

**COASTSIDE COUNTY WATER DISTRICT**

**766 MAIN STREET**

**HALF MOON BAY, CA 94019**

**SPECIAL MEETING OF THE BOARD OF DIRECTORS**

**Tuesday, January 10, 2017- 6:00 p.m.**

**AGENDA**

**1) ROLL CALL**

**2) PUBLIC COMMENT**

Members of the public may address the Board of Directors on the items on the agenda for this special meeting. The Chair requests that each person addressing the Board complete and submit a speaker slip, and limit their comments to three (3) minutes.

**3) CLOSED SESSION**

Conference with Legal Counsel -- Anticipated Litigation  
Pursuant to California Government Code Section 54956.9(d)(2)  
Significant Exposure to Litigation  
One Potential Case

**4) RECONVENE TO OPEN SESSION**

Public report of closed session action.

**5) ADJOURNMENT**

**Accessible Public Meetings** - Upon request, the Coastside County Water District will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please send a written request, including your name, mailing address, telephone number and brief description of the requested materials and preferred alternative format or auxiliary aid or service at least two (2) days before the meeting. Requests should be sent to: Coastside County Water District, Attn: Alternative Agenda Request, 766 Main Street, Half Moon Bay, CA 94019.

**COASTSIDE COUNTY WATER DISTRICT**

**766 MAIN STREET**

**HALF MOON BAY, CA 94019**

**REGULAR MEETING OF THE BOARD OF DIRECTORS**

**Tuesday, January 10, 2017 - 7:00 p.m.**

**AGENDA**

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

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

*This agenda and accompanying materials can be viewed on Coastside County Water District's website located at: [www.coastsidewater.org](http://www.coastsidewater.org).*

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

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

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

#### 4) CONSENT CALENDAR

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

- A. Approval of disbursements for the month ending December 31, 2016:  
Claims: \$870,058.37; Payroll: \$139,040.76 for a total of \$1,009,099.13 ([attachment](#))  
➤ *December 2016 Monthly Financial Claims reviewed and approved by President Reynolds*
- B. Acceptance of Financial Reports ([attachment](#))
- C. Approval of Minutes of December 13, 2016 Regular Board of Directors Meeting ([attachment](#))
- D. Monthly Water Transfer Report ([attachment](#))
- E. Installed Water Connection Capacity and Water Meters Report ([attachment](#))
- F. Total CCWD Production Report ([attachment](#))
- G. CCWD Monthly Sales by Category Report – November 2016 ([attachment](#))
- H. Monthly Emergency Main & Service Repairs Report and Water Line Flushing Report ([attachment](#))
- I. Rainfall Reports ([attachment](#))
- J. S.F.P.U.C. Hydrological Report for the month of November, 2016 ([attachment](#))
- K. Notice of Completion – Phase 3B Avenue Cabrillo Pipeline Replacement Project ([attachment](#))
- L. Acceptance of Non-Complex Pipeline Extension Project 923/925 Miramontes Street – Muller & Adreveno ([attachment](#))
- M. Acceptance of Non-Complex Pipeline Extension Project Belleville Blvd - TDR Properties ([attachment](#))
- N. Acceptance of Non-Complex Pipeline Extension Project – 456 Grand Blvd – Paul McGregor ([attachment](#))

#### 5) MEETINGS ATTENDED / DIRECTOR COMMENTS

#### 6) GENERAL BUSINESS

- A. Accept the Coastside County Water District Basic Financial Statements and Independent Auditors Report for Fiscal Year Ended June 30, 2016 ([attachment](#))
- B. Contract with Calcon Systems for Instrumentation and Controls Work ([attachment](#))
- C. Award of Contract for Strawflower Village Pipeline Replacement Project ([attachment](#))
- D. Nunes Filter Wash Valves Replacement Project ([attachment](#))
- E. Quarterly Financial Review ([attachment](#))
- F. Fiscal Year 2017-2018 Budget Process Timeline ([attachment](#))
- G. Coastside County Water District Board Committees ([attachment](#))

H. Appointment of CCWD Board Member Representative Alternate(s) to participate in San Mateo Local Agency Formation Commission (LAFCo) election of officers ([attachment](#))

7) **GENERAL MANAGER'S REPORT AND MONTHLY INFORMATIONAL REPORTS**  
([attachment](#))

- Barbara's Fishtrap Service Connection Issue

A. Assistant General Manager's Report ([attachment](#))

B. Operations Report ([attachment](#))

C. Water Resources Report ([attachment](#))

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

9) **ADJOURNMENT**

**COASTSIDE COUNTY WATER DISTRICT  
CLAIMS FOR DECEMBER 2016**

| CHECKS            |                  |   |                   |               |
|-------------------|------------------|---|-------------------|---------------|
| <u>CHECK DATE</u> | <u>CHECK NO.</u> | <u>VENDOR</u>                             | <u>VOID CHECK</u> | <u>AMOUNT</u> |
| 12/02/2016        | 23480            | COMCAST                                   |                   | \$191.93      |
| 12/02/2016        | 23481            | FIRST NATIONAL BANK                       |                   | \$2,265.57    |
| 12/02/2016        | 23482            | JJACPA, INC                               |                   | \$6,580.00    |
| 12/02/2016        | 23483            | MASS MUTUAL FINANCIAL GROUP               |                   | \$2,570.65    |
| 12/02/2016        | 23484            | REPUBLIC SERVICES                         |                   | \$375.51      |
| 12/02/2016        | 23485            | RICOH USA INC                             |                   | \$529.44      |
| 12/02/2016        | 23486            | USA BLUE BOOK                             |                   | \$2,204.23    |
| 12/02/2016        | 23487            | VALIC                                     |                   | \$4,490.00    |
| 12/02/2016        | 23488            | VERIZON WIRELESS                          |                   | \$815.81      |
| 12/12/2016        | 23489            | OFFICIAL PAYMENTS CORPORATION             | \$0.01            | \$0.00        |
| 12/13/2016        | 23490            | HEALTH BENEFITS ACWA-JPIA                 |                   | \$39,232.15   |
| 12/13/2016        | 23491            | CANYON SPRINGS ENTERPRISES                |                   | \$111,827.60  |
| 12/13/2016        | 23492            | RECORDER'S OFFICE                         |                   | \$21.00       |
| 12/13/2016        | 23493            | RECORDER'S OFFICE                         |                   | \$36.00       |
| 12/13/2016        | 23494            | PACIFIC GAS & ELECTRIC CO.                |                   | \$49,911.66   |
| 12/13/2016        | 23495            | CaIPERS FISCAL SERVICES DIVISION          |                   | \$25,069.57   |
| 12/13/2016        | 23496            | PUMP REPAIR SERVICE CO. INC.              |                   | \$44,181.17   |
| 12/13/2016        | 23497            | SAN FRANCISCO WATER DEPT.                 |                   | \$173,023.42  |
| 12/16/2016        | 23498            | AIR & TOOL ENGINEERING CO.                |                   | \$2,286.57    |
| 12/16/2016        | 23499            | AT&T                                      |                   | \$2,898.16    |
| 12/16/2016        | 23500            | AT&T LONG DISTANCE                        |                   | \$164.99      |
| 12/16/2016        | 23501            | BAY AREA WATER SUPPLY &                   |                   | \$318.75      |
| 12/16/2016        | 23502            | CALCON SYSTEMS, INC.                      |                   | \$17,144.10   |
| 12/16/2016        | 23503            | CHEMTRADE CHEMICALS US LLC                |                   | \$2,435.40    |
| 12/16/2016        | 23504            | HACH CO., INC.                            |                   | \$683.19      |
| 12/16/2016        | 23505            | HASSETT HARDWARE                          |                   | \$1,065.60    |
| 12/16/2016        | 23506            | U.S. HEALTHWORKS MEDICAL GROUP, P.C.      |                   | \$99.00       |
| 12/16/2016        | 23507            | HUE & CRY, INC.                           |                   | \$500.04      |
| 12/16/2016        | 23508            | JOHN'S SALT SERVICE, INC                  |                   | \$6,012.40    |
| 12/16/2016        | 23509            | MASS MUTUAL FINANCIAL GROUP               |                   | \$2,570.65    |
| 12/16/2016        | 23510            | PITNEY BOWES, INC.                        |                   | \$66.70       |
| 12/16/2016        | 23511            | SM CTY ENVIRONMENTAL HEALTH               |                   | \$1,518.00    |
| 12/16/2016        | 23512            | SERVICE PRESS                             |                   | \$1,025.27    |
| 12/16/2016        | 23513            | STATE WATER RESOURCES CONTROL BD          |                   | \$167.00      |
| 12/16/2016        | 23514            | TEAMSTERS LOCAL UNION #856                |                   | \$1,210.00    |
| 12/16/2016        | 23515            | UNITED STATES POSTAL SERV.                |                   | \$600.00      |
| 12/16/2016        | 23516            | UNION BANK OF CALIFORNIA                  |                   | \$808.50      |
| 12/16/2016        | 23517            | VALIC                                     |                   | \$4,295.00    |
| 12/16/2016        | 23518            | VULCAN MATERIALS COMPANY                  |                   | \$2,814.86    |
| 12/16/2016        | 23519            | WATER INDUSTRY TRAINING SPECIALISTS, INC. |                   | \$1,200.00    |
| 12/16/2016        | 23520            | WIENHOFF & ASSOCIATES, INC.               |                   | \$630.00      |
| 12/29/2016        | 23521            | ADP, INC.                                 |                   | \$1,317.10    |
| 12/29/2016        | 23522            | FRANK YAMELLO                             |                   | \$473.60      |
| 12/29/2016        | 23523            | AMERICAN WATER WORKS ASSOC.               |                   | \$767.00      |
| 12/29/2016        | 23524            | ANDREINI BROS. INC.                       |                   | \$216,116.93  |
| 12/29/2016        | 23525            | AZTEC GARDENS, INC.                       |                   | \$190.00      |
| 12/29/2016        | 23526            | BALANCE HYDROLOGICS, INC                  |                   | \$666.87      |

|            |       |                                      |             |
|------------|-------|--------------------------------------|-------------|
| 12/29/2016 | 23527 | BARTKIEWICZ, KRONICK & SHANAHAN      | \$1,140.08  |
| 12/29/2016 | 23528 | BAY ALARM COMPANY                    | \$669.78    |
| 12/29/2016 | 23529 | BIG CREEK LUMBER                     | \$313.02    |
| 12/29/2016 | 23530 | BIG ED'S CRANE SERVICE, INC          | \$1,980.00  |
| 12/29/2016 | 23531 | SUSAN BOYER                          | \$100.00    |
| 12/29/2016 | 23532 | CALCON SYSTEMS, INC.                 | \$9,035.46  |
| 12/29/2016 | 23533 | CAROLYN STANFIELD                    | \$600.00    |
| 12/29/2016 | 23534 | CARROT-TOP INDUSTRIES, INC.          | \$145.25    |
| 12/29/2016 | 23535 | CHEVRON/TEXACO UNIVERSAL CARD        | \$1,441.48  |
| 12/29/2016 | 23536 | CINTAS FIRST AID & SAFETY            | \$825.00    |
| 12/29/2016 | 23537 | COASTSIDE COUNTY WATER DIST.         | \$133.41    |
| 12/29/2016 | 23538 | RECORDER'S OFFICE                    | \$18.00     |
| 12/29/2016 | 23539 | DATAPROSE, LLC                       | \$1,672.71  |
| 12/29/2016 | 23540 | DEL GAVIO GROUP                      | \$43.60     |
| 12/29/2016 | 23541 | GREG LANGFORD                        | \$675.00    |
| 12/29/2016 | 23542 | ELECSYS INTERNATIONAL CORP           | \$250.00    |
| 12/29/2016 | 23543 | EWT HOLDINGS III CORP.               | \$374.51    |
| 12/29/2016 | 23544 | DAVID L. SKROMME                     | \$954.85    |
| 12/29/2016 | 23545 | FREYER & LAURETA, INC.               | \$1,842.50  |
| 12/29/2016 | 23546 | GEMPLER'S, INC.                      | \$3,073.73  |
| 12/29/2016 | 23547 | GRAINGER, INC.                       | \$6,711.62  |
| 12/29/2016 | 23548 | HACH CO., INC.                       | \$3,069.62  |
| 12/29/2016 | 23549 | HMB BLDG. & GARDEN INC.              | \$641.05    |
| 12/29/2016 | 23550 | HALF MOON BAY REVIEW                 | \$78.00     |
| 12/29/2016 | 23551 | H.M.B.AUTO PARTS                     | \$38.91     |
| 12/29/2016 | 23552 | HANSONBRIDGETT. LLP                  | \$4,371.40  |
| 12/29/2016 | 23553 | U.S. HEALTHWORKS MEDICAL GROUP, P.C. | \$50.00     |
| 12/29/2016 | 23554 | IRON MOUNTAIN                        | \$513.01    |
| 12/29/2016 | 23555 | IRVINE CONSULTING SERVICES, INC.     | \$2,431.84  |
| 12/29/2016 | 23556 | NONA LANTER                          | \$200.00    |
| 12/29/2016 | 23557 | GLENNA LOMBARDI                      | \$107.00    |
| 12/29/2016 | 23558 | MASS MUTUAL FINANCIAL GROUP          | \$2,529.75  |
| 12/29/2016 | 23559 | JANICE MC CORKLE                     | \$100.00    |
| 12/29/2016 | 23560 | METLIFE GROUP BENEFITS               | \$1,807.10  |
| 12/29/2016 | 23561 | MISSION UNIFORM SERVICES INC.        | \$308.22    |
| 12/29/2016 | 23562 | MONTEREY COUNTY LAB                  | \$756.00    |
| 12/29/2016 | 23563 | DANA MONTEIRO                        | \$100.00    |
| 12/29/2016 | 23564 | NATIONAL METER & AUTOMATION          | \$12,030.52 |
| 12/29/2016 | 23565 | NATIONAL PEN CO. LLC                 | \$838.45    |
| 12/29/2016 | 23566 | NORTHSTAR CHEMICAL                   | \$3,270.60  |
| 12/29/2016 | 23567 | OFFICE DEPOT                         | \$1,065.58  |
| 12/29/2016 | 23568 | ONTRAC                               | \$618.88    |
| 12/29/2016 | 23569 | PACIFICA COMMUNITY TV                | \$250.00    |
| 12/29/2016 | 23570 | PAULO'S AUTO CARE                    | \$200.11    |
| 12/29/2016 | 23571 | PITNEY BOWES                         | \$212.31    |
| 12/29/2016 | 23572 | POLLARDWATER.COM                     | \$141.87    |
| 12/29/2016 | 23573 | PORTUGUESE CULTURE CENTER            | \$150.00    |
| 12/29/2016 | 23574 | RICOH USA, INC.                      | \$434.53    |
| 12/29/2016 | 23575 | RICOH USA INC                        | \$540.29    |
| 12/29/2016 | 23576 | ROBERTS & BRUNE CO.                  | \$6,821.74  |
| 12/29/2016 | 23577 | ROGUE WEB WORKS, LLC                 | \$308.75    |
| 12/29/2016 | 23578 | MARY ROGREN                          | \$449.47    |

|                                   |       |                                  |              |
|-----------------------------------|-------|----------------------------------|--------------|
| 12/29/2016                        | 23579 | MICHAEL RUDDY                    | \$200.00     |
| 12/29/2016                        | 23580 | SAN MATEO CTY PUBLIC HEALTH LAB  | \$940.00     |
| 12/29/2016                        | 23581 | DOUG SLEZAK                      | \$100.00     |
| 12/29/2016                        | 23582 | SOUTHWEST VALVE, LLC             | \$3,506.82   |
| 12/29/2016                        | 23583 | STATE WATER RESOURCES CONTROL BD | \$60.00      |
| 12/29/2016                        | 23584 | JIM STEELE                       | \$900.00     |
| 12/29/2016                        | 23585 | STRAWFLOWER ELECTRONICS          | \$42.20      |
| 12/29/2016                        | 23586 | JAMES TETER                      | \$6,295.89   |
| 12/29/2016                        | 23587 | TYLER TECHNOLOGIES, INC          | \$2,312.50   |
| 12/29/2016                        | 23588 | UNIVAR USA INC                   | \$681.07     |
| 12/29/2016                        | 23589 | UPS STORE                        | \$43.44      |
| 12/29/2016                        | 23590 | VALIC                            | \$3,345.00   |
| 12/29/2016                        | 23591 | BOSCO OIL COMPANY                | \$1,410.38   |
| 12/29/2016                        | 23592 | VERIZON WIRELESS                 | \$40.01      |
|                                   |       |                                  | <hr/>        |
| CHECKS FOR MONTH OF DECEMBER 2016 |       |                                  | \$829,683.70 |

**WIRE PAYMENTS**

| <u>PAYDATE</u>                              | <u>VENDOR</u>                       | <u>AMOUNT</u> |
|---|-------------------------------------|---------------|
| 12/2/2016                                   | PUBLIC EMPLOYEES' RETIREMENT SYSTEM | \$12,147.54   |
| 12/16/2016                                  | PUBLIC EMPLOYEES' RETIREMENT SYSTEM | \$12,152.92   |
| 12/30/2016                                  | PUBLIC EMPLOYEES' RETIREMENT SYSTEM | \$11,583.98   |
| 12/30/2016                                  | CREDIT CARDS & BANK FEES            | \$4,490.23    |
|   |                                     | <hr/>         |
| TOTAL WIRE PAYMENTS                         |                                     | \$40,374.67   |
|   |                                     | <hr/>         |
| TOTAL CLAIMS FOR THE MONTH OF DECEMBER 2016 |                                     | \$870,058.37  |
|   |                                     | <hr/> <hr/>   |



Coastside County Water District

# Monthly Budget Report Account Summary

For Fiscal: 2016-2017 Period Ending: 12/31/2016

|                                   | December Budget                          | December Activity   | Variance Favorable (Unfavorable) | Percent Variance | YTD Budget     | YTD Activity        | Variance Favorable (Unfavorable) | Percent Variance  | Total Budget   |                      |
|-----------------------------------|--|---------------------|----------------------------------|------------------|----------------|---------------------|----------------------------------|-------------------|----------------|----------------------|
| <b>Revenue</b>                    |  |                     |                                  |                  |                |                     |                                  |                   |                |                      |
| <b>RevType: 1 - Operating</b>     |  |                     |                                  |                  |                |                     |                                  |                   |                |                      |
| <a href="#">1-4120-00</a>         | Water Revenue                            | 749,279.00          | 787,351.42                       | 38,072.42        | 5.08 %         | 5,580,549.00        | 5,722,431.94                     | 141,882.94        | 2.54 %         | 10,266,127.00        |
|                                   | <b>Total RevType: 1 - Operating:</b>     | <b>749,279.00</b>   | <b>787,351.42</b>                | <b>38,072.42</b> | <b>5.08 %</b>  | <b>5,580,549.00</b> | <b>5,722,431.94</b>              | <b>141,882.94</b> | <b>2.54 %</b>  | <b>10,266,127.00</b> |
| <b>RevType: 2 - Non-Operating</b> |  |                     |                                  |                  |                |                     |                                  |                   |                |                      |
| <a href="#">1-4170-00</a>         | Water Taken From Hydrants                | 4,165.00            | 3,944.40                         | -220.60          | -5.30 %        | 24,990.00           | 41,026.89                        | 16,036.89         | 64.17 %        | 50,000.00            |
| <a href="#">1-4180-00</a>         | Late Notice - 10% Penalty                | 5,997.60            | 5,961.95                         | -35.65           | -0.59 %        | 35,985.60           | 40,135.99                        | 4,150.39          | 11.53 %        | 72,000.00            |
| <a href="#">1-4230-00</a>         | Service Connections                      | 833.00              | 1,815.38                         | 982.38           | 117.93 %       | 4,998.00            | 8,666.52                         | 3,668.52          | 73.40 %        | 10,000.00            |
| <a href="#">1-4920-00</a>         | Interest Earned                          | 0.00                | 0.00                             | 0.00             | 0.00 %         | 1,535.00            | 1,526.59                         | -8.41             | -0.55 %        | 3,070.00             |
| <a href="#">1-4930-00</a>         | Tax Apportionments/County Checks         | 300,000.00          | 335,469.11                       | 35,469.11        | 11.82 %        | 350,000.00          | 413,956.51                       | 63,956.51         | 18.27 %        | 600,000.00           |
| <a href="#">1-4950-00</a>         | Miscellaneous Income                     | 3,082.10            | 12,687.56                        | 9,605.46         | 311.65 %       | 18,492.60           | 34,311.81                        | 15,819.21         | 85.54 %        | 37,000.00            |
| <a href="#">1-4955-00</a>         | Cell Site Lease Income                   | 11,969.54           | 10,084.18                        | -1,885.36        | -15.75 %       | 71,817.24           | 73,733.90                        | 1,916.66          | 2.67 %         | 143,692.00           |
| <a href="#">1-4965-00</a>         | ERAF Refund - County Taxes               | 0.00                | 0.00                             | 0.00             | 0.00 %         | 0.00                | 0.00                             | 0.00              | 0.00 %         | 200,000.00           |
|                                   | <b>Total RevType: 2 - Non-Operating:</b> | <b>326,047.24</b>   | <b>369,962.58</b>                | <b>43,915.34</b> | <b>13.47 %</b> | <b>507,818.44</b>   | <b>613,358.21</b>                | <b>105,539.77</b> | <b>20.78 %</b> | <b>1,115,762.00</b>  |
|                                   | <b>Total Revenue:</b>                    | <b>1,075,326.24</b> | <b>1,157,314.00</b>              | <b>81,987.76</b> | <b>7.62 %</b>  | <b>6,088,367.44</b> | <b>6,335,790.15</b>              | <b>247,422.71</b> | <b>4.06 %</b>  | <b>11,381,889.00</b> |
| <b>Expense</b>                    |  |                     |                                  |                  |                |                     |                                  |                   |                |                      |
| <b>ExpType: 1 - Operating</b>     |  |                     |                                  |                  |                |                     |                                  |                   |                |                      |
| <a href="#">1-5130-00</a>         | Water Purchased                          | 116,212.00          | 88,429.42                        | 27,782.58        | 23.91 %        | 1,738,177.00        | 1,376,478.30                     | 361,698.70        | 20.81 %        | 2,578,474.00         |
| <a href="#">1-5230-00</a>         | Nunes T P Pump Expense                   | 2,604.79            | 3,322.20                         | -717.41          | -27.54 %       | 15,628.74           | 18,633.20                        | -3,004.46         | -19.22 %       | 31,270.00            |
| <a href="#">1-5231-00</a>         | CSP Pump Station Pump Expense            | 17,810.00           | 54,811.28                        | -37,001.28       | -207.76 %      | 297,202.00          | 214,461.24                       | 82,740.76         | 27.84 %        | 325,420.00           |
| <a href="#">1-5232-00</a>         | Other Trans. & Dist Pump Expense         | 1,145.00            | 1,183.43                         | -38.43           | -3.36 %        | 9,503.00            | 11,652.89                        | -2,149.89         | -22.62 %       | 18,020.00            |
| <a href="#">1-5233-00</a>         | Pilarcitos Canyon Pump Expense           | 4,153.00            | 3,579.97                         | 573.03           | 13.80 %        | 13,000.00           | 4,951.83                         | 8,048.17          | 61.91 %        | 26,000.00            |
| <a href="#">1-5234-00</a>         | Denniston T P Pump Expense               | 7,949.00            | -1,348.12                        | 9,297.12         | 116.96 %       | 21,786.00           | 26,953.79                        | -5,167.79         | -23.72 %       | 85,000.00            |
| <a href="#">1-5242-00</a>         | CSP Pump Station Operations              | 874.65              | 1,102.44                         | -227.79          | -26.04 %       | 5,247.90            | 4,981.48                         | 266.42            | 5.08 %         | 10,500.00            |
| <a href="#">1-5243-00</a>         | CSP Pump Station Maintenance             | 1,388.00            | 4,310.80                         | -2,922.80        | -210.58 %      | 8,328.00            | 6,172.72                         | 2,155.28          | 25.88 %        | 37,000.00            |
| <a href="#">1-5246-00</a>         | Nunes T P Operations - General           | 3,090.00            | 9,094.78                         | -6,004.78        | -194.33 %      | 35,086.00           | 34,884.76                        | 201.24            | 0.57 %         | 57,000.00            |
| <a href="#">1-5247-00</a>         | Nunes T P Maintenance                    | 3,958.00            | 8,323.88                         | -4,365.88        | -110.31 %      | 40,248.00           | 44,264.99                        | -4,016.99         | -9.98 %        | 80,500.00            |
| <a href="#">1-5248-00</a>         | Denniston T P Operations-General         | 4,187.00            | 865.32                           | 3,321.68         | 79.33 %        | 9,874.00            | 10,943.94                        | -1,069.94         | -10.84 %       | 35,000.00            |
| <a href="#">1-5249-00</a>         | Denniston T.P. Maintenance               | 2,750.00            | 24,642.29                        | -21,892.29       | -796.08 %      | 36,500.00           | 44,663.34                        | -8,163.34         | -22.37 %       | 53,000.00            |
| <a href="#">1-5250-00</a>         | Laboratory Expenses                      | 3,313.00            | 1,558.88                         | 1,754.12         | 52.95 %        | 26,504.00           | 21,673.67                        | 4,830.33          | 18.22 %        | 53,000.00            |
| <a href="#">1-5260-00</a>         | Maintenance - General                    | 10,970.61           | 12,262.69                        | -1,292.08        | -11.78 %       | 65,823.66           | 78,985.63                        | -13,161.97        | -20.00 %       | 131,700.00           |
| <a href="#">1-5260-10</a>         | Maintenance - Main Line Breaks           | 8,330.00            | 0.00                             | 8,330.00         | 100.00 %       | 49,980.00           | 17,631.69                        | 32,348.31         | 64.72 %        | 100,000.00           |
| <a href="#">1-5260-11</a>         | Maintenance - Paving                     | 4,165.00            | 9,229.73                         | -5,064.73        | -121.60 %      | 24,990.00           | 20,878.36                        | 4,111.64          | 16.45 %        | 50,000.00            |
| <a href="#">1-5261-00</a>         | Maintenance - Well Fields                | 909.00              | -8,003.95                        | 8,912.95         | 980.52 %       | 44,546.00           | 10,978.38                        | 33,567.62         | 75.35 %        | 50,000.00            |
| <a href="#">1-5263-00</a>         | Uniforms                                 | 145.00              | 2,968.00                         | -2,823.00        | -1,946.90 %    | 5,578.00            | 7,940.04                         | -2,362.04         | -42.35 %       | 10,000.00            |



Monthly Budget Report

For Fiscal: 2016-2017 Period Ending: 12/31/2016

|  |                                   | December<br>Budget | December<br>Activity | Variance<br>Favorable<br>(Unfavorable) | Percent<br>Variance | YTD<br>Budget       | YTD<br>Activity     | Variance<br>Favorable<br>(Unfavorable) | Percent<br>Variance | Total Budget        |
|--|-----------------------------------|--------------------|----------------------|--|---------------------|---------------------|---------------------|--|---------------------|---------------------|
| <a href="#">1-5318-00</a>                  | Studies/Surveys/Consulting        | 12,495.00          | 0.00                 | 12,495.00                              | 100.00 %            | 74,970.00           | 24,305.52           | 50,664.48                              | 67.58 %             | 150,000.00          |
| <a href="#">1-5321-00</a>                  | Water Resources                   | 3,915.10           | 1,118.75             | 2,796.35                               | 71.42 %             | 23,490.60           | 5,077.06            | 18,413.54                              | 78.39 %             | 47,000.00           |
| <a href="#">1-5322-00</a>                  | Community Outreach                | 4,165.00           | 1,088.45             | 3,076.55                               | 73.87 %             | 24,990.00           | 4,008.78            | 20,981.22                              | 83.96 %             | 50,000.00           |
| <a href="#">1-5381-00</a>                  | Legal                             | 4,998.00           | 2,851.23             | 2,146.77                               | 42.95 %             | 29,988.00           | 45,189.13           | -15,201.13                             | -50.69 %            | 60,000.00           |
| <a href="#">1-5382-00</a>                  | Engineering                       | 1,166.20           | 480.00               | 686.20                                 | 58.84 %             | 6,997.20            | 2,720.00            | 4,277.20                               | 61.13 %             | 14,000.00           |
| <a href="#">1-5383-00</a>                  | Financial Services                | 5,000.00           | 0.00                 | 5,000.00                               | 100.00 %            | 11,000.00           | 6,580.00            | 4,420.00                               | 40.18 %             | 20,000.00           |
| <a href="#">1-5384-00</a>                  | Computer Services                 | 10,437.49          | 5,303.09             | 5,134.40                               | 49.19 %             | 62,624.94           | 44,188.63           | 18,436.31                              | 29.44 %             | 125,300.00          |
| <a href="#">1-5410-00</a>                  | Salaries/Wages-Administration     | 84,677.00          | 100,723.18           | -16,046.18                             | -18.95 %            | 550,400.00          | 465,685.00          | 84,715.00                              | 15.39 %             | 1,100,800.00        |
| <a href="#">1-5411-00</a>                  | Salaries & Wages - Field          | 93,644.00          | 133,518.35           | -39,874.35                             | -42.58 %            | 608,687.00          | 636,815.75          | -28,128.75                             | -4.62 %             | 1,217,375.00        |
| <a href="#">1-5420-00</a>                  | Payroll Tax Expense               | 12,480.00          | 13,524.15            | -1,044.15                              | -8.37 %             | 81,121.00           | 73,759.82           | 7,361.18                               | 9.07 %              | 162,245.00          |
| <a href="#">1-5435-00</a>                  | Employee Medical Insurance        | 33,136.00          | 34,362.24            | -1,226.24                              | -3.70 %             | 198,812.00          | 197,669.59          | 1,142.41                               | 0.57 %              | 412,904.00          |
| <a href="#">1-5436-00</a>                  | Retiree Medical Insurance         | 4,791.00           | 5,171.91             | -380.91                                | -7.95 %             | 28,746.00           | 24,493.04           | 4,252.96                               | 14.79 %             | 59,976.00           |
| <a href="#">1-5440-00</a>                  | Employees Retirement Plan         | 41,025.00          | 45,488.32            | -4,463.32                              | -10.88 %            | 254,127.00          | 230,423.63          | 23,703.37                              | 9.33 %              | 508,256.00          |
| <a href="#">1-5445-00</a>                  | Supplemental Retirement 401a      | 0.00               | 0.00                 | 0.00                                   | 0.00 %              | 0.00                | 0.00                | 0.00                                   | 0.00 %              | 33,000.00           |
| <a href="#">1-5510-00</a>                  | Motor Vehicle Expense             | 4,723.11           | 1,021.21             | 3,701.90                               | 78.38 %             | 28,338.66           | 23,012.10           | 5,326.56                               | 18.80 %             | 56,700.00           |
| <a href="#">1-5620-00</a>                  | Office Supplies & Expense         | 14,225.55          | 16,948.00            | -2,722.45                              | -19.14 %            | 85,353.30           | 117,206.19          | -31,852.89                             | -37.32 %            | 170,775.00          |
| <a href="#">1-5625-00</a>                  | Meetings / Training / Seminars    | 1,999.20           | 2,684.47             | -685.27                                | -34.28 %            | 11,995.20           | 8,946.38            | 3,048.82                               | 25.42 %             | 24,000.00           |
| <a href="#">1-5630-00</a>                  | Insurance                         | 9,996.00           | 9,554.65             | 441.35                                 | 4.42 %              | 59,976.00           | 56,013.71           | 3,962.29                               | 6.61 %              | 120,000.00          |
| <a href="#">1-5687-00</a>                  | Membership, Dues, Subscript.      | 6,164.20           | 1,397.00             | 4,767.20                               | 77.34 %             | 36,985.20           | 24,700.17           | 12,285.03                              | 33.22 %             | 74,000.00           |
| <a href="#">1-5689-00</a>                  | Labor Relations                   | 499.80             | 0.00                 | 499.80                                 | 100.00 %            | 2,998.80            | 0.00                | 2,998.80                               | 100.00 %            | 6,000.00            |
| <a href="#">1-5700-00</a>                  | San Mateo County Fees             | 1,582.70           | 1,518.00             | 64.70                                  | 4.09 %              | 9,496.20            | 11,241.98           | -1,745.78                              | -18.38 %            | 19,000.00           |
| <a href="#">1-5705-00</a>                  | State Fees                        | 1,332.80           | 167.00               | 1,165.80                               | 87.47 %             | 7,996.80            | 19,012.71           | -11,015.91                             | -137.75 %           | 16,000.00           |
| <b>Total ExpType: 1 - Operating:</b>       |                                   | <b>546,407.20</b>  | <b>593,253.04</b>    | <b>-46,845.84</b>                      | <b>-8.57 %</b>      | <b>4,647,096.20</b> | <b>3,978,179.44</b> | <b>668,916.76</b>                      | <b>14.39 %</b>      | <b>8,179,215.00</b> |
| <b>ExpType: 4 - Capital Related</b>        |                                   |                    |                      |  |                     |                     |                     |  |                     |                     |
| <a href="#">1-5712-00</a>                  | Debt Service/Existing Bonds 2006B | 0.00               | 0.00                 | 0.00                                   | 0.00 %              | 356,597.00          | 356,581.86          | 15.14                                  | 0.00 %              | 486,426.00          |
| <a href="#">1-5715-00</a>                  | Debt Service/CIEDB 11-099         | 0.00               | 0.00                 | 0.00                                   | 0.00 %              | 260,466.00          | 260,466.28          | -0.28                                  | 0.00 %              | 336,409.00          |
| <a href="#">1-5716-00</a>                  | Debt Service/CIEDB 2016           | 0.00               | 0.00                 | 0.00                                   | 0.00 %              | 0.00                | 0.00                | 0.00                                   | 0.00 %              | 145,203.00          |
| <b>Total ExpType: 4 - Capital Related:</b> |                                   | <b>0.00</b>        | <b>0.00</b>          | <b>0.00</b>                            | <b>0.00 %</b>       | <b>617,063.00</b>   | <b>617,048.14</b>   | <b>14.86</b>                           | <b>0.00 %</b>       | <b>968,038.00</b>   |
| <b>Total Expense:</b>                      |                                   | <b>546,407.20</b>  | <b>593,253.04</b>    | <b>-46,845.84</b>                      | <b>-8.57 %</b>      | <b>5,264,159.20</b> | <b>4,595,227.58</b> | <b>668,931.62</b>                      | <b>12.71 %</b>      | <b>9,147,253.00</b> |
| <b>Report Total:</b>                       |                                   | <b>528,919.04</b>  | <b>564,060.96</b>    | <b>35,141.92</b>                       |                     | <b>824,208.24</b>   | <b>1,740,562.57</b> | <b>916,354.33</b>                      |                     | <b>2,234,636.00</b> |

**COASTSIDE COUNTY WATER DISTRICT  
MONTHLY INVESTMENT REPORT  
December 31, 2016**

**RESERVE BALANCES**

|                                |                       |
|--------------------------------|-----------------------|
| CAPITAL AND OPERATING RESERVE  | \$4,049,665.12        |
| RATE STABILIZATION RESERVE     | \$250,000.00          |
| <b>TOTAL DISTRICT RESERVES</b> | <b>\$4,299,665.12</b> |

**ACCOUNT DETAIL**

|   |                       |
|---|-----------------------|
| ACCOUNTS WITH FIRST NATIONAL BANK (FNB)     |                       |
| CHECKING ACCOUNT                            | \$2,405,451.98        |
| CSP T & S ACCOUNT                           | \$866,153.28          |
| LOCAL AGENCY INVESTMENT FUND (LAIF) BALANCE | \$1,027,359.86        |
| DISTRICT CASH ON HAND                       | \$700.00              |
| <b>TOTAL ACCOUNT BALANCES</b>               | <b>\$4,299,665.12</b> |

