

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

REGULAR MEETING OF THE BOARD OF DIRECTORS

Tuesday, January 10, 2023 - 7:00 p.m.

AGENDA

Due to the Covid-19 pandemic, and in accordance with Assembly Bill 361, which modifies California Government Code Section 54953, this meeting will be conducted by teleconference. Board members and members of the public also may attend this meeting in person at the District Office located at 766 Main Street, Half Moon Bay.

The Public may watch and/or participate in the public meeting by joining the meeting through the Zoom Videoconference link provided below. The public may also join the meeting by calling the below listed teleconference phone number.

How to Join Online or by Phone

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

Whether you participate online or by telephone, you may wish to “arrive” early so that staff can address any technology questions prior to the start of the meeting.

Join Zoom Meeting

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

Meeting ID: 886 9189 4625

Passcode: 182549

One tap mobile

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

Dial by your location

+1 669 900 6833 US (San Jose)

Meeting ID: 886 9189 4625

Passcode: 182549

Find your local number: <https://us06web.zoom.us/u/kbyQAbTp4H>

Procedures to make a public comment with Zoom Video/Conference – As a reminder, all participants except the Board Members and Staff are muted on entry.

- **From a computer:** (1) Using the Zoom App, at the bottom of your screen, click on “Participants” and then “Raise Hand”. Participants will be called to comment in the order in which they are received. Begin by stating your name and place of residence.

OR

- (2) Using the Zoom App, at the bottom of your screen click on “Chat” and then type that you wish to make a comment into the Chat Box. Ensure that the “To:” field is populated by either “Everyone” or “the Moderator”. Begin by stating your name and place of residence.
- **From a phone:** Using your keypad, dial *9, and this will notify the Moderator that you have raised your hand. Begin by stating your name and place of residence. The Moderator will call on you by stating the last 4 digits of your phone number. If you wish to block your phone number dial *67 prior to dialing in. If your phone number is not displayed, the Moderator will call you by Caller number.

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

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

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

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

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

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

- 4) **Consider and Reaffirm Resolution 2021-06 “Making Findings Pursuant to Assembly Bill 361 That the Proclaimed State of Emergency Continues to Impact the Ability to Meet Safely in Person”** ([attachment](#))

5) **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, 2022:
Claims: \$ 1,500,901.90; Payroll: \$205,693.88 for a total of \$ 1,706,595.78 ([attachment](#))
December 2022 Monthly Financial Claims reviewed and approved by Director Muller
- B. Acceptance of Financial Reports ([attachment](#))
- C. Approval of Minutes of December 13, 2022, Regular Board of Directors Meeting ([attachment](#))
- D. Installed Water Connection Capacity and Water Meters Report ([attachment](#))
- E. Total CCWD Production Report ([attachment](#))
- F. CCWD Monthly Sales by Category Report December 2022 ([attachment](#))
- G. Leak/Flushing Report - December 2022 ([attachment](#))
- H. Monthly Rainfall Reports ([attachment](#))
- I. SFPUC Hydrological Conditions Report - November 2022 ([attachment](#))
- J. Water Service Connection Transfer Report for December 2022 ([attachment](#))
- K. Approval of Water Service Agreement - 390 Redondo Beach Road, Half Moon Bay ([attachment](#))

6) **MEETINGS ATTENDED / DIRECTOR COMMENTS**

7) **GENERAL BUSINESS**

- A. Coastside County Water District Basic Financial Statements and Independent Auditor’s Report for the Fiscal Year Ended June 30, 2022. ([attachment](#))
- B. Quarterly Financial Review ([attachment](#))
- C. Award of Contract to Andreini Bros. for the Poplar Street Water Main Replacement Project ([attachment](#))
- D. Review District Board Committees. Consider and Approve Appointments of Board Members to the Coastside County Water District Board Committees, and Appointment of District Representatives to External Organizations and Associations. Consider and Approve Establishment of New Board Committee(s) and External Organization Representatives(s). ([attachment](#))
- E. Appointment of CCWD Board Member Representative Alternate(s) to participate in San Mateo Local Agency Formation Commission (LAFCo) election of officers ([attachment](#))

8) MONTHLY INFORMATIONAL REPORTS

- A. General Manager's Report ([attachment](#))
 - Storm Emergency Repairs
- B. Superintendent of Operations Report ([attachment](#))
- C. Water Resources Informational Report ([attachment](#))

9) DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS

10) CLOSED SESSION

Pursuant to California Government Code Section 54957
Public Employment
Title: Assistant General Manager

11) RECONVENE TO OPEN SESSION

Public report of closed session action.

12) ADJOURNMENT

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, General Manager

Agenda: January 10, 2023

Report

Date: January 6, 2023

Subject: Consider and Reaffirm Resolution 2021-06 “Making Findings Pursuant to Assembly Bill 361 That the Proclaimed State of Emergency Continues to Impact the Ability to Meet Safely in Person.”

Recommendation:

Reaffirm, by motion, Resolution 2021-06, making findings pursuant to Assembly Bill 361 that the proclaimed State of Emergency continues to impact the ability to meet safely in person.

Background:

On March 4, 2020, Governor Newsom declared a State of Emergency to exist in California as a result of the threat of COVID 19, and on March 17, 2020, the Governor issued Executive Order N-29-20 suspending certain provisions of the Ralph M. Brown Act relating to teleconferencing to allow legislative bodies to conduct meetings remotely to help protect the spread of COVID-19 and to protect the health and safety to the public. On June 11, 2021, the Governor issued Executive Order N-08-21 which specified that Executive Order N-29-20 remained in effect through September 30, 2021.

On September 16, 2021, the Governor signed Assembly Bill 361 (AB361) into law to allow legislative bodies to continue to meet remotely during a proclaimed State of Emergency after September 30, 2021.

On October 8, 2021, the Board of the Directors of the Coastside County Water District adopted Resolution 2021-06. Per AB361, the Board will need to consider and reaffirm the findings of Resolution 2021-06 monthly.

By reaffirming Resolution 2021-06, the Board has considered the circumstances of the proclaimed State of Emergency and finds that the State of Emergency continues to directly impact the ability of the members to meet safely in person, and state or local officials continue to impose or recommend measures to promote social distancing.

