)	(389,014)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-
Covered payroll	\$ 2,353,833	2,224,572	2,177,776	2,330,675	1,990,577	1,939,509	1,885,311	1,689,259	1,562,529
Contribution's as a percentage of									
covered payroll	25.32%	25.66%	22.91%	19.17%	29.71%	27.72%	25.97%	26.75%	24.90%

Notes To Schedule:

Valuation date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
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Methods and assumptions used to determine contribution rates:

	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Actuarial cost method	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Amortization method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value
Asset valuation method									15 Year Smoothed Market Method
Inflation	2.30%	2.50%	2.50%	2.63%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment rate of return	6.90% (3)	7.15% (3)	7.00% (3)	7.25% (3)	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed.

(2) Depending on age, service, and type of employment.

(3) Net of pension plan investment expenser, including inflation.

(4) 50 for all plans with exception of 52 for Miscellaneous 2% @ 62.

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

* The District has presented information for those years for which information is available until a full 10-year trend is compiled.

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Report on Internal Controls and Compliance

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**Independent Auditor’s Report on Internal Controls Over Financial Reporting
and on Compliance and Other Matters Based on 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 years ended June 30, 2023 and 2022, 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, 2024.

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 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.

C.J. Brown & Company CPAs
Cypress, California
January 9, 2024

Presentation Version
Subject to Board Approval

Coastside County Water District

Management Report

June 30, 2023

Presentation Version

Coastside County Water District

Management Report

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Presentation Version

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

Dear Members of the Board:

In planning and performing our audit of the financial statements of Coastside County Water District (District) as of and for the years ended June 30, 2023 and 2022, 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, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 over financial reporting, 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 reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

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

Current Year Comment and Recommendation

Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the District are properly adjusted before the audit begins. However, in many cases audit adjustments and reclassifications are made in the normal course of the audit process to present the District's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

Management's Response

We have reviewed and approved all of the audit adjustment and reclassification entries and have entered them into the general ledger of the District as of year end.

Prior Year Comment and Recommendation

Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the District are properly adjusted before the audit begins. However, in many cases audit adjustments and reclassifications are made in the normal course of the audit process to present the District's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

Management's Response

We have prepared and the auditor has reviewed adjusting entries and reclassifications to close the District's accounting records as of fiscal year end.

* * * * *

This report is intended solely for the information and use of management and the Board of Directors of the District. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

We appreciate the courtesy and cooperation extended to us during our examination. We would be pleased to discuss the contents of this letter with you at your convenience. Please do not hesitate to contact us.

C.J. Brown & Company CPAs
Cypress, California
January 9, 2024

APPENDIX

Coastside County Water District

Audit/Finance Committee Letter

June 30, 2023

Presentation Version

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

We have audited the financial statements of the business-type activities, of the Coastside County Water District (District) for the years ended June 30, 2023 and 2022. and have issued our report thereon dated January 9, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated May 11, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

If any, we have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated January 9, 2024.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

An auditor that is not involved in the engagement performed an independent review of the financial statements that was prepared by us based on the information provided by management. This safeguard reduces the threat of self-review risk to an acceptable level.

Required Risk Assessment Procedures per Auditing Standards:

As auditors of the District, we are required per AU-C Section 240, “Consideration of Fraud in a Financial Statement Audit”, to “ordinarily” presume and consider the following risks in designing our audit procedures:

- Management override of controls
- Revenue recognition

Qualitative Aspects of the Entity’s Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. As of and for the year ended June 30, 2023, the District implemented the provisions of *GASB Statement No. 96 – Subscription-Based Information Technology Arrangements*. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management’s current judgments. The most sensitive accounting estimates affecting the financial statements are as follows:

Management’s estimate of capital assets depreciation and amortization is based on historical estimates of each capitalized / amortized item’s useful life expectancy or cost recovery period. We evaluated the key factors and assumptions used to develop the capital asset depreciation and amortization calculations in determining that they are reasonable in relation to the financial statements taken as a whole.

Management’s estimate of the other post-employment benefits (OPEB) plan: deferred outflows of resources, total OPEB liability, and deferred inflows of resources are based on the alternative measurement method to determine the liability balance. This alternative measurement method was determined and prepared by the District’s third-party actuary. We evaluated the basis, methods and assumptions used by the actuary to calculate the annual required contribution for the District to determine that it is reasonable in relation to the financial statements taken as a whole.

Management’s estimate of the defined benefit pension plan’s deferred outflows of resources, net pension liability, and deferred inflows of resources are based on an actuarial evaluation of these amounts which was conducted by a third-party actuary. We evaluated the basis, actuarial methods and assumptions used by the actuary to calculate these amounts for the District to determine that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District’s financial statements relate to:

Qualitative Aspects of the Entity's Significant Accounting Practices, continued

Significant Accounting Estimates, continued

The disclosure of capital assets, net in Note 4 to the basic financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

The disclosure of the District's other post-employment benefits plan, in Note 7 to the basic financial statements is based on information which could differ from those in future periods.

The disclosure of the District's defined benefit pension plan, in Note 8 to the basic financial statements is based on actuarial assumptions which could differ from actual costs.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified as a result of our audit procedures that were brought to the attention of management:

Identified or Suspected Fraud

We have not identified or have not obtained information that indicates that fraud may have occurred.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached schedule on pages 5 through 7 discloses all material misstatements that we identified as a result of our audit procedures that were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated January 9, 2024.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

Other Matters

We applied certain limited procedures to the Management Discussion and Analysis, Schedules of Changes in the District's Total OPEB Liability and Related Ratios, Schedules of District's Proportionate Share of the Net Pension Liability, and Schedules of Pension Plan Contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

Conclusion

We appreciate the cooperation extended to us by Mary Rogren, General Manager and the District's administrative staff in the performance of our audit testwork. We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the District.

C.J. Brown & Company CPAs
Cypress, California
January 9, 2024

*Coastside County Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2023*

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
GASB 68 Entry #1 - To reclassify 2022 contributions to NPL at June 30, 2023.			
1-2542-0000	Net Pension Liability	527,859.00	
1-1450-0000	Deferred Outflows - Pension		527,859.00
Total		<u>527,859.00</u>	<u>527,859.00</u>
Adjusting Journal Entries JE # 2			
GASB 68 Entry #2 - To reclassify 2023 contributions to Deferred Outflows of Resources at June 30, 2023.			
1-1450-0000	Deferred Outflows - Pension	604,192.00	
1-5441-00	GASB 68 Contra Contributions		326,264.00
1-5441-01	GASB 68 Contra Contributions		72,503.00
1-5441-02	GASB 68 Contra Contributions		205,425.00
Total		<u>604,192.00</u>	<u>604,192.00</u>
Adjusting Journal Entries JE # 3			
GASB 68 Entry #3 - To record changes in pension liability during MD FY21/22 at June 30, 2023.			
Note: Outflow and Inflow entries are net.			
1-1450-0000	Deferred Outflows - Pension	1,428,911.00	
1-2560-0000	Deferred Inflows - Pension	1,784,838.00	
1-2542-0000	Net Pension Liability		2,742,320.00
1-5442-00	GASB 68 CY (Income) Expense		254,572.00
1-5442-01	GASB 68 CY (Income) Expense		56,571.00
1-5442-02	GASB 68 CY (Income) Expense		160,286.00
Total		<u>3,213,749.00</u>	<u>3,213,749.00</u>
Adjusting Journal Entries JE # 4			
GASB 68 Entry #4 - To record changes in the deferred outflows and deferred inflows (amortization) during MD FY21/22 at June 30, 2023. Note: Outflow and Inflow entries are net.			
1-2560-0000	Deferred Inflows - Pension	109,378.00	
1-5442-00	GASB 68 CY (Income) Expense	135,026.00	
1-5442-01	GASB 68 CY (Income) Expense	30,006.00	
1-5442-02	GASB 68 CY (Income) Expense	85,016.00	
1-1450-0000	Deferred Outflows - Pension		359,426.00
Total		<u>359,426.00</u>	<u>359,426.00</u>
Adjusting Journal Entries JE # 5			
GASB 75 Entry #1 - To reclassify 2022 contributions to a reduction in Total OPEB Liability at June 30, 2023.			
1-2541-0000	Net OPEB Obligation	56,080.00	
1-1460-0000	Deferred Outflows - OPEB		56,080.00
Total		<u>56,080.00</u>	<u>56,080.00</u>

*Coastside County Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2023*

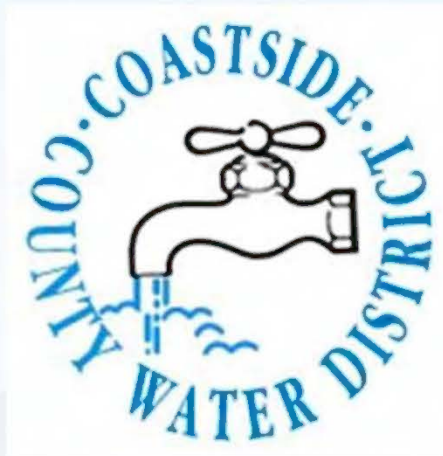
Account	Description	Debit	Credit
Adjusting Journal Entries JE # 6			
GASB 75 Entry #2 - To contra reclassify 2023 contributions for retiree benefits to deferred outflows of resources from expense at June 30, 2023.			
1-1460-0000	Deferred Outflows - OPEB	43,202.00	
1-5451-00	GASB 75 Contributions (Contra)		23,329.00
1-5451-01	GASB 75 Contributions (Contra) - Pumping		5,184.00
1-5451-02	GASB 75 Contributions (Contra)-Trans & Distrib		14,689.00
Total		<u>43,202.00</u>	<u>43,202.00</u>
Adjusting Journal Entries JE # 7			
GASB 75 Entry #3 - To record changes in OPEB liability and related deferrals during MD 21/22 in the current year. at June 30, 2023.			
1-2541-0000	Net OPEB Obligation	837,686.00	
1-2570-0000	Deferred Inflows - OPEB	67,361.00	
1-5452-00	GASB 75 CY (Income) Expense Contra	64,992.00	
1-5452-01	GASB 75 CY (Income) Expense Contra - Pumping	14,443.00	
1-5452-02	GASB 75 CY (Income) Expense Contra - T&S	40,921.00	
1-1460-0000	Deferred Outflows - OPEB		67,361.00
1-2570-0000	Deferred Inflows - OPEB		324,342.00
1-2570-0000	Deferred Inflows - OPEB		633,700.00
Total		<u>1,025,403.00</u>	<u>1,025,403.00</u>
Adjusting Journal Entries JE # 8			
GASB 75 Entry #4 - To record changes in the deferred outflows and deferred inflows (amortization) at June 30, 2023.			
1-2570-0000	Deferred Inflows - OPEB	38,260.00	
1-2570-0000	Deferred Inflows - OPEB	229,833.00	
1-5452-00	GASB 75 CY (Income) Expense Contra		144,770.00
1-5452-01	GASB 75 CY (Income) Expense Contra - Pumping		32,171.00
1-5452-02	GASB 75 CY (Income) Expense Contra - T&S		91,152.00
Total		<u>268,093.00</u>	<u>268,093.00</u>
Adjusting Journal Entries JE # 9			
PPA - Record initial SBITA Right To Use Asset and Lease Liability at FY 20/21.			
1-1025-1025	SBITA Right To Use Asset	242,481.24	
1-2530-0000	SBITA Lease Liability		242,481.24
Total		<u>242,481.24</u>	<u>242,481.24</u>
Adjusting Journal Entries JE # 10			
PPA - Record annual SBITA maintenance at FY 20/21.			
1-2530-0000	SBITA Lease Liability	43,305.00	
1-5800-21	Prior period adjustment 2021 - GASB 87 / 96	10,103.40	
1-5800-21	Prior period adjustment 2021 - GASB 87 / 96	1,419.15	
1-1175-0000	Accumulated Amortization - SBITA		10,103.40
1-5800-21	Prior period adjustment 2021 - GASB 87 / 96		44,724.15
Total		<u>54,827.55</u>	<u>54,827.55</u>