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

**COASTSIDE COUNTY WATER DISTRICT  
APPROVED CAPITAL IMPROVEMENT PROJECTS  
FISCAL YEAR 2016-2017**

12/31/2016

= still to be committed

| Approved<br>CIP Budget<br>FY 16/17 | Actual<br>To Date<br>FY16/17 | Projected<br>Year-End<br>FY 16/17 | Variance<br>vs. Budget | %<br>Completed | Project Status/<br>Comments |
|------------------------------------|------------------------------|-----------------------------------|------------------------|----------------|-----------------------------|
|------------------------------------|------------------------------|-----------------------------------|------------------------|----------------|-----------------------------|

**Equipment Purchases & Replacement**

|       |   |           |           |            |             |     |   |
|-------|---|-----------|-----------|------------|-------------|-----|---|
| 06-03 | SCADA/Telemetry/Electrical Controls Replacement | \$ 50,000 |           | \$ 130,000 | \$ (80,000) | 0%  | Calcon work directive 16-04 \$126K (will be presented for approval at Jan 2017 board meeting) |
| 17-02 | Forklift for Nunes                              | \$ 30,000 | \$ 14,661 | \$ 14,661  | \$ 15,339   | 49% | completed   |
| 99-03 | Computer Systems                                | \$ 5,000  | \$ 1,053  | \$ 5,000   | \$ -        | 21% |   |
| 99-04 | Office Equipment/Furniture                      | \$ 3,000  |           | \$ 3,000   | \$ -        | 0%  |   |

**Facilities & Maintenance**

|       |  |            |            |            |             |      |                          |
|-------|--|------------|------------|------------|-------------|------|--------------------------|
| 08-08 | PRV Valves Replacement Project           | \$ 30,000  | \$ 7,090   | \$ 30,000  | \$ -        | 24%  | will spend in FY2016-17  |
| 09-09 | Fire Hydrant Replacement                 | \$ 40,000  | \$ 14,635  | \$ 40,000  | \$ -        | 37%  | will spend in FY2016-17  |
| 09-23 | District Digital Mapping                 | \$ 10,000  |            |            | \$ 10,000   | 0%   | accounted for in expense |
| 14-14 | Pilarcitos Canyon Road Improvements      | \$ 65,000  | \$ 82,781  | \$ 82,781  | \$ (17,781) | 100% | completed                |
| 17-11 | Pilarcitos PRV Station Valve Replacement | \$ 45,000  |            | \$ 45,000  | \$ -        | 0%   | will spend in FY2016-17  |
| 09-07 | Advanced Metering Infrastructure         | \$ 300,000 | \$ 4,793   | \$ 300,000 | \$ -        | 2%   | will spend in FY2016-17  |
| 99-01 | Meter Change Program                     | \$ 300,000 | \$ 188,282 | \$ 300,000 | \$ -        | 63%  | will spend in FY2016-17  |

**Pipeline Projects**

|       |   |            |            |            |             |     |   |
|-------|---|------------|------------|------------|-------------|-----|---|
| 06-01 | Avenue Cabrillo Phase 3B Pipeline Replacement Project | \$ 650,000 | \$ 623,119 | \$ 650,000 | \$ -        | 96% | Notice of completion - Jan 2017 Board meeting |
| 13-02 | Replace 8" Pipeline Under Creek at Pilarcitos Avenue  | \$ 100,000 | \$ 7,604   | \$ 150,000 | \$ (50,000) | 8%  | For approval at Jan 2017 Board meeting        |
| 14-26 | Replace 2" Pipe in Downtown Half Moon Bay             | \$ 500,000 | \$ 5,662   | \$ 500,000 | \$ -        | 1%  | Engineering is in process                     |

**Pump Stations / Tanks / Wells**

|       |  |            |            |            |              |     |   |
|-------|--|------------|------------|------------|--------------|-----|---|
| 06-04 | Hazen's Tank Replacement                                 | \$ 30,000  |            |            | \$ 30,000    | 0%  | on hold-evaluate after completion of Bridgeport Pipeline/Denniston PS project |
| 06-03 | El Granada Tank #3 Recoating Project                     | \$ 600,000 | \$ 236,282 | \$ 700,000 | \$ (100,000) | 39% | In process (Canyon bid \$683K)  |
| 13-11 | EG Tank #1 & Tank #2 Emergency Generators                | \$ 200,000 | \$ 8,762   | \$ 200,000 | \$ -         | 4%  | near completion   |
| 17-03 | Pilarcitos Wells 3 and 3A Rehabilitation                 | \$ 90,000  | \$ 51,733  | \$ 100,000 | \$ (10,000)  | 57% | In process  |
| 17-05 | Crystal Springs Pump Station Motor Controls              | \$ 50,000  |            | \$ 50,000  | \$ -         | 0%  | will spend in FY2016-17 (Calcon)  |
| 17-06 | Crystal Springs Pump Station Discharge Valve Replacement | \$ 30,000  |            | \$ 30,000  | \$ -         | 0%  | will spend in FY2016-17 (Calcon)  |

**Water Supply Development**

|               |  |              |          |              |      |    |  |
|---------------|--|--------------|----------|--------------|------|----|--|
| 10-02 & 12-04 | Denniston Pump Station & Pipeline Project (formerly Bridgeport Drive Pipeline Replacement Project) | \$ 2,600,000 | \$ 5,496 | \$ 2,600,000 | \$ - | 0% | Project is starting in January 2017 (completion scheduled for late June 2017 -- cash flow could go into to next fiscal year) |
| 17-12         | Recycled Water Project Development   | \$ 100,000   |          | \$ 100,000   | \$ - | 0% | no current commitments   |

**Water Treatment Plants**

|       |   |           |          |           |      |    |   |
|-------|---|-----------|----------|-----------|------|----|---|
| 17-01 | Nunes Water Treatment Plant Treated Water Meter     | \$ 50,000 |          | \$ 50,000 | \$ - | 0% | \$ are needed for engineering; possible start FY2016/17 |
| 17-04 | Denniston Dam Spillway                              | \$ 10,000 |          | \$ 10,000 | \$ - | 0% | will spend in FY2016-17                                 |
| 17-07 | Denniston WTP Site Improvements for Erosion Control | \$ 50,000 |          | \$ 50,000 | \$ - | 0% | will spend in FY2016-17                                 |
| 17-08 | Nunes Filter Surface Wash Repairs                   | \$ 50,000 | \$ 3,507 | \$ 50,000 | \$ - | 7% | For approval at January 2017 board meeting              |

COASTSIDE COUNTY WATER DISTRICT  
 APPROVED CAPITAL IMPROVEMENT PROJECTS  
 FISCAL YEAR 2016-2017

12/31/2016

|       |                                      | Approved<br>CIP Budget<br>FY 16/17 | Actual<br>To Date<br>FY16/17 | Projected<br>Year-End<br>FY 16/17 | Variance<br>vs. Budget | %<br>Completed | Project Status/<br>Comments |
|-------|--------------------------------------|------------------------------------|------------------------------|-----------------------------------|------------------------|----------------|-----------------------------|
|       | = still to be committed              |                                    |                              |                                   |                        |                |                             |
| 17-10 | Nunes Backwash Pond Sand Replacement | \$ 65,000                          | \$ 2,231                     | \$ 29,000                         | \$ 36,000              | 3%             | will spend in FY2016-17     |
| 99-05 | Denniston Maintenance Dredging       | \$ 35,000                          | \$ 7,681                     | \$ 35,000                         | \$ -                   | 22%            | will spend in FY2016-17     |

**FY 16/17 TOTALS \$ 6,088,000 \$ 1,265,371 \$ 6,254,442 \$ (166,442)**

**Previous CIP Projects - paid in FY 16/17**

|                                |   |          |                  |                  |                    |  |  |
|--------------------------------|---|----------|------------------|------------------|--------------------|--|--|
| 14-24                          | Denniston/San Vicente EIR & Permitting              |          | \$ 13,844        | \$ 13,844        | \$ (13,844)        |  |  |
| 99-02                          | 2017 Transit Van                                    |          | \$ 30,482        | \$ 30,482        | \$ (30,482)        |  | On FY15/16 CIP                         |
|                                | Ventura / Washington Pipeline Replacement           |          | \$ 5,775         | \$ 5,775         | \$ (5,775)         |  | On FY15/16 CIP                         |
| 10-01                          | El Granada Pipeline Final Phase Replacement Project |          | \$ (1,026)       | \$ (1,026)       | \$ 1,026           |  | Completed - Refund for Application Fee |
| <b>PREVIOUS YEAR TOTALS \$</b> |   | <b>-</b> | <b>\$ 49,076</b> | <b>\$ 49,075</b> | <b>\$ (49,075)</b> |  |  |

**UNSCHEDULED ITEMS (CAPITAL EXPENDITURES) FOR CURRENT FISCAL YEAR 16/17**

|       |  |  |           |           |             |  |   |
|-------|--|--|-----------|-----------|-------------|--|---|
|       | Mixers for El Granada Tanks #1 and #2            |  | \$ 3,128  | \$ 3,128  | \$ (3,128)  |  | Completed (\$3K is for installation; Mixers were purchased in 6/2016) Currently conducting study to determine next steps/additional \$\$\$ required.) |
|       | Wavecrest Road Pipeline Extension - CCWD Portion |  | \$ 169    | \$ 20,000 | \$ (20,000) |  | CCWD portion of pipeline - to be completed after hotel pipeline is completed  |
|       | Stone Dam Pipeline Project                       |  | \$ 22,296 | \$ 22,296 | \$ (22,296) |  | \$ and timing TBD - scheduled for SFPUC plan review - January 2017  |
| 06-02 | Highway One South Pipeline Replacement Project   |  | \$ 557    | \$ 557    | \$ (557)    |  |   |
|       | 2017 Ford F-150 Pickup                           |  | \$ 22,528 | \$ 22,528 | \$ (22,528) |  | Emergency replacement   |
| 07-03 | Pilarcitos Canyon Pipeline Replacement           |  | \$ 8,405  | \$ 8,405  | \$ (8,405)  |  |   |
|       | Replace 4" Fire Check at District Office         |  | \$ 11,400 | \$ 11,400 | \$ -        |  | Completed   |

**NON-BUDGETED TOTALS \$ - \$ 68,483 \$ 88,314 \$ (76,914)**

**CIP TOTALS \$ 6,088,000 \$1,382,929 \$ 6,391,831 \$ (292,431)**

FY2016-17 Range \$5M to \$6.4M -- given cash flow timing

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

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

| <b>Month</b>  | <b>Admin<br/>(General<br/>Legal<br/>Fees)</b> | <b>Water<br/>Supply<br/>Develpmnt</b> | <b>Recycled<br/>Water</b> | <b>Transfer<br/>Program</b> | <b>CIP</b>   | <b>Personnel</b> | <b>Water<br/>Shortage</b> | <b>Lawsuits</b> | <b>Infrastructure<br/>Project<br/>Review<br/><br/>(Reimbursable)</b> | <b>TOTAL</b>   |
|---------------|---|---------------------------------------|---------------------------|-----------------------------|--------------|------------------|---------------------------|-----------------|--|----------------|
| <b>Jan-16</b> | 2,673   | 970                                   |                           | 798                         | 941          |                  |                           |                 |  | 5,382          |
| <b>Feb-16</b> | 2,969   |                                       |                           |                             | 1,000        | 7,859            |                           |                 |  | 11,828         |
| <b>Mar-16</b> | 8,572   |                                       | 272                       |                             | 60           | 8,282            |                           |                 |  | 17,187         |
| <b>Apr-16</b> | 8,014   |                                       |                           | 900                         | 91           | 2,640            |                           |                 |  | 11,645         |
| <b>May-16</b> | 3,616   |                                       |                           | 776                         |              | 5,438            |                           |                 |  | 9,830          |
| <b>Jun-16</b> | 3,583   |                                       | 1,540                     |                             |              | 11,879           |                           |                 |  | 17,002         |
| <b>Jul-16</b> | 7,269   |                                       | 1,812                     | 392                         |              | 5,564            |                           |                 |  | 15,037         |
| <b>Aug-16</b> | 3,412   |                                       |                           | 284                         | 674          | 18,541           |                           |                 |  | 22,912         |
| <b>Sep-16</b> | 2,489   |                                       |                           | 603                         | 3,798        | 7,063            |                           |                 |  | 13,953         |
| <b>Oct-16</b> | 2,205   |                                       |                           | 784                         | 1,392        | 677              |                           |                 |  | 5,056          |
| <b>Nov-16</b> | 1,909   |                                       | 815                       | 757                         | 1,657        | 677              |                           |                 | 242  | 6,057          |
| <b>Dec-16</b> | 2,776   |                                       | 513                       | 544                         | 60           | 478              |                           |                 |  | 4,371          |
| <b>TOTAL</b>  | <b>49,488</b>                                 | <b>970</b>                            | <b>4,953</b>              | <b>5,837</b>                | <b>9,673</b> | <b>69,098</b>    | <b>0</b>                  | <b>0</b>        | <b>242</b>   | <b>140,260</b> |

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

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

| <b>Month</b>  | <b>Admin &amp;<br/>Retainer</b> | <b>CIP</b>    | <b>Studies &amp;<br/>Projects</b> | <b>TOTAL</b>   | <b>Reimbursable<br/>from<br/>Projects</b> |
|---------------|---------------------------------|---------------|-----------------------------------|----------------|---|
| <b>Jan-16</b> | 480                             |               | 4,392                             | <b>4,872</b>   | 4,392                                     |
| <b>Feb-16</b> | 1,926                           | 6,083         | 338                               | <b>8,347</b>   | 338                                       |
| <b>Mar-16</b> | 2,291                           | 5,812         |                                   | <b>8,103</b>   |   |
| <b>Apr-16</b> | 480                             | 10,650        | 2,789                             | <b>13,919</b>  | 2,789                                     |
| <b>May-16</b> | 2,508                           | 12,863        | 7,014                             | <b>22,385</b>  | 7,014                                     |
| <b>Jun-16</b> | 1,280                           | 4,960         | 2,191                             | <b>8,431</b>   | 2,191                                     |
| <b>Jul-16</b> | 480                             |               |                                   | <b>480</b>     | 0   |
| <b>Aug-16</b> | 480                             | 14,917        |                                   | <b>15,397</b>  | 0   |
| <b>Sep-16</b> | 480                             | 8,597         |                                   | <b>9,077</b>   | 0   |
| <b>Oct-16</b> | 480                             | 17,965        |                                   | <b>18,445</b>  | 0   |
| <b>Nov-16</b> | 480                             | 12,365        | 254                               | <b>13,098</b>  | 254                                       |
| <b>Dec-16</b> | 480                             | 3,392         | 2,424                             | <b>6,296</b>   | 2,424                                     |
| <b>TOTAL</b>  | <b>11,845</b>                   | <b>97,603</b> | <b>19,401</b>                     | <b>128,849</b> | <b>19,401</b>                             |

**Calcon T&M Projects Tracking**  
as of 12/31/2016

| Project No. | Name                                   | Acct No. | Proposal Date | Approved Date | Project Budget | Project Total Billing (thru 6/30/16) | Project Billing FY2016-17 | Project Budget Remaining |                    |
|-------------|--|----------|---------------|---------------|----------------|--------------------------------------|---------------------------|--------------------------|--------------------|
| CAL-13-EMG  | Emergency Callout                      |          |               |               |                |                                      |                           |                          |                    |
| CAL-14-EMG  | Emergency Callout                      |          |               |               |                |                                      |                           |                          |                    |
| CAL-15-EMG  | Emergency Callout                      |          |               |               |                |                                      |                           |                          |                    |
| CAL-13-00   | Calcon Project Admin/Miscellaneous     |          |               |               |                |                                      |                           |                          |                    |
| CAL-13-01   | EG Tank 2 Recoating Project            |          | 9/30/13       | 10/8/13       | \$8,220.00     | \$8,837.50                           |                           | -\$617.50                |                    |
| CAL-13-02   | Nunes Control System Upgrades          |          | 9/30/13       | 10/8/13       | \$46,141.00    | \$55,363.60                          |                           | -\$9,222.60              |                    |
| CAL-13-03   | Win 911 and PLC Software               |          | 9/30/13       | 10/8/13       | \$9,717.00     | \$12,231.74                          |                           | -\$2,514.74              |                    |
| CAL-13-04   | Crystal Springs Surge Tank Retrofit    |          | 11/26/13      | 11/27/13      | \$31,912.21    | \$66,572.54                          |                           | -\$34,660.33             |                    |
| CAL-13-05   |  |          |               |               |                | \$0.00                               |                           | \$0.00                   |                    |
| CAL-13-06   | Nunes Legacy Backwash System Removal   |          | 11/25/13      | 11/26/13      | \$6,516.75     | \$6,455.00                           |                           | \$61.75                  |                    |
| CAL-13-07   | Denniston Backwash FTW Valves          |          | 11/26/13      | 11/27/13      | \$6,914.21     | \$9,518.28                           |                           | -\$2,604.07              |                    |
| CAL-14-01   | Denniston Wash Water Return Retrofit   |          | 1/28/14       | 2/14/14       | \$13,607.00    | \$13,591.60                          |                           | \$15.40                  |                    |
| CAL-14-02   | Denniston Calrifier SCADA Data         |          | 4/2/14        | 4/7/14        | \$4,125.00     | \$4,077.50                           |                           | \$47.50                  |                    |
| CAL-14-03   | Nunes Surface Scatter Turbidimeter     |          | 4/2/14        | 4/7/14        | \$2,009.50     | \$0.00                               |                           | \$2,009.50               |                    |
| CAL-14-04   | Phase I Control System Upgrade         |          | 4/2/14        | 4/7/14        | \$75,905.56    | \$44,459.14                          |                           | \$31,446.42              |                    |
| CAL-14-06   | Miramar Control Panel                  |          | 8/28/14       | 8/28/14       | \$37,953.00    | \$27,980.71                          |                           | \$9,972.29               |                    |
| CAL-14-08   | SFWater Flow & Data Logger/Cahill Tank |          | 8/20/2014     | 8/20/2014     | \$1,370.00     | \$1,372.00                           |                           | -\$2.00                  |                    |
| CAL-15-01   | Main Street Monitors                   |          |               |               |                | \$6,779.42                           |                           | -\$6,779.42              |                    |
| CAL-15-02   | Denniston To Do List                   |          |               |               |                | \$2,930.00                           |                           | -\$2,930.00              |                    |
| CAL-15-03   | Nunes & Denniston Turbidity Meters     |          |               |               | \$6,612.50     | \$5,833.26                           |                           | \$779.24                 |                    |
| CAL-15-04   | Phase II Control System Upgrade        |          | 6/23/2015     | 8/11/2015     | \$195,000.00   | \$164,904.50                         |                           | \$30,095.50              |                    |
| CAL-15-05   | Permanganate Water Flow                |          |               |               |                | \$1,567.15                           |                           | -\$1,567.15              |                    |
|             |  |          |               |               |                | <b>\$446,003.73</b>                  | <b>\$432,473.94</b>       | <b>\$0.00</b>            | <b>\$13,529.79</b> |

**Other: Maintenance**

|                             |              |
|-----------------------------|--------------|
| Tanks                       | \$ 2,950.00  |
| Crystal Springs Maintenance | \$ 1,117.50  |
| Nunes Maintenance           | \$ 6,905.73  |
| Denniston Maintenance       | \$ 26,993.06 |

**TOTAL FY2016/17**

**\$ 37,966.29**

# COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

## MINUTES OF THE REGULAR BOARD OF DIRECTORS MEETING

Tuesday, December 13, 2016

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

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

- 2) **PLEDGE OF ALLEGIANCE**

- 3) **PUBLIC COMMENT**

Melodie Madsen - 281 Capistrano Road, Princeton - Ms. Madsen stated that she was representing Barbara's Fishtrap Restaurant and was following up to her visit at the November 8, 2016 CCWD Board meeting to report that the restaurant is still experiencing low water volume and she is waiting for a resolution to the problem.

Brief discussion ensued and Vice-President Reynolds agreed to visit the site the following day to assess the situation, then coordinate with the General Manager in reporting any observations back to the Board..

James Boyle - 170 Avenue Portola, El Granada - stated that approximately six years ago he purchased some property on Coronado Avenue in Miramar and was able to combine it with another lot, which qualified for a 3/4" priority water connection, which he purchased. He explained that as he developed the property and built a house, it was discovered that the residence only required a 5/8" connection, which is what was actually installed. Mr. Boyle added that he is asking for a refund for the difference in the down-sized connection from what was originally purchased but has learned that the District does not have a policy to address providing a refund. Mr. Boyle went on to suggest that he be allowed to transfer and utilize the remainder of the originally purchased connection on a lot that is adjacent to his current residence located on Avenue Portola in El Granada.

Mr. Dickson stated that opportunities for the transfer of priority connections are very limited and that the District does not have a policy regarding refunds or the re-purchase of connections.



**4) CONSENT CALENDAR**

- A. Approval of disbursements for the month ending November 30 2016:  
Claims: \$599,212.34; Payroll: \$99,518.57 for a total of \$698,730.91  
➤ *November 2016 Monthly Financial Claims reviewed and approved by Director Coverdell*
- B. Acceptance of Financial Reports
- C. Approval of Minutes of November 8, 2016 Regular Board of Directors Meeting
- D. Installed Water Connection Capacity and Water Meters Report
  
- E. Total CCWD Production Report
- F. CCWD Monthly Sales by Category Report – November 2016
- G. Monthly Emergency Main & Service Repairs Report and Water Line Flushing Report
- H. Rainfall Reports
- I. S.F.P.U.C. Hydrological Report for the month of October, 2016
- J. Request for Board to Provide Authorization to Write Off Bad Debts for Fiscal Year ending 2015-2016

Director Coverdell stated that he had reviewed the monthly financial claims and found all to be in order.

**ON MOTION BY Vice-President Reynolds and seconded by Director Coverdell, the Board voted to accept and approve the Consent Calendar in its entirety:**

|                                |               |
|--------------------------------|---------------|
| <b>Director Coverdell</b>      | <b>Aye</b>    |
| <b>Director Mickelsen</b>      | <b>Aye</b>    |
| <b>Director Feldman</b>        | <b>Aye</b>    |
| <b>Vice-President Reynolds</b> | <b>Aye</b>    |
| <b>President Glassberg</b>     | <b>Absent</b> |

**5) MEETINGS ATTENDED / DIRECTOR COMMENTS**

Director Mickelsen reported on the recent Bay Area Water Supply & Conservation Agency (BAWSCA) Board of Directors meeting, providing an update on the status of several projects, including the Mountain Tunnel Project.

Vice-President Reynolds stated that he had attended a small utilities interagency meeting which included Federal, State, and County representatives and drinking water systems in Region 9, in the western United States were reviewed and discussed.

**6) GENERAL BUSINESS**

**A. Approval of Water Service Agreement – Best Western Hotel**

Mr. Dickson explained the background of this project which requires construction of a pipeline extension along Wavecrest Road. He advised the Board that there are a few parts of the water service agreement that require some revisions.

Director Coverdell made a motion to authorize the General Manager to execute the Water Service Agreement between CCWD and StayCal/Palmer Enterprises for construction of a pipeline extension along Wavecrest Road and discussion ensued. Mr. Miyaki made a recommendation regarding how the motion could be worded to accommodate the necessary revisions to the water service agreement.

**ON MOTION BY Director Coverdell and seconded by Director Mickelsen, the Board voted, by roll call vote, to authorize the General Manager to execute a water service agreement between Coastside County Water District and StayCal/Palmer Enterprises for construction of a pipeline extension along Wavecrest Road in a final form to be approved by the General Manager and Legal Counsel:**

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

**B. Refurbishment of Pilarcitos Canyon Wells 3 and 3a**

Mr. Guistino summarized the background of this project, advising that with the steady increase of SFPUC raw water costs, the District is highly motivated in developing and maintaining the Pilarcitos and Denniston well fields to take advantage of high quality and low cost water.

**ON MOTION BY Vice-President Reynolds and seconded by Director Feldman, the Board voted, by roll call vote, to approve expenditures for refurbishment of Pilarcitos Wells 3 and 3a and authorize the General Manager to contract for additional work as necessary to bring the wells into full operation for a total cost not to exceed \$92,000:**

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

**C. Crystal Springs Pump 1 Motor Replacement**

Mr. Guistino outlined the problems experienced with Crystal Springs Pump 1 since 2007 and the continuous repairs to the pump. He emphasized that in order to keep the Crystal Springs pumps fully available, staff believes it is essential to replace this motor at this time.

**ON MOTION BY Director Coverdell and seconded by Vice-President Reynolds, the Board voted, by roll call vote, to authorize the General Manger to contract with Pump Repair Service Co. to provide and install a new GE 350 HP motor for Crystal Springs Pump 1 for a total cost not to exceed \$63,000:**

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

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

Vice-President Reynolds introduced this agenda item and opened the nomination period. Director Coverdell nominated Vice-President Reynolds to serve as President of the Board, which was seconded by Director Mickelsen. Director Coverdell then nominated Director Feldman to serve as the District's Vice-President, which was seconded by Vice-President Reynolds.

**ON MOTION BY Director Mickelsen and seconded by Director Coverdell, the Board voted, by roll call vote, to close the nomination period and proceed with the vote on the nominated election candidates:**

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

Director Coverdell moved that the nominations be accepted by acclamation, however there was a bit of uncertainty with the proper way to address the procedure with a motion made by acclamation, so Director Coverdell withdrew the motion by acclamation and restated it as follows.

**ON MOTION BY Director Coverdell and seconded by Vice-President Reynolds, the Board voted, by roll call vote, to accept the two nominations as presented, with Director Reynolds serving as the CCWD's Board's President and Director Feldman serving as the Board's Vice-President:**

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

7) **GENERAL MANAGER'S REPORT AND MONTHLY INFORMATIONAL REPORTS**

- **Retirement of Senior Treatment/Distribution Operator, Don Patterson** - Mr. Dickson advised that Mr. Patterson was retiring after sixteen years of service and that the District will miss his dedication and competence and the gentlemanly example he set for the District.

On behalf of the Board, President Reynolds expressed his appreciation to Mr. Patterson for his service to the District.

- A. **Assistant General Manager's Report** - Ms. Rogren provided an update on the progress of the advanced metering infrastructure program (AMI). She also reported on the two conferences, ACWA and CalPERS that she had recently attended.
- B. **Operations Report** - Mr. Guistino highlighted a few recent District events.
- C. **Water Resources Report** - Ms. Brennan provided a brief update to the Board on the proposed framework for implementation of Executive Order B-37-16, which she indicated, will have a significant impact on the District's resources. She provided a summary table of the directives and proposed actions within the draft framework.

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

There were no requests for future agenda items from the Board.

9) **ADJOURNMENT** - The meeting was adjourned at 7:59 p.m.

Respectfully submitted,

---

David Dickson, General Manager  
Secretary to the District

---

Glenn Reynolds, President  
Board of Directors

# ***STAFF REPORT***

**To: Coastside County Water District Board of Directors**

**From: David Dickson, General Manager**

**Agenda: January 10, 2017**

Report

**Date: January 3, 2017**

**Subject: Monthly Water Transfer Report - December 2016**

---

## **Recommendation:**

None. For Board information purposes only.

## **Background:**

At the December 10, 2002 Board meeting and November 18, 2003 Special Board meeting, the Board made several changes to the District's water transfer policy. One of the changes directed the General Manager to approve routine water transfer applications that met the District's criteria as embodied in Resolution 2002-17 and Resolution 2003-19. The General Manager was also directed to report the number of water transfers approved each month as part of the monthly Board packet information.

During the month of December, two applications to transfer two -- 5/8" (20 gpm) non-priority water service connections were approved. A spreadsheet reporting these transfers follows this report as well as the approval memorandums from Patrick Miyaki and the confirmation letters from Gina Brazil.

**NON PRIORITY WATER TRANSFERS APPROVED FOR THE 2016 CALENDAR YEAR  
MONTH OF DECEMBER 2016**

| <b>DONATING APN</b> | <b>PROPERTY OWNER(S)</b>      | <b>RECIPIENT APN</b> | <b>PROPERTY OWNER(S)</b>            | <b># OF CONNECTIONS</b> | <b>DATE</b>       |
|---------------------|-------------------------------|----------------------|-------------------------------------|-------------------------|-------------------|
| 056-391-010         | Bahram & Zohreh<br>Abolmoluki | 047-275-050          | Bahram & Zohreh Abolmoluki          | 1 -- 5/8"               | December 8, 2016  |
| 048-072-290         | Steve Peterson                | 065-206-160          | Isabella Trust (Helen J. Carey, Tr) | 1 -- 5/8"               | December 16, 2016 |

## Memorandum

**TO:** Gina Brazil  
**FROM:** Patrick T. Miyaki  
**DATE:** December 6, 2016  
**RE:** **Application to Transfer One Uninstalled Non-Priority Water Service Connection from Bahram & Zohreh Abolmoluki to Bahram & Zohreh Abolmoluki**

---

Gina, I have reviewed the Application to transfer one 5/8-inch uninstalled non-priority water service connection from property owned by Bahram & Zohreh Abolmoluki (APN 056-391-010) to Bahram & Zohreh Abolmoluki (APN 047-275-050).

The Application is generally in order and satisfies the requirements of the District's General Regulations Regarding Water Service, Section U, Transfer of Uninstalled Water Service Connection Rights.

Please do not hesitate to contact me if you have any questions or want to discuss this matter in more detail.

PTM:slh

cc: David Dickson, General Manager  
Patrick T. Miyaki



December 8, 2016

Bahram & Zohreh Abolmoluki  
3312 Melendy Drive  
San Carlos, CA 94070

RE: Approval - Request for Transfer of Water Service Connection Capacity

Dear Property Owner(s):

This is official confirmation that the Coastside County Water District has approved your request to transfer one - 5/8" non-priority water service connections. The result of this transfer is as follows:

- **APN 056-391-010** continues to have the rights to one - 3/4" (30 gpm) uninstalled non-priority water service connections from the Coastside County Water District; and
- **APN 047-275-050** now has one -- 5/8" (20 gpm) uninstalled non-priority water service connection assigned to it from the Crystal Springs Project.

Please be advised that the City Council of the City of Half Moon Bay has taken the position that the transfer of a water service connection meets the definition of "development" so as to require a coastal development permit from the City. Applicants are advised to investigate this issue further with the City of Half Moon Bay Planning Department if applicable. The Coastside County Water District, in approving this application, does not make any representations or warranties with respect to further permits or approvals required by other governmental agencies, including the City of Half Moon Bay.

Sincerely,

Gina Brazil  
Office Manager

cc: David Dickson, General Manager



## Memorandum

**TO:** Gina Brazil  
**FROM:** Patrick T. Miyaki  
**DATE:** December 16, 2016  
**RE:** **Application to Transfer One Uninstalled Non-Priority Water Service Connection from Steve Peterson to Isabella Trust (Helen J. Carey, Tr.)**

---

Gina, I have reviewed the Application to transfer one 5/8-inch uninstalled non-priority water service connection from property owned by Steve Peterson (APN 048-072-290) to Isabella Trust (Helen J. Carey, Tr.) (APN 065-206-160).

The Application is generally in order and satisfies the requirements of the District's General Regulations Regarding Water Service, Section U, Transfer of Uninstalled Water Service Connection Rights.

Please do not hesitate to contact me if you have any questions or want to discuss this matter in more detail.

PTM:slh

cc: David Dickson, General Manager  
Patrick T. Miyaki

December 8, 2016



Steve Peterson  
P. O. Box 620865  
Woodside, CA 94062

and

Helen J. Carey  
Isabella Trust  
2 Isabella Avenue  
Atherton, CA 94027

RE: Approval - Request for Transfer of Water Service Connection Capacity

Dear Property Owner(s):

This is official confirmation that the Coastside County Water District has approved your request to transfer one - 5/8" non-priority water service connections. The result of this transfer is as follows:

- APN 048-072-290 has no present right to a water service connection from the Coastside County Water District; and
- APN 065-206-160 now has one -- 5/8" (20 gpm) uninstalled non-priority water service connection assigned to it from the Crystal Springs Project.

Please be advised that the City Council of the City of Half Moon Bay has taken the position that the transfer of a water service connection meets the definition of "development" so as to require a coastal development permit from the City. Applicants are advised to investigate this issue further with the City of Half Moon Bay Planning Department if applicable. The Coastside County Water District, in approving this application, does not make any representations or warranties with respect to further permits or approvals required by other governmental agencies, including the City of Half Moon Bay.

Sincerely,

A handwritten signature in cursive script that reads "Gina Brazil".