RESOLUTION NO. 2021-06

MAKING FINDINGS PURSUANT TO ASSEMBLY BILL 361 THAT THE PROCLAIMED STATE OF EMERGENCY CONTINUES TO IMPACT THE ABILITY TO MEET SAFELY IN PERSON

COASTSIDE COUNTY WATER DISTRICT

WHEREAS, on March 4, 2020, Governor Newsom declared a State of Emergency to exist in California as a result of the threat of COVID-19;

WHEREAS, on March 17, 2020, the Governor issued Executive Order N-29-20 suspending certain provisions of the Ralph M. Brown Act related to teleconferencing to allow legislative bodies to conduct meetings remotely to help protect against the spread of COVID-19 and to protect the health and safety of the public;

WHEREAS, on June 11, 2021, the Governor issued Executive Order N-08-21, which specified that Executive Order N-29-20 remains in effect through September 30, 2021, and then expires;

WHEREAS, on September 16, 2021, the Governor signed Assembly Bill 361 (AB 361) in to law, as urgency legislation that goes into effect immediately, that amends Government Code Section 54953 to allow legislative bodies to continue to meet remotely during a proclaimed state of emergency provided certain conditions are met and certain findings are made;

WHEREAS, on September 20, 2021, the Governor issued Executive Order N-15-21 that generally suspends the AB 361 amendments to Government Code Section 54953 until October 1, 2021, and therefore clarifying that Executive Order N-29-20 controls through the end of September 2021;

WHEREAS, the Governor's proclaimed State of Emergency remains in effect, and state and local officials, including the San Mateo County Health Officer, the California Department of Public Health, and the Department of Industrial Relations, have imposed or recommended measures to promote social distancing; and

WHEREAS, to help protect against the spread of COVID-19 and its variants, and to protect the health and safety of the public, the Board of Directors desires to take the actions necessary to comply with AB 361 and to continue to hold its Board and committee meetings remotely.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Coastside County Water District has considered the circumstances of the proclaimed State of Emergency, and finds that the State of Emergency continues to directly impact the ability of the members to meet safely in person, and state or local officials continue to impose or recommend measures to promote social distancing.

BE IT FURTHER RESOLVED that the District will comply with the requirements of Government Code Section 54953(e)(2) when holding Board and committee meetings pursuant to this Resolution.

BE IT FURTHER RESOLVED that the Board will consider the findings in this Resolution every 30 days and may, by motion, reaffirm these findings.

PASSED AND ADOPTED this 12th day of October, 2021, by the following vote:

AYES: President Reynolds, Vice-President Feldman, Directors Mickelsen, Coverdell and Muller



Glenn Reynolds, President
Board of Directors

ATTEST:



Mary Rogren, General Manager
Secretary of the Board of Directors

**COASTSIDE COUNTY WATER DISTRICT
CLAIMS FOR DECEMBER 2022**

CHECKS				
CHECK DATE	CHECK NO.	VENDOR		AMOUNT
12/02/2022	31561	BADGER METER, INC.	\$	66.00
12/02/2022	31562	EKI INC.	\$	2,465.00
12/02/2022	31563	GRAINGER, INC.	\$	869.29
12/02/2022	31564	KELLY HOFFMAN-DAVIS	\$	146.80
12/02/2022	31565	HMB BLDG. & GARDEN INC.	\$	191.70
12/02/2022	31566	IRON MOUNTAIN	\$	620.03
12/02/2022	31567	MISSION UNIFORM SERVICES INC.	\$	60.33
12/02/2022	31568	KEVIN D. MORGAN	\$	5,106.08
12/02/2022	31569	MTA PARTS, INC.	\$	77.70
12/02/2022	31570	OCCUPATIONAL HEALTH CENTERS OF CALIFORNIA, A MEDICAL CORP.	\$	118.00
12/02/2022	31571	DARIN STURDIVAN	\$	101.67
12/02/2022	31572	USA BLUE BOOK	\$	1,057.87
12/02/2022	31573	YI HSUAN HO	\$	12.23
12/07/2022	31574	CASEY CONSTRUCTION INC	\$	562,724.10
12/09/2022	31575	Void Check	\$	-
12/09/2022	31576	DAVID BUCHANAN	\$	20.24
12/09/2022	31577	FRANCESCA KOOS	\$	5.23
12/09/2022	31578	HEALTH BENEFITS ACWA-JPIA	\$	41,771.14
12/09/2022	31579	BARTKIEWICZ, KRONICK & SHANAHAN	\$	310.00
12/09/2022	31580	COMCAST	\$	273.52
12/09/2022	31581	COUNTY OF SAN MATEO	\$	305.00
12/09/2022	31582	JAMES COZZOLINO, TRUSTEE	\$	275.00
12/09/2022	31583	DATAPROSE, LLC	\$	50.00
12/09/2022	31584	MICHAEL DE MEO	\$	270.00
12/09/2022	31585	FEDAK & BROWN LLP	\$	1,500.00
12/09/2022	31586	KELLY HOFFMAN-DAVIS	\$	24.06
12/09/2022	31587	EMPOWER RETIREMENT, LLC	\$	1,269.19
12/09/2022	31588	HASSETT HARDWARE	\$	851.55
12/09/2022	31589	HDR ENGINEERING, INC	\$	2,893.10
12/09/2022	31590	IRVINE CONSULTING SERVICES, INC.	\$	5,696.65
12/09/2022	31591	DUSTIN JAHNS	\$	19.15
12/09/2022	31592	KOFFLER ELECTRICAL MECHANICAL APPARATUS REPAIR	\$	1,440.00
12/09/2022	31593	MONTEREY BAY ANALYTICAL SERVICES, INC.	\$	558.00
12/09/2022	31594	MTA PARTS, INC.	\$	39.35
12/09/2022	31595	JOHN MULLER	\$	76.50
12/09/2022	31596	OCCUPATIONAL HEALTH CENTERS OF CALIFORNIA, A MEDICAL CORP.	\$	118.00
12/09/2022	31597	OFFICE DEPOT	\$	416.41
12/09/2022	31598	PACIFIC GAS & ELECTRIC CO.	\$	75.82
12/09/2022	31599	PITNEY BOWES GLOBAL FINANCIAL SERVICES LLC	\$	750.03
12/09/2022	31600	RAY A MORGAN COMPANY INC.	\$	917.66
12/09/2022	31601	REPUBLIC SERVICES	\$	590.06
12/09/2022	31602	ROGUE WEB WORKS, LLC	\$	495.00
12/09/2022	31603	SAN MATEO CTY PUBLIC HEALTH LAB	\$	828.00
12/09/2022	31604	SM CTY ENVIRONMENTAL HEALTH	\$	1,971.00
12/09/2022	31605	SCHWAAB STAMPS INC.	\$	90.34
12/09/2022	31606	TPX COMMUNICATIONS	\$	1,876.15
12/09/2022	31607	UNIVAR SOLUTIONS USA INC.	\$	23,674.60
12/09/2022	31608	USA BLUE BOOK	\$	341.67
12/09/2022	31609	VALIC	\$	3,826.00