*Coastside County Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2023*

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 11			
PPA - Record annual SBITA maintenance at FY 21/22.			
1-2530-0000	SBITA Lease Liability	37,628.40	
1-5800-22	Prior Period Adjustment 2022 - GASB 96	40,413.60	
1-5800-22	Prior Period Adjustment 2022 - GASB 96	5,676.60	
1-1175-0000	Accumulated Amortization - SBITA		40,413.60
1-5800-22	Prior Period Adjustment 2022 - GASB 96		43,305.00
Total		<u>83,718.60</u>	<u>83,718.60</u>
Adjusting Journal Entries JE # 12			
GASB 96 - Record annual SBITA maintenance at FY 22/23.			
1-2530-0000	SBITA Lease Liability	38,700.84	
1-5693-00	Interest Expense - SBITA	4,604.16	
1-5709-00	Amortization Expense - SBITA	40,413.60	
1-1175-0000	Accumulated Amortization - SBITA		40,413.60
1-5384-00	Computer Services		43,305.00
Total		<u>83,718.60</u>	<u>83,718.60</u>
	Total Adjusting Journal Entries	<u>6,562,749.99</u>	<u>6,562,749.99</u>
	Total All Journal Entries	<u>6,562,749.99</u>	<u>6,562,749.99</u>

Legend:

AJE	Audit Adjusting Journal Entry
GASB 68 Entry	Audit Pension Adjusting Journal Entry
GASB 75 Entry	Audit OPEB Adjusting Journal Entry
GASB 96 Entry	Audit Subscription Software Lease Adjusting Journal Entry
PPA	Prior Period Adjusting Journal Entry



**Board of Directors Meeting
Presentation of 2023 Audit Results**

January 9, 2024

C.J. Brown and Company, CPAs



Professional Guidance

- **The Audit Process is Governed by:**
 - **The AICPA's Statements of Auditing Standards**
 - **Federal and State Requirements**
- **GAAP (Generally Accepted Accounting Principles) is Established By The Governmental Accounting Standards Board (GASB)**

The Audit Process

- **Interim Fieldwork – Assess the District’s Internal Controls and Effectiveness**
 - **Gain and Understanding of the District’s Control Framework**
 - **Test of Controls Testing – Accounting Cycles**
- **Final Fieldwork**
 - **Agree Balance to Supporting Documentation**
 - **Perform Analysis of Key Account Relationships**
- **Consideration of Fraud per AU-C Section 240, “Consideration of Fraud in a Financial Statement Audit”**
 - **Professional Skepticism**
 - **Interview of Board and Management**

Auditor's Report – Page 1

Independent Auditor's Report

► Unmodified “CLEAN” Opinion

- In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Coastside County Water District as of June 30, 2023....

Management Report

- **Our communication with those charged with governance**
 - **Qualitative Aspects of Accounting Practices**
 - **Significant estimates**
 - **Note disclosures**
 - **No Difficulties Encountered in Performing the Audit**
 - **No Disagreements with Management**
 - **Did Not Consult with Other Independent Accountants**

Management Report

- ▶ **Our communication of control deficiencies:**
 - ▶ **No material weaknesses or significant deficiencies.**

Statements of Net Position – Page 5

Condensed Statements of Net Position

	<u>2023</u>	<u>As Restated 2022</u>	<u>Change</u>
Assets:			
Current assets	\$ 15,745,146	18,741,000	(2,995,854)
Non-current assets	148,912	267,287	(118,375)
Capital assets, net	<u>65,656,956</u>	<u>62,182,935</u>	<u>3,474,021</u>
Total assets	<u>81,551,014</u>	<u>81,191,222</u>	<u>359,792</u>
Deferred outflows of resources:	<u>1,999,894</u>	<u>934,315</u>	<u>1,065,579</u>
Liabilities:			
Current liabilities	2,199,722	2,311,096	(111,374)
Non-current liabilities	<u>26,070,285</u>	<u>25,708,581</u>	<u>361,704</u>
Total liabilities	<u>28,270,007</u>	<u>28,019,677</u>	<u>250,330</u>
Deferred inflows of resources:	<u>1,199,164</u>	<u>2,648,939</u>	<u>(1,449,775)</u>
Net position:			
Net investment in capital assets	45,255,084	40,732,904	4,522,180
Restricted	314,093	450,382	(136,289)
Unrestricted	<u>8,512,560</u>	<u>10,273,635</u>	<u>(1,761,075)</u>
Total net position	<u>\$ 54,081,737</u>	<u>51,456,921</u>	<u>2,624,816</u>

Statements of Revenues, Expenses and Changes in Net Position – Page 6

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	<u>2023</u>	<u>As Restated 2022</u>	<u>Change</u>
Revenue:			
Operating revenue	\$ 11,442,912	12,682,875	(1,239,963)
Non-operating revenue	2,215,165	2,028,989	186,176
Total revenue	<u>13,658,077</u>	<u>14,711,864</u>	<u>(1,053,787)</u>
Expense:			
Operating expense	7,840,882	9,516,488	(1,675,606)
Depreciation	2,572,572	2,547,547	25,025
Non-operating expense	619,807	519,011	100,796
Total expense	<u>11,033,261</u>	<u>12,583,046</u>	<u>(1,549,785)</u>
Net income before capital contributions	2,624,816	2,128,818	495,998
Capital contributions:	-	202,431	(202,431)
Change in net position	2,624,816	2,331,249	293,567
Net position, beginning of year, as restated	<u>51,456,921</u>	<u>49,125,672</u>	<u>2,331,249</u>
Net position, end of year	<u>\$ 54,081,737</u>	<u>51,456,921</u>	<u>2,624,816</u>

SUMMARY

In 2023:

- 1. The District received an unmodified “CLEAN” opinion**
- 2. Net position increased by \$2.6M as a result of continuing operations.**
- 3. Total revenues decreased by \$1M primarily due to:**
 - a) Water consumption sales decreasing by 1.2M; and**
 - b) Non-operating revenues (e.g. investment returns) increasing by \$0.2M as compared to the prior year.**
- 4. Total expenses decreased by \$1.5M primarily due to:**
 - a) Operating expenses decreasing by \$1.67M primarily due to:**
 - 1) Pumping costs decreasing by \$799K;**
 - 2) General and admin expenses by \$791K as a result of pension actuarial credit adjustments from CalPERS.**



Questions

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, General Manager

Agenda: January 9, 2024

Report Date: January 5, 2024

Agenda Title: Approval of Professional Services Agreement with EKI Environment and Water, Inc. for Capital Project Management and As-Needed Engineering Services

Recommendation/Motion:

Authorize the General Manager to retain the professional services of EKI Environment and Water, Inc. (EKI) for capital project management and as needed engineering support, including hydraulic modeling for 12 months for a not-to-exceed budget of \$100,000.

Background:

The District's 10-year Capital Improvement Program (CIP) includes projects totaling \$71 Million. Many of these projects require extensive preparations - planning, design, environmental documentation, permitting, bidding, and contract management. Beginning in FY 2018-2019, the District engaged EKI to assist with the overall management and planning of the District's CIP projects. In addition, EKI assumed responsibilities for updating and maintaining the District's hydraulic modeling. The model is now referenced routinely in analyzing distribution system issues and is an indispensable management tool for the District.

The most recent agreement with EKI for Capital Project Management was executed in April 2022 for a twelve month period for \$100,000. This agreement has recently been fully expended in November 2023.

Based on EKI's past responsiveness and excellent support provided during the past five years, staff recommends that the Board approve a professional services agreement for capital project management and as-needed engineering support, including hydraulic modeling, for the next 12 months for a not-to-exceed amount of \$100,000. The attached EKI proposal dated December 21, 2023 outlines the scope of their effort.

Fiscal Impact:

Cost of \$100,000 to be partially funded in the Engineering expense line item. Costs directly attributable to CIP will be charged against the CIP projects.

21 December 2023

Ms. Mary Rogren
General Manager
Coastside County Water District
766 Main Street
Half Moon Bay, California 94019

Subject: Proposal for Continuing Capital Project Management Support and As Needed Engineering Services
Coastside County Water District, Half Moon Bay, California
(EKI C2-075)

Dear Ms. Rogren:

EKI Environment & Water, Inc. (EKI) is pleased to submit this proposal for continued consulting services to assist the Coastside County Water District (District) with the management of the District's Capital Improvement Program (CIP) and for as-needed engineering services, including hydraulic modeling.

PROJECT UNDERSTANDING

EKI has been assisting the District with the management of its CIP, including project prioritization, scheduling, budgeting, and implementation. EKI has also updated the District's water system hydraulic model and has used the hydraulic model for several hydraulic analyses. In addition, EKI has supported the District on several as-needed engineering tasks over the previous 18 months including updates to the District's standard specifications and details, plan reviews and engineering support related to San Mateo County and City of Half Moon Bay projects with potential impacts to the District's infrastructure, inspection services for the Magellan Avenue paving project, preparation of grant applications and coordination with grant agencies, and preparation of bid documents for the Myrtle Street and 2nd Avenue Valve Replacement Project.

The District has requested that EKI continue assisting with the management of its CIP and providing as-needed engineering services. Therefore, EKI has prepared this proposal for the scope of work described in the following sections.

PROPOSED SCOPE OF WORK

EKI will provide the District continued consulting services for management of the District's CIP and as-needed engineering services. Specific tasks to be performed by EKI are anticipated to include those described below. However, the task list may evolve as the projects progress.

Task 1 - Program and Project Management

EKI will coordinate and participate in biweekly update meetings with the District. The meetings will include updates on the schedules and budgets for ongoing projects and discussions of any current or anticipated

issues and action items. In addition, EKI and the District will discuss the anticipated scopes, schedules, and budgets for future upcoming projects. EKI and the District will establish priorities for completing future projects that do not have established schedules. EKI will prepare meeting agendas and document the meeting discussions with summary emails.

EKI will invoice CCWD monthly and include a progress report and detailed accounting of time charged. Other project management activities include budget tracking and staff management. EKI will also be available to attend and present at Board of Directors Meetings, if requested.

Deliverables: Invoice progress reports, biweekly meeting agendas, and meeting summary emails.

Task 2 – As-Needed Engineering Services

EKI will provide general consulting services on an as-needed basis including attending meetings, preparing correspondences, supporting regular communications, and providing technical or programmatic support on various CIP-related issues. Specific tasks may include but are not limited to the following:

- Complete feasibility or alternative analyses for potential CIP projects;
- Prepare request for proposals for engineering design services, environmental services, or other support services for planned CIPs;
- Develop and assist with implementing a hydrant flow test plan and completion hydraulic model calibration based on the test results;
- Complete hydraulic modeling analyses and summary memorandums to evaluate the hydraulic impacts of potential improvement projects;
- Perform field inspections and condition assessments of existing infrastructure;
- Complete third-party reviews of engineering documents prepared by others;
- Update District standard specifications and details; and
- Develop scopes of work for engineering services for planned CIPs.

As-needed services will only be performed if authorized by the District. The time charged will be tracked by each authorized task.

Deliverables: As needed for each project.