Gina Brazil  
Office Manager

cc: David Dickson, General Manager



**Fiscal Year 2017 Water Service Installations**

*FY 2017*

| APN         | Name                       | Install Address    | City/Community | Meter Size | Type   | Date Installed | Notes                     |
|-------------|----------------------------|--------------------|----------------|------------|--------|----------------|---------------------------|
| 056-081-380 | Nava, Kenneth & Yvonne     | 694 Terrace Ave    | HMB            | 5/8"       | dom    | 25-Jul-16      | with 1" fire              |
| 047-218-150 | Engdahl, Maxine            | 640 Ferdinand      | EG             | 5/8"       | dom    | 5-Aug          | with 1" fire              |
| 064-321-120 | Jones, Lani and Greg       | 371 Magnolia St    | HMB            | 5/8"       | dom    | 11-Aug         | with 1" fire              |
| 048-013-090 | Philomena LLC              | 114 Magellan Ave.  | Miramar        | 5/8"       | dom    | 27-Sep         | with 1" fire              |
| 047-062-170 | DaRosa, Tom                | 431 Sonora Ave.    | EG             | 5/8"       | dom    | 28-Sep         | 1" fire installed 10/6/16 |
| 047-221-070 | Sanchez, Cesar             | 435 Avenue Del Oro | EG             | 5/8"       | dom    | 3-Oct          | with 1" fire              |
| 056-502-080 | Oceanview Foundation       | 1001 Main Street   | HMB            | 1"         | irr    | 4-Oct          |                           |
| 056-502-080 | Oceanview Foundation       | 1001 Main Street   | HMB            | 3"         | dom    | 4-Oct          |                           |
| 056-116-120 | Gray, Kenneth              | 419 Correas Street | HMB            | 5/8"       | dom    | 11-Oct         | failed well               |
| 047-071-230 | McKee, Patrick and Barbara | 139 Madrona Ave.   | EG             | 5/8"       | dom    | 1-Nov          | failed well               |
| 064-052-320 | McGregor, Paul             | 220 Myrtle Street  | HMB            | 5/8"       | dom    | 8-Nov          | with 1" fire              |
| 066-600-270 | Carnoustie LLC             | 119 Carnoustie Dr  | HMB            | 3/4"       | dom    | 24-Oct         |                           |
| 048-121-160 | Ralston, Randy             | 2805 Champs Elysee | HMB            | 5/8"       | dom    | 15-Nov         | with 1" fire              |
| 056-056-020 | McGregor, Paul             | 456 Grand Blvd.    | HMB            | 5/8"       | dom    | 10-Nov         | with 1" fire              |
| 056-141-710 | Negrete, Sal               | 460-462 Oak Ave.   | HMB            | 5/8"       | second | 7-Dec          |                           |
| 047-287-260 | Machado, Doug              | 917 PalmaSt.       | EG             | 5/8"       | dom    | 14-Dec         | with 1" fire              |

**TOTAL CCWD PRODUCTION (MG) ALL SOURCES- FY 2017**

|                          | CCWD Sources    |                     |                       | SFPUC Sources   |                           | RAW WATER TOTAL | UNMETERED WATER | TREATED TOTAL |
|--------------------------|-----------------|---------------------|-----------------------|-----------------|---------------------------|-----------------|-----------------|---------------|
|                          | DENNISTON WELLS | DENNISTON RESERVOIR | PILARCITOS WELLS      | PILARCITOS LAKE | CRYSTAL SPRINGS RESERVOIR |                 |                 |               |
| JUL                      | 1.58            | 15.50               | 0.00                  | 37.11           | 7.05                      | 61.24           | 4.36            | 56.88         |
| AUG                      | 2.55            | 10.84               | 0.00                  | 4.40            | 51.18                     | 68.97           | 4.12            | 64.85         |
| SEPT                     | 2.28            | 10.35               | 0.00                  | 0.00            | 45.04                     | 57.67           | 3.37            | 54.30         |
| OCT                      | 0.49            | 1.71                | 0.00                  | 0.00            | 57.09                     | 59.29           | 1.76            | 57.53         |
| NOV                      | 0.01            | 1.13                | 10.91                 | 0.00            | 26.92                     | 38.97           | 2.15            | 36.82         |
| DEC                      | 0.00            | 13.01               | 13.18                 | 0.00            | 17.59                     | 43.78           | 2.05            | 41.73         |
| JAN                      |                 |                     |                       |                 |                           |                 |                 |               |
| FEB                      |                 |                     |                       |                 |                           |                 |                 |               |
| MAR                      |                 |                     |                       |                 |                           |                 |                 |               |
| APR                      |                 |                     |                       |                 |                           |                 |                 |               |
| MAY                      |                 |                     |                       |                 |                           |                 |                 |               |
| JUN                      |                 |                     |                       |                 |                           |                 |                 |               |
| <b>TOTAL</b>             | <b>6.91</b>     | <b>52.54</b>        | <b>24.09</b>          | <b>41.51</b>    | <b>204.87</b>             | <b>329.92</b>   | <b>17.82</b>    | <b>312.10</b> |
| % MONTHLY TOTAL          | 0.00%           | 29.72%              | 30.11%                | 0.0%            | 40.18%                    | 100.00%         | 4.69%           | 95.31%        |
| % ANNUAL TO DATE TOTAL   | 2.1%            | 15.9%               | 7.3%                  | 12.6%           | 62.1%                     | 100.0%          | 5.40%           | 94.6%         |
| Local vs Imported-month  | 59.8%           | 40.18%              | CCWD vs SFPUC- month  |                 | 59.8%                     | 40.2%           |                 |               |
| Local vs Imported-annual | 37.9%           | 62.1%               | CCWD vs SFPUC- annual |                 | 25.3%                     | 74.7%           |                 |               |
|                          | Local Source    | Imported Source     |                       |                 |                           |                 |                 |               |

**12 Month Running Treated Total 584.22**

**TOTAL CCWD PRODUCTION (MG) ALL SOURCES- FY 2016**

|              | DENNISTON WELLS | DENNISTON RESERVOIR | PILARCITOS WELLS | PILARCITOS RESERVOIR | CRYSTAL SPRINGS RESERVOIR | RAW WATER TOTAL | UNMETERED WATER | TREATED TOTAL |
|--------------|-----------------|---------------------|------------------|----------------------|---------------------------|-----------------|-----------------|---------------|
| JUL          | 0.00            | 0.00                | 0.00             | 0.00                 | 57.33                     | 57.33           | 2.57            | 54.76         |
| AUG          | 0.00            | 0.00                | 0.00             | 0.00                 | 62.00                     | 62.00           | 2.07            | 59.93         |
| SEPT         | 0.00            | 0.00                | 0.00             | 0.00                 | 59.07                     | 59.07           | 2.93            | 56.14         |
| OCT          | 0.00            | 0.00                | 0.00             | 0.00                 | 56.60                     | 56.60           | 2.44            | 54.16         |
| NOV          | 0.00            | 0.00                | 2.07             | 0.00                 | 42.44                     | 44.51           | 2.45            | 42.06         |
| DEC          | 0.00            | 12.51               | 9.44             | 0.00                 | 17.68                     | 39.63           | 3.03            | 36.60         |
| JAN          | 0.00            | 11.84               | 15.14            | 0.00                 | 10.96                     | 37.94           | 2.67            | 35.27         |
| FEB          | 0.00            | 17.51               | 11.08            | 7.89                 | 3.27                      | 39.75           | 2.19            | 37.56         |
| MAR          | 0.05            | 9.33                | 13.85            | 15.86                | 0.11                      | 39.20           | 3.21            | 35.99         |
| APR          | 0.00            | 18.08               | 13.24            | 10.30                | 1.96                      | 43.58           | 3.26            | 40.32         |
| MAY          | 0.00            | 24.01               | 2.70             | 33.79                | 4.03                      | 64.53           | 3.92            | 60.62         |
| JUN          | 1.45            | 18.80               | 0                | 39.29                | 7.69                      | 67.23           | 4.87            | 62.36         |
| <b>TOTAL</b> | <b>1.50</b>     | <b>112.08</b>       | <b>67.52</b>     | <b>107.13</b>        | <b>323.15</b>             | <b>611.37</b>   | <b>35.60</b>    | <b>575.77</b> |
| % TOTAL      | 0.2%            | 18.3%               | 11.0%            | 17.5%                | 52.9%                     | 100.0%          | 5.82%           | 94.2%         |

 denotes estimated due to faulty SFPUC meter

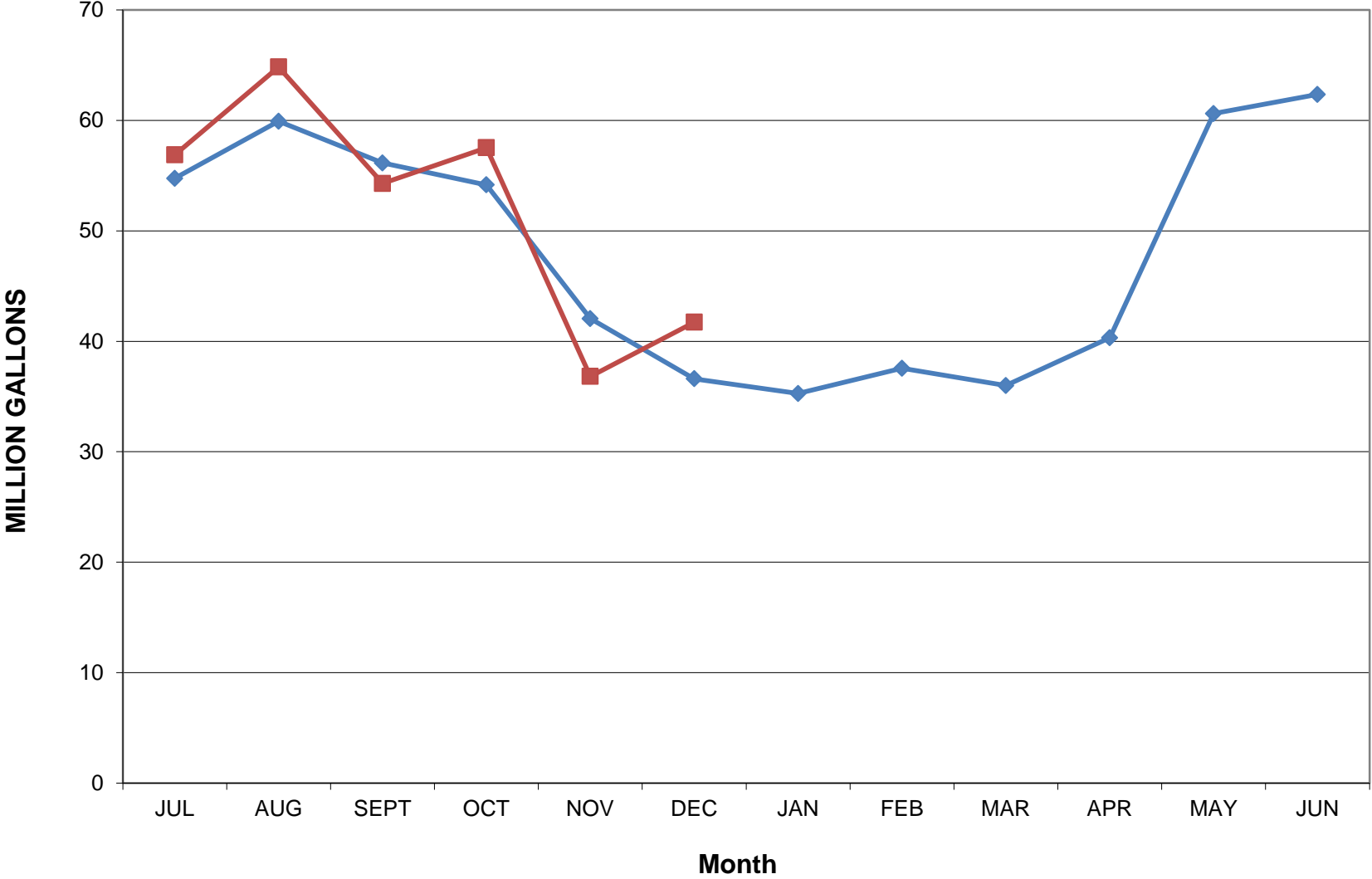
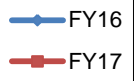
**COASTSIDE COUNTY WATER DISTRICT**

**Predicted vs Actual Production - All Sources FY 17**

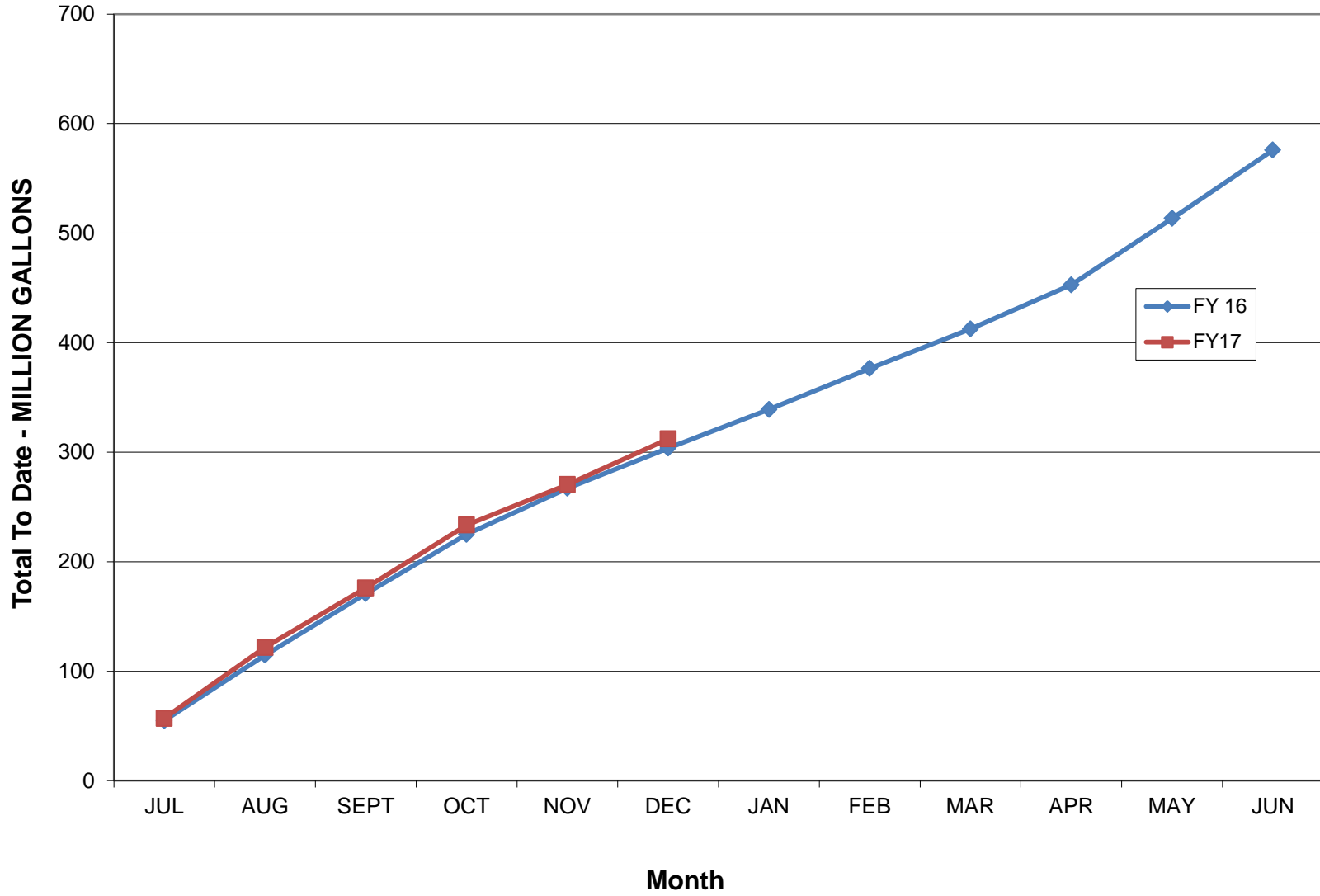
|                  | Denniston Surface |              |               | Denniston Wells |              |              | Pilarcitos Wells |              |              | Pilarcitos Surface |              |               | SFWD CSP      |               |              | SFWD Total    |               |
|------------------|-------------------|--------------|---------------|-----------------|--------------|--------------|------------------|--------------|--------------|--------------------|--------------|---------------|---------------|---------------|--------------|---------------|---------------|
|                  | Actual MG         | Predicted MG | pred-act      | Actual MG       | Predicted MG | pred-act     | Actual MG        | Predicted MG | pred-act     | Actual MG          | Predicted MG | pred-act      | Actual MG     | Predicted MG  | pred-act     | Actual MG     | Predicted MG  |
| Jul-16           | 15.50             | 0.00         | -15.50        | 1.58            | 0.00         | -1.58        | 0.00             | 0.00         | 0.00         | 37.11              | 0.00         | -37.11        | 9.62          | 57.30         | 47.68        | 46.73         | 57.30         |
| Aug-16           | 10.84             | 0.00         | -10.84        | 2.55            | 0.00         | -2.55        | 0.00             | 0.00         | 0.00         | 4.40               | 0.00         | -4.40         | 51.18         | 61.04         | 9.86         | 55.58         | 61.04         |
| Sep-16           | 10.35             | 0.00         | -10.35        | 2.28            | 0.00         | -2.28        | 0.00             | 0.00         | 0.00         | 0.00               | 0.00         | 0.00          | 45.04         | 67.77         | 22.73        | 45.04         | 67.77         |
| Oct-16           | 1.71              | 0.00         | -1.71         | 0.49            | 0.00         | -0.49        | 0.00             | 0.00         | 0.00         | 0.00               | 0.00         | 0.00          | 57.09         | 66.27         | 9.19         | 57.09         | 66.27         |
| Nov-16           | 1.13              | 0.00         | -1.13         | 0.01            | 0.00         | -0.01        | 10.91            | 4.94         | -5.97        | 0.00               | 0.00         | 0.00          | 26.92         | 45.33         | 18.41        | 26.92         | 45.33         |
| Dec-16           | 13.01             | 12.49        | -0.52         | 0.00            | 0.00         | 0.00         | 13.18            | 16.46        | 3.28         | 0.00               | 16.64        | 16.64         | 17.59         | 0.00          | -17.59       | 17.59         | 16.64         |
| Jan-17           |                   |              | #VALUE!       |                 |              | #VALUE!      |                  |              | #VALUE!      |                    |              | #VALUE!       |               |               | #VALUE!      | 0.00          | 8.98          |
| Feb-17           |                   |              | #VALUE!       |                 |              | #VALUE!      |                  |              | #VALUE!      |                    |              | #VALUE!       |               |               | #VALUE!      | 0.00          | 8.98          |
| Mar-17           |                   |              | #VALUE!       |                 |              | #VALUE!      |                  |              | #VALUE!      |                    |              | #VALUE!       |               |               | #VALUE!      | 0.00          | 5.31          |
| Apr-17           |                   |              | #VALUE!       |                 |              | #VALUE!      |                  |              | #VALUE!      |                    |              | #VALUE!       |               |               | #VALUE!      | 0.00          | 30.37         |
| May-17           |                   |              | #VALUE!       |                 |              | #VALUE!      |                  |              | #VALUE!      |                    |              | #VALUE!       |               |               | #VALUE!      | 0.00          | 34.11         |
| Jun-17           |                   |              | #VALUE!       |                 |              | #VALUE!      |                  |              | #VALUE!      |                    |              | #VALUE!       |               |               | #VALUE!      | 0.00          | 0.00          |
| <b>MG Totals</b> | <b>52.54</b>      | <b>12.49</b> | <b>-40.05</b> | <b>6.91</b>     | <b>0.00</b>  | <b>-6.91</b> | <b>24.09</b>     | <b>21.39</b> | <b>-2.70</b> | <b>41.51</b>       | <b>16.64</b> | <b>-24.87</b> | <b>207.44</b> | <b>297.70</b> | <b>90.27</b> | <b>248.95</b> | <b>402.09</b> |

|                | Actual non SFPUC | Predicted non SFPUC | Actual SFPUC  | Predicted SFPUC | TOTAL Actual  | TOTAL Predicted | TOTAL Pred-act |
|----------------|------------------|---------------------|---------------|-----------------|---------------|-----------------|----------------|
|                | 83.54            | 33.88               | 248.95        | 314.35          | 332.49        | 348.23          | 15.74          |
| <b>% Total</b> | <b>25.13%</b>    | <b>9.73%</b>        | <b>74.87%</b> | <b>90.27%</b>   | <b>95.48%</b> |                 |                |

Monthly Production FY 16 vs FY 17



Cumulative Production FY 16 vs.FY17





| Plant Water Use* |                 |              | Unmetered Water |               |                  |             |             |               |                        | 2016        |                       |              | MG |  |
|------------------|-----------------|--------------|-----------------|---------------|------------------|-------------|-------------|---------------|------------------------|-------------|-----------------------|--------------|----|--|
|                  | Denniston Plant | Nunes Plant  | Total           | Main Flushing | Detector Checks* | Main Breaks | Fire Dept   | Miscellaneous | Denniston Holding Pond | Autoflush   | Tank Level Difference | Total        |    |  |
| JAN              | 1.070           | 1.430        | 2.500           | 0.005         | 0.022            | 0.000       | 0.006       | 0.000         | 0.013                  | 0.139       | 0.002                 | 2.686        |    |  |
| FEB              | 1.220           | 1.130        | 2.350           | 0.001         | 0.012            | 0.010       | 0.000       | 0.000         | 0.011                  | 0.139       | -0.326                | 2.197        |    |  |
| MAR              | 0.850           | 1.610        | 2.460           | 0.000         | 0.011            | 0.010       | 0.030       | 0.013         | 0.270                  | 0.139       | 0.274                 | 3.206        |    |  |
| APR              | 1.740           | 1.400        | 3.140           | 0.000         | 0.008            | 0.030       | 0.000       | 0.000         | 0.000                  | 0.139       | 0.149                 | 3.466        |    |  |
| MAY              | 1.920           | 1.560        | 3.480           | 0.000         | 0.019            | 0.173       | 0.000       | 0.000         | 0.000                  | 0.139       | 0.153                 | 3.964        |    |  |
| JUN              | 1.740           | 1.790        | 3.530           | 0.872         | 0.010            | 0.309       | 0.000       | 0.000         | 0.000                  | 0.139       | 0.006                 | 4.867        |    |  |
| JUL              | 1.810           | 2.150        | 3.960           | 0.512         | 0.009            | 0.011       | 0.000       | 0.000         | 0.000                  | 0.139       | -0.273                | 4.358        |    |  |
| AUG              | 1.380           | 1.980        | 3.360           | 0.000         | 0.011            | 0.089       | 0.000       | 0.000         | 0.283                  | 0.139       | 0.240                 | 4.123        |    |  |
| SEP              | 1.240           | 1.420        | 2.660           | 0.000         | 0.127            | 0.005       | 0.000       | 0.000         | 0.303                  | 0.139       | 0.140                 | 3.374        |    |  |
| OCT              | 0.130           | 1.600        | 1.730           | 0.000         | 0.007            | 0.020       | 0.000       | 0.000         | 0.000                  | 0.139       | -0.131                | 1.764        |    |  |
| NOV              | 1.650           | 0.000        | 1.650           | 0.000         | 0.008            | 0.006       | 0.000       | 0.002         | 0.125                  | 0.139       | 0.224                 | 2.154        |    |  |
| DEC              | 0.000           | 1.610        | 1.610           | 0.000         | 0.025            | 0.000       | 0.000       | 0.000         | 0.289                  | 0.139       | -0.010                | 2.054        |    |  |
| <b>TOTAL</b>     | <b>14.75</b>    | <b>17.68</b> | <b>32.43</b>    | <b>1.39</b>   | <b>0.27</b>      | <b>0.66</b> | <b>0.04</b> | <b>0.02</b>   | <b>1.29</b>            | <b>1.67</b> | <b>0.45</b>           | <b>38.21</b> |    |  |



MONTH/YEAR

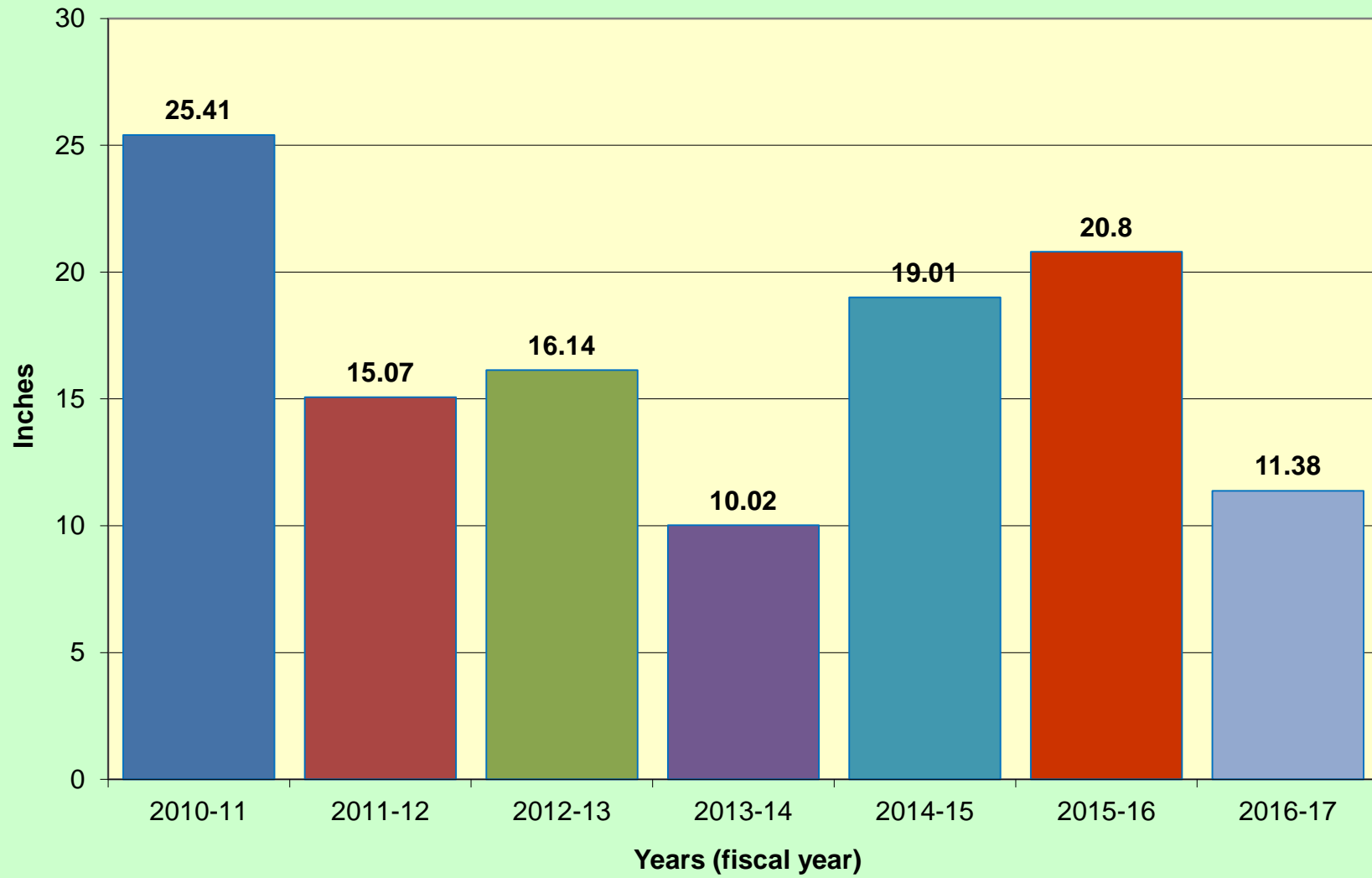
**Coastside County Water District Monthly Discharge Report  
EMERGENCY MAIN AND SERVICE REPAIRS**

| 1  | Date Reported Discovered | Date Repaired | Location | Pipe Class | Pipe Size & Type | Estimated Water Loss (Gallons)* | Environmental Damage? Y/N ** | If Yes chlorine residual after dechlor | Equipment Costs                     | Material Costs | Employee hours |                   | Labor Costs | Total Costs   |
|--|--------------------------|---------------|----------|------------|------------------|---------------------------------|------------------------------|--|-------------------------------------|----------------|----------------|-------------------|-------------|---------------|
|  |                          |               |          |            |                  |                                 |                              |  |                                     |                | Staff          | Hours             |             |               |
| 1  |                          |               |          |            |                  |                                 |                              |  |                                     |                |                |                   |             |               |
| 2  |                          |               |          |            |                  |                                 |                              |  |                                     |                |                |                   |             |               |
| 3  |                          |               |          |            |                  |                                 |                              |  |                                     |                |                |                   |             | \$0.00        |
| 4  |                          |               |          |            |                  |                                 |                              |  |                                     |                |                |                   |             | \$0.00        |
| 5  |                          |               |          |            |                  |                                 |                              |  |                                     |                |                |                   |             | \$0.00        |
| 6  |                          |               |          |            |                  |                                 |                              |  |                                     |                |                |                   |             | \$0.00        |
| 7  |                          |               |          |            |                  |                                 |                              |  |                                     |                |                |                   |             | \$0.00        |
| 8  |                          |               |          |            |                  |                                 |                              |  |                                     |                |                |                   |             | \$0.00        |
| <b>Totals</b>  |                          |               |          |            |                  | <b>0</b>                        |                              |  | <b>\$0.00</b>                       | <b>\$0.00</b>  | <b>0</b>       | <b>0</b>          | <b>\$0</b>  | <b>\$0.00</b> |
| *includes 1,000 gallons for mains to daylight plus 1,000 gallons to flush mains or 100 gallons to flush services |                          |               |          |            |                  |                                 |                              |  | ** If Yes, include photos of damage |                |                | Staff x hours = 0 |             |               |

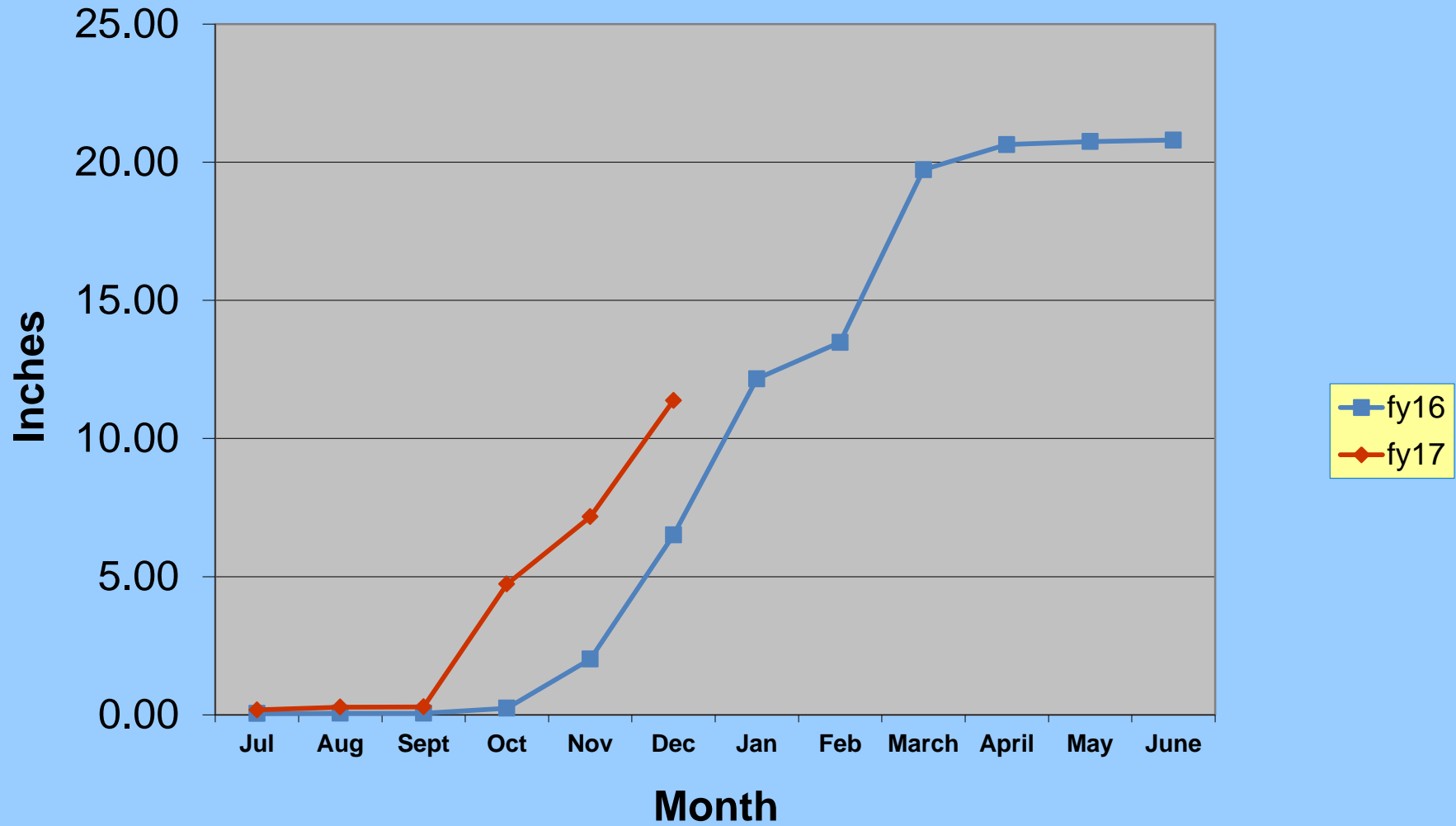
| MONTH/YEAR  |        |                           |                  |                                   |                                 |       |                                 |   |                                     |                |
|---|--------|---------------------------|------------------|-----------------------------------|---------------------------------|-------|---------------------------------|---|-------------------------------------|----------------|
| NEW WATER LINE FLUSHING REPORT  |        |                           |                  |                                   |                                 |       |                                 | OTHER DISCHARGES  |                                     |                |
|   | Date   | Project/Location          | Pipe Size & Type | Estimated Water Flushed (Gallons) | Chlorine Residual after dechlor | pH    | Duration of Discharge (minutes) | Total Volumes (gallons)   |                                     |                |
| 1   |        |                           |                  |                                   |                                 |       |                                 | Flushing Program  |                                     |                |
| 2   |        |                           |                  |                                   |                                 |       |                                 | Reservoir Cleaning  |                                     |                |
| 3   |        |                           |                  |                                   |                                 |       |                                 | Automatic Blowoffs  | 139000                              |                |
| 3   |        |                           |                  |                                   |                                 |       |                                 | Dewatering Operations   | 289000                              |                |
| 4   |        |                           |                  |                                   |                                 |       |                                 | Other (includes flow testing)   | 0                                   |                |
| <b>DEWATERING OPERATIONS GREATER THAN 350,000 GALLONS (requires prenotification to CWRCB)</b> |        |                           |                  |                                   |                                 |       |                                 | Number of planned or emergency discharges greater than 50,000 gallons |                                     |                |
|   | Date   | Location                  | Volume           | pH                                |                                 |       | Chlorine Residual after dechlor |   |                                     | Duration (min) |
|   |        |                           |                  | 5 min                             | 20 min                          | end   | 5 min                           | 20 min  | end                                 |                |
| 1   |        |                           |                  |                                   |                                 |       |                                 |   |                                     |                |
| 2   |        |                           |                  |                                   |                                 |       |                                 |   |                                     |                |
| <b>ANNUAL REPRESENTATIVE MONITORING</b>   |        |                           |                  |                                   |                                 |       |                                 |   | PLANNED DISCHARGES GRAND TOTAL (MG) |                |
|   | Date   | Location                  | Volume (gal)     | pH                                | Chlorine Residual after dechlor |       |                                 |   |                                     |                |
| 1   | 14-Nov | 500 block El Granada Blvd | 2000             | 8.16                              | 0                               | 0.428 |                                 |   |                                     |                |



## Rain Totals Fiscal Years 11 - 17



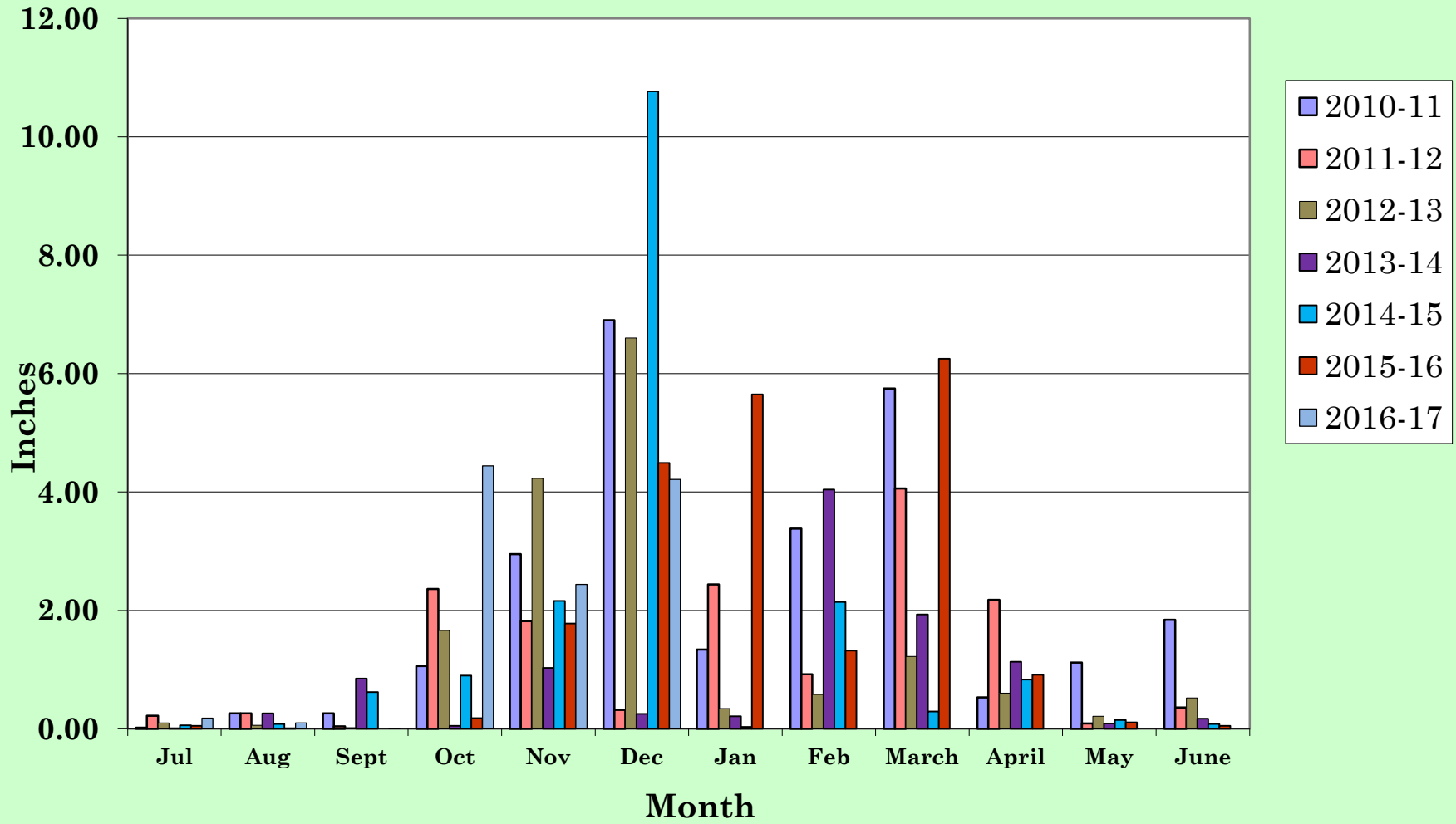
## Rainfall Total Comparison Fiscal Years 16 and 17