12/09/2022	31610	VERIZON CONNECT INC.	\$	258.30
12/09/2022	31611	US BANK NA	\$	2,346.11
12/09/2022	31612	MCNISH CORPORATION	\$	1,303.73
12/15/2022	31613	ADP, INC.	\$	801.75
12/15/2022	31614	AMERICAN PORTABLES	\$	209.41
12/15/2022	31615	ANDREINI BROS. INC.	\$	616.88
12/15/2022	31616	CARSON ANDERSON	\$	42.74
12/15/2022	31617	AT&T	\$	505.48
12/15/2022	31618	CORE & MAIN LP	\$	16,213.88
12/15/2022	31619	RECORDER'S OFFICE	\$	73.00
12/15/2022	31620	D2 ENVIRONMENTAL, LLC	\$	8,580.00
12/15/2022	31621	DE LAGE LANDEN FINANCIAL SERVICES, INC.	\$	968.87
12/15/2022	31622	JAMES DERBIN	\$	432.33
12/15/2022	31623	GRAINGER, INC.	\$	267.43
12/15/2022	31624	HANSONBRIDGETT. LLP	\$	14,198.00
12/15/2022	31625	HUE & CRY, INC.	\$	1,097.04
12/15/2022	31626	DUSTIN JAHNS	\$	76.42
12/15/2022	31627	MISSION UNIFORM SERVICES INC.	\$	60.33
12/15/2022	31628	MONTEREY BAY ANALYTICAL SERVICES, INC.	\$	3,491.70
12/15/2022	31629	MTA PARTS, INC.	\$	15.85
12/15/2022	31630	PACIFIC GAS & ELECTRIC CO.	\$	20,278.34
12/15/2022	31631	PAULO'S AUTO CARE	\$	245.92
12/15/2022	31632	SILVER LINING SOLUTIONS, LLC	\$	4,727.50
12/15/2022	31633	SIMMS PLUMBING & WATER EQUIP, INC.	\$	531.67
12/15/2022	31634	STATE WATER RESOURCES CONTROL BD	\$	90.00
12/15/2022	31635	STATE WATER RESOURCES CONTROL BD	\$	155.00
12/15/2022	31636	STATE WATER RESOURCES CONTROL BD	\$	80.00
12/15/2022	31637	STATE WATER RESOURCES CONTROL BD	\$	794.00
12/15/2022	31638	RYAN H. STOLL	\$	236.87
12/15/2022	31639	TRI COUNTIES BANK	\$	3,839.80
12/15/2022	31640	RECORDER'S OFFICE	\$	23.00
12/15/2022	31641	RECORDER'S OFFICE	\$	50.00
12/21/2022	31642	A-A LOCK	\$	317.08
12/21/2022	31643	AMERICAN WATER WORKS ASSOC.	\$	50.00
12/21/2022	31644	AT&T MOBILTY	\$	86.48
12/21/2022	31645	BALANCE HYDROLOGICS, INC	\$	3,610.92
12/21/2022	31646	CALCON SYSTEMS, INC.	\$	24,672.91
12/21/2022	31647	CASEY CONSTRUCTION INC	\$	464,085.90
12/21/2022	31648	BRANDON WRIGHT	\$	8,400.00
12/21/2022	31649	CORE & MAIN LP	\$	1,951.09
12/21/2022	31650	JAMES COZZOLINO, TRUSTEE	\$	275.00
12/21/2022	31651	EKI INC.	\$	63,695.56
12/21/2022	31652	FREYER & LAURETA, INC.	\$	4,325.00
12/21/2022	31653	EMPOWER RETIREMENT, LLC	\$	1,269.19
12/21/2022	31654	HMB BLDG. & GARDEN INC.	\$	154.22
12/21/2022	31655	JOHN'S SALT SERVICE, INC	\$	7,134.30
12/21/2022	31656	GLENNA LOMBARDI	\$	79.00
12/21/2022	31657	MIKE MCDERMOTT	\$	103.94
12/21/2022	31658	MONTEREY BAY ANALYTICAL SERVICES, INC.	\$	1,520.00
12/21/2022	31659	OCCUPATIONAL HEALTH CENTERS OF CALIFORNIA, A MEDICAL CORP.	\$	118.00
12/21/2022	31660	OFFICE DEPOT	\$	453.69
12/21/2022	31661	PACIFICA COMMUNITY TV	\$	300.00
12/21/2022	31662	SAN FRANCISCO WATER DEPT.	\$	108,003.56
12/21/2022	31663	JOSHUA SIMPSON/PAMELA DANIELS	\$	452.89

12/21/2022	31664	STATE WATER RESOURCES CONTROL BD	\$	70.00
12/21/2022	31665	STRAWFLOWER ELECTRONICS	\$	32.76
12/21/2022	31666	DARIN STURDIVAN	\$	175.78
12/21/2022	31667	USA BLUE BOOK	\$	85.99
12/21/2022	31668	VALIC	\$	3,826.00
12/28/2022	31669	CAREY REALTY	\$	29.91
12/28/2022	31670	AMAZON CAPITAL SERVICES, INC.	\$	1,982.42
12/28/2022	31671	AT&T	\$	690.02
12/28/2022	31672	BAY ALARM COMPANY	\$	1,402.56
12/28/2022	31673	PETTY CASH	\$	36.25
12/28/2022	31674	FREYER & LAURETA, INC.	\$	240.00
12/28/2022	31675	HMB BLDG. & GARDEN INC.	\$	11.47
12/28/2022	31676	OCCUPATIONAL HEALTH CENTERS OF CALIFORNIA, A MEDICAL CORP.	\$	118.00
12/28/2022	31677	STETSON ENGINEERS, INC.	\$	12,723.11
				12,723.11
SUBTOTAL CLAIMS FOR MONTH			\$	1,462,329.57

WIRE PAYMENTS

12/15/2022	DFT0000439	PUB. EMP. RETIRE SYSTEM	\$	16,132.83
12/21/2022	DFT0000440	PUB. EMP. RETIRE SYSTEM	\$	16,259.90
12/21/2022	DFT0000441	P & A ADMINISTRATIVE SERVICES, INC. (<i>Flexible Spending Account</i>)	\$	1,000.00
12/31/2022		BANK AND CREDIT CARD FEES	\$	5,179.60
				5,179.60
SUBTOTAL WIRE PAYMENTS FOR MONTH			\$	38,572.33