PROJECT SCHEDULE

EKI will continue to perform this scope of work in accordance with a mutually agreeable schedule.

COMPENSATION FOR CONSULTING SERVICES

We propose that compensation for consulting services by EKI be on a time and expense reimbursement basis in accordance with the terms of our current Professional Services Agreement and our current

Schedule of Charges, dated 2 January 2024. We propose a budget of \$100,000 to perform Tasks 1 and 2 as shown by task in Table 1.

Table 1. Proposed Cost by Tasks

Task	Description	Task Total
1	Program and Project Management	\$60,000
2	As-Needed Engineering Services	\$40,000
Total Estimated Budget		\$100,000

EKI anticipates that this budget will cover our services for 12 months. EKI will not exceed the budget without written authorization from the District. Regular invoices will detail the expenditures to date for each of the above tasks.

TERMS AND CONDITIONS

Other than the scope of work, budget, and schedule herein, the work will be performed in accordance with our current Professional Services Agreement.

Thank you for the opportunity to work with the District on this Project. Please contact Jonathan Sutter at 650-292-9100 with any questions.

Very truly yours,

EKI ENVIRONMENT & WATER, INC.



Jonathan Sutter, P.E.
Project Manager



C. David Umezaki, P.E.
Principal Engineer

cc: James Derbin, Coastside County Water District

Attachments:

EKI Schedule of Charges, dated 2 January 2024

Client/Address: Coastside County Water District
766 Main St.
Half Moon Bay, CA 94019



Proposal/Agreement Date: 21 December 2023

EKI Proposal/Project # B80108.21

SCHEDULE OF CHARGES FOR EKI ENVIRONMENT & WATER, INC.

2 January 2024

<u>Personnel Classification</u>	<u>Hourly Rate</u>
Officer and Chief Engineer-Scientist	345
Principal Engineer-Scientist	333
Supervising I, Engineer-Scientist	323
Supervising II, Engineer-Scientist	310
Senior I, Engineer-Scientist	297
Senior II, Engineer-Scientist	286
Associate I, Engineer-Scientist	275
Associate II, Engineer-Scientist	259
Engineer-Scientist, Grade 1	241
Engineer-Scientist, Grade 2	227
Engineer-Scientist, Grade 3	209
Engineer-Scientist, Grade 4	187
Engineer-Scientist, Grade 5	165
Engineer-Scientist, Grade 6	144
Project Assistant	135
Technician	129
Senior GIS / Database Analyst	170
CADD Operator / GIS Analyst	148
Senior Administrative Assistant	162
Administrative Assistant	128
Secretary	108

Direct Expenses

Reimbursement for direct expenses, as listed below, incurred in connection with the work will be at cost plus ten percent (10%) for items such as:

- a. Maps, photographs, reproductions, printing, equipment rental, and special supplies related to the work.
- b. Consultants, soils engineers, surveyors, drillers, laboratories, and contractors.
- c. Rented vehicles, local public transportation and taxis, travel, and subsistence.
- d. Special fees, insurance, permits, and licenses applicable to the work.
- e. Outside computer processing, computation, and proprietary programs purchased for the work.

A Communication charge for e-mail access, web conferencing, cellphone calls, messaging and data access, file sharing, local and long distance telephone calls and conferences, facsimile transmittals, standard delivery U.S. postage, and incidental in-house copying will be charged at a rate of 4% of labor charges. Large volume copying of project documents, e.g., bound reports for distribution or project-specific reference files, will be charged as a project expense as described above.

Reimbursement for company-owned automobiles, except trucks and four-wheel drive vehicles, used in connection with the work will be at the rate of sixty cents (\$0.60) per mile. The rate for company-owned trucks and four-wheel drive vehicles will be seventy-five cents (\$0.75) per mile. There will be an additional charge of thirty dollars (\$30.00) per day for vehicles used for field work. Reimbursement for use of personal vehicles will be at the federally allowed rate plus fifteen percent (15%).

CADD and other specialized software computer time will be charged at twenty dollars (\$20.00) per hour. In-house material and equipment charges will be in accordance with the current rate schedule or special quotation. Excise taxes, if any, will be added as a direct expense.

Rate for professional staff for legal proceedings or as expert witnesses will be at a rate of one and one-half times the Hourly Rates specified above.

The foregoing Schedule of Charges is incorporated into the Agreement for the Services of EKI Environment & Water, Inc. and may be updated annually.

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, General Manager

Agenda: January 9, 2024

Report Date: January 5, 2024

Agenda Title: Approval of Professional Services Agreement with EKI Environment and Water, Inc. for Engineering Services for the Alcatraz Avenue, Santa Rosa Avenue, and Ocean Colony Pipeline Projects

Recommendation/Motion:

Authorize the General Manager to enter into a professional services agreement with EKI Environment and Water, Inc. (EKI) for engineering services for the Alcatraz Avenue, Santa Rosa Avenue and Ocean Colony Pipeline Projects for a not-to-exceed budget of \$66,200.

Background:

District staff have identified two areas in the District with aging infrastructure that need to be prioritized for pipeline replacement. In the Miramar neighborhood, staff recently discovered a galvanized steel pipe that runs between Alcatraz Avenue and Santa Rosa Avenue. (See Figure 1 in the EKI proposal - Attachment A.) The work includes replacing 235 linear feet of 6-inch cast iron pipe (CIP) with new ductile iron pipe (DIP) on Alcatraz Avenue and replacing 285 linear feet of 6-inch CIP with DIP on Santa Rosa Avenue. New blowoff assemblies will be installed on Alcatraz Avenue and Santa Rosa Avenue, and the 2" galvanized steel pipe will be abandoned in place.

In the Ocean Colony neighborhood, an existing CIP pipeline crosses through fairways on Holes 10 and 16. The proposed project provides for abandoning this pipeline that crosses through the golf course and abandoning a pipeline that runs between two adjacent residential properties located on St. Andrews Lane and Redondo Beach Road. A new loop would be created by installing 150 linear feet of new DIP pipe on Redondo Beach Road and 65 linear feet of new DIP on St. Andrews Lane. (See Figure 2 in the EKI proposal.) EKI has modeled the new configuration and there will be no adverse impacts to fire flows.

District staff recommends that the Board approve a professional services agreement with EKI for a not-to-exceed budget of \$66,200. The scope of services covers base map development, design services, bid support services and engineering services during construction.

STAFF REPORT

Agenda: January 9, 2023

Subject: Approval of EKI Professional Services Agreement – Miramar/Ocean Colony Neighborhoods

Page Two

Fiscal Impact:

Cost of \$66,200. The District's Capital Improvement Program includes \$150,000 for the Redondo Beach Loop to St. Andrews Road project in Fiscal Year 2025/26.

18 December 2023

Ms. Mary Rogren
General Manager
Coastside County Water District
766 Main St.
Half Moon Bay, CA 94019

Subject: Proposal for Engineering Services for the Alcatraz and Santa Rosa Avenue and Ocean Colony Pipelines Project
Coastside County Water District, Half Moon Bay, California
(EKI C3-320)

Dear Ms. Rogren:

EKI Environment & Water, Inc. (EKI) is pleased to provide this proposal to Coastside County Water District (District) for engineering services for the Alcatraz Avenue and Santa Rosa Avenue and Ocean Colony Pipelines (Project). This proposal has been prepared in response to the District's request.

PROJECT UNDERSTANDING

The Project, located in the Miramar and Ocean Colony neighborhoods, will replace aging infrastructure and abandon pipelines in areas where maintenance and repairs are difficult.

In the Miramar neighborhood, work includes (1) the replacement of approximately 235 linear feet (LF) of 6-inch cast iron pipe (CIP) with new ductile iron pipe (DIP) on Alcatraz Avenue, (2) the replacement of approximately 285 LF of 6-inch CIP with new DIP on Santa Rosa Avenue, (3) the replacement of existing service lines and meters on Alcatraz Avenue and Santa Rosa Avenue, (4) the installation of new blowoff assemblies on Alcatraz Avenue and Santa Rosa Avenue, and (5) the abandonment of the galvanized steel pipe (GSP) run between Alcatraz Avenue and Santa Rosa Avenue in an easement through residential properties (see Figure 1).

In the Ocean Colony neighborhood, work includes (1) the installation of approximately 150 LF of new DIP pipe on Redondo Beach Road, (2) the installation of approximately 65 LF of new DIP on St. Andrews Lane, (3) the installation of new water service lines, (4) the abandonment of the pipeline going through the Half Moon Bay Golf Links course, and (5) the abandonment of the pipeline that runs between St. Andrews Lane and Redondo Beach Road in an easement through on residential properties (see Figure 2).

Sizes of the new DIP and service lines for each portion of the project will be confirmed during design based on hydraulic modeling and the District's current design standards.

PROPOSED SCOPE OF WORK

EKI proposes the following tasks as part of this scope of work. For each of these tasks, EKI will also be providing project management services, including budget tracking, invoicing, preparation of progress reports, and staff management.

Task 1: Base Map Development

EKI will perform a site visit to locate and measure visible surface utility features (water valves, water meters, fire hydrants, power poles and boxes, manholes, and invert depths) and capture Underground Services Alert (USA) markings (if available). These features will be used to develop a base map to support design. EKI will also request as-built records for the Project site from other utility agencies to incorporate into the base map and confirm their utility markings.

Once the field investigation is complete, EKI will map the utilities in AutoCAD and add the San Mateo County parcels map, approximate rights-of-way, utility data received from letter requests, and aerial images to the base map. EKI will meet with the District in the field to confirm the base map including the existing water line and water service locations.

Deliverables:

- A PDF of the draft Project base map.

EKI Assumptions:

- The District will provide any as-built records for the Project area, if available.
- The District will mark their water line and call USA for the marking of other utilities at each intersection along the Project prior to the site visit.
- If needed, EKI will request as-built information from other utilities, including Pacific Gas and Electric (PG&E).
- EKI will use a Trimble R10 global positioning system (GPS) unit for locating utility features.
- Project plan view sheets will be based on the available topographic survey data, the District's geographic information system (GIS) database, and collected GPS information.
- No topographic or boundary surveys will be completed as part of the Project.

Task 2: Design Services

EKI will provide two design submittals corresponding to 90% and Final design level development. The 90% Design submittal will include plan sheets, connection details, specifications, and an opinion of probable construction cost (OPC). The Final Design submittal will be signed and stamped contract documents ready for bid. A design review meeting will be held for the 90% design submittal with comments documented and tracked to confirm incorporation into the Final Design.

The anticipated list of contract drawings for the Project is presented in Table 1 below.

Table 1. Anticipated List of Contract Drawings

Sheet No.	Description
1	Title Sheet
2	Legend, Key Map, and Notes
3	Plan, Alcatraz and Santa Rosa Avenue
4	Plan, Redondo Beach Road and St. Andrews Lane
5	Plan, Park Ave and Half Moon Bay Golf Links
6	Construction Details - 1
7	Construction Details - 2
8	Construction Details - 3
9	Construction Stormwater Best Management Practices

Deliverables:

- 90% Design Submittal:
 - PDF file of the 90% plans;
 - PDF file of the 90% specifications; and
 - PDF file of the 90% OPC.
- Final Design Submittal:
 - PDF file and five (5) 22" x 34" hard copies of the signed and stamped final plans;
 - PDF file and five (5) hard copies of the signed and stamped final specifications; and
 - An editable word file of the Notice to Bidders.
- 90% Design Review Meeting minutes and comments logs within five (5) business days of the meeting.