# Coastside County Water District

## Rainfall by Month

Fiscal Years 11 - 17





MONTHLY CLIMATOLOGICAL SUMMARY for DEC. 2016

NAME: CCWD weather station CITY: STATE:  
 ELEV: 80 ft LAT: 37° 18' 00" N LONG: 122° 18' 00" W

TEMPERATURE (°F), RAIN (in), WIND SPEED (mph)

| DAY | MEAN<br>TEMP | HIGH | TIME   | LOW  | TIME   | HEAT<br>DEG<br>DAYS | COOL<br>DEG<br>DAYS | RAIN | AVG<br>WIND<br>SPEED | HIGH | TIME   | DOM<br>DIR |
|-----|--------------|------|--------|------|--------|---------------------|---------------------|------|----------------------|------|--------|------------|
| 1   | 48.2         | 59.0 | 12:30p | 41.2 | 10:00p | 16.8                | 0.0                 | 0.01 | 1.2                  | 14.0 | 12:00p | E          |
| 2   | 52.0         | 63.2 | 3:30p  | 41.9 | 12:00m | 13.0                | 0.0                 | 0.00 | 2.1                  | 17.0 | 11:00a | ENE        |
| 3   | 50.6         | 63.5 | 12:00p | 40.9 | 5:00a  | 14.4                | 0.0                 | 0.00 | 1.1                  | 10.0 | 7:00a  | ENE        |
| 4   | 50.4         | 58.4 | 1:30p  | 41.3 | 5:00a  | 14.6                | 0.0                 | 0.01 | 0.7                  | 11.0 | 3:00p  | ENE        |
| 5   | 49.8         | 55.8 | 12:30p | 41.8 | 12:00m | 15.2                | 0.0                 | 0.00 | 0.6                  | 9.0  | 12:30p | SE         |
| 6   | 45.4         | 55.6 | 2:00p  | 36.5 | 6:30a  | 19.6                | 0.0                 | 0.01 | 0.9                  | 10.0 | 12:00p | E          |
| 7   | 47.0         | 52.8 | 11:30p | 38.0 | 3:30a  | 18.0                | 0.0                 | 0.26 | 1.8                  | 17.0 | 6:30a  | E          |
| 8   | 57.7         | 61.3 | 3:30p  | 52.8 | 12:30a | 7.3                 | 0.0                 | 0.27 | 3.4                  | 23.0 | 3:00a  | SSW        |
| 9   | 58.5         | 61.8 | 2:00p  | 56.4 | 12:30a | 6.5                 | 0.0                 | 0.11 | 1.3                  | 13.0 | 11:30p | WSW        |
| 10  | 56.8         | 59.1 | 9:00a  | 49.1 | 12:00m | 8.2                 | 0.0                 | 1.06 | 2.2                  | 15.0 | 10:30a | SSW        |
| 11  | 48.2         | 53.7 | 12:30p | 42.6 | 7:00a  | 16.8                | 0.0                 | 0.01 | 0.2                  | 8.0  | 1:30p  | ENE        |
| 12  | 51.2         | 56.3 | 3:00p  | 46.6 | 3:00a  | 13.8                | 0.0                 | 0.00 | 1.6                  | 13.0 | 8:30p  | E          |
| 13  | 53.1         | 58.9 | 2:00p  | 48.7 | 8:00a  | 11.9                | 0.0                 | 0.09 | 0.4                  | 9.0  | 11:00a | WSW        |
| 14  | 58.1         | 62.0 | 1:00p  | 54.5 | 12:30a | 6.9                 | 0.0                 | 0.08 | 2.4                  | 15.0 | 5:30p  | SSW        |
| 15  | 56.8         | 60.0 | 8:30a  | 48.9 | 11:00p | 8.2                 | 0.0                 | 1.48 | 5.4                  | 24.0 | 3:00p  | SSW        |
| 16  | 50.2         | 53.7 | 12:00p | 39.8 | 12:00m | 14.8                | 0.0                 | 0.00 | 3.6                  | 19.0 | 3:00a  | NE         |
| 17  | 40.7         | 51.5 | 2:00p  | 33.5 | 7:30a  | 24.3                | 0.0                 | 0.00 | 0.8                  | 10.0 | 2:30p  | E          |
| 18  | 44.5         | 54.8 | 2:30p  | 34.7 | 2:00a  | 20.5                | 0.0                 | 0.00 | 2.3                  | 15.0 | 12:30p | NE         |
| 19  | 48.5         | 56.0 | 1:30p  | 42.9 | 1:30a  | 16.5                | 0.0                 | 0.00 | 4.0                  | 19.0 | 5:00a  | E          |
| 20  | 52.3         | 60.2 | 1:30p  | 45.5 | 8:00a  | 12.7                | 0.0                 | 0.00 | 5.6                  | 23.0 | 8:00p  | E          |
| 21  | 59.2         | 65.2 | 2:30p  | 54.9 | 10:30p | 5.8                 | 0.0                 | 0.00 | 4.4                  | 29.0 | 9:30a  | E          |
| 22  | 53.3         | 63.7 | 12:30p | 43.6 | 10:00p | 11.7                | 0.0                 | 0.00 | 2.0                  | 19.0 | 3:00a  | NE         |
| 23  | 49.1         | 54.8 | 1:30p  | 44.3 | 9:00p  | 15.9                | 0.0                 | 0.81 | 1.6                  | 21.0 | 12:00p | SSW        |
| 24  | 46.5         | 52.1 | 2:00p  | 36.5 | 12:00m | 18.5                | 0.0                 | 0.01 | 1.8                  | 16.0 | 1:00p  | NE         |
| 25  | 44.2         | 55.9 | 12:30p | 34.1 | 5:00a  | 20.8                | 0.0                 | 0.00 | 1.7                  | 19.0 | 11:00p | E          |
| 26  | 46.6         | 53.3 | 3:30p  | 40.9 | 7:00a  | 18.4                | 0.0                 | 0.00 | 5.9                  | 23.0 | 11:00a | E          |
| 27  | 50.1         | 58.0 | 2:00p  | 45.9 | 8:00a  | 14.9                | 0.0                 | 0.00 | 4.8                  | 22.0 | 1:00p  | E          |
| 28  | 54.1         | 62.4 | 3:00p  | 46.9 | 6:00a  | 10.9                | 0.0                 | 0.00 | 5.3                  | 25.0 | 10:00a | E          |
| 29  | 57.2         | 62.7 | 2:30p  | 52.6 | 7:00a  | 7.8                 | 0.0                 | 0.00 | 7.0                  | 24.0 | 3:00a  | E          |
| 30  | 53.9         | 61.4 | 11:00a | 46.9 | 7:00a  | 11.1                | 0.0                 | 0.00 | 2.0                  | 18.0 | 12:30a | W          |
| 31  | 48.6         | 56.3 | 3:30p  | 40.4 | 9:30p  | 16.4                | 0.0                 | 0.00 | 1.5                  | 14.0 | 12:00p | E          |
|     | 51.1         | 65.2 | 21     | 33.5 | 17     | 432.2               | 0.0                 | 4.21 | 2.6                  | 29.0 | 21     | E          |

Max >= 90.0: 0  
 Max <= 32.0: 0  
 Min <= 32.0: 0  
 Min <= 0.0: 0

Max Rain: 1.48 ON 12/15/16

Days of Rain: 8 (>.01 in) 6 (>.1 in) 2 (>1 in)

Heat Base: 65.0 Cool Base: 65.0 Method: Integration



# San Francisco Public Utilities Commission Hydrological Conditions Report For November 2016

J. Chester, C. Graham, A. Mazurkiewicz, & M. Tsang, December 5, 2016



Lake Eleanor (upper left; 27 TAF), Cherry Lake (aka Lake Lloyd; Upper right; 274 TAF) and Hetch Hetchy Reservoir (lower; 360 TAF) make up our upcountry storage reservoirs.

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

| Table 1<br>Current Storage<br>As of December 1, 2016 |                  |                     |                  |                     |                    |                     |                               |
|--|------------------|---------------------|------------------|---------------------|--------------------|---------------------|-------------------------------|
| Reservoir  | Current Storage  |                     | Maximum Storage  |                     | Available Capacity |                     | Percentage of Maximum Storage |
|  | Acre-Feet        | Millions of Gallons | Acre-Feet        | Millions of Gallons | Acre-Feet          | Millions of Gallons |                               |
| <b>Tuolumne System</b>                               |                  |                     |                  |                     |                    |                     |                               |
| Hetch Hetchy <sup>1</sup>                            | 313,754          |                     | 340,830          |                     | 27,076             |                     | 92.1%                         |
| Cherry <sup>2</sup>                                  | 231,737          |                     | 268,810          |                     | 37,073             |                     | 86.2%                         |
| Lake Eleanor <sup>3</sup>                            | 18,698           |                     | 21,495           |                     | 2,797              |                     | 87.0%                         |
| Water Bank   | 472,220          |                     | 570,000          |                     | 97,780             |                     | 82.8%                         |
| Tuolumne Storage                                     | 1,036,409        |                     | 1,201,135        |                     | 164,726            |                     | 86.3%                         |
| <b>Local Bay Area Storage</b>                        |                  |                     |                  |                     |                    |                     |                               |
| Calaveras <sup>4</sup>                               | 35,248           | 11,485              | 96,824           | 31,550              | 61,576             | 20,065              | 36.4%                         |
| San Antonio  | 42,803           | 13,948              | 50,496           | 16,454              | 7,693              | 2,507               | 84.8%                         |
| Crystal Springs                                      | 54,130           | 17,638              | 58,377           | 19,022              | 4,247              | 1,384               | 92.7%                         |
| San Andreas  | 18,199           | 5,930               | 18,996           | 6,190               | 797                | 260                 | 95.8%                         |
| Pilarcitos   | 2,542            | 828                 | 2,995            | 976                 | 453                | 147                 | 84.9%                         |
| Total Local Storage                                  | 152,922          | 49,830              | 227,688          | 74,192              | 74,766             | 24,362              | 67.2%                         |
| <b>Total System</b>                                  | <b>1,189,331</b> |                     | <b>1,428,823</b> |                     | <b>239,492</b>     |                     | <b>83.2%</b>                  |

<sup>1</sup> Maximum Hetch Hetchy Reservoir storage with drum gates de-activated.

<sup>2</sup> Maximum Cherry Reservoir storage with flash-boards removed.

<sup>3</sup> Maximum Lake Eleanor storage with flash-boards removed.

<sup>4</sup> Available capacity does not take into account current DSOD storage restrictions.

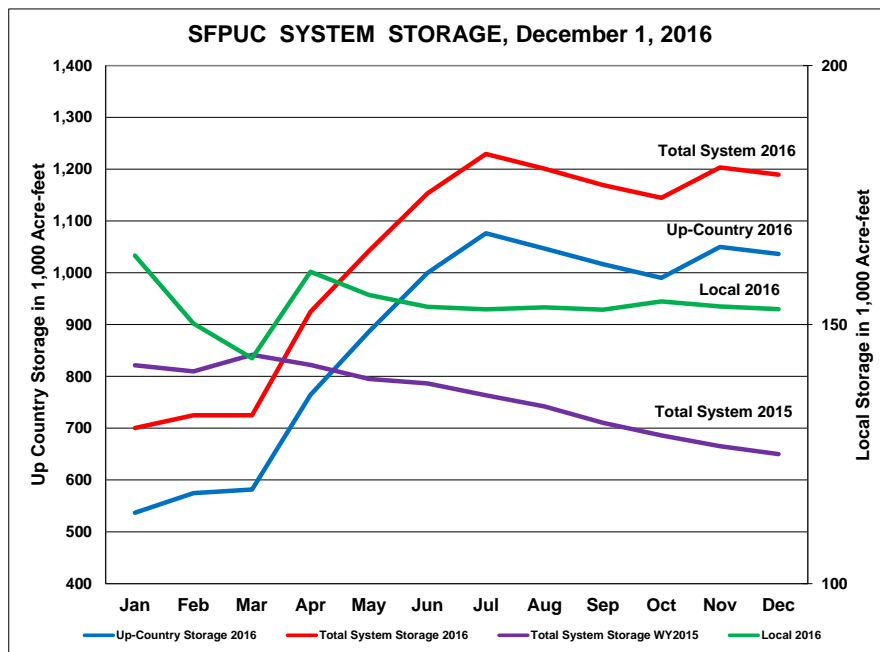
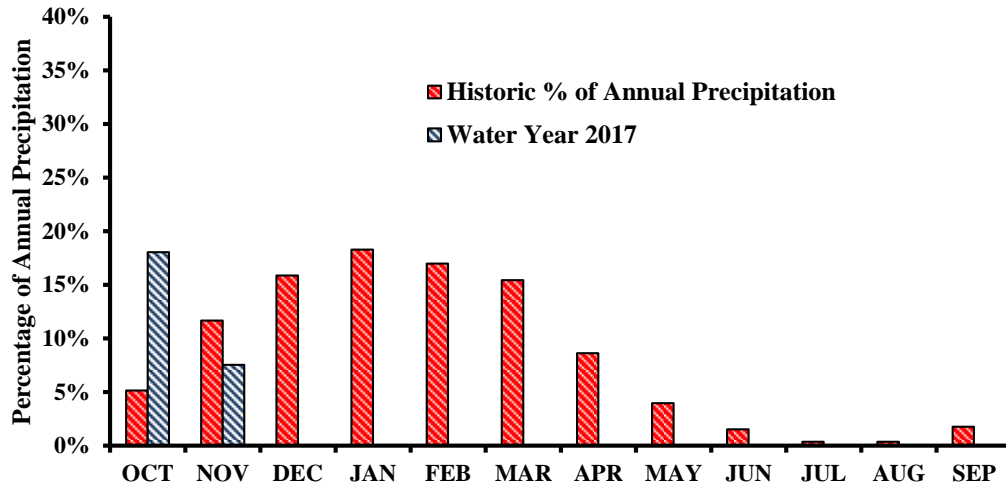


Figure 1: Monthly system storage for 2016

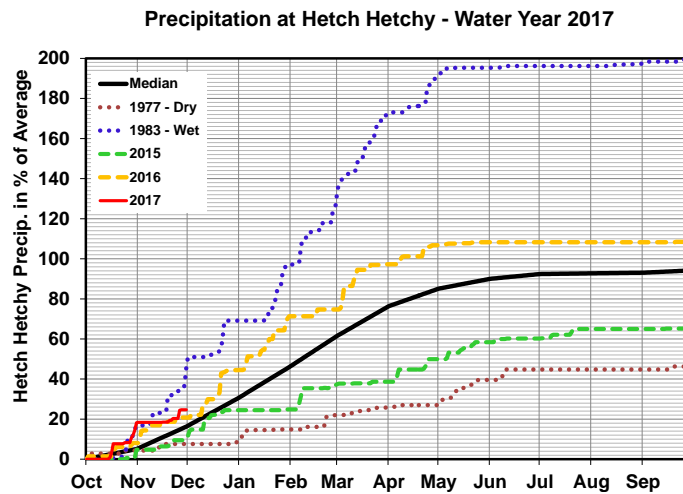
## Hetch Hetchy System Precipitation Index <sup>5/</sup>

*Current Month:* The November six-station precipitation index was 2.57 inches, or 65.1% of the average index for the month.



**Figure 2:** Monthly distribution of the Hetch Hetchy Six-station precipitation index as percent of the annual average precipitation.

*Cumulative Precipitation to Date:* The accumulated six-station precipitation index for water year 2017 is 9.09 inches, which is 25.6% of the average annual water year total, or 152.1% of average annual to date. Hetch Hetchy received 2.30 inches precipitation in November, a total of 8.77 inches for water year 2017. The cumulative Hetch Hetchy precipitation is shown in Figure 3 in red.



**Figure 3:** Water year 2017 cumulative precipitation measured at Hetch Hetchy Reservoir through November 30<sup>th</sup>, 2016. Precipitation at the Hetch Hetchy gauge for wet, dry, median, and WY 2016 are included for comparison purposes.

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

## Tuolumne Basin Unimpaired Inflow

Unimpaired inflow to SFPUC reservoirs and the Tuolumne River at La Grange as of November 30<sup>th</sup> is summarized below in Table 2.

|   | November 2016 |                     |                      |                    | October 1, 2016 through November 30, 2016 |                     |                      |                    |
|---|---------------|---------------------|----------------------|--------------------|---|---------------------|----------------------|--------------------|
|   | Observed Flow | Median <sup>6</sup> | Average <sup>6</sup> | Percent of Average | Observed Flow                             | Median <sup>6</sup> | Average <sup>6</sup> | Percent of Average |
| Inflow to Hetch Hetchy Reservoir            | 31,365        | 5,976               | 13,546               | 231.5%             | 77,497                                    | 10,442              | 19,970               | 388.1%             |
| Inflow to Cherry Reservoir and Lake Eleanor | 19,529        | 7,345               | 15,653               | 124.8%             | 80,925                                    | 11,983              | 21,190               | 381.9%             |
| Tuolumne River at La Grange                 | 63,764        | 19,980              | 44,950               | 141.9%             | 194,505                                   | 39,873              | 62,550               | 311.0%             |
| Water Available to the City                 | 7,104         | 0                   | 12,780               | 55.6%              | 78,807                                    | 0                   | 15,363               | 513.0%             |

<sup>6</sup>Hydrologic Record: 1920 – 2015

## Hetch Hetchy System Operations

Draft and releases from Hetch Hetchy Reservoir during the month of November totaled 11,245 acre-feet to meet SJPL deliveries, instream release requirements, and reservoir management goals.

The instream release schedule at Hetch Hetchy Reservoir for the month of November was year type A (normal to wet conditions). This year type is based upon accumulated runoff from October 1<sup>st</sup>, 2015 through August 31<sup>st</sup>, 2016. The cumulative inflow through August, 2016 at Hetch Hetchy Reservoir meets the criteria to maintain a water year type A for the rest of the year. The Hetch Hetchy instream release requirement was 60 cfs for November, and is 50 cfs for December. Around 7,000 acre-feet additional draft was taken in November to control Hetch Hetchy elevation going into the winter shutdown. More additional draft is scheduled to be taken in December to control elevation and for water quality.

14,786 acre-feet of draft was made from Cherry Reservoir during the month of November to meet instream release requirements and to meet reservoir management goals. About 4,586 acre-feet of water was transferred via pumping from Lake Eleanor to Cherry Reservoir in October. The required minimum instream release from Cherry Reservoir and Lake Eleanor were 5 cfs in November. In the month of December, the required minimum instream release from Cherry Reservoir and Lake Eleanor are 5 cfs.

## Regional System Treatment Plant Production

The Harry Tracy Water Treatment Plant average production rate for November was 30 MGD. The Sunol Valley Water Treatment Plant average production for the month was 16 MGD.

## Local System Water Delivery

The average November delivery rate was 156 MGD which is a 16% decrease below the October delivery rate of 185 MGD.

## Local Precipitation

Seasonable weather prevailed during November punctuated by two rain events during the second half of the month. The November rainfall summary is presented in Table 3.

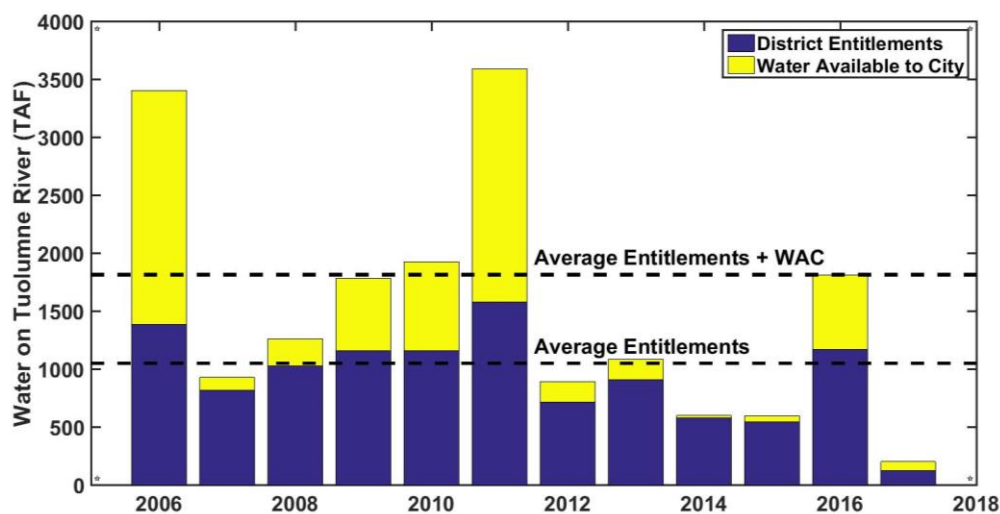
| Reservoir             | Month Total (inches) | Percentage of Average for the Month | Water Year to Date <sup>7</sup> (inches) | Percentage of Average for the Year-to-Date <sup>7</sup> |
|-----------------------|----------------------|-------------------------------------|--|---|
| Pilarcitos            | 2.68                 | 56 %                                | 10.05                                    | 143 %   |
| Lower Crystal Springs | 2.21                 | 65 %                                | 7.21                                     | 148 %   |
| Calaveras             | 1.42                 | 53 %                                | 4.07                                     | 108 %   |

<sup>7</sup> WY 2017: Oct. 2016 through Sep. 2017.

## Snowmelt and Water Supply

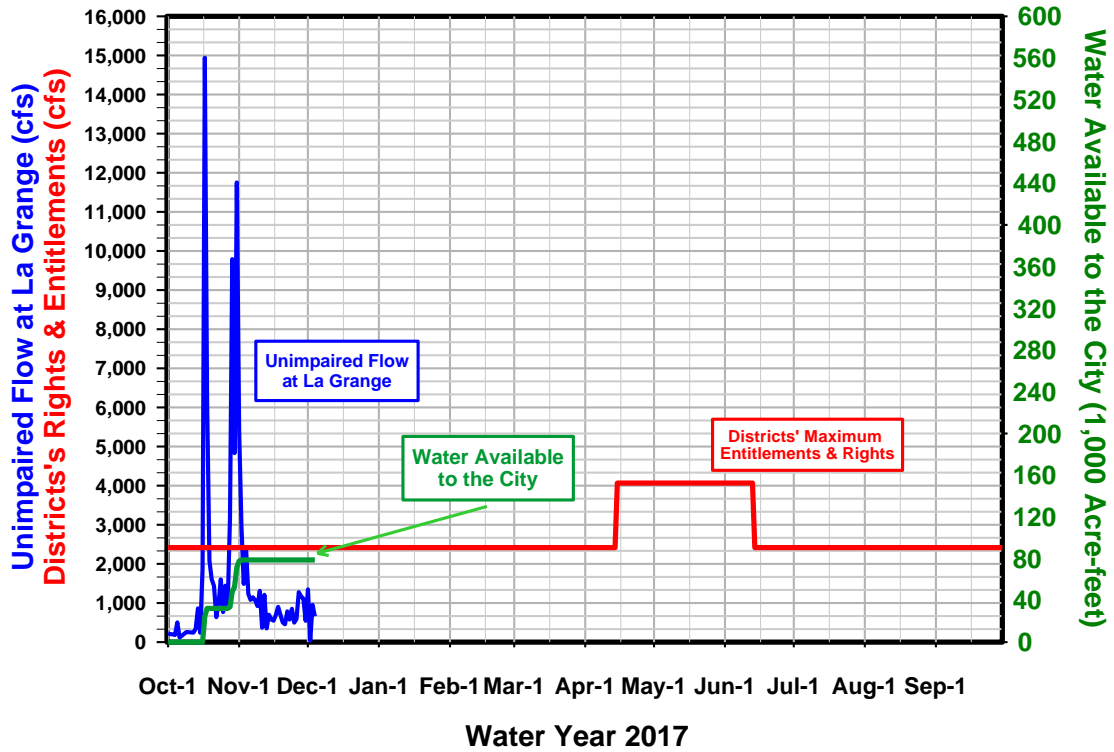
After a well above average October, we saw a below average November. We remain above average precipitation to date. Storms over Thanksgiving weekend brought our first significant snow for the season, closing the mountain passes, and leaving 3-4 inches snow accumulation at most of our snow pillows above 7000 ft. These snow accumulations are near average for this time of year. Next month we hope to have enough snow to begin including the snow plots in this report. These storms were cold enough that inflows did not pick up significantly, and there was no Water Available to the City. An additional storm hit over the December 10-11<sup>th</sup> weekend, dropping 2.78 inches at Hetchy and 3.82 inches at Cherry. This was enough to significantly increase inflows at all reservoirs, and resulted in 20 TAF Water available to the City, increasing our annual WAC to 99 TAF. Additional storms are forecasted in the next week, with total forecasted precipitation in the 2-4 inch range. This should push us to an average December.

Above average inflows were observed throughout November, despite the below average precipitation. This is due to carryover from the wet October and relatively cool temperatures. As of December 1, Full Natural Flow at LaGrange is 195 TAF, over 300% of average to date (see the figure below to compare to previous Water Year FNF at LaGrange). This, when combined with the relatively high starting storage levels due to water conservation, has total upcountry storage high for this time of year – Hetch Hetchy is at 92% full, Cherry and Eleanor are at 86-87%. Water Bank did not fill this summer / fall, allowing for increased flexibility in power generation as we enter the winter season.



**Figure 4:** Partitioning of Full Natural Flow on the Tuolumne River between MID/TID Entitlements (blue) and Water Available to the City (yellow). 2017 WAC as of December 1 was already greater than 2014 and 2015 combined. 2011 remains the last year with flows on the Tuolumne River significantly above average.

### Unimpaired Flow at La Grange & Water Available to the City



**Figure 5:** Calculated unimpaired flow at La Grange and the allocation of flows between the Districts and the City. 78,807 acre-feet of water has become available to the City during water year 2017.

|    |                 |                     |                    |                   |
|----|-----------------|---------------------|--------------------|-------------------|
| cc | HHWP Records    | Graham, Chris       | Mazurkiewicz, Adam | Ritchie, Steve    |
|    | Briggs, David   | Hale, Barbara       | Meier, Steve       | Sheehan, Charles  |
|    | Carlin, Michael | Hannaford, Margaret | Moses, Matt        | Sandkulla, Nicole |
|    | Chester, John   | Hörger, Brent       | Patterson, Mike    | Tsang, Michael    |
|    | DeGraca, Andrew | Kelly, Harlan       | Perl, Charles      | Williams, Mike    |
|    | Dhakal, Amod    | Kehoe, Paula        | Pluche, Rebecca    |                   |
|    | Dufour, Alexis  | Lehr, Dan           | Nelson, Chris      |                   |
|    | Gambon, Paul    | Levin, Ellen        | Ramirez, Tim       |                   |



**STAFF REPORT**

**To: Coastside County Water District Board of Directors**

**From: Dave Dickson, General Manager**

**Agenda: January 10, 2017**

**Date: January 3, 2017**

**Subject: Notice of Completion - Phase 3B Avenue Cabrillo Pipeline Replacement Project**

---

**Recommendation:**

That the Board of Directors take the following actions:

- (1) Accept the Phase 3B Avenue Cabrillo Pipeline 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 June 1, 2016 for the Phase 3B Avenue Cabrillo Pipeline Replacement Project.

The work consisted of construction of 1,510 linear feet of 8 inch and 2,190 linear feet of 6 inch diameter ductile iron water pipeline, 5 fire hydrants, replacing or reconnecting the existing customer water service connections, and asphalt concrete repaving of the pipeline trenches. The site of the work was in El Granada, an unincorporated community in San Mateo County. All work was within existing street right of way areas.

The project was completed on December 8, 2016. The project was constructed according to District specifications.

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 Title

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

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

3. On December 8, 2016 there was completed upon the hereinafter described real property a work of improvement as a whole named Phase 3B Avenue Cabrillo Pipeline Replacement Project. The work consisted of constructing 1,510 linear feet of 8 inch and 2,190 linear feet of 6 inch diameter ductile iron water pipeline, 5 fire hydrants, replacing or reconnecting the existing customer water service connections, and asphalt concrete repaving of the pipeline trenches.

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, State of California, and described as follows:

*The site of the work was in El Granada, an unincorporated community in San Mateo County. All work was within existing street right of way areas.*

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: \_\_\_\_\_  
David R. Dickson, Secretary

**VERIFICATION**

I, David R. Dickson, 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 10, 2017, at Half Moon Bay, California  
(Date) (Place where signed)

By: \_\_\_\_\_  
David R. Dickson,  
Secretary of the District

**STAFF REPORT**

**To:** Coastside County Water District Board of Directors

**From:** Dave Dickson, General Manager

**Agenda:** January 10, 2017

**Date:** January 3, 2017

**Subject:** Acceptance of Non-Complex Pipeline Extension Project  
923/925 Miramontes Street / Muller & Adreveno

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**Recommendation:**

Accept the water system improvements for the Non Complex Pipeline Extension Project at 923 and 925 Miramontes Street as complete.

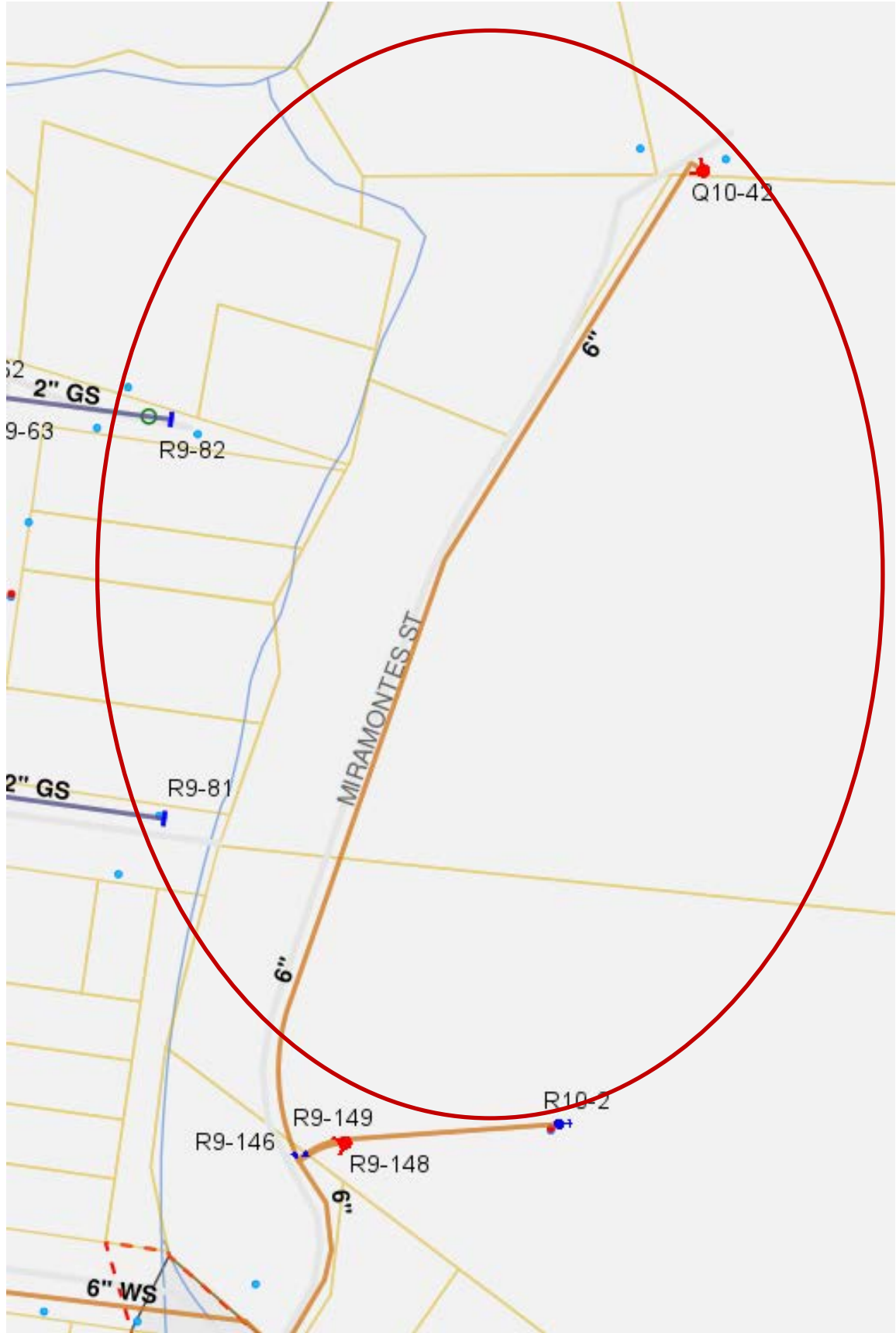
**Background:**

A non-complex pipeline extension project for 923 and 925 Miramontes Street was completed in December 2016. The District postponed the acceptance of this project due to incomplete paperwork with the applicant. All documentation is now complete

The District accepts the project utility system according to the conditions listed below:

- √ That the Project Utility System was constructed in accordance with the district regulations.
- √ All costs for the construction of the Project have been borne by the applicant. No outstanding fees are due at this time.

**Fiscal Impact:** None.



**STAFF REPORT**

**To:** Coastside County Water District Board of Directors

**From:** Dave Dickson, General Manager

**Agenda:** January 10, 2017

**Date:** January 3, 2017

**Subject:** Acceptance of Non-Complex Pipeline Extension Project  
Belleville Blvd / TDR Properties

---

**Recommendation:**

Accept the water system improvements for the Non Complex Pipeline Extension Project at 340 and 344 Belleville Blvd. as complete.

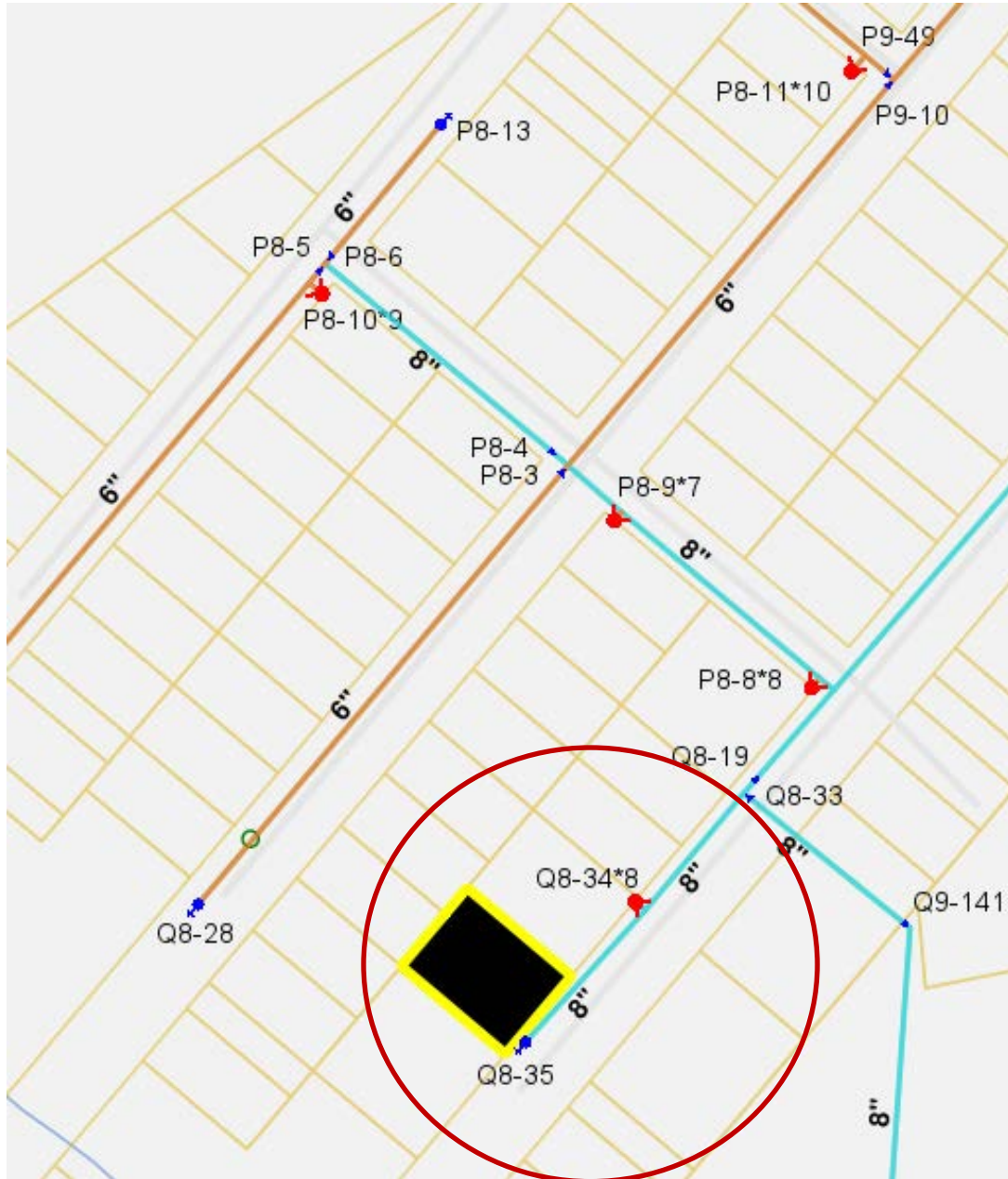
**Background:**

A non-complex pipeline extension project for 340 and 344 Belleville Blvd. was completed in June 2015. The extension consisted of 250' of eight inch ductile iron pipeline.