TOTAL CLAIMS FOR THE MONTH \$ 1,500,901.90



Monthly Budget Report

Account Summary

For Fiscal: 2022-2023 Period Ending: 12/31/2022

	December Budget	December Activity	Variance Favorable (Unfavorable)	Percent Variance	YTD Budget	YTD Activity	Variance Favorable (Unfavorable)	Percent Variance	Total Budget	
Revenue										
RevType: 1 - Operating										
1-4120-00	Water Revenue	878,700.00	812,536.09	-66,163.91	-7.53 %	6,753,900.00	6,109,209.64	-644,690.36	-9.55 %	12,791,000.00
	Total RevType: 1 - Operating:	878,700.00	812,536.09	-66,163.91	-7.53 %	6,753,900.00	6,109,209.64	-644,690.36	-9.55 %	12,791,000.00
RevType: 2 - Non-Operating										
1-4170-00	Water Taken From Hydrants	4,000.00	3,520.27	-479.73	-11.99 %	24,000.00	38,181.98	14,181.98	59.09 %	48,000.00
1-4180-00	Late Notice - 10% Penalty	4,200.00	9,582.64	5,382.64	128.16 %	24,800.00	48,893.52	24,093.52	97.15 %	50,000.00
1-4230-00	Service Connections	1,000.00	2,636.91	1,636.91	163.69 %	6,000.00	7,628.72	1,628.72	27.15 %	10,000.00
1-4920-00	Interest Earned	2,700.00	12,012.38	9,312.38	344.90 %	15,800.00	71,243.99	55,443.99	350.91 %	32,000.00
1-4930-00	Tax Apportionments/County Checks	400,000.00	469,231.65	69,231.65	17.31 %	480,000.00	563,267.64	83,267.64	17.35 %	950,000.00
1-4950-00	Miscellaneous Income	1,000.00	1,405.22	405.22	40.52 %	4,000.00	3,046.33	-953.67	-23.84 %	10,000.00
1-4955-00	Cell Site Lease Income	16,000.00	13,609.65	-2,390.35	-14.94 %	96,000.00	97,050.31	1,050.31	1.09 %	192,000.00
1-4965-00	ERAF Refund - County Taxes	0.00	0.00	0.00	0.00 %	250,000.00	298,227.24	48,227.24	19.29 %	500,000.00
	Total RevType: 2 - Non-Operating:	428,900.00	511,998.72	83,098.72	19.37 %	900,600.00	1,127,539.73	226,939.73	25.20 %	1,792,000.00
	Total Revenue:	1,307,600.00	1,324,534.81	16,934.81	1.30 %	7,654,500.00	7,236,749.37	-417,750.63	-5.46 %	14,583,000.00
Expense										
ExpType: 1 - Operating										
1-5130-00	Water Purchased	81,758.00	87,551.84	-5,793.84	-7.09 %	1,757,077.00	1,339,085.28	417,991.72	23.79 %	2,467,503.00
1-5230-00	Nunes T P Pump Expense	4,000.00	3,502.50	497.50	12.44 %	24,000.00	27,297.25	-3,297.25	-13.74 %	48,000.00
1-5231-00	CSP Pump Station Pump Expense	12,000.00	10,239.31	1,760.69	14.67 %	242,000.00	179,797.70	62,202.30	25.70 %	366,000.00
1-5232-00	Other Trans. & Dist Pump Expense	2,100.00	2,207.97	-107.97	-5.14 %	12,600.00	12,887.96	-287.96	-2.29 %	25,000.00
1-5233-00	Pilarcitos Canyon Pump Expense	11,000.00	11,738.37	-738.37	-6.71 %	23,800.00	20,629.01	3,170.99	13.32 %	64,000.00
1-5234-00	Denniston T P Pump Expense	7,000.00	8,109.08	-1,109.08	-15.84 %	15,000.00	44,586.57	-29,586.57	-197.24 %	77,000.00
1-5242-00	CSP Pump Station Operations	1,000.00	936.94	63.06	6.31 %	6,000.00	7,674.10	-1,674.10	-27.90 %	12,000.00
1-5243-00	CSP Pump Station Maintenance	2,000.00	1,338.97	661.03	33.05 %	17,000.00	6,529.36	10,470.64	61.59 %	35,000.00
1-5246-00	Nunes T P Operations - General	8,000.00	4,706.04	3,293.96	41.17 %	48,000.00	58,939.94	-10,939.94	-22.79 %	97,000.00
1-5247-00	Nunes T P Maintenance	10,000.00	6,142.86	3,857.14	38.57 %	59,000.00	31,578.87	27,421.13	46.48 %	119,000.00
1-5248-00	Denniston T P Operations-General	6,000.00	19,645.92	-13,645.92	-227.43 %	23,000.00	32,915.90	-9,915.90	-43.11 %	64,000.00
1-5249-00	Denniston T.P. Maintenance	7,000.00	6,573.42	426.58	6.09 %	70,000.00	99,784.42	-29,784.42	-42.55 %	140,000.00
1-5250-00	Laboratory Expenses	6,000.00	5,546.70	453.30	7.56 %	38,000.00	29,065.43	8,934.57	23.51 %	77,000.00
1-5260-00	Maintenance - General	32,000.00	20,577.15	11,422.85	35.70 %	188,000.00	175,439.78	12,560.22	6.68 %	380,000.00
1-5261-00	Maintenance - Well Fields	8,000.00	0.00	8,000.00	100.00 %	34,000.00	0.00	34,000.00	100.00 %	50,000.00
1-5263-00	Uniforms	5,000.00	34.80	4,965.20	99.30 %	10,000.00	11,302.85	-1,302.85	-13.03 %	12,000.00
1-5318-00	Studies/Surveys/Consulting	15,000.00	11,498.12	3,501.88	23.35 %	82,000.00	83,461.84	-1,461.84	-1.78 %	157,000.00
1-5321-00	Water Resources	2,200.00	1,161.57	1,038.43	47.20 %	13,500.00	4,257.99	9,242.01	68.46 %	26,700.00