EKI Assumptions:

- Design documents will be based on the District standard front end, technical specifications, and details, with EKI preparing additional technical specifications, as necessary.
- Full-sized plan sheets will be 22" x 34".
- The District will review and provide comments at the 90% level of design.
- Any coordination with the City of Half Moon Bay associated with curb and gutter, sidewalk, and/or other driveway improvements or permitting will be performed by the District.

Task 3: Bid Support Services

During the bidding period, EKI will participate in a pre-bid meeting, provide the District responses to questions from prospective bidders, prepare up to one addendum, provide a review of bids to determine if bids are responsive and responsible. EKI will prepare a conformed set of contract documents that incorporates any changes included in the addendum.

Deliverables:

- Pre-bid meeting agenda and minutes.
- Response to bidders' questions.
- Up to one bid addendum.
- Bid review email.
- Conformed contract documents.

EKI Assumptions:

- EKI will coordinate with Barker Blue to host the Bid Documents. The District will pay any fees directly to Barker Blue.
- Responses to bidder's questions will be transmitted electronically.
- No more than one bid addendum will be required.

Task 4: Engineering Services During Construction

EKI will provide limited engineering services during construction. These services will focus on the following: one pre-construction meeting, submittal reviews, and request for information (RFI) support. EKI will prepare record drawings from the Contractor's redline drawing submittal and GPS data collected at the site at the end of the Project.

Deliverables:

- Submittal review letters.
- RFI response letters.
- Preconstruction meeting agenda and minutes.
- PDF copy of Record Drawings.
- Electronic file of GPS points and CAD drawings.

EKI Assumptions:

- Submittals and RFI communication shall be through email employing PDFs using EKI's standard forms for submittal and RFI review.
- EKI will review up to 12 submittals and 4 resubmittals at an assumed level of effort of 2 hours per review.
- EKI will review up to 2 RFIs at a level of effort of 3 hours per review.
- EKI will attend the preconstruction meeting.
- EKI will attend periodic site visits during construction (2 assumed).
- District will provide construction management and inspection services and will issue Notice of Award, Notice to Proceed, and review contractor invoices.

- EKI will prepare record drawings based on the redline drawings provided by the Contractor.
- EKI will use a Trimble R10 GPS unit for locating utility features.

PROJECT SCHEDULE

EKI anticipates that the 90% Design will be completed within four (4) weeks of notice to proceed and the Final Design will be completed within two (2) weeks of receipt of comments from the District.

COMPENSATION FOR CONSULTING SERVICES

We propose that compensation for consulting services by EKI be on a time and expense reimbursement basis in accordance with our attached current Schedule of Charges, dated 2 January 2024. Based on the proposed Scope of Work described above, we propose a budget of \$66,200 for the completion of Tasks 1 through 4 as shown by task in Table 2 below and detailed in Table 3, attached.

Table 2. Proposed Cost by Tasks

Task	Description	Task Total
1	Base Map Development	\$11,500
2	Design Services	\$29,000
3	Bid Support Services	\$5,600
4	Engineering Services During Construction	\$20,100
Total Estimated Budget		\$66,200

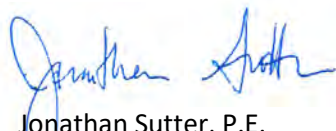
TERMS AND CONDITIONS

Other than the scope of work, budget, and schedule herein, the work will be performed in accordance with our current Agreement dated 29 November 2023.

Thank you for the opportunity to work with the District on this project. Please contact Jonathan Sutter at 650-292-9100 with any questions.

Very truly yours,

EKI ENVIRONMENT & WATER, INC.



Jonathan Sutter, P.E.
Project Manager



C. David Umezaki, P.E.
Principal Engineer

Mary Rogren
Coastside County Water District
18 December 2023
Page 6 of 6



cc: James Derbin, CCWD

Attachments

Table 3 - Estimated Fee – Alcatraz and Santa Rosa Avenue and Ocean Colony Pipelines Project

Figure 1 – Project Scope of Work for Alcatraz and Santa Rosa Avenue

Figure 2 – Project Scope of Work for Ocean Colony Neighborhood

EKI Schedule of Charges, dated 2 January 2024

Table 3. Estimated Fee - Alcatraz and Santa Rosa Avenue and Ocean Colony Pipelines Project

Coastside County Water District, Half Moon Bay, California
(EKI C3-320)

TASKS					LABOR COST (\$)	DIRECT COSTS				MARKUP ON DIRECT COSTS 10%	TOTAL DIRECT COSTS	TOTAL	
	G4 Engineer	Jordan Gans, E.I.T.	Jonathan Sutter, P.E.	Dave Umezaki, P.E.		UNIT	QUANTITY	UNIT COST	TOTAL COST			TASK BUDGET TOTALS (\$)	ROUNDED BUDGET TOTALS (\$)
Task 1 - Base Map Development	\$187	\$209	\$323	\$333									
Project Management			2		\$646							\$646	
Conduct Site Walk and GPS Field Investigation	6	6	2		\$3,022	LS	1	\$400	\$400	\$40	\$440	\$3,462	
Review Topographical Map and Utility Research	3	3	1		\$1,511							\$1,511	
Finalize Basemap	8	16	2		\$5,486							\$5,486	
Communications Fee (EKI Labor Only)							4%	\$10,665			\$427	\$427	
Task 1 Subtotal	17	25	7		\$10,665					\$40	\$867	\$11,532	\$11,500
Task 2 - Design Services													
Project Management			4		\$1,292							\$1,292	
Develop 90% Plans	40	12	8		\$12,572							\$12,572	
Develop 90% Specifications	10	4	2		\$3,352							\$3,352	
Develop 90% Opinion of Probable Construction Cost	2	3	2		\$1,647							\$1,647	
Prepare, Conduct, and Document 90% Design Review		2	1		\$741							\$741	
QA/QC 90% Design Submittal				4	\$1,332							\$1,332	
Develop Final Design Submittal	16	8	4		\$5,956	LS	1	\$300	\$300	\$30	\$330	\$6,286	
QA/QC Final Design Submittal				2	\$666							\$666	
Communications Fee (EKI Labor Only)							4%	\$27,558			\$1,102	\$1,102	
Task 2 Subtotal	68	29	21	6	\$27,558					\$30	\$1,432	\$28,990	\$29,000
Task 3 - Bid Support													
Pre-Bid Meeting		4	2		\$1,482							\$1,482	
Bid Support (Prepare addendum, respond to questions, and review bids)	8	4	4		\$3,624	LS	1	\$300	\$300	\$30	\$330	\$3,954	
Communications Fee (EKI Labor Only)							4%	\$5,106			\$204	\$204	
Task 3 Subtotal	8		6		\$5,106					\$30	\$534	\$5,640	\$5,600
Task 4 - Engineering Support During Construction													
Project Management			4	1	\$1,625							\$1,625	
Attend Pre-Construction Meeting		4	2		\$1,482							\$1,482	
Review Construction Submittals (12 submittals and 4 resubmittals)	16	8	8		\$7,248							\$7,248	
Respond to Requests for Information, RFIs (2 RFIs)	2	2	2		\$1,438							\$1,438	
Attend Construction Site Visits (2 site visits)	6	3	3		\$2,718							\$2,718	
Preparation of Record Drawings	12	6	2	1	\$4,477	LS	1	\$300	\$300	\$30	\$330	\$4,807	
Communications Fee (EKI Labor Only)							4%	\$18,988			\$760	\$760	
Task 4 Subtotal	36	23	21	2	\$18,988							\$20,078	\$20,100
TOTALS:	129	85	55	8	\$62,317				\$1,300	\$130	\$3,923	\$66,240	\$66,200

Notes:

- EKI billing grades are as follows:
 "SPR": Senior Principal
 "PRI": Principal
 "SUP": Supervising Engineer or Scientist
 "SEN I and II": Senior Engineer or Scientist
 "ASC I and II": Associate Engineer or Scientist
 "G1, G2, G3...": Grade [1, 2, 3, ...] Engineer or Scientist
 "GIS/Database": GIS Operator (includes \$20/hr of CADD computer time)
- Expense Cost Units
 "LS": Lump Sum



Source: Esri, Maxar, Earthstar Geographics, and the GIS User Community

Legend

- ⊗ Gate Valve
- ⊙ Fire Hydrant
- Water Meter
- Water Line
- ▬ Limit of Improvements



Notes

1. All locations are approximate.

Project Scope of Work
Alcatraz and Santa Rosa Ave

Alcatraz and Santa Rosa Ave and Ocean Colony Pipelines Project
 Coastside County Water District
 Half Moon Bay, California
 December 2023



Figure 1

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Source: Esri, Maxar, Earthstar Geographics, and the GIS User Community

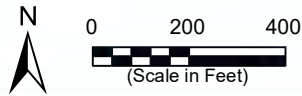
Path: X:\B60-108\Maps_proposals\2023\Miramar\PipelineReplacement\Figure 2.mxd

Legend

- ⊗ Gate Valve
- ⊙ Fire Hydrant
- Water Meter
- Existing Water Line
- Approximate Alignment of New Water Line
- Limit of Improvements

Notes

1. All locations are approximate.



**Project Scope of Work
Ocean Colony Neighborhood**

Alcatraz San Francisco Bay Area and Ocean Colony Pipelines Project
Coastside County Water District
Half Moon Bay, California

December 2023

C3-320



Figure 2

Client/Address: Coastside County Water District
766 Main St.
Half Moon Bay, CA 94019



Proposal/Agreement Date: 18 December 2023

EKI Proposal/Project # C3-320

SCHEDULE OF CHARGES FOR EKI ENVIRONMENT & WATER, INC.

2 January 2024

<u>Personnel Classification</u>	<u>Hourly Rate</u>
Officer and Chief Engineer-Scientist	345
Principal Engineer-Scientist	333
Supervising I, Engineer-Scientist	323
Supervising II, Engineer-Scientist	310
Senior I, Engineer-Scientist	297
Senior II, Engineer-Scientist	286
Associate I, Engineer-Scientist	275
Associate II, Engineer-Scientist	259
Engineer-Scientist, Grade 1	241
Engineer-Scientist, Grade 2	227
Engineer-Scientist, Grade 3	209
Engineer-Scientist, Grade 4	187
Engineer-Scientist, Grade 5	165
Engineer-Scientist, Grade 6	144
Project Assistant	135
Technician	129
Senior GIS / Database Analyst	170
CADD Operator / GIS Analyst	148
Senior Administrative Assistant	162
Administrative Assistant	128
Secretary	108

Direct Expenses

Reimbursement for direct expenses, as listed below, incurred in connection with the work will be at cost plus ten percent (10%) for items such as:

- a. Maps, photographs, reproductions, printing, equipment rental, and special supplies related to the work.
- b. Consultants, soils engineers, surveyors, drillers, laboratories, and contractors.
- c. Rented vehicles, local public transportation and taxis, travel, and subsistence.
- d. Special fees, insurance, permits, and licenses applicable to the work.
- e. Outside computer processing, computation, and proprietary programs purchased for the work.

A Communication charge for e-mail access, web conferencing, cellphone calls, messaging and data access, file sharing, local and long distance telephone calls and conferences, facsimile transmittals, standard delivery U.S. postage, and incidental in-house copying will be charged at a rate of 4% of labor charges. Large volume copying of project documents, e.g., bound reports for distribution or project-specific reference files, will be charged as a project expense as described above.