The District accepts the project utility system according to the conditions listed below:

- √ That the Project Utility System was constructed in accordance with the district regulations.
- √ All costs for the construction of the Project have been borne by the applicant. No outstanding fees are due at this time.

**Fiscal Impact:** None.



**STAFF REPORT**

**To: Coastside County Water District Board of Directors**

**From: Dave Dickson, General Manager**

**Agenda: January 10, 2017**

**Date: January 4, 2017**

**Subject: Acceptance of Non-Complex Pipeline Extension Project  
456 Grand Blvd/Paul McGregor**

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**Recommendation:**

Accept the water system improvements for the Non Complex Pipeline Extension Project at 456 Grand Blvd as complete.

**Background:**

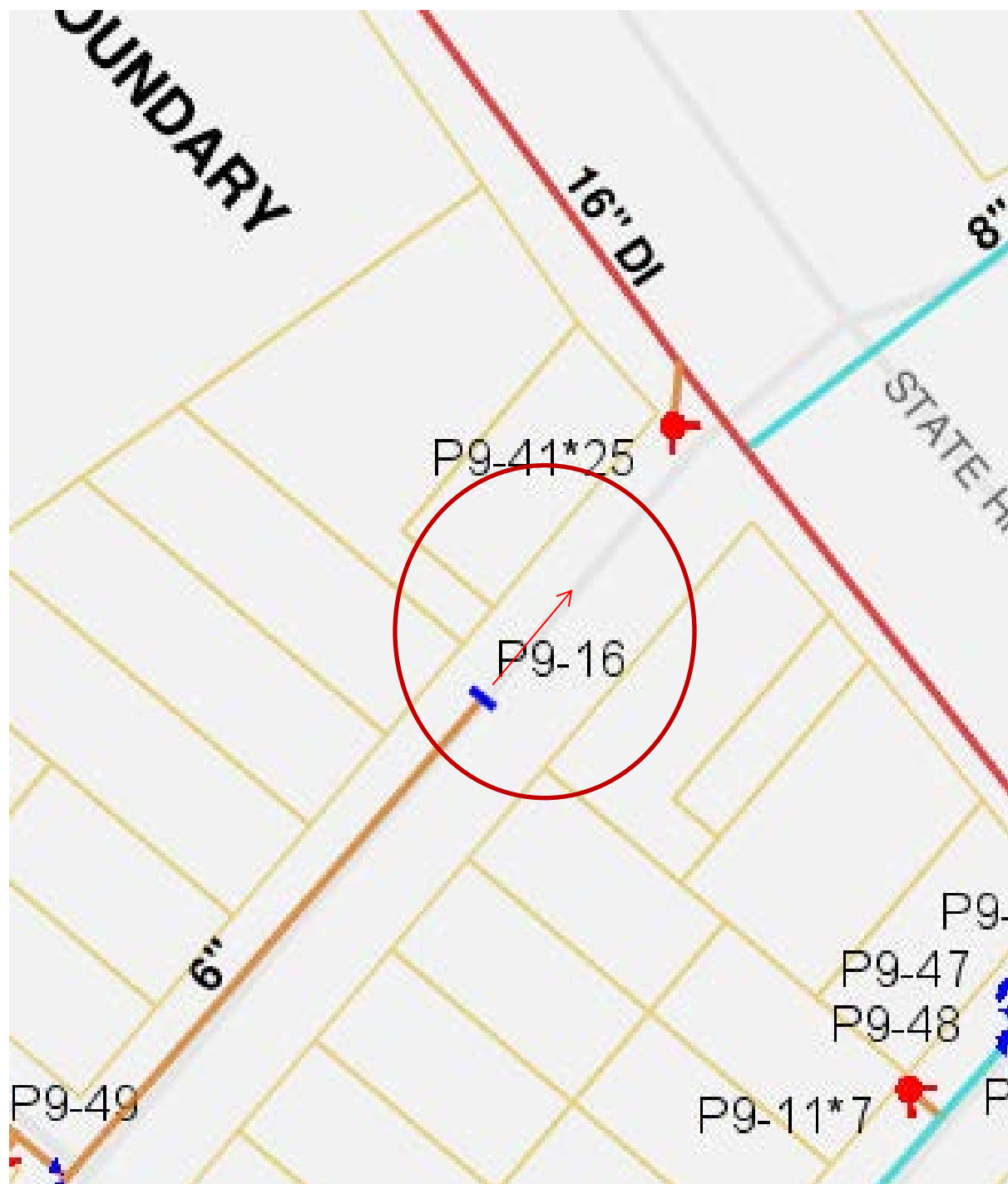
A non-complex pipeline extension project for 456 Grand Blvd was completed on November 11, 2016.

The District accepts the project utility system according to the conditions listed below:

- √ That the Project Utility System was constructed in accordance with the district regulations.
- √ All costs for the construction of the Project have been borne by the applicant. No outstanding fees are due at this time.

**Fiscal Impact:**       None.





## **STAFF REPORT**

**To:** Coastside County Water District Board of Directors

**From:** Mary Rogren, Assistant General Manager

**Agenda:** January 10, 2017

### **Report**

**Date:** January 6, 2017

**Subject:** Coastside County Water District Basic Financial Statements and Independent Auditors Report for the Fiscal Year Ended June 30, 2016

---

### **Recommendation:**

Accept the Basic Financial Statements for Fiscal Year Ended June 30, 2016.

### **Background:**

Joseph J. Arch, CPA, Inc. (JJACPA), the District's Independent Auditor, has completed work on the Basic Financial Statements for the Year Ended June 30, 2016. The Auditor's letter attests that the financial statements fairly represent the financial position of the District. No exceptions or concerns were noted.

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

### **Attachments:**

- A. Coastside County Water District – Basic Financial Statements and Supplementary Schedules – June 30, 2016
- B. JJACPA – Communications with Those Charged with Governance and Communication of Internal Control Related Matters

**COASTSIDE COUNTY WATER DISTRICT**

**BASIC FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY SCHEDULES**

**JUNE 30, 2016**

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**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2016**

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**Coastside County Water District  
Basic Financial Statements  
For the year ended June 30, 2016**

**Elected Officials and Administrative Personnel**

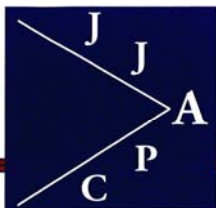
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**2016 BOARD OF DIRECTORS**

Arnie Glassberg – President  
Glenn Reynolds – Vice President  
Ken Coverdell – Director  
Chris Mickelsen – Director  
Bob Feldman – Director

**MANAGEMENT**

David Dickson – General Manager  
Mary Rogren – Assistant General Manager



**JJACPA, Inc.**

A Professional Accounting Services Corp.

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## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Coastside County Water District (District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. The prior year comparative total information has been derived from the District's fiscal year 2015 basic financial statements and, in our report dated January 29, 2016 we expressed an unqualified opinion on those financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-9, the District's Schedules of Contributions on pages 40-42, and the Schedules of the District's Proportionate Share of the Net Pension Liability on pages 43-45 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 Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2017 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 District's internal control over financial reporting and compliance.

January 3, 2017

*JJACPA, Inc.*  
JJACPA, Inc.  
Dublin, CA



**Coastside County Water District  
Basic Financial Statements  
For the year ended June 30, 2016**

**Management's Discussion and Analysis**

---

This section of Coastside County Water District's basic financial statements presents management's discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2016. Since this management's discussion and analysis is designed to focus on current activities, resulting change and current known facts, please read it in conjunction with the District's basic financial statements (pages 12 - 14) and the footnotes (pages 15 - 37).

**Financial Highlights**

At June 30, 2016, the District's net position increased \$1,154,668 as compared to \$938,286 in year ending June 30, 2015. Operating revenues increased by \$943,485 over prior year primarily due to a water rate increase which became effective July 1, 2015. Operating expenses increased by \$803,155 primarily due to increases in purchased water costs, transmission and administrative expenses. Non-operating revenues increased by \$76,052 primarily due to increases in transmission and storage fees.

**Using This Report**

In December 1998, the Governmental Accounting Standards Board (GASB) released statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, which revised the reporting of property tax revenue. In June 1999, GASB released statement No. 34, *Basic Financial Statements -- and Management's Discussion and Analysis -- for State and Local Governments*. Changes in Statement No. 34 require a comprehensive one-line look at the entity as a whole and capitalization of assets and depreciation for agencies not reporting on the accrual basis of accounting. Since the District has historically reported all activities in enterprise funds in a manner similar to business activities and followed the accrual basis of accounting, the District merely has been required to reclassify certain balances to utilize the new Statement No. 34 terminology. There were no major reconciling items necessary or elimination of balances due to the implementation of Statement No. 34.

The annual financial statements include the Independent Auditors' Report, this management's discussion and analysis, the basic financial statements, and notes to the basic financial statements.

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2016**

**Management's Discussion and Analysis, Continued**

**Financial Analysis of the District as a Whole**

|   | Net Position         |                      | Increase<br>(Decrease) | Percent<br>Change |
|---|----------------------|----------------------|------------------------|-------------------|
|   | 2016                 | 2015                 |                        |                   |
| As of June 30, 2016 and 2015                  |                      |                      |                        |                   |
| Current assets                                | \$ 4,462,907         | \$ 4,025,120         | \$ 437,787             | 10.9%             |
| Non-current assets                            | 48,506,604           | 47,332,394           | 1,174,210              | 2.5%              |
| Deferred outflows of resources                | 1,187,668            | 415,861              | 771,807                | 100%              |
| <b>Total assets and deferred outflows</b>     | <b>54,157,179</b>    | <b>51,773,375</b>    | <b>2,383,804</b>       | <b>4.6%</b>       |
| Current liabilities                           | 1,169,402            | 1,108,490            | 60,912                 | 5.5%              |
| Non-current liabilities                       | 15,729,295           | 15,074,554           | 654,741                | 4.3%              |
| Deferred inflows of resources                 | 1,118,885            | 605,402              | 513,483                | 100%              |
| <b>Total liabilities and deferred inflows</b> | <b>18,017,582</b>    | <b>16,788,446</b>    | <b>1,229,136</b>       | <b>7.3%</b>       |
| <b>Net position:</b>                          |                      |                      |                        |                   |
| Net investment in capital assets              | 36,326,164           | 35,239,512           | 1,086,652              | 3.1%              |
| Restricted                                    | 250,000              | 660,341              | (410,341)              | (62.1)%           |
| Unrestricted (deficit)                        | (436,567)            | (914,924)            | 478,357                | (52.3)%           |
| <b>Total net position</b>                     | <b>\$ 36,139,597</b> | <b>\$ 34,984,929</b> | <b>\$ 1,154,668</b>    | <b>3.3%</b>       |

This schedule is prepared from the District's Statement of Net Position (page 12), which is presented on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Operating revenues in the Statement of Activities are those revenues that are generated from the primary operations of the District. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the District. All other expenses are reported as non-operating expenses.

As can be seen from the table above, net position at June 30, 2016, increased to \$36,139,597 from \$34,984,929 in 2015. The increase in net position was primarily due to increased operating revenues.

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2016**

**Management's Discussion and Analysis, Continued**

**Financial Analysis of the District as a Whole, Continued**

Operating results are summarized as follows:

**Operating Results**  
**For the years ended June 30, 2016 and 2015**

|                                 | <u>2016</u>          | <u>2015</u>          | <u>Increase<br/>(Decrease)</u> | <u>Percent<br/>Change</u> |
|---------------------------------|----------------------|----------------------|--------------------------------|---------------------------|
| Operating revenues              | \$ 9,594,999         | \$ 8,651,514         | \$ 943,485                     | 10.9%                     |
| Operating expenses              | 9,269,486            | 8,466,331            | 803,155                        | 9.5%                      |
| Operating income (loss)         | 325,513              | 185,183              | 140,330                        | 75.8%                     |
| Non-operating revenues          | 1,491,420            | 1,501,899            | (10,479)                       | (0.7)%                    |
| Non-operating expenses          | (662,265)            | (748,796)            | 86,531                         | (11.6)%                   |
| Net income before contributions | 1,154,668            | 938,286              | 216,382                        | 23.1%                     |
| Change in net position          | 1,154,668            | 938,286              | 216,382                        | 23.1%                     |
| Net position:                   |                      |                      |                                |                           |
| Beginning of year               | 34,984,929           | 34,046,643           | 938,286                        | 2.8%                      |
| End of year                     | <u>\$ 36,139,597</u> | <u>\$ 34,984,929</u> | <u>\$ 1,154,668</u>            | <u>3.3%</u>               |

Net income for fiscal year 2016 was \$1,154,668, an increase of \$216,382 over 2015.

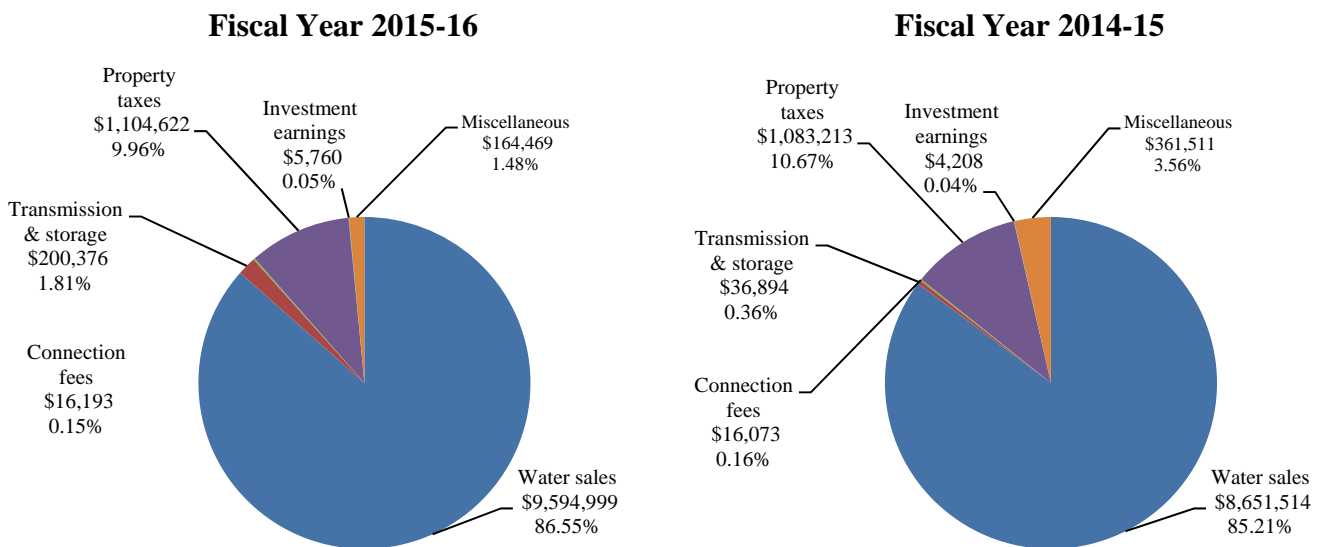
**Coastside County Water District  
Basic Financial Statements  
For the year ended June 30, 2016**

**Management’s Discussion and Analysis, Continued**

**Financial Analysis of the District as a Whole, Continued**

The following is a graphic illustration of revenues by source:

**Revenues by Source  
Both Operating & Non-Operating**



| <b>FY 2015-2016</b>  |               |  | <b>FY 2014-2015</b>  |               | <b>Increase<br/>(Decrease)</b> |
|----------------------|---------------|--|----------------------|---------------|--------------------------------|
| \$ 9,594,999         | 86.5%         | <b>Water sales</b>                     | \$ 8,651,514         | 85.3%         | \$ 943,485                     |
| 200,376              | 1.8%          | <b>Transmission &amp; storage fees</b> | 36,894               | 0.4%          | 163,482                        |
| 16,193               | 0.1%          | <b>Connection fees</b>                 | 16,073               | 0.2%          | 120                            |
| 1,104,622            | 10.0%         | <b>Property taxes</b>                  | 1,083,213            | 10.7%         | 21,409                         |
| 5,760                | 0.1%          | <b>Investment earnings</b>             | 4,208                | 0.0%          | 1,552                          |
| 164,469              | 1.5%          | <b>Miscellaneous</b>                   | 361,511              | 3.6%          | (197,042)                      |
| <b>\$ 11,086,419</b> | <b>100.0%</b> | <b>Totals</b>                          | <b>\$ 10,153,413</b> | <b>100.0%</b> | <b>\$ 933,006</b>              |

Water sales increased \$943,485 due to a rate increase for fiscal year 2015-16, approved by the Board of Directors. Transmission and storage fees increased \$163,482 due to sales of priority Crystal Springs connections. Property taxes increased by \$21,409 primarily due to San Mateo County’s method of calculating and distributing funds. Miscellaneous Income decreased \$197,042 primarily due to a one time payment of insurance proceeds that occurred in fiscal year 2014-15 and not repeated in fiscal year 2015-16.

**Coastside County Water District  
Basic Financial Statements  
For the year ended June 30, 2016**

**Management’s Discussion and Analysis, Continued**

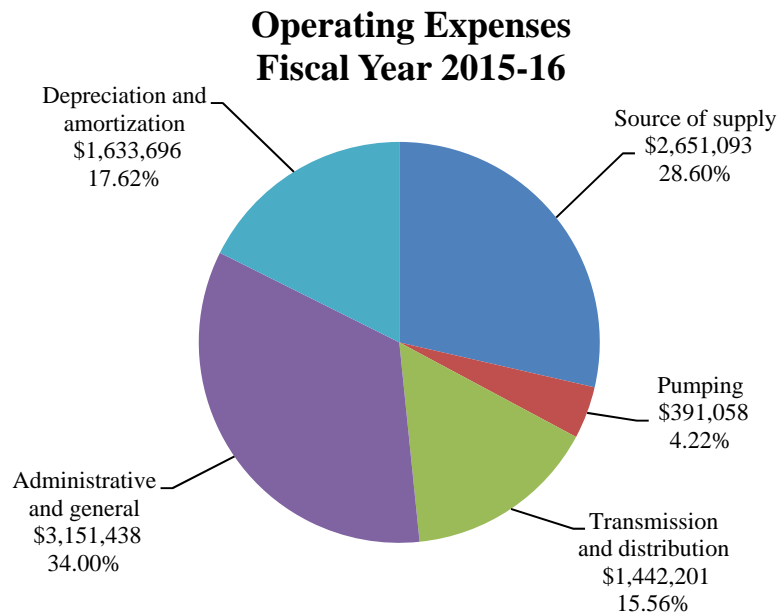
**Financial Analysis of the District as a Whole, Continued**

Operating expenses increased by \$803,155 as detailed below:

| <b>Operating Expenses</b>                         |                     |                     |                                |                           |
|---|---------------------|---------------------|--------------------------------|---------------------------|
| <b>For the years ended June 30, 2016 and 2015</b> |                     |                     |                                |                           |
|   | <u>2016</u>         | <u>2015</u>         | <u>Increase<br/>(Decrease)</u> | <u>Percent<br/>Change</u> |
| <b>Operating expenses:</b>                        |                     |                     |                                |                           |
| Source of supply                                  | \$ 2,651,093        | \$ 2,541,926        | \$ 109,167                     | 4.3%                      |
| Pumping   | 391,058             | 493,804             | (102,746)                      | (20.8)%                   |
| Transmission and distribution                     | 1,442,201           | 1,330,746           | 111,455                        | 8.4%                      |
| Administrative and general                        | 3,151,438           | 2,482,451           | 668,987                        | 26.9%                     |
| Depreciation and amortization expense             | 1,633,696           | 1,617,404           | 16,292                         | 1.0%                      |
| <b>Total</b>                                      | <u>\$ 9,269,486</u> | <u>\$ 8,466,331</u> | <u>\$ 803,155</u>              | <u>9.5%</u>               |

Source of supply increased \$109,167 primarily due to a 30% increase in purchased water rates partially offset by lower water usage caused by drought related conservation efforts. Pumping expenses decreased \$102,746 due to decreased pumping from the Crystal Springs supply, and alternatively using local source water supplies that require less pumping. Transmission and distribution expenses increased \$111,455 due to increased maintenance and to increases in field staff salaries. Administrative and general expense increased \$668,987 primarily due to increases in pension expense, medical insurance, salaries and consulting services.

The following is a graphic illustration of operating expenses:



**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2016**

**Management's Discussion and Analysis, Continued**

**Financial Analysis of the District as a Whole, Continued**

Net position increased by \$1,154,668 as detailed below:

| <b>Analysis of Net Position</b>     |                      |                      |                                |                           |
|-------------------------------------|----------------------|----------------------|--------------------------------|---------------------------|
| <b>As of June 30, 2016 and 2015</b> |                      |                      |                                |                           |
|                                     | <u>2016</u>          | <u>2015</u>          | <u>Increase<br/>(Decrease)</u> | <u>Percent<br/>Change</u> |
| <b>Net position:</b>                |                      |                      |                                |                           |
| Net investment in capital assets    | \$ 36,326,164        | \$ 35,239,512        | \$ 1,086,652                   | 3.1%                      |
| Restricted                          |                      |                      |                                |                           |
| Crystal Springs Project             | -                    | 410,341              | (410,341)                      | (100.0)%                  |
| Rate Stabilization                  | 250,000              | 250,000              | -                              | 0.0%                      |
| Unrestricted (deficit)              | <u>(436,567)</u>     | <u>(914,924)</u>     | <u>478,357</u>                 | <u>(52.3)%</u>            |
| <b>Total</b>                        | <u>\$ 36,139,597</u> | <u>\$ 34,984,929</u> | <u>\$ 1,154,668</u>            | <u>3.3%</u>               |

The change in net position of \$1,154,668 is primarily due to increased water sales and non-operating revenues.

**Cash Flows**

Net cash decreased by \$339,101 primarily due to the acquisition of capital assets.

**Long-term Debt**

The District's long term debt increased by net amount \$87,558, reflecting an increase in loan proceeds offset by principal repayment and amortization of bond discounts during the fiscal year 2015-16. In May 2016, the District obtained an installment loan up to \$5,628,000 from the California Infrastructure and Economic Development Bank (CIEDB) for District Facility Improvements. As of June 30, 2016, the District has drawn \$459,868 in loan proceeds.

**Coastside County Water District  
Basic Financial Statements  
For the year ended June 30, 2016**

**Management's Discussion and Analysis, Continued**

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**Economic Factors and Potential Future Results**

On April 1, 2015, Governor Brown issued Executive Order B-29-15 imposing restrictions to achieve a statewide 25% reduction in potable urban water usage due to the drought. In response to Governor Brown's Order, effective June 1, 2015, the District was mandated by the State Water Resources Control Board to reduce water consumption by 8% over 2013 levels.

As water conditions improved for some areas in California in 2016, the District submitted a water supply certification in June 2016 and was able to go to a zero percent conservation standard from July 1, 2016 through January 31, 2017.

Executive Order B-37-16, issued in May of 2016, set a framework for additional permanent mandatory water conservation measures that are expected to be implemented starting in 2017. These new mandates will continue to impact District resources and encourage decreased water consumption, which will impact the District's revenue from water sales.

This trend, combined with a series of significant increases in the wholesale water rate charged by the San Francisco Public Utilities Commission and the need to finance essential infrastructure maintenance and replacement, will increase the District's revenue requirements in the future. The District has generally raised rates on an annual basis to meet revenue requirements and will continue to do so subject to approval by the Board of Directors and in consideration of Proposition 218 requirements.

**Contacting the District**

This financial report is designed to provide our customers and creditors a general overview of the District's finances and to demonstrate the District's fiscal accountability. If you have questions about this report, contact:

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

Phone (650) 726 4405  
Fax (650) 726 5245

David R. Dickson, General Manager  
Mary Rogren, Assistant General Manager

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## **BASIC FINANCIAL STATEMENTS**

# Coastside County Water District

## Statement of Net Position

June 30, 2016

(with comparative totals for June 30, 2015)

| ASSETS   | 2016                 | 2015                 |
|--|----------------------|----------------------|
| <b>Current assets:</b>   |                      |                      |
| Cash and investments   | \$ 1,808,196         | \$ 2,147,297         |
| Restricted cash and investments  | 849,585              | 647,879              |
| Accounts receivable:   |                      |                      |
| Customer water   | 1,518,648            | 939,558              |
| Taxes  | 16,251               | 14,134               |
| Interest   | 3,397                | 5,828                |
| Prepaid expenses   | 50,923               | 58,936               |
| Materials and supplies inventory   | 184,600              | 178,215              |
| Unamortized bond issuance costs  | 31,307               | 33,273               |
| <b>Total current assets</b>  | <b>4,462,907</b>     | <b>4,025,120</b>     |
| <b>Non-current assets:</b>   |                      |                      |
| Capital assets:  |                      |                      |
| Construction in progress   | 2,731,638            | 3,118,869            |
| Utility plant  | 74,469,170           | 71,278,246           |
| Less accumulated depreciation  | (28,694,204)         | (27,064,721)         |
| <b>Total non-current assets</b>  | <b>48,506,604</b>    | <b>47,332,394</b>    |
| <b>Total assets</b>  | <b>52,969,511</b>    | <b>51,357,514</b>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                                    |                      |                      |
| Pension plan   | 1,187,668            | 415,861              |
| <b>Total assets and deferred outflows of resources</b>                   | <b>\$ 54,157,179</b> | <b>\$ 51,773,375</b> |
| <b>LIABILITIES</b>   |                      |                      |
| <b>Current liabilities:</b>  |                      |                      |
| Accounts payable and accrued liabilities                                 | \$ 469,786           | \$ 413,241           |
| Accrued payroll  | 101,526              | 143,695              |
| Customer deposits  | 48,242               | 44,586               |
| Interest payable   | 163,087              | 134,659              |
| Due within one year  | 386,761              | 372,309              |
| <b>Total current liabilities</b>   | <b>1,169,402</b>     | <b>1,108,490</b>     |
| <b>Non-current liabilities:</b>  |                      |                      |
| Due after one year   | 11,793,679           | 11,720,573           |
| Net OPEB obligation  | 751,986              | 635,895              |
| Accrued vacation and sick leave  | 106,048              | 97,186               |
| Net pension liability  | 3,077,582            | 2,620,900            |
| <b>Total non-current liabilities</b>                                     | <b>15,729,295</b>    | <b>15,074,554</b>    |
| <b>Total liabilities</b>   | <b>16,898,697</b>    | <b>16,183,044</b>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                     |                      |                      |
| Pension plan   | 1,118,885            | 605,402              |
| <b>Total deferred inflows of resources</b>                               | <b>1,118,885</b>     | <b>605,402</b>       |
| <b>NET POSITION</b>  |                      |                      |
| Net investment in capital assets   | 36,326,164           | 35,239,512           |
| Restricted for:  |                      |                      |
| Crystal Springs Project  | -                    | 410,341              |
| Rate Stabilization   | 250,000              | 250,000              |
| Unrestricted   | (436,567)            | (914,924)            |
| <b>Total Net Position</b>  | <b>36,139,597</b>    | <b>34,984,929</b>    |
| <b>Total liabilities, deferred inflows of resources and net position</b> | <b>\$ 54,157,179</b> | <b>\$ 51,773,375</b> |

The accompanying notes are an integral part of these basic financial statements.

**Coastside County Water District**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the year ended June 30, 2016**

(with comparative totals for the year ended June 30, 2015)

|  | <u>2016</u>          | <u>2015</u>          |
|--|----------------------|----------------------|
| <b>OPERATING REVENUES:</b>                     |                      |                      |
| Water sales                                    | \$ 9,594,999         | \$ 8,651,514         |
| <b>OPERATING EXPENSES:</b>                     |                      |                      |
| Source of supply                               | 2,651,093            | 2,541,926            |
| Pumping  | 391,058              | 493,804              |
| Transmission and distribution                  | 1,442,201            | 1,330,746            |
| Administrative and general                     | 3,151,438            | 2,482,451            |
| Depreciation and amortization                  | 1,633,696            | 1,617,404            |
| <b>Total operating expenses</b>                | <u>9,269,486</u>     | <u>8,466,331</u>     |
| <b>Operating income</b>                        | <u>325,513</u>       | <u>185,183</u>       |
| <b>NON-OPERATING REVENUES (EXPENSES):</b>      |                      |                      |
| Property taxes                                 | 1,104,622            | 1,083,213            |
| Investment earnings                            | 5,760                | 4,208                |
| Transmission and storage fees                  | 200,376              | 36,894               |
| Connection fees                                | 16,193               | 16,073               |
| Miscellaneous income                           | 164,469              | 361,511              |
| Collection fees                                | (16,985)             | (16,835)             |
| Net OPEB expense                               | (116,091)            | (179,866)            |
| Interest expense                               | (529,189)            | (456,780)            |
| Loss on disposal of capital assets             | -                    | (40,602)             |
| Miscellaneous expense                          | -                    | (54,713)             |
| <b>Total non-operating revenues (expenses)</b> | <u>829,155</u>       | <u>753,103</u>       |
| <b>Net Income</b>                              | 1,154,668            | 938,286              |
| <b>NET POSITION:</b>                           |                      |                      |
| Net position - beginning                       | 34,984,929           | 34,046,643           |
| Net position - ending                          | <u>\$ 36,139,597</u> | <u>\$ 34,984,929</u> |

The accompanying notes are an integral part of these basic financial statements.

# Coastside County Water District

## Statement of Cash Flows

For the year ended June 30, 2016

(with comparative amounts for the year ended June 30, 2015)

|   | <b>2016</b>         | <b>2015</b>         |
|---|---------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |                     |                     |
| Receipts from customers   | \$ 9,013,792        | \$ 8,542,113        |
| Payments to suppliers   | (5,543,888)         | (5,105,730)         |
| Payments to employees   | (1,865,022)         | (1,925,397)         |
| <b>Net cash provided (used) by operating activities</b>   | <b>1,604,882</b>    | <b>1,510,986</b>    |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>   |                     |                     |
| Property taxes received net of collection fees  | 1,087,637           | 1,066,378           |
| Miscellaneous receipts  | 164,469             | 361,511             |
| Miscellaneous payments  | -                   | (54,713)            |
| <b>Net cash provided (used) by noncapital financing activities</b>                                    | <b>1,252,106</b>    | <b>1,373,176</b>    |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>                                      |                     |                     |
| Change in restricted cash and investments   | (201,706)           | (38,452)            |
| Transmission and storage fee receipts   | 200,376             | 36,894              |
| Connection fee receipts   | 16,193              | 16,073              |
| Proceeds from the issuance of long-term debt  | 459,868             | -                   |
| Principal and interest payments on long-term debt   | (871,105)           | (826,817)           |
| Acquisition of capital assets   | (2,807,906)         | (2,036,316)         |
| <b>Net cash provided (used) by capital and related financing activities</b>                           | <b>(3,204,280)</b>  | <b>(2,848,618)</b>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>  |                     |                     |
| Interest received on investments  | 8,191               | 11,443              |
| <b>Net cash provided (used) by investing activities</b>   | <b>8,191</b>        | <b>11,443</b>       |
| <b>Net increase (decrease) in cash and cash equivalents</b>   | <b>(339,101)</b>    | <b>46,987</b>       |
| <b>CASH:</b>  |                     |                     |
| Beginning of year   | 2,147,297           | 2,100,310           |
| End of year   | <u>\$ 1,808,196</u> | <u>\$ 2,147,297</u> |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b> |                     |                     |
| Operating income  | \$ 325,513          | \$ 185,183          |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |                     |                     |
| Depreciation and amortization expense   | 1,633,696           | 1,617,404           |
| Pension plan  | 198,358             | (164,931)           |
| Change in assets and liabilities:   |                     |                     |
| Accounts receivable   | (581,207)           | (109,401)           |
| Materials and supplies  | (6,385)             | 9,785               |
| Prepaid expenses  | 8,013               | (38,392)            |
| Accounts payable and accrued liabilities  | 56,545              | (18,444)            |
| Accrued payroll   | (42,169)            | 19,283              |
| Customer deposits   | 3,656               | 1,637               |
| Accrued vacation and sick leave   | 8,862               | 8,862               |
| <b>Net cash provided (used) by operating activities</b>   | <b>\$ 1,604,882</b> | <b>\$ 1,510,986</b> |

The accompanying notes are an integral part of these basic financial statements.

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2016**

**Notes to Basic Financial Statements**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Coastside County Water District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental enterprises classified as proprietary fund types. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The reports are based on all applicable GASB pronouncements as well as applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Review Boards of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. When applicable, certain prior year amounts have been reclassified to conform to current year presentation. The following is a summary of the more significant policies:

**A. Description of the Reporting Entity**

The District is organized under the Water Code provisions of the general laws of the State of California and is governed by a five-member Board of Directors elected at large by the registered voters of the District. The District is located along the Pacific Ocean in San Mateo County; it purchases more than half of its water supply from the San Francisco Water Department. The balance is developed from local sources, including surface diversion and wells. Water is distributed to customers inside and outside the District's boundaries.

Oversight responsibility, the ability to conduct independent financial affairs, issue debt instruments, approve budgets, and otherwise influence operations and account for fiscal matters is exercised by the District's Board of Directors. The District is a separate reporting entity for financial reporting purposes and the accompanying financial statements reflect the assets, liabilities, net position, revenues, and expenses of the District only.

As defined by GASB Statements No. 14 and 39, *The Financial Reporting Entity*, the District is not financially accountable for any other entity other than itself, nor are there any other entities for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete.

In addition, based upon the above criteria, the District is not aware of any entity which would be financially accountable for the District which would result in the District being considered a component of the entity.

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2016**

**Notes to Basic Financial Statements, Continued**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued***

**B. Fund Accounting Classification and Basis of Accounting**

On the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net position, business-like activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

District funds are classified as enterprise funds, which account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The acquisition and capital improvement of the physical plant facilities required to provide these goods and services are financed from existing cash resources, the issuance of bonds, and cash flow from operations.

**C. Cash and Investments**

For the purposes of the Statement of Net position and Statement of Cash Flows, “cash equivalents and investments” includes all demand, savings accounts, and certificates of deposits or short-term investments with an original maturity of three months or less.

Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Note 2.

**D. Capital Assets**

Capital assets are carried at cost or estimated cost if actual cost was not available. Contributed capital assets are valued at their estimated fair value on the date contributed.

Depreciation is calculated on a straight-line basis using the following useful life schedule:

|                                     |             |
|-------------------------------------|-------------|
| Water treatment plant and pipelines | 22-50 years |
| Buildings                           | 23-33 years |
| Furniture and equipment             | 10 years    |
| Vehicles                            | 5 years     |

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized.