Monthly Budget Report

For Fiscal: 2022-2023 Period Ending: 12/31/2022

	December Budget	December Activity	Variance Favorable (Unfavorable)	Percent Variance	YTD Budget	YTD Activity	Variance Favorable (Unfavorable)	Percent Variance	Total Budget
1-5322-00 Community Outreach	3,000.00	300.00	2,700.00	90.00 %	37,000.00	18,636.70	18,363.30	49.63 %	68,000.00
1-5325-00 Water Shortage Program	0.00	0.00	0.00	0.00 %	30,000.00	3,829.00	26,171.00	87.24 %	50,000.00
1-5381-00 Legal	9,000.00	12,653.38	-3,653.38	-40.59 %	55,000.00	46,376.88	8,623.12	15.68 %	110,000.00
1-5382-00 Engineering	6,300.00	8,739.40	-2,439.40	-38.72 %	37,800.00	44,003.58	-6,203.58	-16.41 %	76,000.00
1-5383-00 Financial Services	6,000.00	4,500.00	1,500.00	25.00 %	19,000.00	16,710.00	2,290.00	12.05 %	23,000.00
1-5384-00 Computer Services	26,000.00	18,417.84	7,582.16	29.16 %	151,000.00	130,276.71	20,723.29	13.72 %	309,025.00
1-5410-00 Salaries/Wages-Administration	107,683.00	86,304.72	21,378.28	19.85 %	631,412.00	539,146.08	92,265.92	14.61 %	1,267,717.00
1-5411-00 Salaries & Wages - Field	149,881.00	146,622.48	3,258.52	2.17 %	878,846.00	870,556.03	8,289.97	0.94 %	1,764,505.00
1-5420-00 Payroll Tax Expense	19,056.00	12,731.82	6,324.18	33.19 %	111,737.00	90,031.20	21,705.80	19.43 %	224,338.00
1-5435-00 Employee Medical Insurance	41,000.00	38,375.09	2,624.91	6.40 %	246,000.00	236,391.02	9,608.98	3.91 %	505,000.00
1-5436-00 Retiree Medical Insurance	4,200.00	3,795.28	404.72	9.64 %	25,100.00	23,923.81	1,176.19	4.69 %	52,000.00
1-5440-00 Employees Retirement Plan	51,008.00	46,279.50	4,728.50	9.27 %	299,094.00	288,870.59	10,223.41	3.42 %	600,506.00
1-5445-00 Supplemental Retirement 401a	0.00	0.00	0.00	0.00 %	0.00	0.00	0.00	0.00 %	36,000.00
1-5510-00 Motor Vehicle Expense	6,500.00	4,890.85	1,609.15	24.76 %	39,000.00	40,704.12	-1,704.12	-4.37 %	80,000.00
1-5620-00 Office & Billing Expenses	32,000.00	19,368.79	12,631.21	39.47 %	190,000.00	183,585.19	6,414.81	3.38 %	412,500.00
1-5625-00 Meetings / Training / Seminars	2,000.00	2,272.61	-272.61	-13.63 %	21,000.00	26,376.31	-5,376.31	-25.60 %	41,000.00
1-5630-00 Insurance	13,000.00	14,247.66	-1,247.66	-9.60 %	75,000.00	75,744.38	-744.38	-0.99 %	161,000.00
1-5687-00 Membership, Dues, Subscript.	8,000.00	5,398.65	2,601.35	32.52 %	48,000.00	62,111.45	-14,111.45	-29.40 %	99,975.00
1-5688-00 Election Expenses	0.00	0.00	0.00	0.00 %	20,000.00	0.00	20,000.00	100.00 %	20,000.00
1-5689-00 Labor Relations	0.00	0.00	0.00	0.00 %	0.00	0.00	0.00	0.00 %	6,000.00
1-5700-00 San Mateo County Fees	2,000.00	1,147.17	852.83	42.64 %	13,000.00	12,623.36	376.64	2.90 %	31,400.00
1-5705-00 State Fees	1,000.00	794.00	206.00	20.60 %	5,000.00	2,372.00	2,628.00	52.56 %	42,000.00
Total ExpType: 1 - Operating:	707,686.00	628,350.80	79,335.20	11.21 %	5,595,966.00	4,877,502.66	718,463.34	12.84 %	10,197,169.00
ExpType: 4 - Capital Related									
1-5715-00 Debt Service/CIEDB 11-099	0.00	0.00	0.00	0.00 %	273,341.00	273,340.92	0.08	0.00 %	335,508.00
1-5716-00 Debt Service/CIEDB 2016	0.00	0.00	0.00	0.00 %	238,683.00	238,683.17	-0.17	0.00 %	322,417.00
1-5717-00 Chase Bank - 2018 Loan	0.00	0.00	0.00	0.00 %	382,128.00	382,127.53	0.47	0.00 %	436,027.00
1-5718-00 First Foundation Bank - 2022	0.00	0.00	0.00	0.00 %	420,517.00	420,517.07	-0.07	0.00 %	495,510.00
Total ExpType: 4 - Capital Related:	0.00	0.00	0.00	0.00 %	1,314,669.00	1,314,668.69	0.31	0.00 %	1,589,462.00
Total Expense:	707,686.00	628,350.80	79,335.20	11.21 %	6,910,635.00	6,192,171.35	718,463.65	10.40 %	11,786,631.00
Report Total:	599,914.00	696,184.01	96,270.01		743,865.00	1,044,578.02	300,713.02		2,796,369.00

**COASTSIDE COUNTY WATER DISTRICT
MONTHLY INVESTMENT REPORT
December 31, 2022**

<u>RESERVE BALANCES</u>	Current Year as of 12/31/2022	Prior Year as of 12/31/2021
CAPITAL AND OPERATING RESERVE	\$14,655,861.08	\$10,826,421.61
RATE STABILIZATION RESERVE	\$250,000.00	\$250,000.00
TOTAL DISTRICT RESERVES	\$14,905,861.08	\$11,076,421.61

ACCOUNT DETAIL

ACCOUNTS WITH TRI COUNTIES BANK		
CHECKING ACCOUNT	\$4,350,366.95	\$5,734,443.85
CSP T & S ACCOUNT	\$200,401.90	\$48,112.93
MONEY MARKET GEN. FUND (Opened 7/20/17)	\$19,806.24	\$19,450.17
LOCAL AGENCY INVESTMENT FUND (LAIF) BALANCE	\$10,334,485.99	\$5,273,614.66
DISTRICT CASH ON HAND	\$800.00	\$800.00
TOTAL ACCOUNT BALANCES	\$14,905,861.08	\$11,076,421.61

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

**COASTSIDE COUNTY WATER DISTRICT
CAPITAL IMPROVEMENT PROJECTS - STATUS REPORT
FISCAL YEAR 2022/2023**

12/31/2022

* Approved June 2022

Status	Approved* CIP Budget FY22/23	Actual To Date FY22/23	Projected FY22/23	Variance vs. Budget	% Completed	Project Status/ Comments
--------	------------------------------------	------------------------------	----------------------	------------------------	----------------	-----------------------------

Equipment Purchases & Replacement

06-03	SCADA/Telemetry/Electrical Controls Replacement	ongoing	\$ 50,000		\$ 50,000	\$ -	0%	
99-02	Vehicle Fleet Replacement	complete	\$ 40,000	\$ 34,476	\$ 34,476	\$ 5,524	100%	

Facilities & Maintenance

09-09	Fire Hydrant Replacement	ongoing	\$ 140,000	\$ 97,633	\$ 140,000	\$ -	70%	Board Approval - November 2022
	Pilarcitos Canyon Culvert Replacement	TBD	\$ 40,000		\$ 40,000	\$ -	0%	Likely June 2022
99-01	Meter Change Program	ongoing	\$ 10,000		\$ 10,000	\$ -	0%	