Reimbursement for company-owned automobiles, except trucks and four-wheel drive vehicles, used in connection with the work will be at the rate of sixty cents (\$0.60) per mile. The rate for company-owned trucks and four-wheel drive vehicles will be seventy-five cents (\$0.75) per mile. There will be an additional charge of thirty dollars (\$30.00) per day for vehicles used for field work. Reimbursement for use of personal vehicles will be at the federally allowed rate plus fifteen percent (15%).

CADD and other specialized software computer time will be charged at twenty dollars (\$20.00) per hour. In-house material and equipment charges will be in accordance with the current rate schedule or special quotation. Excise taxes, if any, will be added as a direct expense.

Rate for professional staff for legal proceedings or as expert witnesses will be at a rate of one and one-half times the Hourly Rates specified above.

The foregoing Schedule of Charges is incorporated into the Agreement for the Services of EKI Environment & Water, Inc. and may be updated annually.

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, General Manager

Agenda: January 9, 2024

Report Date: January 5, 2024

Agenda Title: Approval of Professional Services Agreement with Underwood & Rosenblum, Inc. for Civil Engineering Services for the Road Repair Project in Pilarcitos Canyon

Recommendation/Motion:

Authorize the General Manager to enter into a professional services agreement with Underwood & Rosenblum, Inc. for civil engineering services for the road repair project in Pilarcitos Canyon for a not-to-exceed budget of \$65,000.

Background:

During the December 2022/January 2023 storm event, the District sustained significant damage in Pilarcitos Canyon to the existing road. Five areas of concern were identified, including (2) slides next to the District's pipeline on a portion of the road located on SFPUC property, (1) slide area and (1) "slump" area on the District's road, and damage to a culvert crossing. (Pictures of the damaged areas are included in Attachment B.) Given discussions with SFPUC watershed staff, the District's biologist, and various permitting agencies, the District is required to prepare engineering plans for the road repairs. The District intends to use a similar Hilfiker slope repair technique utilized in slope repairs by SFPUC in the watershed.

District staff have selected a local civil engineering firm, Underwood & Rosenblum, Inc. (Underwood) to prepare the engineering design to repair the existing Pilarcitos Canyon Road and to provide project management and construction administration duties. (See Attachment A.) Underwood came highly recommended by a local contractor. Underwood also has experience in designing slide repairs (utilizing the Hilfiker technique) in San Mateo County.

In addition to the engineering design, the District will need to engage a geotechnical consultant (cost is TBD.) The District has already started topographic surveying work at a cost of \$21,600.

Fiscal Impact:

Cost of \$65,000.

December 20, 2023
P23230 Pilarcitos Canyon Rd Repair
Civil Engineering Proposal
Page 1 of 5
UNDERWOOD & ROSENBLUM, INC.
civil engineers and surveyors

December 20, 2023

P#23230

Coastside County Water District
766 Main Street
Half Moon Bay, CA 94019
Attn: James Derbin
Superintendent of Operations
650-276-0129
jderbin@coastsidewater.org

**Subject: Fee Proposal – Civil Engineering Services
Road Repair Projects in Pilarcitos Canyon
San Mateo County, CA**

Dear Mr. Derbin:

Underwood & Rosenblum, Inc (U&R) is a full-service Civil Engineering and Land Surveying Firm with over 40 years of service to the Bay Area. The scope of work in this proposal is only for Civil Engineering services.

We have met with you at the project site and walked the extent of the proposed road repair work required at several locations along the Pilarcitos Canyon road used by the Water District for access to the Pilarcitos West Pipeline. There is also a culvert crossing that requires replacement. The approximate location of the work for this proposal is identified on the attached Exhibit “A”.

We have provided you with a separate proposal for surveying services to prepare detailed ground topographic surveys of the project areas. This proposal is for the civil engineering services required to prepare the designs to repair the existing road and to assist you in project management and construction administration duties.

CIVIL ENGINEERING SCOPE OF WORK

Underwood & Rosenblum, Inc. (U&R) proposes to provide the following scope of services:

- 1) Existing Conditions Exhibit - After the topographic surveys are completed we shall identify the existing conditions and limits of roadway and embankment failures. A drawing will be created that can be used by the geotechnical engineer for their geotechnical investigation work and to assist in identifying the limits of the proposed road repair. This phase of work shall include meeting with geotechnical engineering consultants at the project site.
- 2) Site Assessment and Schematic Design –A preliminary design and construction cost estimate shall be prepared and submitted for client to review prior to meeting with any agencies. This drawing shall include preliminary grading and drainage and conceptual earth stabilization and retaining structures. After preparing the schematic design, U&R shall assist client with contacting the agencies and review what needs to happen to get the project permitted and constructed.
- 3) Construction Documents/Permit – Upon approval of the schematic design and direction from the agencies and client, U&R shall prepare final design and construction documents. U&R shall work with the geotechnical engineer (contracted separately by client) to prepare construction documents, details, and engineering calculations needed to permit and construction the project. These

December 20, 2023
 P23230 Pilarcitos Canyon Rd Repair
 Civil Engineering Proposal
 Page 2 of 5

documents shall be submitted to the appropriate permitting agencies for review and approval. U&R shall provide responses and resubmittals as necessary to have project document approved.

- 4) Construction Administration - Underwood & Rosenblum will provide bidding and construction administration support services. We will provide materials and shop drawing submittal review, observations of construction work, and answer RFI's during construction. Attendance at construction meetings and punchlists and project signoffs can be done as needed. Construction staking services may also be provided under separate surveying contracts.

FEES FOR SERVICES

Our fees for the Site Assessment and Schematic Design is a fixed fee. The subsequent phases of work are given as estimated fees. We can provide a more precise fixed fee for those phases of work after the assessment and schematic design phase is complete and we've received instructions and comments from the permitting agencies. This may include County of San Mateo, San Francisco PUC, U.S. Fish & Wildlife.

		<u>Fees</u>	
1)	Existing Conditions Exhibits and Meeting with Geotech	\$4,500	Fixed Fee
2)	Site Assessment and Schematic Design =	\$13,500	Fixed Fee
3)	Construction Documents =	27,000	Estimated Fee
4)	<u>Construction Administration =</u>	<u>20,000</u>	<u>Estimated Fee</u>
	Total Fee	\$65,000	Estimated Fee

Reimbursable Expenses: To keep this budget at a minimal **all** deliverables will be made through electronic submittals via PDF drawings. Any reimbursable charges (such as prints, mileage, delivery charges, etc.) that are requested by client to complete the project will be billed on a time and materials basis in addition to the above-listed fees. These charges will be included with our monthly invoices.

Work requested beyond the Scope of Work defined above shall be considered "Extra Work" and will not be performed without your prior written authorization and agreement to the additional fees. Hourly billing rates per Exhibit "B" shall be used to calculate additional work fees. All invoices shall be due in full within 60 days of the date of the invoice. Unpaid billings over sixty (60) days from the date of billing are considered delinquent and are subject to a monthly charge of 0.833%.

We can begin this work immediately after Jan. 1st. The survey work shall take about three to four weeks. Then we can begin the next phase of work after that.

If you find this proposal acceptable, please sign and date in the space provided below and send one copy back to our office. We look forward to working with you on this project.

Very Truly Yours,

Frank M. Rosenblum, CE 42857, LS 6395
 Principal Engineer / President

Attachments: Exhibits "A" – Project Location Exhibits
 Exhibit "B" – 2023 U&R Billing Rates

ACCEPTED BY: _____ **DATE** _____
 Signature / Title

December 20, 2023
P23230 Pilarcitos Canyon Rd Repair
Civil Engineering Proposal
Page 3 of 5

** Please provide WHO we are billing for these services**

BILL TO:

Company Name

Attn to: Individual Name

Email Address

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P23230 Pilarcitos Canyon Rd Repair
Civil Engineering Proposal
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Exhibit "A" Project Location



Exhibit “B”
UNDERWOOD & ROSENBLUM, INC.
2024 BILLING RATES

SERVICE	HOURLY RATE
Principal Engineer	\$ 265.00
Principal Land Surveyor	265.00
Senior Engineer	230.00
Associate Engineer/Assoc. Land Surveyor	200.00
Assistant Engineer/Surveyor	170.00
Engineering/Surveying Technician	150.00
Senior Drafter-Engineering	135.00
Senior Drafter-Surveying	135.00
Drafter-Engineering	125.00
Drafter-Surveying	125.00
Technician	115.00
Administrative Assistant	105.00
1-Person Field Survey	280.00
1-Person Field Survey Prevailing Wage	310.00
2-Person Field Survey Crew	410.00
2-Person Field Survey Prevailing Wage	470.00
3-Person Field Survey Crew	540.00
3-Person Field Survey Prevailing Wage	630.00
Expert Witness Testimony	400.00
Other Reimbursable Expenses	
- Automobile	\$0.65 per mile
- Blueprints, Reproductions, Deliveries Maps, Deeds, Documents, etc.	Cost + 10%
- Title Reports	Cost + 35%

Rev. 01-01-2024

Site Overview



Roadway



Creek

Slide Area

Site A – Slide



Roadway

Slide Area

Site B - Slump



Roadway

Creek

Slide Area

Site C - Slide



Roadway

Site D – Slide

Creek

Slide Area



Damaged Culvert

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, General Manager

Agenda: January 9, 2024

Report Date: January 5, 2024

Agenda Title: Approval of Professional Services Agreement with HDR Inc. to Conduct a Feasibility Study to Evaluate the Hydroelectric Energy Recovery Potential of the Pilarcitos Pipeline.

Recommendation/Motion:

Authorize the General Manager to retain the professional services of HDR Inc. to conduct a feasibility study to evaluate the hydroelectric energy recovery potential of the Pilarcitos pipeline for a not-to-exceed budget of \$42,422.

Background:

In 2019, the Industrial Assessment Center at San Francisco State University, School of Engineering, conducted a Department of Energy (DOE) Audit of the District's facilities and recommended 1) that the District install a hydro-turbine for power production on the Pilarcitos pipeline that connects Pilarcitos Canyon to the Nunes Water Treatment Plant; and 2) that the District install solar on the roofs and grounds of the District's facilities.

In Fall of 2023, District Staff was notified by San Francisco State University that the District could be eligible to receive a DOE grant (50% funding up to \$300,000) to implement the findings. The District's application for grant money was accepted. The next step is for the District to determine the feasibility of these projects.

The District received a proposal from HDR Inc. to conduct a feasibility study for the District for the hydro-turbine power production project. Deliverables include 1) conducting a technical assessment feasibility study to evaluate the potential for hydroelectric energy recovery in parallel with existing pipeline operations; 2) preparing a concept level layout of the energy recovery turbine and generator equipment; 3) preparing an opinion of probable cost; and 4) preparing a technical memo summarizing investigations and conclusions.

In the study conducted by San Francisco State University, the annual electricity savings from installation of a hydro-turbine was estimated to be \$126,000 (2019 costs.) Given the potential for PG&E savings, Staff recommends that the District move forward with the

STAFF REPORT

Agenda: January 9, 2023

Subject: Approval of HDR Inc. Professional Services Agreement

Page Two

feasibility study for a not-to-exceed budget of \$42,422. Depending on the findings, the District may be able to apply for reimbursement as part of the grant.

The District is also investigating the solar recommendation as well and is working with a reputable solar company that deals with public agencies to provide an evaluation at no charge.

Fiscal Impact:

Cost of \$42,422.

Mr. James Derbin
Coastside County Water District
766 Main Street
Half Moon Bay, CA 94019

RE: HDR's Proposal for Pilarcitos Pipeline Energy Recovery Project

Dear Mr. Derbin:

In response to your request, we respectfully submit this proposal for the Pilarcitos Pipeline Energy Recovery Project. The scope of work, schedule and our fee are included in this letter.