**Coastside County Water District  
Basic Financial Statements  
For the year ended June 30, 2016**

**Notes to Basic Financial Statements, Continued**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued***

**E. Deferred outflows/inflows of resources**

In addition to assets, the statement of financial 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 net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has only one item that qualifies for reporting in this category. It is the deferred charge on pension plan contributions on the statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has one item reported as a deferred inflow of resources. The deferred inflow of resources is the net difference between projected and actual earnings on pension plan investments and is reported on the statement of net position.

**F. Property Taxes**

The District's property taxes are levied each calendar year on all taxable real property located in the District. Property taxes are recorded on an accrual basis of accounting.

The County Assessor is responsible for assessment of all taxable real property within San Mateo County. Reassessment is on a three-year schedule established by the Assessor.

The County Clerk computes the annual tax for each parcel of real property and prepares tax books used by the County Collector as the basis for issuing tax bills to all taxpayers in the County.

Property taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to each unit its respective share of the collections. Taxes levied in one year become due and payable in two installments during the following year generally on March 1<sup>st</sup> and August 30<sup>th</sup>.

The first installment is an estimated bill, and is approximately one-half of the prior year's tax bill. The second installment is based on the current levy, assessment, equalization, and certificate to limit levy, if any and any changes from the prior year will be reflected in the second installment bill. Taxes must be levied by the last Tuesday in December for the following collection year. The levy becomes an enforceable lien against the property as of January 1 of the levy year.

**Coastside County Water District  
Basic Financial Statements  
For the year ended June 30, 2016**

**Notes to Basic Financial Statements, Continued**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**G. Accrued Vacation and Sick Leave**

The liability for vested vacation pay is recorded as an expense when the vacation is earned. District employees have a vested interest of up to 240 hours of accrued vacation time and up to 50% of their sick time up to 60 days, based upon retirement and time with the District.

**H. Bond Issuance Costs**

Debt issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred. Prepaid insurance costs are reported as an asset and recognized as an expense in a systematic and rational manner over the duration of the related debt.

**I. Comparative Data**

Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations.

**J. Reclassifications**

Certain amounts from the prior year have been reclassified to conform to the current year's presentation.



**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2016**

**Notes to Basic Financial Statements, Continued**

**2. CASH AND INVESTMENTS**

**A. Composition**

The District's cash and temporary investments are carried at market value, and include:

|                                     | June 30, 2016     |                     |                     | Balance as of<br>June 30, 2015 |
|-------------------------------------|-------------------|---------------------|---------------------|--------------------------------|
|                                     | FDIC insured      | Not Rated           | Fair Value          |                                |
| Cash in bank                        | \$ 250,000        | \$ 1,382,943        | \$ 1,632,943        | \$ 1,524,010                   |
| Petty Cash                          | -                 | 430                 | 430                 | 430                            |
| Local Agency Investment Fund (LAIF) | -                 | 1,024,408           | 1,024,408           | 1,020,736                      |
| Total                               | <u>\$ 250,000</u> | <u>\$ 2,407,781</u> | <u>\$ 2,657,781</u> | <u>\$ 2,545,176</u>            |

Financial Statement presentation:

|                                 |                     |                     |
|---------------------------------|---------------------|---------------------|
| Cash and investments            | \$ 1,808,196        | \$ 2,147,297        |
| Restricted cash and investments | 849,585             | 647,879             |
| Total                           | <u>\$ 2,657,781</u> | <u>\$ 2,795,176</u> |

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the District's cash on deposit or first trust deed mortgage notes with a value of 150% of the District's cash on deposit as collateral for these deposits. Under California Law this collateral is held in an investment pool by an independent financial institution in the District's name and places the District ahead of general creditors of the institution pledging the collateral. The District has waived collateral requirements for the portion of deposits covered by federal deposit insurance.

The District's investments are carried at fair value, as required by generally accepted accounting principles. The District adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

**B. Authorized Investments**

The District's Investment Policy and the California Government Code allow the District to invest in the following, provided the credit ratings of the issuers are acceptable to the District and approved percentages and maturities are not exceeded.

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2016**

**Notes to Basic Financial Statements, Continued**

**2. CASH AND INVESTMENTS, Continued**

The table below also identifies certain provisions of the California Government Code, or the District's Investment Policy where the District's Investment Policy is more restrictive.

| <u>Authorized Investment Type</u>       | <u>Maximum Maturity</u> | <u>Maximum Percentage of Portfolio</u> |
|---|-------------------------|--|
| California Local Agency Investment Fund | N/A                     | None                                   |
| U.S. Treasury Obligations               | 5 years                 | None                                   |
| Negotiable Certificates of Deposit      | 1 year                  | 30%                                    |

**C. Fair Value of Investments**

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments were stated at fair value using the aggregate method, which includes any adjustments in interest/investment income.

**D. Investments Authorized by Debt Agreements**

The District must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the District fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with District resolutions, bond indentures, or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The bond indentures contain no limitations for the maximum investment in any one issuer or the maximum percentage of the portfolio that may be invested in any one investment type.

| <u>Authorized Investment Type</u>       | <u>Maximum Maturity</u> | <u>Minimum Credit Quality</u> |
|---|-------------------------|-------------------------------|
| U.S. Treasury Obligations               | N/A                     | Aaa                           |
| U.S. Agency Securities                  | N/A                     | Aaa                           |
| Bankers' Acceptances                    | 30 days                 | A-1                           |
| Commercial Paper                        | 270 days                | A-1+                          |
| Money Market Funds                      | N/A                     | Aam                           |
| Pre-Funded Municipal Obligations        | N/A                     | AAA                           |
| Repurchase Agreements                   | 270 days                | A                             |
| State Direct General Obligations        | N/A                     | AA Special                    |
| Revenue Bonds                           | N/A                     | AA                            |
| California Local Agency Investment Fund | N/A                     | None                          |

**Coastside County Water District  
Basic Financial Statements  
For the year ended June 30, 2016**

**Notes to Basic Financial Statements, Continued**

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**2. CASH AND INVESTMENTS, Continued**

**E. Interest Rate and Credit Risk**

*Interest rate risk* is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

*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. The District's only investments are in the California Local Agency Investment Fund (LAIF) and in Money Market accounts which are not rated at June 30, 2016.

LAIF that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The District reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are maintained on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2016, these investments matured in an average of 167 days.

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2016**

**Notes to Basic Financial Statements, Continued**

**3. CAPITAL ASSETS**

Changes in capital assets and depreciation were as follows:

|   | July 1, 2015  | Additions    | Deletions | Transfer/<br>Adjustments | June 30, 2016 |
|---|---------------|--------------|-----------|--------------------------|---------------|
| <b>Nondepreciable:</b>                    |               |              |           |                          |               |
| Construction in progress                  | \$ 3,118,869  | \$ 640,397   | \$ -      | \$ (1,027,628)           | \$ 2,731,638  |
| <b>Utility Plant Nondepreciable:</b>      |               |              |           |                          |               |
| Land                                      | \$ 160,613    | \$ -         | \$ -      | \$ -                     | \$ 160,613    |
| Total Utility Plant nondepreciable assets | 160,613       | -            | -         | -                        | 160,613       |
| <b>Utility Plant Depreciable:</b>         |               |              |           |                          |               |
| Source of supply                          | 401,040       | -            | -         | -                        | 401,040       |
| Transmission and distribution             | 17,309,530    | 17,113       | -         | -                        | 17,326,643    |
| Treatment plants and well field projects  |               |              |           |                          |               |
| Acquired and constructed                  | 12,875,193    | 133,490      | -         | (296,191)                | 12,712,492    |
| Contributed                               | 2,899,227     | -            | -         | -                        | 2,899,227     |
| Pipelines and meters                      | 11,795,489    | 516,295      | -         | 24,074                   | 12,335,858    |
| Crystal Springs Project                   | 21,994,933    | 1,038,384    | -         | 891,320                  | 23,924,637    |
| Buildings and structures                  | 321,040       | 90,698       | -         | 607,147                  | 1,018,885     |
| Vehicles                                  | 807,590       | -            | -         | -                        | 807,590       |
| Furniture and equipment                   | 2,713,591     | 367,316      | -         | (198,722)                | 2,882,185     |
| Total depreciable assets                  | 71,117,633    | 2,163,296    | -         | 1,027,628                | 74,308,557    |
| Total utility plant at cost               | 71,278,246    | 2,163,296    | -         | 1,027,628                | 74,469,170    |
| <b>Less: accumulated depreciation</b>     | (27,064,721)  | (1,629,483)  | -         | -                        | (28,694,204)  |
| Total utility plant (net)                 | 44,213,525    | 533,813      | -         | 1,027,628                | 45,774,966    |
| Total capital assets                      | \$ 47,332,394 | \$ 1,174,210 | \$ -      | \$ -                     | \$ 48,506,604 |

**Coastside County Water District  
Basic Financial Statements  
For the year ended June 30, 2016**

**Notes to Basic Financial Statements, Continued**

**4. LONG-TERM DEBT**

**A. Long-Term Debt Activity**

|                                  | Original<br>Issue<br>Amount | Balance<br>July 1, 2015 | Additions         | Retirements         | Balance<br>June 30, 2016 | Due Within<br>One Year |
|----------------------------------|-----------------------------|-------------------------|-------------------|---------------------|--------------------------|------------------------|
| <b>2006B Water Revenue Bonds</b> |                             |                         |                   |                     |                          |                        |
| 3.5-4.75%, due 10/01/32          | 7,295,000                   | 5,830,000               | -                 | (215,000)           | 5,615,000                | 225,000                |
| Discount                         | (58,459)                    | (40,465)                | -                 | 2,248               | (38,217)                 | (2,248)                |
| Total Debt Issuances             | <u>7,236,541</u>            | <u>5,789,535</u>        | <u>-</u>          | <u>(212,752)</u>    | <u>5,576,783</u>         | <u>222,752</u>         |
| <b>CIEDB Enterprise Fund</b>     |                             |                         |                   |                     |                          |                        |
| Installment Loan - 2011          | 6,756,500                   | 6,303,347               | -                 | (159,558)           | 6,143,789                | 164,009                |
| Installment Loan - 2016          | 5,628,000                   | -                       | 459,868           | -                   | 459,868                  | -                      |
| Total                            | <u>\$ 19,621,041</u>        | <u>\$ 12,092,882</u>    | <u>\$ 459,868</u> | <u>\$ (372,310)</u> | <u>\$ 12,180,440</u>     | <u>\$ 386,761</u>      |
| Amount due within one year       |                             | \$ 372,309              |                   |                     | \$ 386,761               |                        |
| Amount due after one year        |                             | <u>11,720,573</u>       |                   |                     | <u>11,793,679</u>        |                        |
|                                  |                             | <u>\$ 12,092,882</u>    |                   |                     | <u>\$ 12,180,440</u>     |                        |

**2006B Water Revenue Bonds**

On June 1, 2006, the District issued Water Revenue Bonds, Series 2006B in an original principal amount of \$7,295,000 to finance and refinance certain public capital improvements. The bonds are payable from revenues of the District. The 2006B Bonds bear interest at 3.50% to 4.75% and require semiannual interest payments on October 1 and April 1 and annual principal payments on October 1, beginning October 1, 2007. A final installment is due October 1, 2032.

**CIEDB Enterprise Fund Installment Loan**

On October 10, 2011 the District obtained an installment loan up to \$6,756,500 from the California Infrastructure and Economic Development Bank (CIEDB) for the District's Denniston Creek Water Treatment Plant Improvements Project. All funds must be drawn by September 10, 2015. The loan has a 30 year term with a semiannual interest rate of 2.79% (plus a 0.3% annual fee) payable on August 1 and February 1, beginning February 1, 2013. Annual principal payments are due on August 1; beginning after the District withdraws the full \$6,756,500 or completes the project. The final installment is due August 1, 2041. On March 1, 2015, the District and CIEDB entered into The Replacement Agreement and reduced the interest rate to 2.54%. As at June 30, 2016, the outstanding balance of the loan was \$6,143,789.

On May 1, 2016 the District obtained an installment loan up to \$5,628,000 from the California Infrastructure and Economic Development Bank (CIEDB) for the District's Facility Improvements Project. The loan has a 30 year term with a semiannual interest rate of 3.44% (plus a 0.3% annual fee) payable on August 1 and February 1, beginning February 1, 2017. Annual principal payments are due on August 1; beginning August 1, 2017. The final installment is due August 1, 2045. As at June 30, 2016, the outstanding balance of the loan was \$459,868.

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2016**

**Notes to Basic Financial Statements, Continued**

**4. LONG-TERM DEBT, Continued**

**B. Repayment Schedule**

Future annual repayment requirements are as follows:

| Year Ending<br>June 30, | 2006B Water Revenue Bonds |                    |                     | CIEDB Loan - 2011   |                     |
|-------------------------|---------------------------|--------------------|---------------------|---------------------|---------------------|
|                         | Principal                 | Discount           | Interest            | Principal           | Interest            |
| 2017                    | 225,000                   | (2,248)            | 258,553             | 164,009             | 153,969             |
| 2018                    | 235,000                   | (2,248)            | 248,919             | 168,585             | 149,745             |
| 2019                    | 245,000                   | (2,248)            | 238,566             | 173,288             | 145,404             |
| 2020                    | 255,000                   | (2,248)            | 226,831             | 178,123             | 140,941             |
| 2021                    | 265,000                   | (2,248)            | 213,831             | 183,093             | 136,353             |
| 2022-2026               | 1,540,000                 | (11,240)           | 859,488             | 994,997             | 608,348             |
| 2027-2031               | 1,940,000                 | (11,240)           | 454,591             | 1,141,764           | 472,869             |
| 2032-2036               | 910,000                   | (4,496)            | 43,700              | 1,310,179           | 317,406             |
| 2037-2041               | -                         | -                  | -                   | 1,503,436           | 139,011             |
| 2042-2046               | -                         | -                  | -                   | 326,315             | 4,144               |
| Total                   | <u>\$ 5,615,000</u>       | <u>\$ (38,216)</u> | <u>\$ 2,544,479</u> | <u>\$ 6,143,789</u> | <u>\$ 2,268,190</u> |
| Due within one year     | \$ 225,000                | \$ (2,248)         | \$ 258,553          | \$ 164,009          | \$ 153,969          |
| Due after one year      | 5,390,000                 | (35,968)           | 2,285,926           | 5,979,780           | 2,114,221           |
| Total                   | <u>\$ 5,615,000</u>       | <u>\$ (38,216)</u> | <u>\$ 2,544,479</u> | <u>\$ 6,143,789</u> | <u>\$ 2,268,190</u> |

**5. NET POSITION**

Net position at June 30, 2016 consisted of the following:

| Description                      | Balance as at<br>June 30, 2016 |
|----------------------------------|--------------------------------|
| Net investment in capital assets | \$ 36,326,164                  |
| Restricted for:                  |                                |
| Rate Stabilization               | 250,000                        |
| Unrestricted (deficit)           | (436,567)                      |
| Total unrestricted net position  | <u>\$ 36,139,597</u>           |

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2016**

**Notes to Basic Financial Statements, Continued**

**6. RISK MANAGEMENT AND SELF-INSURANCE**

The District participates in the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA) a public entity risk pool of California water agencies, for general and auto liability, public officials' liability, property damage, and fidelity insurance. ACWA/JPIA provides insurance through the pool up to a certain level, beyond which group-purchased commercial excess insurance is obtained.

The District pays an annual premium to ACWA/JPIA that includes its pro-rata share of excess insurance premiums, charges for the pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the ACWA/JPIA. The District's deductibles and maximum coverage are as follows:

| <u>Program</u>                                    | <u>Deductible</u> |
|---|-------------------|
| Liability Program                                 | None              |
| Property Program:                                 |                   |
| Buildings, personal property, and fixed equipment | \$ 2,500          |
| Mobile Equipment                                  | 1,000             |
| Licensed vehicle                                  | 1,000             |
| Crime   | 1,000             |
| Boiler and Machinery                              | Various           |
| Worker's Compensation Program                     | None              |

Coverage is as follows:

| <u>Program</u>  | <u>Deductible</u>           |
|---|-----------------------------|
| Auto and General Liability Program (includes public officials' liability) | \$2,000,000 to \$30,000,000 |
| Public Officials Liability  | 2,000,000 to 30,000,000     |
| Property  | 100,000 to 150,000,000      |
| Crime   | 100,000                     |
| Workers' Compensation   | Statutory                   |

The District continues to carry commercial insurance for all other risks of loss to cover all claims for risk of loss to which the District is exposed. Settled claims resulting from these risks have not

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2016**

**Notes to Basic Financial Statements, Continued**

**7. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)**

**A. General Information about the Pension Plans**

**Plan Descriptions** - All qualified full-time employees are eligible to participate in the District's Miscellaneous First Tier Plan, Miscellaneous Second Tier Plan, or PEPRA (the Plans), agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans 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.

The Plan's provisions and benefits in effect at June 30, 2016, are summarized as follows:

|   | Miscellaneous Plan       |                          |                             |
|---|--------------------------|--------------------------|-----------------------------|
|   | First Tier               | Second Tier              | PEPRA                       |
| Hire date   | Prior to August 14, 2010 | Prior to January 1, 2013 | On or after January 1, 2013 |
| Benefit formula                                   | 2.5% @ 55                | 2% @ 60                  | 2% @ 62                     |
| Benefit vesting schedule                          | 5 years service          | 5 years service          | 5 years of service          |
| Benefit payments                                  | monthly for life         | monthly for life         | monthly for life            |
| Retirement age                                    | 50 - 55                  | 50 - 63                  | 52 - 67                     |
| Monthly benefits, as a % of eligible compensation | 2% to 2.5%               | 1% to 2.5%               | 1% - 2.5%                   |
| Required employee contribution rates              | 8%                       | 7%                       | 6.5%                        |



**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2016**

**Notes to Basic Financial Statements, Continued**

**7. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS), Continued**

**A. General Information about the Pension Plans, Continued**

**Contributions** - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers 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 is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is based on 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.

For the year ended June 30, 2016, the contributions recognized as part of pension expense for the Plan were as follows:

|                          | First Tier | Miscellaneous<br>Second Tier | PEPRA     |
|--------------------------|------------|------------------------------|-----------|
| Contributions - employer | \$ 434,583 | \$ 5,208                     | \$ 21,450 |

The District's average required contribution rate was 26.1% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were \$461,241 for the year ended June 30, 2016.

***Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions***

As of June 30, 2016, the District reported a net pension liability for its proportionate shares of the net pension liability of the Plan as follows:

|                             |   |
|-----------------------------|---|
|                             | <u>Proportionate Share<br/>of Net Pension Liability</u> |
| Miscellaneous First Tier    | \$ 3,078,134  |
| Miscellaneous Second Tier   | (506)   |
| PEPRA                       | (46)  |
| Total Net Pension Liability | <u>\$ 3,077,582</u>                                     |

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2016**

**Notes to Basic Financial Statements, Continued**

**7. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS), Continued**

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, 2015, 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, 2014 rolled forward to June 30, 2015 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 plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2015 was as follows:

|                            | Miscellaneous |             |            |
|----------------------------|---------------|-------------|------------|
|                            | First Tier    | Second Tier | PEPRA      |
| Proportion - June 30, 2015 | 0.112199%     | -0.000018%  | -0.000002% |

For the year ended June 30, 2016, the District recognized pension expense of \$697,809. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|--|-----------------------------------|----------------------------------|
| Pension contributions paid to CalPERS subsequent to measurement date   | \$ 461,241                        | \$ -                             |
| Differences between expected and actual experiences  | 27,187                            | -                                |
| Changes in assumptions   | -                                 | (257,223)                        |
| Differences between the employer's contributions and the employer's proportionate share of the contributions | -                                 | (543,539)                        |
| Net differences between projected and actual earnings on plan investments                                    | 659,311                           | (318,123)                        |
| Adjustments due to differences in proportions  | 39,929                            | -                                |
| Total  | <u>\$ 1,187,668</u>               | <u>\$ (1,118,885)</u>            |

\$325,286 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2016**

**Notes to Basic Financial Statements, Continued**

**7. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS), Continued**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Year Ended<br>June 30 |              |
|-----------------------|--------------|
| 2016                  | \$ (196,873) |
| 2017                  | (196,873)    |
| 2018                  | (178,910)    |
| 2019                  | 189,198      |
| 2020                  | -            |
| Thereafter            | -            |

**Actuarial Assumptions** -The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions:

| Actuarial Assumptions            |  |
|----------------------------------|--|
| Valuation date                   | June 30, 2014  |
| Measurement date                 | June 30, 2015  |
| Actuarial cost method            | Entry-age normal cost method   |
| Actuarial assumptions:           |  |
| Discount rate                    | 7.65%  |
| Inflation                        | 2.75%  |
| Salary increases                 | Varies by entry age and service  |
| Investment Rate of Return        | 7.50% net pension plan investment and administrative expenses; includes inflation  |
| Post-retirement benefit increase | Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter. |

The underlying 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, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study can be obtained at CalPERS' website under Forms and Publications.

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2016**

**Notes to Basic Financial Statements, Continued**

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**7. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS), Continued**

*Discount Rate* - The discount rate used to measure the total pension liability was 7.65 percent for the Plans. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

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.

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. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) 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.

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2016**

**Notes to Basic Financial Statements, Continued**

**7. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS), Continued**

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

| Asset Class                   | New Strategic Allocation | Real Return Years 1 - 10 <sup>1</sup> | Real Return Year 11+ <sup>2</sup> |
|-------------------------------|--------------------------|---------------------------------------|-----------------------------------|
| Global Equity                 | 47%                      | 5.25%                                 | 5.71%                             |
| Global Fixed Income           | 19%                      | 0.99%                                 | 2.43%                             |
| Inflation Sensitive           | 6%                       | 0.45%                                 | 3.36%                             |
| Private Equity                | 12%                      | 6.83%                                 | 6.95%                             |
| Real Estate                   | 11%                      | 4.50%                                 | 5.13%                             |
| Infrastructure and Forestland | 3%                       | 4.50%                                 | 5.09%                             |
| Liquidity                     | 2%                       | -0.55%                                | -1.05%                            |

(1) An expected inflation of 2.5% used for this period.

(2) An expected inflation of 3.0% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for Plan, as well as what the District's proportionate share of the net pension 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 rate:

|  | 1% Decrease<br>(6.65%) | Current<br>Discount Rate<br>(7.65%) | 1% Increase<br>(8.65%) |
|--|------------------------|-------------------------------------|------------------------|
| Miscellaneous - First Tier                   | \$ 5,162,246           | \$ 3,078,134                        | \$ 1,357,458           |
| Miscellaneous - Second Tier                  | (848)                  | (506)                               | (223)                  |
| PEPRA  | (76)                   | (46)                                | (20)                   |
| Net Pension Liability as of<br>June 30, 2016 | <u>\$ 5,161,322</u>    | <u>\$ 3,077,582</u>                 | <u>\$ 1,357,215</u>    |

**Pension Plan Fiduciary Net Position** -Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**Payable to the Pension Plans** - At June 30, 2016, the District reported a payable of \$8,142 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2016.

**Coastside County Water District  
Basic Financial Statements  
For the year ended June 30, 2016**

**Notes to Basic Financial Statements, Continued**

**8. OTHER POST-EMPLOYMENT BENEFITS**

*Plan Description*

The District provides health insurance benefits through the Association of California Water Agencies (ACWA) Blue Cross plan or the District’s plan through Kaiser Permanente (small business plan) to employees who retire. The District pays for one-party medical, dental and vision premiums for retirees. The medical and vision benefits are paid for life and the dental benefits are paid until age 65. Employees hired after November 14, 2006 will receive 50% of the benefits. Employees hired after November 1, 2008 are not eligible for post-employment health benefits.

*Eligibility:* Employees (and their dependents) are eligible to access retiree healthcare benefits if they retire from the District on or after age 55 (service retirement) with at least 15 years of continuous service with the District (service and disability retirement) and the employee must submit the retirement application within 120 days of separation and are eligible for a PERS pension. Membership of the plan consisted of the following at June 30, 2016:

|   |           |
|---|-----------|
| Retirees and beneficiaries receiving benefits                                       | 9         |
| Other participants fully eligible for benefits                                      | 5         |
| Other participants not yet fully eligible for benefits (hired prior to 11/14/2006)  | 6         |
| Other participants not yet fully eligible for 50% benefits (hired after 11/14/2006) | 3         |
| Participants not eligible for benefits (hired on or after 11/1/2008)                | 5         |
| <b>Total</b>  | <b>28</b> |

*Funding Policy*

The District pays for its other postemployment benefit (OPEB) obligation on a pay-as-you-go basis (i.e., as insurance premiums become due).

*Annual OPEB Cost and Net OPEB Obligation*

The District’s annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2016**

**Notes to Basic Financial Statements, Continued**

**8. OTHER POST-EMPLOYMENT BENEFITS, *continued***

The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the District's net OPEB obligation for these benefits:

|  |                |
|--|----------------|
| Annual required contribution *   | \$ 185,394     |
| Interest on net OPEB obligation  | 28,616         |
| Adjustment to annual required contribution   | (25,436)       |
| Annual OPEB cost (expense)   | <u>188,574</u> |
| Contributions made (premiums paid)   | (72,483)       |
| Increase in net OPEB obligation  | \$ 116,091     |
| Net OPEB obligation - beginning of year  | \$ 635,895     |
| Net OPEB obligation - end of year  | \$ 751,986     |
| * Annual required contribution is based on projected numbers from the actuarial report as of January 1, 2015 dated October 23, 2015. |                |

This is the fourth year that the District is following the reporting requirements of GASB 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pension Plans*. The District has elected to implement GASB 45 prospectively and therefore shows no OPEB obligation at transition. The District's annual OPEB cost (expense) is equal to the ARC, and the net OPEB obligation for 2016 and the two preceding years were as follows:

| Fiscal Year<br>Ended | Annual OPEB<br>Cost | Percentage of<br>Annual OPEB<br>Cost Contributed | Net OPEB<br>Obligation (Asset) |
|----------------------|---------------------|--|--------------------------------|
| 6/30/2014            | 246,000             | 35%  | 456,029                        |
| 6/30/2015            | 179,866             | 37%  | 635,895                        |
| 6/30/2016            | 129,011             | 56%  | 751,986                        |

***Plan Funded Status and Funding Progress***

As of January 1, 2015, the most recent actuarial valuation date, the plan was 0% funded. The Actuarial Accrued Liability (AAL) for benefits was \$2,607,448, and the actuarial value of assets was zero dollars, resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$2,607,448. The covered payroll (annual payroll of active employees covered by the plan) was \$1,465,568 and the ratio of UAAL to the covered payroll was 178%.

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2016**

**Notes to Basic Financial Statements, Continued**

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**8. OTHER POST-EMPLOYMENT BENEFITS, *continued***

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the profitability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

***Actuarial Methods and Assumptions***

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits costs between the employer and the plan members to that point. The actuarial methods and assumptions used included techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations. The actuarial valuation was performed in January of 2015 based upon June 30, 2014 amounts.

The actuarial cost method used for determining the benefit obligations is the projected unit credit actuarial cost method. The actuarial assumptions included a 4.5% investment rate of return, which is the expected long-term rate of return on the District's pooled investments (per GASB 43/45 guidelines for this assumption), and an annual cost trend rate of 4% for medical costs and a 2.75% general inflation assumption. The UAAL is being amortized using a level dollar method over 30 years with no election as to an open or closed basis at this time.

**9. COMMITMENTS AND CONTINGENCIES**

The District is subject to general risk and exposure due to normal operations in the course of business. These risks involve various claims against the District, both asserted and unasserted, all of which management considers to be immaterial to these financial statements.

**10. NEW ACCOUNTING PRONOUNCEMENTS**

The GASB has issued Statement No. 72, "*Fair Value Measurement and Application*". The objective of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. These improvements are based in part on the concepts and definitions established in Concepts Statement No. 6, *Measurement of Elements of Financial Statements*, and other relevant literature. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2015. The District implemented this statement for year ended June 30, 2016. The implementation of this statement did not have an effect on the financial statements.



**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2016**

**Notes to Basic Financial Statements, Continued**

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**10. NEW ACCOUNTING PRONOUNCEMENTS, Continued**

The GASB has issued Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68". The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, "Accounting and Financial Reporting for Pensions", as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, "Financial Reporting for Pension Plans", and Statement 68 for pension plans and pensions that are within their respective scopes.

The requirements of this Statement that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68 are effective for financial statements for fiscal years beginning after June 15, 2016, and the requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. The requirements of this Statement for pension plans that are within the scope of Statement 67 or for pensions that are within the scope of Statement 68 are effective for fiscal years beginning after June 15, 2015. The District will evaluate the applicability of the provisions of this Statement and implement it in the applicable year, accordingly.

The GASB has issued Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans". The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces Statements No. 43, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans", as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended, Statement 43, and Statement No. 50, Pension Disclosures. The provisions in Statement 74 are effective for fiscal years beginning after June 15, 2016. The District will implement this Statement in fiscal year ending June 30, 2017.

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2016**

**Notes to Basic Financial Statements, Continued**

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**10. NEW ACCOUNTING PRONOUNCEMENTS, Continued**

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

This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions”, as amended, and No. 57, “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans”, for OPEB. Statement No. 74, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans”, establishes new accounting and financial reporting requirements for OPEB plans. The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. The District will implement this statement, as applicable, to its financial statements for the year ending June 30, 2018.

The GASB has issued Statement No. 76, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments”. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments”. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. The District implemented this statement for year ended June 30, 2016. The implementation of this statement did not have an effect on the financial statements.

The GASB has issued Statement No. 77, “Tax Abatement Disclosures”. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government’s current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government’s financial resources come from and how it uses them, and (4) a government’s financial position and economic condition and how they have changed over time. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. The District will implement this statement, as applicable, to its financial statements for the year ending June 30, 2017.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Coastside County Water District**  
**Required Supplementary Information - Schedule of Contributions**  
**Miscellaneous First Tier Plan**  
Last 10 Fiscal Years\*

|   | <u>2015</u>      | <u>2014</u>      |
|---|------------------|------------------|
| Actuarially determined contribution                                   | \$ 525,312       | \$ 383,606       |
| Contributions in relation to the actuarially determined contributions | <u>(525,312)</u> | <u>(383,606)</u> |
| Contribution deficiency (excess)                                      | <u>\$ -</u>      | <u>\$ -</u>      |
| Covered-employee payroll  | \$ 4,677,860     | \$ 1,506,650     |
| Contribution as a percentage of covered-employee payroll              | 11.23%           | 25.46%           |

**Notes to Schedule**

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

\* - Fiscal year 2015 was the first year of implementation, therefore only the first two years were available.

**Coastside County Water District**  
**Required Supplementary Information - Schedule of Contributions**  
**Miscellaneous Second Tier Plan**  
Last 10 Fiscal Years\*

|   | <u>2015</u>    | <u>2014</u>    |
|---|----------------|----------------|
| Actuarially determined contribution                                   | \$ 7,542       | \$ 5,408       |
| Contributions in relation to the actuarially determined contributions | <u>(7,542)</u> | <u>(5,408)</u> |
| Contribution deficiency (excess)                                      | <u>\$ -</u>    | <u>\$ -</u>    |
| Covered-employee payroll  | \$ 67,159      | \$ 55,879      |
| Contribution as a percentage of covered-employee payroll              | 11.23%         | 9.68%          |

**Notes to Schedule**

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

\* - Fiscal year 2015 was the first year of implementation, therefore only the first two years were available.

**Coastside County Water District**  
**Required Supplementary Information - Schedule of Contributions**  
**PEPRA Plan**  
Last 10 Fiscal Years\*

|   | <u>2015</u>      |
|---|------------------|
| Actuarially determined contribution                                   | \$ 10,685        |
| Contributions in relation to the actuarially determined contributions | <u>-</u>         |
| Contribution deficiency (excess)                                      | <u>\$ 10,685</u> |
| Covered-employee payroll  | \$ 95,151        |
| Contribution as a percentage of covered-employee payroll              | 11.23%           |

**Notes to Schedule**

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

\* - Fiscal year 2016 was the first year of implementation of the PEPRA plan, therefore only the first year was available.

**Coastside County Water District**  
**Required Supplementary Information - Schedule of the District's Proportionate**  
**Share of the Net Pension Liability**  
**Miscellaneous First Tier Plan**  
Last 10 Fiscal Years\*

|   | <u>2015</u>  | <u>2014</u>  |
|---|--------------|--------------|
| Plan's Proportion of the Net Pension Liability/(Asset)  | 0.11220%     | 0.04212%     |
| Plan's Proportionate Share of the Net Pension Liability/(Asset)   | \$ 3,077,582 | \$ 2,620,634 |
| Plan's Covered-Employee Payroll   | \$ 4,677,860 | \$ 1,506,650 |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll | 65.79%       | 173.94%      |
| Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability  | 71.63%       | 76.34%       |
| Plan's Proportionate Share of Aggregate Employer Contribution   | \$ 525,312   | \$ 228,646   |

**Notes to Schedule**

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

\* - Fiscal year 2015 was the first year of implementation, therefore only the first year was available.

**Coastside County Water District**  
**Required Supplementary Information - Schedule of the District's Proportionate**  
**Share of the Net Pension Liability**  
**Miscellaneous Second Tier Plan**  
Last 10 Fiscal Years\*

|   | <u>2015</u> | <u>2014</u> |
|---|-------------|-------------|
| Plan's Proportion of the Net Pension Liability/(Asset)  | -0.000018%  | 0.00000%    |
| Plan's Proportionate Share of the Net Pension Liability/(Asset)   | \$ (506)    | \$ 266      |
| Plan's Covered-Employee Payroll   | \$ 67,159   | \$ 55,879   |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll | -0.75%      | 0.48%       |
| Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability  | 106.08%     | 83.07%      |
| Plan's Proportionate Share of Aggregate Employer Contribution   | \$ 7,542    | \$ 35       |

**Notes to Schedule**

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

\* - Fiscal year 2015 was the first year of implementation, therefore only the first year was available.



**Coastside County Water District**  
**Required Supplementary Information - Schedule of the District's Proportionate**  
**Share of the Net Pension Liability**  
**PEPRA Plan**  
Last 10 Fiscal Years\*

|   | <u>2015</u> |
|---|-------------|
| Plan's Proportion of the Net Pension Liability/(Asset)  | -0.000002%  |
| Plan's Proportionate Share of the Net Pension Liability/(Asset)   | \$ (46)     |
| Plan's Covered-Employee Payroll   | \$ 95,151   |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll | -0.05%      |
| Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability  | 100.73%     |
| Plan's Proportionate Share of Aggregate Employer Contribution   | \$ 10,685   |

**Notes to Schedule**

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

\* - Fiscal year 2016 was the first year of implementation of the PEPRA plan, therefore only the first year was available.

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JJACPA, Inc.

A Professional Accounting Services Corp.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT 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 standard 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 Coastside County Water District (District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Coastside County Water District's basic financial statements, and have issued our report thereon dated January 3, 2017.

**Internal Control over Financial Reporting**

In planning and performing our audit 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control 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 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 the 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 audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. However, material weaknesses may exist that we have not 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 audit, 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*.

## **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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

January 3, 2017

*JJACPA, Inc.*

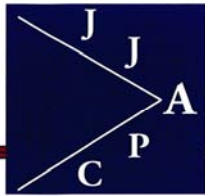
JJACPA, Inc.  
Dublin, CA

ATTACHMENT B

**COASTSIDE COUNTY WATER DISTRICT**

**COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE AND  
COMMUNICATINO OF INTERNAL CONTROL RELATED MATTERS**

**JUNE 30, 2016**



**JJACPA, Inc.**

A Professional Accounting Services Corp.

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January 3, 2017

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

We have audited the financial statements of Coastside County Water District (District) as of and for the year ended June 30, 2016, and have issued our report thereon dated January 3, 2017. 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 April 22, 2016, our responsibility, as described by professional standards, is to form and express an opinion(s) 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.

### **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, and our firm has complied with all relevant ethical requirements regarding independence.

### **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. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal year ended June 30, 2016. 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 useful lives of capital assets ("useful lives").