Pipeline Projects

20-08	Grandview Pipeline Replacement Project	Construction	\$ 1,650,000	\$ 1,579,146	\$ 1,650,000	\$ -	96%	Near completion December 2022
13-02	Pipeline Replacement Under Creek at Pilarcitos Ave/Strawflower	Construction	\$ 400,000	\$ 369,845	\$ 400,000	\$ -	95%	Completed September 2022
14-01	Highway 92 - Replacement of Welded Steel Line	In design	\$ 700,000	\$ 14,941	\$ 150,000	\$ 550,000	0%	Moved construction to FY2023/24

Pump Stations / Tanks / Wells

21-07	Carter Hill Tank Improvement Project	In design	\$ 200,000	\$ 49,527	\$ 100,000	\$ 100,000	0%	At 100% design
09-18	Denniston Well Field Replacements	TBD	\$ 500,000		\$ 100,000	\$ 400,000	0%	Consulting work in 2022-23; construction pushed to 2023-2024
23-03	CSP Fire Sprinklers	TBD	\$ 150,000		\$ 150,000	\$ -	0%	
19-05	Tanks - THM Control	Ongoing	\$ 50,000		\$ 50,000	\$ -	0%	

Water Supply Development

14-25	San Vicente/Denniston Water Supply Development	ongoing	\$ 300,000	\$ 92,252	\$ 300,000	\$ -	n/a	
17-12	Recycled Water Project Development	ongoing	\$ 100,000		\$ 100,000	\$ -	n/a	

Water Treatment Plants

20-14	Nunes Water Treatment Plant Improvement Project	Construction	\$ 3,500,000	\$ 522,521	\$ 2,000,000	\$ 1,500,000	53%	Construction started August 2021; To be completed in FY 2023/2024; moved \$750M to FY2023/2024 given construction delays
23-05	Sodium Hypochlorite Generator Replacement (Nunes)	TBD	\$ 200,000		\$ 200,000		0%	
23-09	Denniston Contact Clarifier Hatch Replacements	TBD	\$ 75,000	\$ 10,963	\$ 20,000		0%	Move to Fall 2023 when Denniston is offline

UNSCHEDULED/NEW CIP ITEMS FOR CURRENT FISCAL YEAR 2021/2022

23-08	Nunes Magnetic Meter Project	in process		\$ 117,902	\$ 220,000	\$ (220,000)	54%	Planned for FY2023-24 - moved up to FY2022/23
	CSP Screens/Valves - Project TBD	TBD			\$ 40,000			Tech memo - Kennedy Jenks to review alternatives
NN-00	Unscheduled CIP		\$ 100,000		\$ 100,000	\$ -	0%	
23-02	Poplar Avenue Pipeline Replacement			\$ 11,559	\$ 400,000	\$ (400,000)		Move up Poplar Ave Pipeline Replacement to FY2022/2023 due to City project; Bid opening 1/2023

COASTSIDE COUNTY WATER DISTRICT
 CAPITAL IMPROVEMENT PROJECTS - STATUS REPORT
 FISCAL YEAR 2022/2023

12/31/2022

* Approved June 2022

Status	Approved* CIP Budget FY22/23	Actual To Date FY22/23	Projected FY22/23	Variance vs. Budget	% Completed	Project Status/ Comments
--------	------------------------------------	------------------------------	----------------------	------------------------	----------------	-----------------------------

NEW FY2022/2023 CIP TOTAL	\$ 8,205,000	\$ 2,900,765	\$ 6,254,476	\$ 1,935,524		
----------------------------------	---------------------	---------------------	---------------------	---------------------	--	--

FY2021/2022 CIP Carryover Projects

22-01	Miramontes Point Road Water Main Replacement	in design	\$ -	\$ 27,815	\$ 40,000	\$ (40,000)	n/a	
22-05	ACCELA Planning Software	in process	\$ -	\$ 15,461	\$ 20,000	\$ (20,000)	80%	
22-06	CSP Pump #2 Replacement (2022)	in process	\$ -	\$ 82,687	\$ 82,687	\$ (82,687)	80%	
22-07	Alameda Ave Crossing at Medio Creek Pipeline Replacement	pre-design	\$ -	\$ 12,260	\$ 400,000	\$ (400,000)	n/a	Move up construction from FY24 to FY23
22-08	WIMS Software Implementation	in process	\$ -	\$ 24,525	\$ 40,000	\$ (40,000)	40%	
71-2112	Nunes Fuel Tank Replacement	completed	\$ -	\$ 5,140	\$ 5,140	\$ (5,140)	100%	Completed in FY2022-funded by CalOES

FY2021/2022 CARRYOVER PROJECTS	\$ -	\$ 167,889	\$ 587,827	\$ (587,827)		
---------------------------------------	-------------	-------------------	-------------------	---------------------	--	--

Green = approved by the Board/in process

TOTAL - FY 2022/2023 CIP + PRIOR YEAR CARRYOVER	\$ 8,205,000	\$ 3,068,654	\$ 6,842,304	\$ 1,347,696		
--	---------------------	---------------------	---------------------	---------------------	--	--

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

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

Month	Admin (General Legal Fees)	Water Supply Development	Recycled Water	Uninstalled Connection Transfer Program	Capital Improvement Projects	Labor & Employment	Election (CVRA)	Cell Tower Leases	Public Records Requests	Litigation	Non CIP / Infrastructure (Project Review) <i>Reimbursable</i>	Total
Dec-22	5,582			755								6,337
Jan-22	13,699					1,375					751	15,825
Feb-22	15,073				4,810		237					20,120
Mar-22	9,260				1,545							10,804
Apr-22	6,554		3,081	1,185	1,140	3,081						15,040
May-22	4,986	1,580	474		295	6,597						13,932
Jun-22	18,524	2,528										21,052
Jul-22	6,666											6,666
Aug-22	9,090	3,753		706								13,548
Sep-22	4,898	553		919								6,370
Oct-22	7,071	988										8,058
Nov-23	11,284	1,857			900			158				14,198
TOTAL	112,684	11,258	3,555	3,564	8,689	11,053	237	158	0	0	751	151,947

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

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

Month	Admin & Retainer	CIP	Studies and Non - CIP Project	TOTAL	Reimbursable from Projects
Jan-22	480	507	507	1,494	507
Feb-22	480	456		936	
Mar-22	480		1,014	1,494	1,014
Apr-22	480		1,859	2,339	1,859
May-22	480		2,366	2,846	2,366
Jun-22	480		1,268	1,748	1,268
Jul-22	480		1,690	2,170	1,690
Aug-22	480		5,714	6,194	5,714
Sep-22	480			480	
Oct-22	480			480	
Nov-22	480			480	
Dec-23	480			480	
TOTAL	5,760	963	14,418	21,140	14,418