SCOPE OF WORK

Task 1 – Project Management and Quality Assurance/Quality Control (QA/QC)

This task includes project monitoring and administration, attendance at progress meetings with Coastside County Water District (the district) staff, and project quality assurance/quality control (QA/QC) activities.

Subtask 1.1 - Project Management and Coordination

This subtask includes the management of scope, schedule and budget, and to address the District's concerns. HDR will prepare invoices, progress reports, and decision log updates on a monthly basis. The monthly progress reports will summarize budget and schedule status in measurable terms. Other activities include scheduling of staff and coordinating the quality assurance effort. We have assumed this work will be completed in two months.

Deliverables: Two monthly progress reports and invoices, and decision log.

SUBTASK 1.3 - MEETINGS

HDR will attend the following meetings:

- One 1-hour virtual kick-off meeting to be attended by up to three HDR team members.
- Up to two, 1-hour virtual progress meetings will be conducted with up to three HDR team members. Progress meetings will include a review of the status of the project scope, schedule, and a discussion of ongoing project tasks.
- One 1-hour virtual deliverables review meeting attended by up to three HDR team members.

For each of the meetings, HDR will prepare and distribute draft agenda and meeting minutes to attendees for review and comment. The final meeting minutes will be distributed after addressing comments.

Deliverables: Meeting agenda and minutes.

Task 2 – Energy Recovery Potential

HDR will perform a study to evaluate the hydroelectric energy recovery potential of the pipeline that connects Crystal Springs Reservoir to Nunes water treatment plant (WTP).

Task 2.1 - Background Data Review and Technical Assessment

HDR will review existing project information that includes as-built drawing information, operational data and previous studies provided by the District. It is expected that the District will provide the following information:

- Pipeline details (plan & elevation, diameters & lengths).
- District-confirmed elevations of principal pipeline features.
- Pressure relief valve vault drawings (including electrical one line drawing of vault & vicinity)
- Flow duration data (historic flows- hourly, daily, monthly, seasonally, annually= 830 million gallons).
- Previous energy studies and audits completed.

Task 2.2 – Technical Assessment

A technical assessment feasibility study will be conducted evaluating the potential for hydroelectric energy recovery, in parallel with existing pipeline operations. HDR will perform a spreadsheet analysis, utilizing the pipeline flow records provided by the District to evaluate/estimate potential capacity and energy production possible for a hydropower energy recovery installation, in parallel with the existing Pressure Reducing Valve. The energy assessment will be limited to a single configuration utilizing one turbine-generator.

HDR will prepare a concept level layout of the proposed energy recovery turbine and generator equipment for the feasibility evaluation. The layout will serve as basis for the opinion of probable construction cost (OPCC).

Task 2.3 – Opinion of Probable Construction Cost

HDR will prepare an OPCC for furnishing and installing the generating equipment in accordance with the Association for the Advancement of Cost Engineering (AACE), Class 5 level estimate with an accuracy of -20% to -50% on the low end and +30% to +100% on the high end. HDR will perform a preliminary benefit/cost analysis and breakeven analysis. HDR will solicit budgetary quotes from potential hydro equipment vendors for use in the cost opinion.

Task 2.4 – Summary Technical Memorandum

HDR will prepare a short technical memorandum (TM), summarizing investigations performed and results, including conclusions regarding assessment of potential capacity, estimated annual generation, and budgetary costs. Electrical interconnection requirements will be addressed in the TM. The TM will include a recommendation as to whether the energy potential and preliminary cost information could benefit from more detailed studies. A Draft TM will be submitted to the District and a Final TM will be issued after addressing District comments.

Task Deliverable: Draft and Final Tech Memo.

Task Assumptions:

- District will review and provide comments on the draft TM within 2 weeks of receipt.

- Project is assumed to qualify for FERC conduit exemption; specific eligibility requirements will be noted in the TM.
- Cost opinion will be in accordance with AACE, Class 5.

SCHEDULE

HDR will begin this work within two weeks of receiving the signed task order between the District and HDR. The Notice to Proceed date is anticipated to be January 2, 2024. HDR anticipates completion of its initial assessment and issuing draft TM 8 weeks after authorization to proceed and receipt of requested information.

COMPENSATION

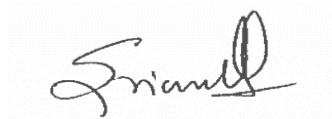
Table 1 illustrates the estimated level of effort and cost to complete the scope of work described above.

We appreciate the opportunity to work with the District on this project. Please contact Ambarish Ravi at (925) 465-2726 or Ambarish.ravi@hdrinc.com if you have any questions.

Sincerely,
HDR Engineering, Inc.



Holly L.L. Kennedy, PE (CA)
Senior Vice President



Ambarish Ravi, PE (CA)
Project Manager

Estimated Work Effort and Cost

Coastside County Water District

Hydro Energy Recovery Study

Task No.	Task Description	Project Principal/ QC	Project Manager	Technical Lead	Process Engineer	Staff Engr	Electrical Engineer	Admin/ Clerical	Total HDR Labor Hours	Total HDR Labor (\$)	Total HDR Expenses w/ 5% Mark-up	Total HDR Subs w/ 5% Mark-up	Total Cost (\$)
		Pappas	Nguyen	McCavitt	Justin Williams	Icenhower	Mike Cipriano	Salceda / Winkler					
Task 1 - Project Management													
1.1	Project Management and Coordination	2	6					8	16	\$3,457	\$100		\$3,557
1.3	Progress Meetings		4	4		6			14	\$3,323			\$3,323
Subtotal Task 1		2	10	4	0	6	0	8	30	\$6,780	\$100	\$0	\$6,880
Task 2: Energy Recovery Potential													
2.1	Background Data Review & Technical Assessment		2	4		6			12	\$2,698	\$100		\$2,798
2.2	Technical Assessment	2	4	20		64	4		94	\$17,646			\$17,646
2.3	Budgetary Cost Opinion		2	2	8	8			20	\$3,733			\$3,733
2.4	TM Preparation	4	4	8		40	4		60	\$11,364			\$11,364
Subtotal Task 2		6	12	34	8	118	8	0	186	\$35,442	\$100	\$0	\$35,542
TOTAL		8	22	38	8	124	8	8	216	\$42,222	\$200	\$0	\$42,422

HDR Engineering, Inc.

RATE SCHEDULE

January 2024 to December 2024

Technical Specialist 5	\$330 to \$390
Technical Specialist 4	\$280 to \$330
Technical Specialist 3	\$240 to \$280
Technical Specialist 2	\$190 to \$240
Technical Specialist 1	\$150 to \$190
Engineer 9	\$350 to \$380
Engineer 8	\$320 to \$350
Engineer 7	\$290 to \$320
Engineer 6	\$260 to \$290
Engineer 5	\$230 to \$260
Engineer 4	\$200 to \$230
Engineer 3	\$160 to \$200
Engineer 2	\$130 to \$160
Engineer 1	\$100 to \$130
CAD/GIS Technician 1	\$100 to \$130
CAD/GIS Technician 2	\$130 to \$180
CAD/GIS Technician 3	\$180 to \$250
Project Controller	\$100 to \$170
Project Coordinator	\$90 to \$140

Rates include current overhead rate plus profit and are adjusted by an average of 4% annually on January 1st

EXPENSES

In-House Expenses

Vehicle Mileage (per mile)	Current Federal Travel Regulation (FTR)
Other Travel (e.g., airfare, fuel charges, parking, ride share, lodging, meals, rental/leased vehicle, etc)	at cost
Black/White Photocopies (per copy)	\$0.05 to \$0.09
Color Copy (per copy)	\$0.15 to \$0.30

Bond Plotting – Black/White (per square foot)	\$0.15
Bond Plotting – Color (per square foot)	\$0.90

Please note that expenses and subconsultants are charged with a five percent markup.

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, General Manager

Agenda: January 9, 2024

Report Date: January 4, 2024

Agenda/Title: Quarterly Financial Review

Recommendation/Motion:

Information Only.

Background:

Period Budget Analysis

The attached Period Budget Analysis summarizes year-to-date revenue and expenses for the first six months of Fiscal Year 2023-2024. Key highlights include:

- Year-to-date water revenue is (\$443,000) or 6% below budget due to reduced water usage given the mild summer weather pattern and continuing conservation efforts by the District's customers post drought.
 - Water use for the July – December 2023 period is 2% lower than the same period in 2022, and 26% lower than 2019.
- Year-to-date non-operating revenue is \$263,000 above budget due to 1) higher interest earnings than plan by \$153,000; 2) higher County taxes and ERAF Refund than plan by \$70,000; 3) higher late penalties by \$25,000; and 4) higher other income by \$15,000.

In total, operating and non-operating revenues were \$180,000 below budget.

- Year-to-date expenses are \$809,000 under budget due to:
 - \$259,000 in lower SFPUC water purchases than budget.
 - \$210,000 in lower electricity primarily due to limited use of Crystal Springs Pump Station.
 - \$277,000 in salary and benefit savings due to (2) empty positions.
 - \$63,000 savings due to timing differences of expenses as the District.

Capital Improvement Program (CIP)

The District spent \$2,369,000 during the first half of Fiscal Year 2023-2024 on CIP. Key projects included the Nunes Water Treatment Plant Improvement Project (\$1,006,000); the Poplar Street Pipeline Replacement Project (\$383,000); Highway 92 Pipeline Restoration Project (\$324,000); Water Reuse Feasibility Study (\$177,000); and Fire Hydrant Replacement Project (\$139,000).

STAFF REPORT

Agenda: January 9, 2024

Subject: Quarterly Financial Review

Page Two

Cash Reserves

The District's cash balance on December 31, 2023 was \$12,994,000.

COASTSIDE COUNTY WATER DISTRICT - PERIOD BUDGET ANALYSIS
For Six Months Ending December 31, 2023