Management's estimate of the useful lives is based on experience with and observation of capital assets, by category (e.g. infrastructure) as well as industry standards, when applicable (i.e. buildings). We evaluated the key factors and assumptions used to develop the useful lives and determined that it is reasonable in relation to the basic financial statements taken as a whole.

### *Financial Statement Disclosures*

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 commitments and contingencies.

### **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 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. Management has corrected all identified misstatements.

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 following material misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management:

To update pension disclosures for GASB 68 management made correcting entries of \$771,807 for deferred outflows of resources, \$198,358 for the pension expense adjustment, \$456,682 for the net pension obligation, and \$513,483 for the deferred inflows of resources.

### **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.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated January 3, 2017.

### **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, 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.

## **Communication of Internal Control Related Matters**

In planning and performing our audit 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 opinions 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 audit 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.

This report 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.

Very truly yours,

*Joseph J. Arch*

JOSEPH J. ARCH, CPA  
President/CEO  
JJACPA, INC.



## **STAFF REPORT**

**To:** Coastside County Water District Board of Directors

**From:** David Dickson, General Manager

**Agenda:** January 10, 2017

### **Report**

**Date:** January 6, 2017

**Subject:** Contract with Calcon Systems for Instrumentation and Controls Work

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### **Recommendation:**

Authorize the General Manager to extend the current time and materials agreement with Calcon Systems for instrumentation and controls work, in an amount not to exceed \$250,000.

### **Background:**

At the August 13, 2013 meeting, the Board acted on staff recommendation to waive competitive bidding requirements and enter into a time-and materials contract with Calcon Systems for instrumentation and control work, and authorized an initial amount not to exceed of \$250,000. At the August 11, 2015 meeting, the Board authorized an additional \$250,000 for the SCADA Phase 2 Control Systems Project and other Calcon work in FY16 and FY17.

Per the attached schedule (Attachment A), Calcon System's billings to date against the combined \$500,000 authorization total \$432,000, with an additional \$38,000 billed for miscellaneous maintenance work. We anticipate that billing for work completed but not yet billed on Project CAL-15-04 will bring Calcon's total billings close to \$500,000.

Staff, in cooperation with Calcon Systems, has identified additional requirements for the SCADA system, including implementation of radio network connectivity at an estimated cost of \$126,245. (Attachment B - Work Directive CAL-16-04.) Additional work is also required on the Crystal Springs instrumentation and controls.

Staff recommends that the Board approve continuing our time-and materials arrangement with Calcon and authorize an additional \$250,000 for work in FY17 and FY18, beginning with the Radio Network Project described in Work Directive CAL-16-04.

### **Fiscal Impact:**

Expenditure of \$250,000 in FY17 and FY18.

## ATTACHMENT A

**Calcon T&M Projects Tracking**  
as of 12/31/2016

| Project No. | Name                                   | Acct No. | Proposal Date | Approved Date | Project Budget | Project Total Billing (thru 6/30/16) | Project Billing FY2016-17 | Project Budget Remaining |
|-------------|--|----------|---------------|---------------|----------------|--------------------------------------|---------------------------|--------------------------|
| CAL-13-EMG  | Emergency Callout                      |          |               |               |                |                                      |                           |                          |
| CAL-14-EMG  | Emergency Callout                      |          |               |               |                |                                      |                           |                          |
| CAL-15-EMG  | Emergency Callout                      |          |               |               |                |                                      |                           |                          |
| CAL-13-00   | Calcon Project Admin/Miscellaneous     |          |               |               |                |                                      |                           |                          |
| CAL-13-01   | EG Tank 2 Recoating Project            |          | 9/30/13       | 10/8/13       | \$8,220.00     | \$8,837.50                           |                           | -\$617.50                |
| CAL-13-02   | Nunes Control System Upgrades          |          | 9/30/13       | 10/8/13       | \$46,141.00    | \$55,363.60                          |                           | -\$9,222.60              |
| CAL-13-03   | Win 911 and PLC Software               |          | 9/30/13       | 10/8/13       | \$9,717.00     | \$12,231.74                          |                           | -\$2,514.74              |
| CAL-13-04   | Crystal Springs Surge Tank Retrofit    |          | 11/26/13      | 11/27/13      | \$31,912.21    | \$66,572.54                          |                           | -\$34,660.33             |
| CAL-13-05   |  |          |               |               |                | \$0.00                               |                           | \$0.00                   |
| CAL-13-06   | Nunes Legacy Backwash System Removal   |          | 11/25/13      | 11/26/13      | \$6,516.75     | \$6,455.00                           |                           | \$61.75                  |
| CAL-13-07   | Denniston Backwash FTW Valves          |          | 11/26/13      | 11/27/13      | \$6,914.21     | \$9,518.28                           |                           | -\$2,604.07              |
| CAL-14-01   | Denniston Wash Water Return Retrofit   |          | 1/28/14       | 2/14/14       | \$13,607.00    | \$13,591.60                          |                           | \$15.40                  |
| CAL-14-02   | Denniston Calrifier SCADA Data         |          | 4/2/14        | 4/7/14        | \$4,125.00     | \$4,077.50                           |                           | \$47.50                  |
| CAL-14-03   | Nunes Surface Scatter Turbidimeter     |          | 4/2/14        | 4/7/14        | \$2,009.50     | \$0.00                               |                           | \$2,009.50               |
| CAL-14-04   | Phase I Control System Upgrade         |          | 4/2/14        | 4/7/14        | \$75,905.56    | \$44,459.14                          |                           | \$31,446.42              |
| CAL-14-06   | Miramar Control Panel                  |          | 8/28/14       | 8/28/14       | \$37,953.00    | \$27,980.71                          |                           | \$9,972.29               |
| CAL-14-08   | SFWater Flow & Data Logger/Cahill Tank |          | 8/20/2014     | 8/20/2014     | \$1,370.00     | \$1,372.00                           |                           | -\$2.00                  |
| CAL-15-01   | Main Street Monitors                   |          |               |               |                | \$6,779.42                           |                           | -\$6,779.42              |
| CAL-15-02   | Denniston To Do List                   |          |               |               |                | \$2,930.00                           |                           | -\$2,930.00              |
| CAL-15-03   | Nunes & Denniston Turbidity Meters     |          |               |               | \$6,612.50     | \$5,833.26                           |                           | \$779.24                 |
| CAL-15-04   | Phase II Control System Upgrade        |          | 6/23/2015     | 8/11/2015     | \$195,000.00   | \$164,904.50                         |                           | \$30,095.50              |
| CAL-15-05   | Permanganate Water Flow                |          |               |               |                | \$1,567.15                           |                           | -\$1,567.15              |

|  |  |  |  |  |                     |                     |               |                    |
|--|--|--|--|--|---------------------|---------------------|---------------|--------------------|
|  |  |  |  |  | <b>\$446,003.73</b> | <b>\$432,473.94</b> | <b>\$0.00</b> | <b>\$13,529.79</b> |
|--|--|--|--|--|---------------------|---------------------|---------------|--------------------|

**Other: Maintenance**

|                             |    |           |
|-----------------------------|----|-----------|
| Tanks                       | \$ | 2,950.00  |
| Crystal Springs Maintenance | \$ | 1,117.50  |
| Nunes Maintenance           | \$ | 6,905.73  |
| Denniston Maintenance       | \$ | 26,993.06 |

**TOTAL FY2016/17**

|           |                  |
|-----------|------------------|
| <b>\$</b> | <b>37,966.29</b> |
|-----------|------------------|

**WORK DIRECTIVE  
FOR PUBLIC WORKS PROJECT**

**Work Directive No.:** CAL-16-04 –Radio Network

**Date Issued:** 12-09-2016

**1. General**

Calcon System is pleased to provide the following work directive for the Radio Network project. The Radio Network project involves the implementation of a radio communication network for the purpose of SCADA functionality. Radio network connectivity will be provided at the following sites: El Granada 1, El Granada 2, El Granada 3, Miramar, Alves, Miramontes, Nunes, HMB Tank and the Main Street office locations.

A brief description for each of the sites is provided in the Scope of Services section below. A project budget estimate for each of the sites is provided in the last sections of this work directive.

**2. Scope of Services**

**El Granada Tank 1**

The El Granada Tank 1 site is a water distribution system pump station and service tank. This tank is filled by means of gravity from the Nunes Treatment Plant distribution pipeline. The El Granada Tank 1 pump station controls two pumps that maintain the water level in the El Granada Tank 2. The control for the pumps is based on the Level communication from EG 2. The tank level of El Granada Tank 1 is monitored by a differential pressure level transmitter and reported back to the Main Street SCADA. The El Granada Tank 1 pump station also has a chlorine injection system and instrumentation for Chlorine Residual and pH monitoring, which is currently logged to paper charts located in the pump station.

The new control panel will be modified to accommodate the new radio equipment and cabling. The LLM equipment will be removed and the Xeta9 radio will be installed in its place. Additional holes will be added to the panel for the antenna cable and the existing conduit run to the top of tank will be used if possible. The antenna cable will be pulled through the conduit to the top of the tank where an antenna mast and yagi antenna will be installed. Antenna alignment will be performed and data throughput tested back to the central radio system.

- Control panel modification and new hardware installation
- PLC register mapping for direct to master communications
- Antenna installation on top of the tank
- Antenna alignment, radio setup and testing back to the central radio station

## **El Granada Tank 2**

The El Granada Tank 2 site is a water distribution system pump station and service tank. This tank receives water from the EG 1 pump station based on EG 2's Tank Level set points, which are monitored by a differential pressure level transmitter. The El Granada Tank 2 pump station controls two pumps that maintain the water level in the El Granada Tank 3. The control for the pumps is based on the Level communication from EG 3. The El Granada Tank 2 pump station also has a chlorine injection system and instrumentation for Chlorine Residual and pH monitoring, which is currently logged to paper charts located in the pump station.

The new control panel will be modified to accommodate the new radio equipment and cabling. The LLM equipment will be removed and the Xeta9 radio will be installed in its place. Additional holes will be added to the panel for the antenna cable and the existing conduit run to the top of tank will be used if possible. The antenna cable will be pulled through the conduit to the top of the tank where an antenna mast and yagi antenna will be installed. Antenna alignment will be performed and data throughput tested back to the central radio system.

- Control panel modification and new hardware installation
- PLC register mapping for direct to master communications
- Antenna installation on top of the tank
- Antenna alignment, radio setup and testing back to the central radio station

## **El Granada Tank 3**

The El Granada Tank 3 site is a water distribution system pump station and service tank. This tank receives water from the EG 2 pump station based on EG 3's Tank Level set points, which are monitored by a differential pressure level transmitter connected to the Rugid RTU Control Panel. The Rugid RTU Control Panel for El Granada Tank 3 monitors the tank level & system power, while communicating to the EG 2 pump station and Main Street SCADA. The El Granada Tank 3 pump station also has a chlorine injection system and instrumentation for Chlorine Residual and pH monitoring, which is currently logged to paper charts located in the pump station.

The new control panel will be modified to accommodate the new radio equipment and cabling. The LLM equipment will be removed and the Xeta9 radio will be installed in its place. Additional holes will be added to the panel for the antenna cable and the existing conduit run to the top of tank will be used if possible. The antenna cable will be pulled through the conduit to the top of the tank where an antenna mast and yagi antenna will be installed. Antenna alignment will be performed and data throughput tested back to the central radio system.

- Control panel modification and new hardware installation
- PLC register mapping for direct to master communications
- Antenna installation on top of the tank
- Antenna alignment, radio setup and testing back to the central radio station

### **Alves Tank**

The Alves Tank site is a water distribution system pump station and service tank. This tank is filled from the Nunes Treatment Plant by an altitude valve. The Alves Tank Pump Station controls two pumps that maintain the water level in the Miramontes Tank. The control for the pumps is based on the Level communication from the Miramontes Tank. The tank level of the Alves Tank is monitored by a differential pressure level transmitter and reported back to the Main Street SCADA. The Alves Tank Pump Station also has a chlorine injection system and instrumentation for Chlorine Residual and pH monitoring, which is currently logged to paper charts located in the pump station.

The Alves Tank site requires an additional sub panel to be added for housing the radio equipment closer to the installation point of the radio antenna mast in order to reduce the antenna cable length. A conduit path will be trenched just inside the raised curb around the perimeter of the tank asphalt from the rear of the pump station building. The sub panel will be powered from the main panel inside the pump station building. The LLM equipment will be removed from the main panel and the Xeta9 radio will be installed in the sub panel. Antenna cabling will be run up the side hill to the antenna mast site adjacent to the cell tower. This tower will have two yagi antennas installed to communicate between the Miramontes Tank and Main Street central radio system. Antenna alignment will be performed and data throughput tested back to the central radio system and Miramontes Tank.

- Control panel design and build for the radio system sub panel
- Sub panel installation, electrical installation, conduit, complete installation
- PLC register mapping and polling between Miramontes and back to Main Street
- Antenna installation on top of the hill by cell tower
- Antenna alignment, radio setup and testing back to the central radio station and Miramontes Tank

### **Miramontes Tank**

The Miramontes Tank site is a water distribution system storage tank. The Alves Tank Pump Station controls two pumps that maintain the water level in the Miramontes Tank. The control for the pumps is based on the Level communication from the Miramontes Tank. The Miramontes Tank has no chlorine injection system or instrumentation for reading Chlorine Residual or pH.

The new control panel will be modified to accommodate the new radio equipment and cabling. The LLM equipment will be removed and the Xeta9 radio will be installed in its place. Additional holes will be added to the panel for the antenna cable and the existing conduit run to the top of tank will be used if possible. The antenna cable will be pulled through the conduit to the top of the tank where an antenna mast and yagi antenna will be installed. Antenna alignment will be performed and data throughput tested to the Alves tank repeater radio.

- Control panel modification and new hardware installation
- PLC register mapping for direct to master communications
- Antenna installation on top of the tank
- Antenna alignment, radio setup and testing back to the Alves repeater

### **Half Moon Bay Tank**

The Half Moon Bay tank is the first tank on the approach into the Nunes facility. It is currently communicating to the old Main Street SCADA system via LLM. This tanks control panel is located at the base of the tank will be re used and a new control system installed on a new back plate. The control panel will include the Allen Bradley PLC, the new radio equipment and peripheral equipment. The LLM equipment will be removed and disposed of. Additional holes will be added to the panel for the antenna cable and a new antenna mast and yagi antenna will be installed. Antenna alignment will be performed and data throughput tested to the Nunes Plant repeater.

- Control panel design and build for the HMB Tank RTU.
- Panel installation, electrical installation, conduit, complete installation
- PLC register mapping and polling between HMB Tank and Nunes Plant
- Antenna installation on top of the control panel
- Control panel modification and new hardware installation
- Antenna alignment, radio setup and testing back to the Nunes repeater

### **Main Street**

A new Central Radio system control panel will be installed at the Main Street office in the server room. This control panel will contain the master polling PLC and master radio for the Radio Network system. The Central Radio system will communicate with the SCADA system over Ethernet. A new mast and radio antenna will be installed on the roof of the Main Street office.

The Central Radio system will be developed to communicate to each sites Radio/PLC system included in the Radio Network project. The SCADA system will communicate with the master PLC to provide SCADA functionality.

The execution of this CAL-16-04 Radio Network work directive will enable the remaining deliverables of the CAL-15-04 Phase II Control Systems Upgrade work directive to be completed simultaneously.

- Master polling PLC programming
- Antenna installation on roof top
- Control panel design and build
- Control panel installation
- System startup, commissioning and testing

## **3. Special Requirements**

CCWD staff will perform the tasks discussed and agreed upon during the project meetings.

4. **Location of Work**

All Site's mentioned in this directive

5. **Schedule/Time for Completion**

4 - 8 Weeks

6. **Project Budget**

Project budget details are broken down by job site, itemized and inserted below.

## Calcon Project Budget Estimate

Project: Radio Network  
 Project No: CAL-16-04

Date: 12/9/2016

| <b>Labor</b> |   | <b>El Granada Tank 1</b> |                      |                         |                                |  |          |
|--------------|---|--------------------------|----------------------|-------------------------|--------------------------------|--|----------|
| Task No.     | Description   | PM Hours @<br>\$ 135.00  | Hours @<br>\$ 125.00 | Travel Trips @<br>\$250 | <b>El Granada 1<br/>Totals</b> |  |          |
| 0            | Project Management  | 8                        |                      | 1                       |                                |  |          |
| 1            | Control panel modification and new hardware installation      |                          | 8                    | 1                       |                                |  |          |
| 2            | PLC register mapping direct to master                         | 8                        |                      | 1                       |                                |  |          |
| 3            | Antenna installation on top of tank                           |                          | 8                    | 1                       |                                |  |          |
| 4            | Antenna alignment, radio setup and testing to central station |                          | 8                    | 1                       |                                |  |          |
|              | Total Hours   | 16                       | 24                   | 5                       |                                |  |          |
|              | Total Labor Cost  | \$ 2,160.00              | \$ 3,000.00          | \$ 1,250.00             | \$                             |  | 6,410.00 |

### Expenses

| Number | Description                               | Unit<br>Cost | Total<br>Cost |    |    |          |
|--------|---|--------------|---------------|----|----|----------|
| 1      | Xeta9 900 Mhz Ethernet/Serial Radio       | \$ 1,046.50  | \$ 1,046.50   |    |    |          |
| 1      | Yagi Antenna 9db, 7 element               | \$ 150.00    | \$ 150.00     |    |    |          |
| 1      | Antenna mast complete                     | \$ 250.00    | \$ 250.00     |    |    |          |
| 1      | Antenna cable LMR600 @ 100 feet           | \$ 300.00    | \$ 300.00     |    |    |          |
| 1      | Antenna lightning arrester and connectors | \$ 250.00    | \$ 250.00     |    |    |          |
| 1      | Misc. items                               | \$ 500.00    | \$ 500.00     |    |    |          |
|        | Total Expenses                            |              | \$ 2,496.50   |    |    |          |
|        | Sales Tax (9.5% Half Moon Bay)            |              | \$ 237.17     |    |    |          |
|        | Estimated Shipping Costs                  |              | \$ 300.00     |    |    |          |
|        | Markup - 15% (Costs x 1.15)               |              | \$ 374.48     | \$ |    | 3,408.14 |
|        | <b>El Granada Tank 1 Total Budget</b>     |              |               |    | \$ | 9,818.14 |

| <b>Labor</b> |  | <b>El Granada Tank 2</b> |                      |                         |                                |  |  |
|--------------|--|--------------------------|----------------------|-------------------------|--------------------------------|--|--|
| Task No.     | Description  | PM Hours @<br>\$ 135.00  | Hours @<br>\$ 125.00 | Travel Trips @<br>\$250 | <b>El Granada 2<br/>Totals</b> |  |  |
| 0            | Project Management                                       | 8                        |                      | 1                       |                                |  |  |
| 1            | Control panel modification and new hardware installation |                          | 8                    | 1                       |                                |  |  |



|   |   |             |             |             |             |
|---|---|-------------|-------------|-------------|-------------|
| 2 | PLC program modifications and data mapping direct to master   | 16          |             | 2           |             |
| 3 | Antenna alignment, radio setup and testing to central station |             | 8           | 1           |             |
| 4 | Antenna installation on top of tank                           |             | 8           | 1           |             |
|   | Total Hours   | 24          | 24          | 6           |             |
|   | Total Labor Cost  | \$ 3,240.00 | \$ 3,000.00 | \$ 1,500.00 | \$ 7,740.00 |

**Expenses**

| Number | Description                               | Unit Cost   | Total Cost  |  |              |
|--------|---|-------------|-------------|--|--------------|
| 1      | Xeta9 900 Mhz Ethernet/Serial Radio       | \$ 1,046.50 | \$ 1,046.50 |  |              |
| 1      | Yagi Antenna 9db, 7 element               | \$ 150.00   | \$ 150.00   |  |              |
| 1      | Antenna mast complete                     | \$ 250.00   | \$ 250.00   |  |              |
| 1      | Antenna cable LMR600 @ 100 feet           | \$ 300.00   | \$ 300.00   |  |              |
| 1      | Antenna lightning arrester and connectors | \$ 250.00   | \$ 250.00   |  |              |
| 1      | Misc. items                               | \$ 500.00   | \$ 500.00   |  |              |
|        | Total Expenses                            |             | \$ 2,496.50 |  |              |
|        | Sales Tax (9.5% Half Moon Bay)            |             | \$ 237.17   |  |              |
|        | Estimated Shipping Costs                  |             | \$ 300.00   |  |              |
|        | Markup - 15% (Costs x 1.15)               |             | \$ 374.48   |  | \$ 3,408.14  |
|        | <b>El Granada Tank 2 Total Budget</b>     |             |             |  | \$ 11,148.14 |

| <b>Labor</b> |   | <b>El Granada Tank 3</b> |                      |                         |                            |  |    |          |
|--------------|---|--------------------------|----------------------|-------------------------|----------------------------|--|----|----------|
| Task No.     | Description   | PM Hours @<br>\$ 135.00  | Hours @<br>\$ 125.00 | Travel Trips @<br>\$250 | <b>El Granada 3 Totals</b> |  |    |          |
| 0            | Project Management  | 8                        |                      | 1                       |                            |  |    |          |
| 1            | Control panel modification and new hardware installation      |                          | 8                    | 1                       |                            |  |    |          |
| 2            | PLC register mapping direct to master                         | 8                        |                      | 1                       |                            |  |    |          |
| 3            | Antenna alignment, radio setup and testing to central station |                          | 8                    | 1                       |                            |  |    |          |
| 4            | Antenna installation on top of control room roof              |                          | 8                    | 1                       |                            |  |    |          |
|              | Total Hours   | 16                       | 24                   | 5                       |                            |  |    |          |
|              | Total Labor Cost  | \$ 2,160.00              | \$ 3,000.00          | \$ 1,250.00             |                            |  | \$ | 6,410.00 |

**Expenses**

| Number | Description                         | Unit Cost   | Total Cost  |
|--------|-------------------------------------|-------------|-------------|
| 1      | Xeta9 900 Mhz Ethernet/Serial Radio | \$ 1,046.50 | \$ 1,046.50 |

|   |   |           |             |             |
|---|---|-----------|-------------|-------------|
| 1 | Yagi Antenna 9db, 7 element               | \$ 150.00 | \$ 150.00   |             |
| 1 | Antenna mast complete                     | \$ 250.00 | \$ 250.00   |             |
| 1 | Antenna cable LMR600 @ 100 feet           | \$ 300.00 | \$ 300.00   |             |
| 1 | Antenna lightning arrester and connectors | \$ 250.00 | \$ 250.00   |             |
| 1 | Misc. items                               | \$ 500.00 | \$ 500.00   |             |
|   | Total Expenses                            |           | \$ 2,496.50 |             |
|   | Sales Tax (9.5% Half Moon Bay)            |           | \$ 237.17   |             |
|   | Estimated Shipping Costs                  |           | \$ 300.00   |             |
|   | Markup - 15% (Costs x 1.15)               |           | \$ 374.48   | \$ 3,408.14 |
|   | <b>El Granada Tank 3 Total Budget</b>     |           |             | \$ 9,818.14 |

| <b>Labor</b> |   | <b>Alves Repeater Site</b> |                      |                         |    |                 |
|--------------|---|----------------------------|----------------------|-------------------------|----|-----------------|
| Task No.     | Description   | PM Hours @<br>\$ 135.00    | Hours @<br>\$ 125.00 | Travel Trips @<br>\$250 |    | Alves<br>Totals |
| 0            | Project Management  | 8                          |                      | 1                       |    |                 |
| 1            | Control panel modification and new hardware installation        |                            | 8                    | 1                       |    |                 |
| 2            | PLC register mapping for repeater store and forward             | 8                          |                      | 1                       |    |                 |
| 3            | Radio panel build, mounting, wire pull and electrical           |                            | 32                   | 4                       |    |                 |
| 4            | Antenna alignment, radio setup and testing to Miramontes & Main |                            | 8                    | 1                       |    |                 |
| 5            | Antenna installation at top of ridge by cell tower              |                            | 24                   | 3                       |    |                 |
|              | Total Hours   | 16                         | 72                   | 11                      |    |                 |
|              | Total Labor Cost  | \$ 2,160.00                | \$ 9,000.00          | \$ 2,750.00             | \$ | 13,910.00       |

**Expenses**

| Number | Description  | Unit<br>Cost | Total<br>Cost |
|--------|--|--------------|---------------|
| 1      | Xeta9 900 Mhz Ethernet/Serial Radio                        | \$ 1,046.50  | \$ 1,046.50   |
| 1      | Yagi Antenna 9db, 7 element                                | \$ 150.00    | \$ 150.00     |
| 1      | Yagi Antenna 6db, 4 element                                | \$ 112.00    | \$ 112.00     |
| 1      | Antenna mast complete                                      | \$ 1,000.00  | \$ 1,000.00   |
| 1      | Antenna cable LMR900-DB @ 200 feet                         | \$ 1,175.30  | \$ 1,175.30   |
| 1      | Antenna lightning arrester and connectors                  | \$ 250.00    | \$ 250.00     |
| 1      | Weatherproof splitter, 2 way, 40 feet LMR400               | \$ 310.00    | \$ 310.00     |
| 1      | Radio Panel, fittings, wire, mounting fixture and hardware | \$ 1,500.00  | \$ 1,500.00   |
| 1      | Misc. items  | \$ 1,000.00  | \$ 1,000.00   |
|        | Total Expenses   |              | \$ 6,543.80   |

|                                |    |        |             |
|--------------------------------|----|--------|-------------|
| Sales Tax (9.5% Half Moon Bay) | \$ | 621.66 |             |
| Estimated Shipping Costs       | \$ | 300.00 |             |
| Markup - 15% (Costs x 1.15)    | \$ | 981.57 | \$ 8,447.03 |

**Alves Tank Total Budget** \$ 22,357.03

| <b>Labor</b> |  | <b>Miramontes</b>       |                      |                         |  |                              |
|--------------|--|-------------------------|----------------------|-------------------------|--|------------------------------|
| Task No.     | Description  | PM Hours @<br>\$ 135.00 | Hours @<br>\$ 125.00 | Travel Trips @<br>\$250 |  | <b>Miramontes<br/>Totals</b> |
| 0            | Project Management                                       | 8                       |                      | 1                       |  |                              |
| 1            | Control panel modification and new hardware installation |                         | 8                    | 1                       |  |                              |
| 2            | PLC register mapping for repeater store and forward      | 8                       |                      | 1                       |  |                              |
| 3            | Antenna alignment, radio setup and testing to Alves      |                         | 8                    | 1                       |  |                              |
| 4            | Antenna installation on top of tank                      |                         | 8                    | 1                       |  |                              |
|              | Total Hours  | 16                      | 24                   | 5                       |  |                              |
|              | Total Labor Cost   | \$ 2,160.00             | \$ 3,000.00          | \$ 1,250.00             |  | \$ 6,410.00                  |

**Expenses**

| Number | Description                               | Unit<br>Cost | Total<br>Cost |  |             |
|--------|---|--------------|---------------|--|-------------|
| 1      | Xeta9 900 Mhz Ethernet/Serial Radio       | \$ 1,046.50  | \$ 1,046.50   |  |             |
| 1      | Yagi Antenna 6db, 4 element               | \$ 112.00    | \$ 112.00     |  |             |
| 1      | Antenna mast complete                     | \$ 250.00    | \$ 250.00     |  |             |
| 1      | Antenna cable LMR600 @ 100 feet           | \$ 300.00    | \$ 300.00     |  |             |
| 1      | Antenna lightning arrester and connectors | \$ 250.00    | \$ 250.00     |  |             |
| 1      | Misc. items                               | \$ 500.00    | \$ 500.00     |  |             |
|        | Total Expenses                            |              | \$ 2,458.50   |  |             |
|        | Sales Tax (9.5% Half Moon Bay)            |              | \$ 233.56     |  |             |
|        | Estimated Shipping Costs                  |              | \$ 300.00     |  |             |
|        | Markup - 15% (Costs x 1.15)               |              | \$ 368.78     |  | \$ 3,360.83 |
|        | <b>Miramontes Total Budget</b>            |              |               |  | \$ 9,770.83 |

| <b>Labor</b> |             | <b>Miramar</b>          |                      |                         |  |                           |
|--------------|-------------|-------------------------|----------------------|-------------------------|--|---------------------------|
| Task No.     | Description | PM Hours @<br>\$ 135.00 | Hours @<br>\$ 125.00 | Travel Trips @<br>\$250 |  | <b>Miramar<br/>Totals</b> |

|   |   |             |             |             |    |          |
|---|---|-------------|-------------|-------------|----|----------|
| 0 | Project Management  | 4           |             |             |    |          |
| 1 | Control panel modification and new hardware installation      |             | 8           | 1           |    |          |
| 2 | PLC register mapping for polling master                       | 4           |             | 1           |    |          |
| 4 | Antenna alignment, radio setup and testing to central station |             | 8           | 1           |    |          |
| 5 | Antenna installation on top of tank                           |             | 8           | 1           |    |          |
|   | Total Hours   | 8           | 24          | 4           |    |          |
|   | Total Labor Cost  | \$ 1,080.00 | \$ 3,000.00 | \$ 1,000.00 | \$ | 5,080.00 |

**Expenses**

| Number | Description                               | Unit Cost   | Total Cost  |    |          |
|--------|---|-------------|-------------|----|----------|
| 1      | Xeta9 900 Mhz Ethernet/Serial Radio       | \$ 1,046.50 | \$ 1,046.50 |    |          |
| 1      | Yagi Antenna 9db, 7 element               | \$ 150.00   | \$ 150.00   |    |          |
| 1      | Antenna mast complete                     | \$ 250.00   | \$ 250.00   |    |          |
| 1      | Antenna cable LMR600 @ 100 feet           | \$ 300.00   | \$ 300.00   |    |          |
| 1      | Antenna lightning arrester and connectors | \$ 250.00   | \$ 250.00   |    |          |
| 1      | Misc. items                               | \$ 500.00   | \$ 500.00   |    |          |
|        | Total Expenses                            |             | \$ 2,496.50 |    |          |
|        | Sales Tax (9.5% Half Moon Bay)            |             | \$ 237.17   |    |          |
|        | Estimated Shipping Costs                  |             | \$ 300.00   |    |          |
|        | Markup - 15% (Costs x 1.15)               |             | \$ 374.48   | \$ | 3,408.14 |
|        | <b>Miramar Total Budget</b>               |             |             | \$ | 8,488.14 |

| <b>Labor</b> |   | <b>Nunes Plant &amp; HMB Tanks</b> |                      |                         |                                   |           |
|--------------|---|------------------------------------|----------------------|-------------------------|-----------------------------------|-----------|
| Task No.     | Description                                     | PM Hours @<br>\$ 135.00            | Hours @<br>\$ 125.00 | Travel Trips @<br>\$250 | <b>Tower, Tanks, Plant Totals</b> |           |
| 0            | Project Management                              | 16                                 |                      | 2                       |                                   |           |
| 1            | Panel design, CAD, procurement, & build         |                                    | 32                   |                         |                                   |           |
| 2            | Programming PLC                                 | 24                                 |                      | 2                       |                                   |           |
| 5            | Removal and Installation of pre-built backplate |                                    | 16                   | 2                       |                                   |           |
| 7            | Antenna installations                           |                                    | 16                   | 2                       |                                   |           |
| 8            | System commissioning & testing                  | 8                                  | 8                    | 2                       |                                   |           |
|              | Total Hours                                     | 48                                 | 72                   | 10                      |                                   |           |
|              | Total Labor Cost                                | \$ 6,480.00                        | \$ 9,000.00          | \$ 2,500.00             | \$                                | 17,980.00 |

**Expenses**

| Number | Description  | Unit Cost   | Total Cost  |              |
|--------|--|-------------|-------------|--------------|
| 1      | Back plate only - Reuse existing RTU panel at Tanks                        | \$ 100.00   | \$ 100.00   |              |
| 1      | Micrologix Control System w/ 4 channel Analog Input 4-20mA                 | \$ 1,100.00 | \$ 1,100.00 |              |
| 2      | Xeta9 900 Mhz Ethernet/Serial Radio  | \$ 1,046.50 | \$ 2,093.00 |              |
| 1      | Control System UPS w/ failover circuit                                     | \$ 500.00   | \$ 500.00   |              |
| 2      | Yagi Antenna 9db, 7 element & 6db, 4 element                               | \$ 150.00   | \$ 300.00   |              |
| 2      | Antenna mast complete  | \$ 250.00   | \$ 500.00   |              |
| 2      | Antenna cable LMR600 @ 100 feet  | \$ 300.00   | \$ 600.00   |              |
| 2      | Antenna lightning arrester and connectors                                  | \$ 250.00   | \$ 500.00   |              |
| 1      | Conduit, fittings, junction boxes and hardware                             | \$ 500.00   | \$ 500.00   |              |
| 1      | Control panel peripherals equipment  | \$ 500.00   | \$ 500.00   |              |
| 1      | Electrical installation materials  | \$ 500.00   | \$ 500.00   |              |
| 1      | Misc. items  | \$ 1,000.00 | \$ 1,000.00 |              |
|        | <b>Total Expenses</b>  |             | \$ 8,193.00 |              |
|        | Sales Tax (9.5% Half Moon Bay)   |             | \$ 778.34   |              |
|        | Estimated Shipping Costs   |             | \$ 300.00   |              |
|        | Markup - 15% (Costs x 1.15)  |             | \$ 1,228.95 | \$ 10,500.29 |
|        | <b>Nunes Repeater Tower Plant Radio &amp; HMB Tanks Panel Total Budget</b> |             |             | \$ 28,480.29 |

| <b>Labor</b> |   | <b>Main Street Radio &amp; Polling Master PLC</b> |                      |                         |  |  |  |                               |
|--------------|---|---|----------------------|-------------------------|--|--|--|-------------------------------|
| Task No.     | Description   | PM Hours @<br>\$ 135.00                           | Hours @<br>\$ 125.00 | Travel Trips @<br>\$250 |  |  |  | <b>Main Street<br/>Totals</b> |
| 0            | Project Management  | 16  |                      | 1                       |  |  |  |                               |
| 1            | Master Polling PLC Programming                                  | 32  |                      | 2                       |  |  |  |                               |
| 2            | Antenna installation on roof top & panel install in server room |   | 16                   | 2                       |  |  |  |                               |
| 3            | Central Radio control panel design and build                    |   | 32                   |                         |  |  |  |                               |
| 4            | System startup, commissioning & testing                         | 8   | 8                    | 4                       |  |  |  |                               |
|              | Total Hours   | 56  | 56                   | 9                       |  |  |  |                               |
|              | Total Labor Cost  | \$ 7,560.00                                       | \$ 7,000.00          | \$ 2,250.00             |  |  |  | \$ 16,810.00                  |

**Expenses**

| Number | Description                         | Unit Cost   | Total Cost  |
|--------|-------------------------------------|-------------|-------------|
| 1      | Xeta9 900 Mhz Ethernet/Serial Radio | \$ 1,046.50 | \$ 1,046.50 |
| 1      | Yagi Omnidirectional, 6db           | \$ 150.00   | \$ 150.00   |

|   |   |             |             |             |
|---|---|-------------|-------------|-------------|
| 1 | Antenna mast complete                     | \$ 500.00   | \$ 500.00   |             |
| 1 | Antenna cable LMR600 @ 100 feet           | \$ 300.00   | \$ 300.00   |             |
| 1 | Antenna lightning arrester and connectors | \$ 250.00   | \$ 250.00   |             |
| 1 | Ethernet switch                           | \$ 500.00   | \$ 500.00   |             |
| 1 | Micrologix Master Polling PLC             | \$ 900.00   | \$ 900.00   |             |
| 1 | Control panel, ups, and peripherals       | \$ 1,000.00 | \$ 1,000.00 |             |
| 1 | Misc. items                               | \$ 500.00   | \$ 500.00   |             |
|   | <b>Total Expenses</b>                     |             | \$ 5,146.50 |             |
|   | Sales Tax (9.5% Half Moon Bay)            |             | \$ 488.92   |             |
|   | Estimated Shipping Costs                  |             | \$ 300.00   |             |
|   | Markup - 15% (Costs x 1.15)               |             | \$ 771.98   | \$ 6,707.39 |

**Main Street Radio & Polling Master PLC Total Budget** \$ 23,517.39

| <b>Labor</b> |  | <b>Radio Survey for new proposed site's</b> |                      |                         |  |                                 |
|--------------|--|---|----------------------|-------------------------|--|---------------------------------|
| Task No.     | Description  | PM Hours @<br>\$ 135.00                     | Hours @<br>\$ 125.00 | Travel Trips @<br>\$250 |  | <b>Site Survey's<br/>Totals</b> |
| 0            | Project Management   | 8   |                      | 1                       |  |                                 |
| 1            | Proposed site's survey performed by Satel - 2 day estimate below |   |                      |                         |  |                                 |
|              | Total Hours  | 8   | 0                    | 1                       |  |                                 |
|              | Total Labor Cost   | \$ 1,080.00                                 | \$ -                 | \$ 250.00               |  | \$ 1,330.00                     |

**Expenses**

| Number | Description  | Unit<br>Cost | Total<br>Cost |             |
|--------|--|--------------|---------------|-------------|
| 1      | New proposed site's survey performed by Satel - 2 day estimate | \$ 1,320.00  | \$ 1,320.00   |             |
|        | Total Expenses   |              | \$ 1,320.00   |             |
|        | Sales Tax (9.5% Half Moon Bay)                                 |              | \$ -          |             |
|        | Estimated Shipping Costs                                       |              | \$ -          |             |
|        | Markup - 15% (Costs x 1.15)                                    |              | \$ 198.00     | \$ 1,518.00 |
|        | <b>Survey Total Budget</b>                                     |              |               | \$ 2,848.00 |

**Radio Network & Additional RTU Total Budget** \$ 126,246.11

**STAFF REPORT**

**To: Coastside County Water District Board of Directors**

**From: David R. Dickson, General Manager**

**Agenda: January 10, 2017**

**Date: January 5, 2017**

**Subject: Award of Contract for Strawflower Village Pipeline Replacement Project**

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**Recommendation:**

Authorize General Manager to contract with Andreini Brothers for the Strawflower Village Pipeline Replacement Project for the lump-sum cost of \$148,255.