Calcon T&M Projects Tracking

12/31/2022

Project No.	Name	Status	Proposal Date	Approved Date	Project Budget	Project Actual thru 6/30/22	Project Billings FY2022-2023	
FY 2021-2022 Open Projects:								
	Crystal Springs Solar System Backup			12/20/2021		\$18,739.00		
	Nunes Tank Radio Solar Backup			12/20/2021		\$19,927.00		
	Denniston CC Junction Box				\$9,558.00		\$ 9,558.00	
	Nunes Magnetic Flow Meter			9/28/2022	\$19,585.88		\$ 19,585.88	
				Open Projects - Subtotal		\$38,666.00	\$29,143.88	
Other: Monthly Maintenance								
	Tanks							
	Crystal Springs Maintenance							
	Nunes Maintenance							\$ 6,091.08
	Denniston Maintenance							\$ 9,842.83
	Distribution System							\$ 26,386.40
	Wells							
	Cellular Telemetry							\$ 1,640.65
						Subtotal Maintenance	\$ 43,960.96	
						FINAL TOTAL FY 2022/2023	\$73,104.84	

EKI Environment & Water
Engineering Services Billed FY 2020-2021 to FY 2021-2023
Billed through 12/31/2022

	Contract Date	Not to Exceed Budget	Status	FY2020-2021	FY2021-2022	FY2022-2023
CIP Project Management						
Fiscal Year 2019-2020	7.29.2019	\$ 180,000.00	Complete	\$ 1,138.80		
Fiscal Year 2020-2021	8.13.2020	\$ 100,000.00	Complete	\$ 66,805.44	\$ 33,162.48	
Fiscal Year 2021-2022 - Non-Complex Main line Extension Services	10.15.2021	\$ 25,000.00	Open		\$ 10,301.46	\$ 3,903.90
Fiscal Year 2021-2022 - Drought Relief Grant Application	12.2021		Complete		\$ 21,074.82	
Fiscal Year 2022-2023	4.20.2022	\$ 117,000.00	Open		\$ 5,453.76	\$ 41,543.52
Sub Total - CIP Project Management Services		\$ 422,000.00		\$ 67,944.24	\$ 69,992.52	\$ 45,447.42

Denniston Culvert Replacement-Engineering Services during Construction	18-13	7.8.2020	\$ 48,800.00	Complete	\$ 47,647.17		
Pine Willow Oak Water Main Replacement Project	18-01	7.29.2019	\$ 69,700.00	Complete	\$ 4,991.74		
Grandview/Silver/Terrace/Spindrifft Under Hwy 1 PreDesign	20-08	10.15.2019	\$ 59,600.00	Complete	\$ 40,597.27		
Grandview Water Main Replacement Project (Design, Bid Support, construction support)	20-08	7.29.2019	\$ 56,100.00	Open	\$ 5,144.36		
Grandview Crossing at Hwy 1	20-08	2.9.2021	\$ 156,500.00	Open	\$ 73,285.99	\$ 37,244.28	\$ 28,927.95
Grandview Crossing at Hwy 1 - Construction Management Services	20-08	9.16.2022	\$ 132,800.00	Open			\$ 33,517.62
Pilarcitos Creek Crossing Water Main Replacement Preliminary Design	13-02	8.27.2019	\$ 104,600.00	Complete	\$ 1,226.50		
Pilarcitos Creek Crossing Water Main Replacement Design	13-02	7.14.2020	\$ 99,900.00	Complete	\$ 40,191.58	\$ 31,454.78	\$ 27,584.96
Pilarcitos Creek Crossing Water Main Replacement Field Surveys/Land Descriptions	13-02		\$ 28,600.00	Complete		\$ 20,059.82	
Pilarcitos Creek Crossing Water Main Replacement-Engineering Services during construction	13-02	9.13.2022	\$ 132,800.00	Open			\$ 4,681.04
Highway 92 Potable Water Pipeline Replacement Project Design	14-01	7.2.2021	\$ 24,800.00	Open		\$ 18,139.94	\$ 720.98
Miramontes Point Road Water Main Replacement	22-01	7.14.2021	\$ 116,800.00	Open		\$ 92,356.96	\$ 38,839.32
Purisima Way Water Main Replacement	14-29	10.18.2021	\$ 20,400.00	Complete		\$ 19,840.91	
Medio Crossing - Alternatives Evaluation for Pipeline Replacement	22-07	4.25.2022	\$ 21,900.00	Open		\$ 8,410.48	\$ 13,132.08
Poplar Street Water Main Replacement Project	23-02	10.3.2022	\$ 29,200.00	Open			\$ 11,558.76

Total - All Services

\$ 281,028.85 \$ 297,499.69 \$ 204,410.13

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

Tuesday, December 13, 2022

Due to the Covid-19 pandemic, and in accordance with Assembly Bill 361, which modifies California Government Code Section 54953, the meeting was conducted by hybrid format offering the option of participating in person, zoom video conference, or by teleconference.

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

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

Also present: Mary Rogren, General Manager, Patrick Miyaki, Legal Counsel; James Derbin, Superintendent of Operations; Cathleen Brennan, Water Resources Analyst; Gina Brazil, Office Manager; and Lisa Sulzinger, Administrative Analyst.

Also participating Nancy Phan and Kevin Kostiuik, Raftelis Financial Consultants Inc.

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

Administration of Oath of Office to newly appointed Directors

Vice President Muller administered the Oath of Office to newly appointed Directors, Bob Feldman and Chris Mickelsen.

5) **Consider and Reaffirm Resolution 2021-06 “Making Findings Pursuant to Assembly Bill 361 That the Proclaimed State of Emergency Continues to Impact the Ability to Meet Safely in Person”**

Governor Newsom’s Executive Order dated back on March 4, 2020, declared a State of Emergency to exist in California because of the threat of COVID 19. The Executive Order N-29-20 suspended certain provisions of the Ralph M. Brown Act relating to teleconferencing to allow legislative bodies to conduct meetings remotely to help protect the spread of COVID-19 and to protect the health and safety of the public. On June 11, 2021, the Governor issued Executive Order N-08-21 which specified that Executive Order N-29-20 remain in effect through September 30, 2021.

On September 16, 2021, the Governor signed Assembly Bill (AB361) into law to allow legislative bodies to continue to meet remotely during a proclaimed State of Emergency after September 30, 2021. On October 8, 2021, the Board adopted Resolution 2021-06. Per AB361, the Board will need to consider and reaffirm the findings of Resolution 2021-06 monthly proclaiming that the State of Emergency continues to impact the ability of members to meet safely in person, and state or local officials continue to impose or recommend measures to promote social distancing.