ACCOUNT	DESCRIPTION	YTD BUDGET	YTD ACTUAL	Variance Favorable (Unfavorable)	% Variance	Comments
OPERATING REVENUE						
1-0-4120-00	Water Revenue -All Areas	7,007,000.00	6,565,120.67	(441,879.33)	-6.31%	Reflects lower water sales due to mild weather patterns and continuing conservation post drought.
1-0-4170-00	Water Taken From Hydrants	30,500.00	29,576.49	(923.51)	-3.03%	
TOTAL OPERATING REVENUE		7,037,500.00	6,594,697.16	(442,802.84)	-6.29%	
NON-OPERATING REVENUE						
1-0-4180-00	Late Notice -10% Penalty	32,500.00	57,366.54	24,866.54	76.51%	
1-0-4230-00	Service Connections	5,000.00	9,396.21	4,396.21	87.92%	
1-0-4920-00	Interest Earned	48,000.00	201,307.00	153,307.00	319.39%	Includes higher LAIF interest than budget
1-0-4930-00	Tax Apportionments/Cnty Checks	560,000.00	591,501.48	31,501.48	5.63%	Included higher county tax receipts than budget
1-0-4950-00	Miscellaneous Income	2,400.00	167.27	(2,232.73)	-93.03%	
1-0-4955-00	Cell Site Lease Income	96,000.00	109,399.70	13,399.70	13.96%	Includes new lease amendment \$1500 per month
1-0-4965-00	ERAF REFUND -County Taxes	300,000.00	337,790.18	37,790.18	12.60%	Included higher county tax receipts than budget
TOTAL NON-OPERATING REVENUE		1,043,900.00	1,306,928.38	263,028.38	25.20%	
TOTAL REVENUES		8,081,400.00	7,901,625.54	(179,774.46)	-2.22%	
OPERATING EXPENSES						
1-1-5130-00	Water Purchased	1,496,167.00	1,237,047.70	259,119.30	17.32%	Reflects lower water purchases due to lower water sales than plan
1-1-5230-00	Pump Exp, Nunes T P	27,000.00	27,548.46	(548.46)	-2.03%	
1-1-5231-00	Pump Exp, CSP Pump Station	226,000.00	16,258.20	209,741.80	92.81%	Reflects limited use of Crystal Springs Pump Station. SFPUC purchases primarily came from use of Pilarcitos Reservoir (gravity fed.)
1-1-5232-00	Pump Exp, Trans. & Dist.	12,900.00	12,994.78	(94.78)	-0.73%	
1-1-5233-00	Pump Exp, Pilarcitos Canyon	24,800.00	25,096.43	(296.43)	-1.20%	
1-1-5234-00	Pump Exp. Denniston	38,000.00	65,485.40	(27,485.40)	-72.33%	Reflects use of local source supply vs. SFPUC
1-1-5242-00	CSP Pump Station Operations	6,800.00	11,736.53	(4,936.53)	-72.60%	
1-1-5243-00	CSP Pump Station Maintenance	17,000.00	3,867.87	13,132.13	77.25%	
1-1-5246-00	Nunes T P Operations	48,000.00	46,750.92	1,249.08	2.60%	
1-1-5247-00	Nunes T P Maintenance	59,000.00	46,520.74	12,479.26	21.15%	
1-1-5248-00	Denniston T.P. Operations	27,000.00	12,499.98	14,500.02	53.70%	
1-1-5249-00	Denniston T.P. Maintenance	93,000.00	74,432.74	18,567.26	19.96%	
1-1-5250-00	Laboratory Services	38,000.00	26,595.78	11,404.22	30.01%	
1-1-5260-00	Maintenance -General	193,000.00	297,500.88	(104,500.88)	-54.15%	Includes \$43K tree removal; \$21K for fence repairs at Miramontes Tank damaged in January 2023 storms; \$18K purchase of Teloger for leak detection; \$27K load bank testing of generators and generator repairs; \$17K contractor labor during emergencies; Offset by lower expenses than plan in other maintenance categories
1-1-5261-00	Maintenance -Well Fields	34,000.00	7,200.00	26,800.00	78.82%	
1-1-5263-00	Uniforms	8,000.00	13,033.18	(5,033.18)	-62.91%	
1-1-5318-00	Studies/Surveys/Consulting	55,000.00	25,261.62	29,738.38	54.07%	Reflects timing of projects
1-1-5321-00	Water Resources	8,000.00	5,198.48	2,801.52	35.02%	
1-1-5322-00	Community Outreach	27,000.00	11,645.14	15,354.86	56.87%	
1-1-5381-00	Legal	55,000.00	48,420.50	6,579.50	11.96%	Timing

ACCOUNT	DESCRIPTION	YTD BUDGET	YTD ACTUAL	Variance	%	Comments
				Favorable (Unfavorable)	Variance	
1-1-5382-00	Engineering	42,800.00	31,376.96	11,423.04	26.69%	Timing
1-1-5383-00	Financial Services	19,000.00	16,722.00	2,278.00	11.99%	Timing
1-1-5384-00	Computer Services	162,000.00	150,314.66	11,685.34	7.21%	Timing
1-1-5410-00	Salaries/Wages-Administration	693,591.00	570,126.71	123,464.29	17.80%	Reflects open positions
1-1-5411-00	Salaries & Wages -Field	969,624.00	894,473.74	75,150.26	7.75%	Reflects open positions
1-1-5420-00	Payroll Tax Expense	118,424.00	97,490.05	20,933.95	17.68%	Reflects open positions
1-1-5435-00	Employee Medical Insurance	240,000.00	211,560.53	28,439.47	11.85%	Reflects open positions
1-1-5436-00	Retiree Medical Insurance	21,400.00	20,265.99	1,134.01	5.30%	
1-1-5440-00	Employees Retirement Plan	321,000.00	293,074.10	27,925.90	8.70%	Reflects open positions
1-1-5445-00	Supplemental Retirement 401a	0.00	0.00	0.00	0.00%	
1-1-5510-00	Motor Vehicle Expense	42,000.00	41,441.09	558.91	1.33%	
1-1-5620-00	Office Supplies & Expense	192,000.00	164,997.84	27,002.16	14.06%	Timing
1-1-5625-00	Meetings / Training / Seminars	22,000.00	13,986.97	8,013.03	36.42%	
1-1-5630-00	Insurance	84,000.00	92,597.35	(8,597.35)	-10.23%	
1-1-5687-00	Membership, Dues, Subscript.	58,000.00	62,419.22	(4,419.22)	-7.62%	
1-1-5689-00	Labor Relations	3,000.00	0.00	3,000.00	100.00%	
1-1-5700-00	San Mateo County Fees	16,000.00	12,520.60	3,479.40	21.75%	
1-1-5705-00	State Fees	3,000.00	3,777.47	(777.47)	-25.92%	
TOTAL OPERATING EXPENSES		5,501,506.00	4,692,240.61	809,265.39	14.71%	
CAPITAL ACCOUNTS						
1-1-5715-00	Debt Srvc/CIEDB 11-099 (I-BANK)	275,701.00	275,701.00	0.00	0.00%	
1-1-5716-00	Debt Srvc/CIEDB 2016 (I-BANK)	240,637.00	240,636.61	0.39	0.00%	
1-1-5717-00	Chase Bank - 2018 Loan	388,096.00	388,095.98	0.02	0.00%	
1-1-5718-00	First Foundation Bank - 2022	345,524.00	345,524.31	(0.31)	0.00%	
TOTAL CAPITAL ACCOUNTS		1,249,958.00	1,249,957.90	0.10	0.00%	
TOTAL EXPENSES		6,751,464.00	5,942,198.51	809,265.49	11.99%	
CONTRIBUTION TO CIP/RESERVES		1,329,936.00	1,959,427.03	629,491.03		

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, General Manager

Agenda: January 9, 2024

Report Date: January 5, 2024

Agenda Title: Review of District Board Committees. Consider and Approve Appointments of Board Members to the Coastside County Water District Board Committees, and Appointment of District Representatives to External Organizations and Associations. Consider and Approve Establishment of New Advisory Committee(s) and External Organization Representation

Recommendation/Motion:

Review District Board Committees. Discuss and approve appointments of Board Members to the District Standing and Advisory Committees and approve appointments of district representatives to external organizations and associations. Discuss and approve establishment of new Advisory committee(s) and external organization representative(s).

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, Human 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.

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.

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 appropriate.

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:**Urban Water Management Plan (UWMP) Committee**

This Committee was created at the January 12, 2021 CCWD Board of Directors meeting and provides guidance on water resource planning and strategy and the development and implementation of the Urban Water Management Plan and Water Shortage Contingency Plan.

Water Reuse 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.

Strategic Planning Committee

This Committee was created at the June 11, 2019 CCWD Board of Directors meeting under the direction of President Coverdell. The purpose of this Committee is to focus on the District's planning priorities.

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. President Muller was elected in March 2022 to server as the ACWA Region 5 Director for the remainder of 2022-2023 term.

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, in 2017 and again in 2021 to serve as the BAWSCA representative for the current term through June 30, 2025.

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.

American Water Works Association (AWWA)

The American Water Works Association is an international, nonprofit, scientific and educational society dedicated to providing total water solutions assuring the effective management of water. Founded in 1881, membership includes 4,300 utilities that supply 80% of the nation's drinking water. In addition to participating at a national level, the District actively participates in the Cal-Nevada section of the AWWA.

**COASTSIDE COUNTY WATER DISTRICT
BOARD COMMITTEES**

January 10, 2023

Standing Committees

Directors

Finance Committee

Coverdell, Feldman

Human Resources Committee

Feldman, Muller

District Facilities Committee

Mickelsen, Reynolds

Advisory Committees

Directors

Urban Water Management Plan Committee (UWMP)

Feldman, Mickelsen

Water Reuse Committee

Coverdell, Muller

Strategic Planning Committee

Coverdell, Reynolds

External Organizations

Directors

Association of California Water Agencies (ACWA)

Feldman

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

Feldman

California Special District Association (CSDA)

Muller

Bay Area Water Supply & Conservation Agency
(BAWSCA) - 4 year term - July 2021 to June 30, 2025

Mickelsen

Local Agency Formation Commission (LAFCo)

Board President *

American Water Works Association (AWWA)

Reynolds

** 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: Mary Rogren, General Manager

Agenda: January 9, 2024

Report Date: January 5, 2024

Agenda Title: Appointment of CCWD Board Member Representative Alternate(s) to Participate in San Mateo Local Agency Formation Commission (LAFCO) Election of Officers

Recommendation/Motion:

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 be 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: James Derbin, Superintendent of Operations

Agenda: January 9, 2024

Report Date: January 5, 2024

Agenda Title: Nunes Water Treatment Plant Upgrades Project Update #29

Informational Item

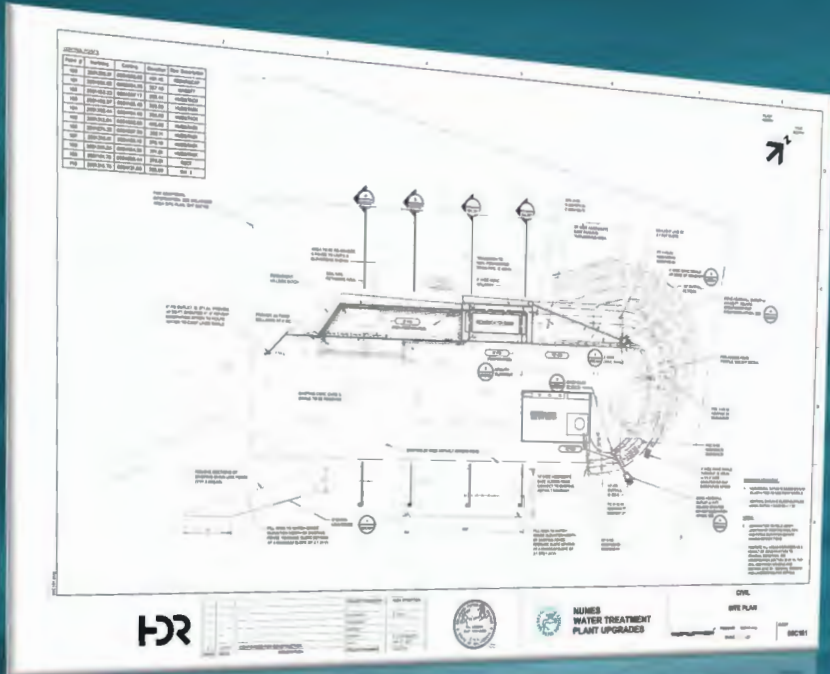
The Nunes Water Treatment Plant Upgrade Project official contractual start date was August 16, 2021. This is monthly project update #29.

In the last month the following progress has been made:

- Application of Enduraflex coating to Filter #2
- Commissioning of valves for Filter #2
- Installation of air scour piping for Filter #2

The estimated completion date has been pushed out to June 2024. Contractor may be done as early as May 2024.

Freyer and Laureta, Inc., the Construction Management firm on this project has put together a brief summary of progress to date. See Attachment A.