**Background:**

There are only two water main crossings of Pilarcitos Creek providing drinking water to our service area from downtown Half Moon Bay to the southernmost part of our distribution system. Both of these crossings presented potential catastrophic problems upon failure. We resolved the issue of the welded steel pipe crossing on the Main Street Bridge earlier in 2016. The Strawflower Village Pipeline Replacement Project represents the first phase of work to replace the remaining crossing, an 8-inch welded steel pipe which runs from Strawflower Village to the intersection of Pilarcitos and Oak Avenue. Once this project is completed, we will be able to isolate the pipe segment crossing the creek without cutting off water service to Burger King and other nearby businesses. We will install a new pipeline across the creek in a subsequent phase.

We solicited for bids for this project in December with a 5 January bid opening. There were 5 bidders with Andreini Brothers being the lowest responsible bidder. Bids were as follows:

|                            |           |
|----------------------------|-----------|
| Andreini Brothers          | \$148,255 |
| Stoloski & Gonzales, Inc.  | \$171,910 |
| Westland Contractors, Inc. | \$185,170 |
| Ranger Pipelines, Inc.     | \$238,850 |
| Devaney Engineers, Inc.    | \$349,000 |

Engineer's estimate for this project was \$175,000

**Fiscal Impact:**

The FY17-FY26 Capital Improvement Program includes \$100,000 in funding for this project in FY17.

**STAFF REPORT**

**To: Coastside County Water District Board of Directors**

**From: Dave Dickson, General Manager**

**Agenda: January 10, 2017**

**Date: January 5, 2017**

**Subject: Nunes Filter Wash Valves Replacement Project**

---

**Recommendation:**

Authorize the General Manager to procure materials and services as necessary for installation of new filter wash valves at the Nunes WTP for a cost not to exceed \$50,000.

**Background:**

Since 2015, two Nunes Filter surface wash valve actuators have failed, resulting in the operator having to manually operate a valve which is difficult to access safely. Staff replaced the first two valves, and, because this equipment is at or near the end of its useful life, we now propose to avoid further problems by replacing the remaining six surface wash valves and actuators.

Staff has researched replacement equipment which fits the tight clearances of the Nunes filter design and has identified the combination of Pratt valves (matching the originals) and Auma actuators as the only alternative meeting our requirements. Sole-source procurement of this equipment is therefore in accordance with District policy.

The estimated costs to replace the 6 remaining surface wash valves and actuators are as follows:

|                                   |          |
|-----------------------------------|----------|
| Auma actuators: 6@\$4570 =        | \$27,420 |
| Pratt valves: 6 @ \$515 =         | \$3,090  |
| Brackets and hardware: 6 @\$400 = | \$2,400  |
| Calcon conduit and integration =  | \$17,000 |

With the exception of electrical and controls work by Calcon, District staff will install the valves and actuators.

**Fiscal Impact:**

The FY17-FY26 Capital Improvement Program budget includes \$50,000 in funding for this project.



## **STAFF REPORT**

**To:** Coastside County Water District Board of Directors

**From:** Mary Rogren, Assistant General Manager

**Agenda:** January 10, 2017

### **Report**

**Date:** January 6, 2017

**Subject:** Quarterly Financial Review

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### **Recommendation:**

Information Only.

### **Background:**

The attached Period Budget Analysis summarizes year-to-date revenue and expenses for the first six months of Fiscal Year 2016-2017. Key highlights include:

- Year-to-date revenue is \$247,000 above budget primarily due to higher water sales (\$142,000), property tax receipts (\$64,000), hydrant sales (\$16,000), and other miscellaneous income (\$25,000.)
- Year-to-date expenses are \$669,000 under plan, including:
  - Water purchased from SFPUC reflects a savings of \$362,000 due to our continued ability to draw water from Denniston and other local sources.
  - Electricity reflects a savings of \$80,000 due to use of local water sources vs. pumping from Crystal Springs.
  - Personnel costs include \$93,000 savings primarily due to the partial service retirement of the General Manager resulting in a reduction of his salary expenses.
  - Other savings of \$134,000 primarily reflect expense timing as compared to budget.

**COASTSIDE COUNTY WATER DISTRICT - PERIOD BUDGET ANALYSIS**  
**31-Dec-16**

| <b>ACCOUNT</b>                     | <b>DESCRIPTION</b>             | <b>YTD<br/>BUDGET</b> | <b>YTD<br/>ACTUAL</b> | <b>Variance<br/>Favorable<br/>(Unfavorable)</b> | <b>%<br/>Variance</b> |
|------------------------------------|--------------------------------|-----------------------|-----------------------|---|-----------------------|
| <b>OPERATING REVENUE</b>           |                                |                       |                       |   |                       |
| 1-0-4120-00                        | Water Revenue -All Areas       | 5,580,549.00          | 5,722,431.94          | 141,882.94                                      | 2.5%                  |
| <b>TOTAL OPERATING REVENUE</b>     |                                | <b>5,580,549.00</b>   | <b>5,722,431.94</b>   | <b>141,882.94</b>                               | <b>2.5%</b>           |
| <b>NON-OPERATING REVENUE</b>       |                                |                       |                       |   |                       |
| 1-0-4170-00                        | Water Taken From Hydrants      | 24,990.00             | 41,026.89             | 16,036.89                                       | 64.2%                 |
| 1-0-4180-00                        | Late Notice -10% Penalty       | 35,985.60             | 40,135.99             | 4,150.39  | 11.5%                 |
| 1-0-4230-00                        | Service Connections            | 4,998.00              | 8,666.52              | 3,668.52  | 73.4%                 |
| 1-0-4920-00                        | Interest Earned                | 1,535.00              | 1,526.59              | (8.41)  | -0.5%                 |
| 1-0-4930-00                        | Tax Apportionments/Cnty Checks | 350,000.00            | 413,956.51            | 63,956.51                                       |                       |
| 1-0-4950-00                        | Miscellaneous Income           | 18,492.60             | 34,311.81             | 15,819.21                                       | 85.5%                 |
| 1-0-4955-00                        | Cell Site Lease Income         | 71,817.24             | 73,733.90             | 1,916.66  | 2.7%                  |
| 1-0-4965-00                        | ERAF REFUND -County Taxes      | 0.00                  | 0.00                  | 0.00  | 0.0%                  |
| <b>TOTAL NON-OPERATING REVENUE</b> |                                | <b>507,818.44</b>     | <b>613,358.21</b>     | <b>105,539.77</b>                               | <b>20.8%</b>          |
| <b>TOTAL REVENUES</b>              |                                | <b>6,088,367.44</b>   | <b>6,335,790.15</b>   | <b>247,422.71</b>                               | <b>4.1%</b>           |
| <b>OPERATING EXPENSES</b>          |                                |                       |                       |   |                       |
| 1-1-5130-00                        | Water Purchased                | 1,738,177.00          | 1,376,478.30          | 361,698.70                                      | 20.8%                 |
| 1-1-5230-00                        | Pump Exp, Nunes T P            | 15,628.74             | 18,633.20             | (3,004.46)                                      | -19.2%                |
| 1-1-5231-00                        | Pump Exp, CSP Pump Station     | 297,202.00            | 214,461.24            | 82,740.76                                       | 27.8%                 |
| 1-1-5232-00                        | Pump Exp, Trans. & Dist.       | 9,503.00              | 11,652.89             | (2,149.89)                                      | -22.6%                |
| 1-1-5233-00                        | Pump Exp, Pilarcitos Canyon    | 13,000.00             | 4,951.83              | 8,048.17  | 61.9%                 |
| 1-1-5234-00                        | Pump Exp. Denniston Proj.      | 21,786.00             | 26,953.79             | (5,167.79)                                      | -23.7%                |
| 1-1-5242-00                        | CSP Pump Station Operations    | 5,247.90              | 4,981.48              | 266.42  | 5.1%                  |
| 1-1-5243-00                        | CSP Pump Station Maintenance   | 8,328.00              | 6,172.72              | 2,155.28  | 25.9%                 |
| 1-1-5246-00                        | Nunes T P Operations           | 35,086.00             | 34,884.76             | 201.24  | 0.6%                  |
| 1-1-5247-00                        | Nunes T P Maintenance          | 40,248.00             | 44,264.99             | (4,016.99)                                      | -10.0%                |
| 1-1-5248-00                        | Denniston T.P. Operations      | 9,874.00              | 10,943.94             | (1,069.94)                                      | -10.8%                |
| 1-1-5249-00                        | Denniston T.P. Maintenance     | 36,500.00             | 44,663.34             | (8,163.34)                                      | -22.4%                |
| 1-1-5250-00                        | Laboratory Services            | 26,504.00             | 21,673.67             | 4,830.33  | 18.2%                 |
| 1-1-5260-00                        | Maintenance -General           | 65,823.66             | 78,985.63             | (13,161.97)                                     | -20.0%                |
| 1-1-5260-10                        | Maintenance - Main Line Breaks | 49,980.00             | 17,631.69             | 32,348.31                                       | 64.7%                 |
| 1-1-5260-11                        | Maintenance - Paving           | 24,990.00             | 20,878.36             | 4,111.64  | 16.5%                 |
| 1-1-5261-00                        | Maintenance -Well Fields       | 44,546.00             | 10,978.38             | 33,567.62                                       | 75.4%                 |

| <b>ACCOUNT</b>                      | <b>DESCRIPTION</b>             | <b>YTD<br/>BUDGET</b> | <b>YTD<br/>ACTUAL</b> | <b>Variance<br/>Favorable<br/>(Unfavorable)</b> | <b>%<br/>Variance</b> |
|-------------------------------------|--------------------------------|-----------------------|-----------------------|---|-----------------------|
| 1-1-5263-00                         | Uniforms                       | 5,578.00              | 7,940.04              | (2,362.04)                                      | 0.0%                  |
| 1-1-5318-00                         | Studies/Surveys/Consulting     | 74,970.00             | 24,305.52             | 50,664.48                                       | 67.6%                 |
| 1-1-5321-00                         | Water Resources                | 23,490.60             | 5,077.06              | 18,413.54                                       | 78.4%                 |
| 1-1-5322-00                         | Community Outreach             | 24,990.00             | 4,008.78              | 20,981.22                                       | 84.0%                 |
| 1-1-5381-00                         | Legal                          | 29,988.00             | 45,189.13             | (15,201.13)                                     | -50.7%                |
| 1-1-5382-00                         | Engineering                    | 6,997.20              | 2,720.00              | 4,277.20  | 61.1%                 |
| 1-1-5383-00                         | Financial Services             | 11,000.00             | 6,580.00              | 4,420.00  |                       |
| 1-1-5384-00                         | Computer Services              | 62,624.94             | 44,188.63             | 18,436.31                                       | 29.4%                 |
| 1-1-5410-00                         | Salaries/Wages-Administration  | 550,400.00            | 465,685.00            | 84,715.00                                       | 15.4%                 |
| 1-1-5411-00                         | Salaries & Wages -Field        | 608,687.00            | 636,815.75            | (28,128.75)                                     | -4.6%                 |
| 1-1-5420-00                         | Payroll Tax Expense            | 81,121.00             | 73,759.82             | 7,361.18  | 9.1%                  |
| 1-1-5435-00                         | Employee Medical Insurance     | 198,812.00            | 197,669.59            | 1,142.41  | 0.6%                  |
| 1-1-5436-00                         | Retiree Medical Insurance      | 28,746.00             | 24,493.04             | 4,252.96  |                       |
| 1-1-5440-00                         | Employees Retirement Plan      | 254,127.00            | 230,423.63            | 23,703.37                                       | 9.3%                  |
| 1-1-5445-00                         | Supplemental Retirement 401a   | 0.00                  | 0.00                  | 0.00  | 0.0%                  |
| 1-1-5510-00                         | Motor Vehicle Expense          | 28,338.66             | 23,012.10             | 5,326.56  | 18.8%                 |
| 1-1-5620-00                         | Office Supplies & Expense      | 85,353.30             | 117,206.19            | (31,852.89)                                     | -37.3%                |
| 1-1-5625-00                         | Meetings / Training / Seminars | 11,995.20             | 8,946.38              | 3,048.82  | 25.4%                 |
| 1-1-5630-00                         | Insurance                      | 59,976.00             | 56,013.71             | 3,962.29  | 6.6%                  |
| 1-1-5687-00                         | Membership, Dues, Subscript.   | 36,985.20             | 24,700.17             | 12,285.03                                       | 33.2%                 |
| 1-1-5688-00                         | Election Expenses              | 0.00                  | 0.00                  | 0.00  | 0.0%                  |
| 1-1-5689-00                         | Labor Relations                | 2,998.80              | 0.00                  | 3,000.00  | 100.0%                |
| 1-1-5700-00                         | San Mateo County Fees          | 9,496.20              | 11,241.98             | (1,745.78)                                      | -18.4%                |
| 1-1-5705-00                         | State Fees                     | 7,996.80              | 19,012.71             | (11,015.91)                                     | -137.8%               |
| <b>TOTAL OPERATING EXPENSES</b>     |                                | <b>4,647,096.20</b>   | <b>3,978,179.44</b>   | <b>668,916.76</b>                               | <b>14.4%</b>          |
| <b>CAPITAL ACCOUNTS</b>             |                                |                       |                       |   |                       |
| 1-1-5712-00                         | Debt Svc/Existing Bonds 2006B  | 356,597.00            | 356,581.86            | 15.14   | 0.0%                  |
| 1-1-5715-00                         | Debt Svc/CIEDB 11-099 (I-BANK) | 260,466.00            | 260,466.28            | (0.28)  | 0.0%                  |
| <b>TOTAL CAPITAL ACCOUNTS</b>       |                                | <b>617,063.00</b>     | <b>617,048.14</b>     | <b>14.86</b>                                    | <b>0.0%</b>           |
| <b>TOTAL EXPENSES</b>               |                                | <b>5,264,159.20</b>   | <b>4,595,227.58</b>   | <b>668,931.62</b>                               | <b>12.7%</b>          |
| <b>CONTRIBUTION TO CIP/RESERVES</b> |                                | <b>824,208.24</b>     | <b>1,740,562.57</b>   |   |                       |

## **STAFF REPORT**

**To:** Coastside County Water District Board of Directors

**From:** Mary Rogren, Assistant General Manager

**Agenda:** January 6, 2017

Report

Date: January 10, 2017

**Subject:** Fiscal Year 2017-2018 Budget Process Timeline

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### **Recommendation:**

None. Information only.

### **Background:**

The attached Budget Process Timeline lays out the proposed schedule for presentation and consideration of the Fiscal Year 2017-2018 Budget and the Fiscal Year 17/18 - 26/27 Capital Improvement Program. Key timeline milestones follow the pattern established over the last two budget cycles, culminating in the public hearing on the budget scheduled for the regular June Board meeting.

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

### **Fiscal Impact:**

None.

**Coastside County Water District  
BUDGET (CIP and O&M) PROCESS TIMELINE  
Fiscal Year 2017-2018**

| Description  | Date                                       |
|--|--|
| Staff Internal Budget Review – Distribute O&M Budget Worksheets and Update CIP budget spreadsheet                      | January 2017                               |
| Facilities Committee Meeting – Introduction to CIP Budget Process/Timeline   | January 4, 2017<br>2:00 pm                 |
| Finance Committee Meeting - Introduction to Budget Process/Timeline  | January 9, 2017<br>9:00 am                 |
| Present Budget Timeline for Board approval   | January 10, 2017<br>Regular Board Meeting  |
| Staff Internal Budget Review – Worksheets Due/Review CIP Budget  | January 31, 2017                           |
| Facilities Committee Meeting – Review Draft CIP Budget   | February __, 2017                          |
| Finance Committee Meeting – Review Draft O&M Budget and CIP  | February 8, 2017                           |
| Present “Draft” O&M Budget and CIP to Board of Directors at Board Meeting  | February 14, 2017<br>Regular Board Meeting |
| Present “Draft” O&M Budget and CIP to Board of Directors at Board Meeting  | March 14, 2017<br>Regular Board Meeting    |
| Customer Outreach – Website<br>Draft Budget and Finance Plan FY 2017   | March 2017 (TBD)                           |
| Customer Outreach – E-Newsletter<br>Message: Budget Work Session – Budget and Finance Plan                             | March 2017 (TBD)                           |
| Budget Work Session with Board of Directors  | March/April __, 2017                       |
| Present “Draft” O&M Budget and CIP to Board of Directors at Board Meeting – Approve Notice of Rate Increase (Prop 218) | April 11, 2017<br>Regular Board Meeting    |
| Mail Notice of Rate Increase (Prop 218) – Minimum 45-Day Notice Before Public Hearing                                  | April 17, 2017                             |
| Finance Committee Meeting – Review Draft O&M Budget, CIP, and Finance Plan   | April/May __, 2017                         |

January 9, 2017

|  |  |
|--|--|
| Customer Outreach – E-Newsletter<br>Message: Understanding Budget and Proposed Rate Increase | April 24, 2017                         |
| Present & Discuss “Draft” CIP and O&M Budget and Finance Plan                                | May 9, 2017<br>Regular Board Meeting   |
| Rate Increase Hearing - Approve O&M Budget and CIP – Approve Rate Increase                   | June 13, 2017<br>Regular Board Meeting |

## ***STAFF REPORT***

**To:** Coastside County Water District Board of Directors

**From:** David Dickson, General Manager

**Agenda:** January 10, 2017

**Subject:** Coastside County Water District Board Committees

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### **Recommendation:**

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

### **Background:**

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

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

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

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

## Coastside County Water District Standing Committees

### Finance Committee

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

### Water Quality Committee

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

### Human Resources (Personnel & Recruitment) Committee

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

### Water Resources Committee

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

### District Facilities Committee

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



## Coastside County Water District Advisory Committees

### Montara Water & Sanitary District (MWSD) Mutual Interest Committee

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

### Recycled Water Committee

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

## Coastside County Water District External Organization Representatives

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

### Association of California Water Agencies (ACWA)

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

### Association of California Water Agencies Joint Powers Insurance Authority

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

### **California Special District Association (CSDA)**

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

### **Bay Area Water Supply & Conservation Agency (BAWSCA)**

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

### **Local Agency Formation Commission (LAFCo)**

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

# COASTSIDE COUNTY WATER DISTRICT BOARD COMMITTEES

**Updated: July 12, 2016**

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

| <u>Advisory Committees</u>  | <u>Directors</u>    |
|---|---------------------|
| Montara Water & Sanitary District (MWSD)<br>Mutual Interest Committee | Coverdell, Feldman  |
| Recycled Water Committee  | Coverdell, Reynolds |

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

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

## **STAFF REPORT**

**To:** Coastside County Water District Board of Directors  
**From:** David Dickson, General Manager  
**Agenda:** January 10, 2017  
**Subject:** Appointment of CCWD Board Member Representative Alternate(s) to participate in San Mateo Local Agency Formation Commission (LAFCo) election of officers

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### **Recommendation:**

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

### **Background:**

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

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

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

## **STAFF REPORT**

**To:** Coastside County Water District Board of Directors

**From:** David Dickson, General Manager

**Agenda:** January 10, 2017

Report

Date: January 5, 2017

**Subject:** General Manager's Report

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### **Recommendation:**

None. Information only.

### **Background:**

For this month's report, I would like to highlight the following:

**Barbara's Fishtrap Water Service Connection Issue:** Beginning in August 2016, District staff responded to complaints of low flow and pressure in the Barbara's Fishtrap restaurant. Based on extensive investigations by staff, Superintendent Joe Guistino, in a letter dated October 3, 2016, communicated to Ms. Madsen our conclusion that the service line is undersized for the restaurant's demand and that installing a new, larger service line would be the responsibility of Barbara's Fishtrap.

Melodie Madsen, President of Barbara's Fishtrap wrote a November 6, 2016 letter to the Board, then appeared during the public comment period at the November 8 and December 13 Board meetings to ask whether the District should be responsible for replacing the service line to the restaurant. Following Ms. Madsen's December 13 comments, Director Reynolds volunteered to look into the matter on behalf of the Board. His investigations, summarized in Attachment A, confirm the conclusion that the service line is undersized. The email from District Counsel Patrick Miyaki included as Attachment B verifies that District policy specifies that installing a larger service connection is the customer's responsibility.

December 20, 2016

To: David Dickson, General Manager

From: Glenn Reynolds

**Subject: Barbara's Fishtrap Service Connection Issue**

I was able to review the water flow and pressure issues with the following persons:

Melodie Madsen owner of Barbara's Fishtrap Restaurant

Simms Plumbing, contractor who has been assisting with plumbing repairs at the restaurant

Joe Giustino, CCWD Water Superintendent

Cathleen Brennan, CCWD Water Resources Analyst

I was able to observe the restaurant water meter and characterize the flow. It is clear that when the automatic toilet valves are used, the water demand spikes to 15 gallons per minute. As Kathleen's site inspection showed, that if the kitchen sink is running at 3 gpm plus the automatic dishwasher is in operation at 6 gpm (it should be noted that the inlet to the commercial dishwasher is  $\frac{3}{4}$  pipe just for its own use!). The two restroom toilets are both circa 2001 flushometer commercial units which have 1" supply pipes for each unit. In following the American Water Works Association M22 manual on water service line sizing this facility should have a supply of 1.5 inch.

The restaurant feels that they did not change/repair or replace any one item and now, no longer have adequate water supply. They feel there is a possibility that the service line ( $\frac{3}{4}$  inch copper) or corporation valve (CCWD's valve into the water main in the street) could be clogged or compromised. While there is always a possibility of the service line being damaged, it is uncommon.

To determine if the water service line was damaged, I suggested that the water district do the following:

Flow test a  $\frac{3}{4}$  inch service within the same pressure zone. A comparable age  $\frac{3}{4}$  inch connection was identified in Princeton as a suitable location with minimal impact on the public. For both properties the following procedure was used:

Notify the customer that the water service would be interrupted for 15 minutes for a flow test.  
Remove the water meter and install a temporary riser to bring the flow out of the meter box.  
Install a pressure gauge and ultrasonic flowmeter (a  $\frac{3}{4}$  inch was used as this is what is currently installed at the Fishtrap).  
Record the static pressure (pressure at the meter location with no flow).  
Record the maximum flow the service will deliver.  
Record the residual service pressure.

|                               |                           |                    |
|-------------------------------|---------------------------|--------------------|
|                               | West Point Ave, Princeton | Barbara's Fishtrap |
| Static Pressure               | 70 psi                    | 70 psi             |
| Maximum flow                  | 22 gpm                    | 17 gpm             |
| Residual after meter pressure | 2 psi                     | 2 psi              |

**Discussion of results:**

While the flow from Barbara's Fishtrap was less, it is certainly still delivering a flow consistent with a 3/4 inch service line. This location was installed as a 5/8 inch meter in the 1960's. The American Water Works Association M6 (Water Meters-Selection, Installation, Testing and Maintenance) specifies that the maximum allowable flow for a 5/8 inch meter is 15 gallons per minute. It would appear the service is currently performing within expected flow for a meter designed to flow less than 15 gpm.

It is possible that the State required mandate for backflow prevention devices has restricted flow within the Fishtrap premises given the water flow demands of the facility. Barbara's Fish Trap has temporarily removed their backflow device, which is in violation of District backflow prevention requirements.

In reviewing this situation to assure that the customer's concerns are being protected, I found that the staff has responded according to District policy in a manner that fairly allocates cost directly to the user requiring the service. Given the information presented from the customer and staff, I don't feel this issue requires further Board action.

Glenn Reynolds  
Board President  
CCWD

CC: Barbara's Fishtrap  
The Board

**David Dickson**

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**From:** Patrick T. Miyaki <pmiyaki@hansonbridgett.com>  
**Sent:** Wednesday, December 21, 2016 5:01 PM  
**To:** David Dickson  
**Subject:** District Regulations and Water Service Lateral for Barb's Fish Trap

Dave, in connection with the water service line at Barb's Fish Trap, I reviewed the District's Regulations Regarding Water Service Extensions and Water System Improvements; Engineering and Construction Standards; Approved Materials in light of the facts provided to me. Section C addresses engineering and construction standards, and subsection 2.11 sets forth service connection requirements. Section 2.11(d) covers the sizing of water service connections and states that after a meter is installed and water service is initially provided, the owner shall not install additional water using devices that result in peak flow demand in excess of peak flow capacity. Section 2.11(f) addresses water pressure and the initial sizing of the piping, and this subsection requires the owner to be responsible for improving water pressure by increasing the size of the building plumbing, or installing a larger service connection, or installing a pumping system conforming to District requirements.

Subsection 2.11(f) provides that the District is responsible for increasing the size of the water service connection pipeline where the normal pressure in the District's water main is below 35 psi. The water pressure in the District's water pipeline at this location is 70 psi.

Therefore, based on my understanding of the facts, under the District's Regulations the property owner is responsible for increasing the size of the water service line to improve water pressure at the restaurant.

Please let me know if you have any questions or if you want to discuss this matter further. Thanks. Pat.

---

**Patrick T. Miyaki****Partner**

Hanson Bridgett LLP  
(415) 995-5048 Direct  
(415) 995-3512 Fax  
pmiyaki@hansonbridgett.com



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## **STAFF REPORT**

**To:** Coastside County Water District Board of Directors

**From:** Mary Rogren, Assistant General Manager

**Agenda:** January 10, 2017

### **Report**

**Date:** January 6, 2017

**Subject:** Assistant General Manager's Report

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### **Recommendation:**

No Board action required.

### **Background:**

#### **Strategic Planning Meeting**

The Strategic Planning Meeting is current scheduled for February 1, 2017 from 9:00 AM to 5:00 PM to be held at the Portuguese Community Center, 724 Kelly Street, Half Moon Bay. We have identified a facilitator for the meeting who will be contacting each of the Board members for a short interview in advance of the meeting in order to finalize an agenda.

#### **SFPUC Good News**

At the monthly BAWSCA Managers' Meeting this week, the CFO of SFPUC reported that in October, 2016, the SFPUC successfully refunded \$894M of outstanding WSIP and non-WSIP Bonds at a historically low interest rate (2.85%) which will result in savings of \$136M in interest costs over the term of the bonds. This refinancing should favorably impact our SFPUC water rates.

The SFPUC will hold its annual meeting with BAWSCA members on February 16 where we will likely hear about SFPUC's latest projections for the next fiscal year's water rates.

## **MONTHLY REPORT**

**To:** David Dickson, General Manager  
**From:** Joe Guistino, Superintendent of Operations  
**Agenda:** January 10, 2017

**Report**  
**Date:** January 5, 2017

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### **Monthly Highlights**

Senior Operator Recruitment – Two in-house candidates will be interviewed for this position during the second week of January.

El Granada Pump Stations 1 and 2 Emergency Generator Project – This project is now complete, allowing us to assure reliable water supply to the El Granada highlands during a prolonged power outage.

### **Source of Supply**

Crystal Springs and Denniston Reservoirs, and Pilarcitos Wells #1, 4, 4A and 5 were the source of supply in December, supplying approximately 44 million gallons (MG) of water. District-owned local sources (Pilarcitos Wells and Denniston Project) supplied 60% of our water in December. Denniston Water Treatment Plant (WTP) ran for 23 days in December. It was shut down for 8 days due to high turbidity source water.

### **System Improvements**

#### El Granada Tank Overflow Pipe

The overflow pipe at El Granada Tank 2 was modified so that it no longer extends into the overflow containment. This was called out during the last State sanitary survey.

### **Other Activities Update:**

#### Crystal Springs Pumps

I reported last month that Crystal Springs Pump 3 had a significant water leak when running. Further investigation showed that the casing was severely corroded at the flange and that the other flange joints were also corroding. We will be pursuing replacement of all or part of this casing in the near future.

#### Senior Operator Don Patterson Retires

Senior Operator Don Patterson retired in December. December 30 was his last day at work. The CCWD Staff and Field Crew will miss his humor and, most importantly, his kindness and grace. It was an honor and pleasure to work with him.

### Senior Operator Recruitment

We received 4 applicants for the position of Senior Operator vacated by Don Patterson in December. There were two inside applicants and two outside applicants. The outside applicants did not meet the experience requirement of the position. We will be interviewing the two internal candidates on 10 January.

### Barbara's Fishtrap

We conducted field flow tests of Barbara's Fishtrap meter and another meter in the Princeton area with a similar ¾" service line. The difference between the flows was about 2.5 gpm with Barbara's flowing 17 gpm. This flow is in accordance with what would be expected from this size service. The high demand from this facility exceeds the capacity of a ¾" service line.

### District's Fire Service

I tested and approved the District's new above ground Double Check Detector Assembly (DCDA) with our new backflow testing kit.

### Pilarcitos Well 4

This well quit running over the Christmas weekend. We suspect that the motor shaft has failed. We will be pulling this motor in January.

### Denniston WTP Wash Water Return Pump

This unit failed in December upon startup of the treatment plant after the 8 day shutdown. The manufacturer responded quickly and only had to replace the bearings. They had it reinstalled 48 hours later.

### Filter Media Supplier

It has been very difficult to find a supplier of filter media as an alternative to ERS, which we have been using for the last 15 years. Treatment Staff is working with other agencies in pursuing alternative media suppliers.

### **Regulatory Agency Interaction**

#### California Water Resources Control Board (CWRCB)

We had no interaction with CWRCB in December.

### **Safety/Training/Inspections/Meetings**

#### Meetings Attended

1 December - Met with Cal Fire at Crystal Springs Pump Station (PS)

1 December - CA/NV Section American Water Works Association (AWWA) Board Meeting (web)

7 December - Don Patterson retirement luncheon

12 December - Met with staff on upgrading our spec book

13 December - Met with engineering contractor on upgrading our spec book

29 December - Pre Facilities Committee meeting on Capital Improvement Program (CIP)

### Tailgate safety sessions in October

9 December - Avoid Back Injury by Lifting Correctly

13 December - Texting and Working Don't Mix

19 December - Understanding Safety Data Sheets

27 December - Handling the Load: Forklift Safety

### Safety Committee and Training

There was no safety Committee Meeting scheduled for December.

The Safety Training for December was on Hazcom Awareness. Damrosch, Winch, Bruce, Usher, Schmidt, Jahns, Duffy, Donovan and Davis were in attendance.

### Special Recognition

The District was recognized for the ACWA/JPIA President's Special Recognition Award for achieving a loss ratio under 20% for our Liability, Property or Worker's Compensation Program.

### **Projects**

#### El Granada Pump Stations 1 and 2 Emergency Generator Project

Both generators are in place and tested. Staff was trained on their operation on 4 January and the system is operational at this time with only a few minor details to finish up. A Notice of Completion (NOC) will be generated later this month.

#### El Granada Tank 3 Rehabilitation and Coating Project

The temporary tank pad was completed in December and the temporary tank was moved to the site. It will be set in place and put into service in January.

#### Avenue Cabrillo Project Phase 3B

The Notice of Completion is presented in this board packet, bringing to a close a long project that was started in 2012 and which greatly improved the reliability, water service and water quality of pipeline infrastructure in the south end of El Granada.

#### Nunes Drying Bed #2 Sand Replacement Project

Five loads of gravel were delivered to the site. It will be applied to the drying bed and graded by our contractor in January. We will be receiving the sand portion of the project in January.

#### Denniston Pump Station and Bridgeport Transmission Main Project

County Service Area #6 owns and operates the street lighting system in Clipper Ridge. On 19 December I received a letter from them stating that they were not going to mark their underground power lines and that CCWD would be responsible if we damaged these lines during excavation for this project. The County's technician was scheduled to assist the contractor's locating service the first week of January but the County cancelled due to illness. Kennedy/Jenks, our Construction

Inspector will be pursuing resolution to this issue in January. We have also asked them for the submittal and request for information (RFI) list to review and an updated schedule.

A notice of construction sign was posted on Coral Reef at the entrance to Clipper Ridge.

#### Well Projects

Video inspection of the cleaned Pilarcitos Wells 3 and 3a revealed that the lining of each well was in need of replacement at a cost of a little over \$5,000 each. These repairs were rendered in December and the electrical panels will be upgraded this week. Both wells are expected to be running by the end of January.

#### Nunes Surface Wash Valve Replacement

See Staff Report this Board packet.

#### Strawflower Plaza Pipeline Modification

Bids were opened on 5 January. See Staff Report this Board packet.

#### Stone Dam Pipeline

This project is scheduled to be reviewed by their SFPUC Project Review Board on 25 January.

# *President's Special Recognition Award*

*The President of the  
ACWA JPIA  
hereby gives Special Recognition to*

## *Coastside County Water District*

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"  
in the Liability Program for the period 10/01/2012 - 09/30/2015  
announced at the Board of Directors' Meeting in Anaheim.*



*November 28, 2016*

*E. G. Gladbach*

*E. G. "Jerry" Gladbach, President*

## STAFF REPORT

**To:** Board of Directors  
**From:** Cathleen Brennan, Water Resources Analyst  
**Agenda:** January 10, 2017  
**Report Date:** January 4, 2017  
**Subject:** Water Resources

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**Informational Report:** Water Use Efficiency Grant Share Reimbursement Update

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### California Department of Water Resources Proposition 84 Round Three Grant Share Reimbursement



#### Lawn Be Gone



The District received a check from the Bay Area Water Supply and Conservation Agency (BAWSCA) in the amount of \$5,313.47 for 95 percent of the reimbursement of the Proposition 84 grant share. The check includes reimbursement for rebates issued between 4/01/2015 and 3/31/2016 at a reimbursement rate of \$.75 per square foot for a total of 7,458 square feet of lawn conversion. The remaining 5 percent will be reimbursed when all Proposition 84 round three grant activities are completed.

#### High Efficiency Toilet Rebate Program



The District received a check from BAWSCA in the amount of \$3,526.88 for 95 percent of the reimbursement of the Proposition 84 grant share. The check includes reimbursement for 63 high efficiency toilet rebates issued between 04/1/2015 and 03/31/2016 at a reimbursement rate of 75 percent of the actual rebate amount. The maximum reimbursement amount is \$75 per toilet. The remaining 5 percent will be reimbursed when all Proposition 84 round three grant activities are completed.