Coastsideside County Water District Nunes Water Treatment Plant Upgrades January 09, 2024 Board Meeting

Contract Data as of Board Meeting Date

Contract Time (Calendar Days)		Contract Value	
Base Contract Duration	720	Base Contract	\$8,339,915.00
<i>Approved Change Order Days Added</i>	321	Approved Change Order Added	\$99,263.80
<i>Approved Change Order Days Subtracted</i>	0	Approved Change Order %	1.2%
Total Contract Duration	1,041	Total Contract Approved	\$8,439,178.80
Elapsed (Start Date 8/16/2021)	870	Billed to Date ¹	\$7,736,178.80
Remaining Days	171	Remaining Value	\$703,000.00

¹Billed to date value is the contract work complete including the 5% retention that will be paid to Contractor upon project completion.

Construction Progress Update #29

Progress since Previous Board Meeting:

- Application of Enduraflex coating to Filter 2
- Commissioning of valves for Filter #2
- Installation of air scour piping for Filter #2

Construction Progress Update (continued)

Three-Week Look Ahead Schedule:

- Installation of an underdrain system for Filter 2
- Preparation of Filter 2 prior to placing media
- Placement of new media for Filter 2
- Disinfection of Filter 2
- Operations testing of Filter 2

Overall Project Schedule:

- Expected project end date June 2024. Completion could be as early as May 2024



Construction Photos

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, General Manager

Agenda: January 9, 2024

Report Date: January 5, 2024

Agenda Title: General Manager's Report

Recommendation/Motion:

Information Only.

Public Records Act Recent Court Decisions

In December, 2023, Hanson Bridgett published a newsletter discussing recent California Public Records Act Decisions and the implications for public agencies. (See attached.)

Patrick Miyaki, the District's Legal Counsel, will provide a high level overview of these recent decisions.

Keeping Up With California Public Records Act Decisions

December 19, 2023

Two recent decisions out of the Sixth Appellate District and one out of the First Appellate District provide helpful guidance for public agencies when responding to California Public Records Act (PRA) requests for investigative records, preparing for potential PRA litigation, and maintaining records responsive to PRA requests.

On September 25, 2023, the First Appellate District issued its decision in *BondGraham v. Superior Ct. of Alameda Cnty.*, (2023) 95 Cal. App. 5th 1006 (*BondGraham*), holding that the City of Oakland improperly redacted portions of an Internal Affairs investigative report related to peace officer misconduct. In considering the City's reliance on Penal Code section 832.7 to justify its redactions, the Court emphasized "the [PRA] must be 'broadly construed'" to "further the people's right of access." (*Id.* at p. 1015.)

On October 10, 2023, the Sixth Appellate District issued its decision in *County of San Benito v. Superior Court of San Benito County* (2023) 96 Cal.App.5th 243 (*County of San Benito*) holding that a party may not use PRA litigation to obtain – through the Civil Discovery Act – the very records at issue in the litigation. Nor may a party use the PRA litigation to obtain information from a public agency that it would not otherwise be entitled to under the PRA.

Finally, on October 23, 2023, the Sixth Appellate District issued its decision in *City of Gilroy v. Superior Court* (2023) 96 Cal.App.5th 818 (*City of Gilroy*) holding that the PRA does not impose a duty upon public agencies to preserve potentially responsive records that otherwise would be subject to an automatic destruction policy.

Background

BondGraham et al. v. Superior Court

Petitioners, two Oakland journalists, sought records related to a scandal where several members of the Oakland Police Department (OPD) had sex with an underage girl. This included OPD's Internal

Affairs investigative report. The City of Oakland produced a redacted version of the Internal Affairs report and Petitioners sought writ relief, arguing that certain redactions were improper under Penal Code section 832.7(b). Penal Code sections 832.7 and 832.8 are commonly known as the *Pitchess* statutes. The Pitchess statutes are considered an exemption to disclosure under the PRA because they provide that specified law enforcement personnel records are confidential. In 2018, the Legislature amended Penal Code section 832.7 to add an exception in subsection (b), which now provides that records relating to the investigation of a peace officer's (1) use of force, (2) sustained finding of sexual assault, or (3) a sustained finding of dishonesty, shall not be confidential and shall be made available for public inspection pursuant to the PRA. Although Section 832.7 contains several provisions allowing for the redaction and/or withholding of records and information, which the City relied upon to redact the Internal Affairs report, the Court noted that such exceptions to disclosure must be "narrowly construed" consistent with the PRA's statutory scheme to "further[] the people's right of access."

In the trial court proceedings, the City argued that the Internal Affairs report was properly redacted, in part because the redacted text related to "[a] record from a separate and prior investigation or assessment of a separate incident" that was not independently subject to disclosure. See Penal Code section 832.7(b)(4). The trial court also agreed with the City that the Internal Affairs report was exempt from disclosure under Penal Code section 832.7(b)(5) because it addressed multiple, separate incidents involving OPD officers and the underage girl.

The First District Court of Appeal reversed, finding that the Internal Affairs report was a single record prompted by a single incident resulting in a singular investigation. The fact that the investigation addressed multiple incidents of potential misconduct, or that it included allegations of misconduct against multiple officers, did not transform the report into a "compilation" of "separate and prior investigation[s] or assessment[s] of a separate incident" exempting that information from disclosure under Penal Code sections 832.7(b)(4) and (b)(5), respectively. The court also went on to hold that the plain text of section 832.7(b)(4) does not permit *redaction*, rather it permits withholding of a record, not information contained within a record.

Finally, the court suggested that some of the report's contents could have been withheld under section 832.7(b)(7), which allows an agency to withhold peace officer investigative records on the grounds that the public interest in withholding the information outweighs the public interest in disclosure, similar to the Public Records Act's "public interest balancing test." See Gov. Code, section 7922.000; *Times Mirror Co. v. Superior Court* (1991) 53 Cal.3d 1325, 1337-1339. However, the City never raised this argument.

County of San Benito v. Superior Court

Petitioner, a legal resources center, submitted two PRA requests to the County of San Benito for records relating to a proposed development project. Although the County represented that it produced all responsive, non-privileged records responsive to the requests, Petitioner alleged

otherwise, then filed a petition for writ of mandate to compel the County to produce additional records. After commencing litigation, Petitioner propounded written discovery pursuant to the Civil Discovery Act (Act), including document requests for all documents responsive to the PRA requests, as well as special interrogatories seeking specifics about the County's efforts to investigate (or not) the subject of the requested records. Petitioner subsequently filed motions to compel, which the trial court largely granted. The County then filed a writ of prohibition challenging the trial court's discovery order.

The Sixth District Court of Appeal held that although certain of Petitioner's discovery requests were proper, two types of requests were improper: (1) requests to produce the same documents sought by the underlying PRA request; and, (2) interrogatories calling for the County to explain its investigation (or lack thereof) related to the subject of the requested records. In finding that the document requests were improper, the appellate court reasoned that the requested records themselves were not reasonably calculated to lead to the discovery of evidence admissible in the PRA enforcement action, and allowing a PRA plaintiff to prosecute its PRA request on a pretrial discovery motion would improperly allow the discovery process to preempt adjudication of the merits of the litigation. In so holding, the appellate court made clear a PRA plaintiff cannot strategically invoke the litigation process and seek the very documents at issue via the Act to do an end run around the PRA enforcement proceeding. Further, in holding that the interrogatories were improper, the appellate court reasoned that because the PRA does not require a public entity to create records to respond to a request, a public entity is under no obligation to generate new substantive content irrelevant to the enforcement proceeding as a means to collect information that is not otherwise subject to disclosure under the PRA. The appellate court made clear that "the availability of pretrial discovery in [PRA] actions neither creates substantive disclosure obligations untethered to the narrow issue of whether the agency has a duty of disclosure nor provides an avenue for avoiding resolution of that fundamental question."

City of Gilroy v. Superior Court

Petitioner, a non-profit based in Silicon Valley, made several public records requests to the City of Gilroy during its investigation of complaints by unhoused persons that their personal property was destroyed during homeless encampment cleanups. Petitioner requested any and all public records regarding the encampment cleanups, including video footage, and the City provided responsive materials. Petitioners were dissatisfied with the City's responses to its PRA requests and filed a petition for writ of mandate and a complaint for declaratory relief alleging the City violated the PRA. Petitioner argued the City conducted inadequate searches for public records, including video camera footage, improperly withheld all police video camera footage, and sought an injunction preventing the City from destroying any records requested under a PRA request and deemed exempt for a period of three years after receiving the PRA request. The trial court denied the petition for writ of mandate and Petitioner's request for injunctive relief, but granted the declaratory relief action in part. Specifically, the trial court found that the City violated the PRA in responding to the Petitioner's

public records requests but rejected the Petitioner's request for a declaration that the City violated the PRA by failing to preserve responsive records it claimed were exempt while Petitioner's requests were pending and prior to court review.

The Sixth District Court of Appeal reversed in part and affirmed in part. First, the appellate court reversed the trial court's grant of declaratory relief on the grounds that the City violated the PRA by conducting an inadequate search for responsive records. The appellate court reasoned that the PRA "does not provide for declaratory relief other than to determine a public agency's obligation to disclose records," therefore, Petitioner could not seek declaratory relief pursuant to the PRA with regard to the City's alleged improper search for, and production of, documents responsive to the public records requests. Moreover, because the City had produced all responsive, non-exempt bodycam footage in its possession, and the bodycam video the City withheld was exempt from disclosure, Petitioner's allegations of the City's impropriety were moot. As such, there was no "actual controversy" subject to declaratory relief; the trial court's grant of declaratory relief with regard to alleged past acts - which is not authorized under either Cal. Code of Civil Procedure section 1060 or the PRA - was an abuse of discretion.

Next, the appellate court affirmed the trial court's rejection of Petitioner's request for a declaration the City violated the PRA by failing to preserve responsive records it claimed were exempt while the public record requests were pending and prior to court review. Petitioner argued that the PRA should be broadly interpreted to impose a duty upon public agencies to preserve all documents responsive to a public records request but withheld as exempt for a period of three years. Petitioner argued that without imposing such duty to preserve, public agencies are able to delay and obstruct the disclosure of public records by asserting blanket, potentially invalid exemptions to "run out the clock." Although the appellate court acknowledged Petitioner's concern, it found that the PRA "is not a records retention statute" and does not require a public agency to retain potentially responsive records. Thus, the court would not expand upon the duties imposed by the legislature upon a public agency by the PRA.

Practical Guidance and Takeaway

The *BondGraham* case serves as an important reminder that courts will broadly construe the PRA in favor of disclosure to "further[] the people's right of access." Meanwhile, exceptions to the PRA such as the *Pitches* statutes will be narrowly construed, in this case to prevent agencies from combining investigative reports to avoid disclosure. Therefore, when reviewing and responding to a PRA request, public agencies should carefully analyze the applicability of any exemptions as exceptions to disclosure are likely to be narrowly construed.

The *County of San Benito* case defines the boundaries of what is properly the subject of discovery under the Civil Discovery Act in a PRA action and may assist public agencies in avoiding strategic PRA actions designed to do an end run around the PRA.

The *City of Gilroy* case clarifies that the sole purpose of a PRA action is to expeditiously determine a public agency's obligation to disclose records, therefore, a PRA litigant may not seek declaratory relief under the PRA with respect to the propriety of an agency's past conduct in responding to PRA requests. This provides helpful guidance to public agencies on the permissible scope of PRA actions. The City of Gilroy case also clarifies that the PRA is not a records retention statute and thus does not obligate public agencies to preserve documents responsive to a PRA request while the request is pending. This decision provides critical guidance to public agencies attempting to navigate public records requests and related demands for preservation of records, while also complying with their document retention policies and attempting to mitigate the unnecessary expenditure of public funds.

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