ON MOTION BY Director Coverdell and seconded by Director Muller, the Board voted by roll call vote to reaffirm Resolution 2021-06 “Making Findings Pursuant to Assembly Bill 361 That the Proclaimed State of Emergency Continues to Impact the Ability to Meet Safely in Person”:

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

6) **CONSENT CALENDAR**

- A. Approval of disbursements for the month ending November 30, 2022:
Claims: \$ 836,688.50; Payroll: \$ 212,133.43 for a total of \$ 1,048,821.93
November 2022 Monthly Financial Claims reviewed and approved by Director Coverdell
- B. Acceptance of Financial Reports
- C. Approval of Minutes of November 8, 2022, Regular Board of Directors Meeting
- D. Approval of Minutes of November 8, 2022, Special Board of Directors Meeting
- E. Installed Water Connection Capacity and Water Meters Report
- F. Total CCWD Production Report

- G. CCWD Monthly Sales by Category Report November 2022
- H. Leak/Flushing Report - November 2022
- I. Monthly Rainfall Reports
- J. SFPUC Hydrological Conditions Report - October 2022
- K. Notice of Completion - Replacement of 8-Inch Pipeline Under Pilarcitos Creek (Strawflower) Project
- L. Notice of Completion - Denniston Reservoir Maintenance Dredging Project for Year 2022

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

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

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

7) MEETINGS ATTENDED / DIRECTOR COMMENTS

- Director Reynolds attended the National Ground Water Association annual conference in Las Vegas, and provided a brief report.
- Director Coverdell commented about the significant snowpack in the High Sierras.
- Director Muller attended the ACWA Fall Conference in Indian Wells, CA and provided a brief report.
- Director Feldman commented that the District was recognized at the ACWA Fall Conference as one of the Outreach Recognition Award winners.
- Director Mickelsen attended the BAWSCA Board meeting and provided a brief summary.

8) GENERAL BUSINESS

- A. **Public Hearing to Consider Proposed Amendment to the Rate and Fee Schedule to Increase Water Rates and Water Shortage Rates Effective January 19, 2023 and Effective January 18, 2024 and Finding that the Amendment is Exempt from the California Environmental Quality Act**

Ms. Rogren introduced the District's rate consultants Ms. Phan and Mr. Kostiuk of Raftelis Financial Consultants Inc. who prepared the District's Water Financial Plan and Rate Update Study dated October 26, 2022 that

supports the proposed Water Rates and Water Shortage Rates. The October 26, 2022 Update Study utilized the May 15, 2018 Cost of Service and Rate Study in order to develop cost of service-based Water Rates and Water Shortage Rates which comply with the substantive requirements of Proposition 218. Pursuant to California Government Code Section 53759, there is a 120-day statute of limitations for challenging the Water Service Rates and Water Shortage Rates from the date the Board of Directors adopt the resolution approving these rates.

Ms. Phan's presentation included a summary of the District's Rate Study, Financial Plan, Water Rates and Water Shortage Rates.

1. Open Public Hearing

- At 7:41, President Feldman opened the Public Hearing on proposed Amendment to the Rate and Fee Schedule to Increase Water Rates and Water Shortage Rates 6% effective January 19, 2023 and 6% effective January 18, 2024. Mr. Miyaki noted that there were no members of the public in attendance and no public comment, and no hands raised virtually. He noted that the District had received two written protests.

2. Close Public Hearing

At 7:44, President Feldman closed the public meeting.

3. Board Comments/Board Action

Comments and discussion ensued among the Board members.

ON MOTION BY Director Coverdell and seconded by Vice President Muller, the Board voted by roll call vote to adopt Resolution 2022-13 - A Resolution of the Board of Directors of Coastside County Water District Amending the Rate and Fee Schedule to Increase Water Service Rates and Water Shortage Rates and Finding that the Amendments are Exempt from the California Environmental Quality Act:

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

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

Nominations were opened with Director Coverdell nominating Vice President Muller to serve as the District's 2023 Board President. Director Reynolds nominated Director Mickelsen to serve as Vice President.

President Feldman closed the nominations.

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

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

C. Award of Contract to Casey Construction for the Installation of a Magnetic Flow Meter at Nunes Water Treatment Plant

Mr. Derbin summarized the project to install a magnetic flow meter at the Nunes Water Treatment Plant. This new meter will provide improved accuracy of how much water is sent to distribution from the Nunes Water Treatment Plant. Four bids were received, with Casey Construction providing the lowest bid.

ON MOTION BY Director Reynolds and seconded by Director Mickelsen, the Board voted by roll call vote to authorize the General Manager to enter into a contractual agreement with Casey Construction for the installation of a Magnetic Flow Meter at the Nunes Water Treatment Plant for \$97,460

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

9) MONTHLY INFORMATIONAL REPORTS

A. General Manager's Report

Ms. Rogren reported that the District is being recognized by ACWA/JPIA (Association of California Water Agencies/Joint Powers insurance Authority) the Presidents Special Recognition Award for a loss ratio of 20% or less in Liability, Property and Workers Compensation for keeping the District's claims low for all three insurance programs.

B. Superintendent of Operations Report

Mr. Derbin summarized the Operation Highlights for the month of November 2022.

C. Water Resources Informational Report

Ms. Brennan announced that plan reviews and other documents for water and fire services are now to be submitted online via the District's Accela Citizen Access Portal which is accessible via the District's website.

On December 7, 2022 the State Water Resources Control Board readopted the emergency water conservation regulation for up to an additional year due to continued drought conditions. If not readopted, the regulations would have expired on January 18, 2023.

On November 18, 2022 a flyer was mailed to the District's customers entitled "Your Dollars At Work, The Value of Water Infrastructure".

9) DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS

Directors requested a future agenda item regarding water distribution/treatment training programs for high school or junior college students, and they noted that the closest college program is at Gavilan College in Gilroy.

10) ADJOURNMENT - Board Meeting Adjourned at 8:41 p.m.

Mary Rogren, General Manager
Secretary to the District

Robert Feldman, President
Board of Directors

COASTSIDE COUNTY WATER DISTRICT
Installed Water Connection Capacity & Water Meters

FY 2022 / 2023

Installed Water Meters	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
HMB Non-Priority													
0.5" capacity increase													
5/8" meter	1	1											2
3/4" meter					1								1
1" meter		1											1
1 1/2" meter													
2" meter													
3" meter													
HMB Priority													
0.5" capacity increase													
5/8" meter													
3/4" meter													
1" meter													
1 1/2" meter													
2" meter													
County Non-Priority													
0.5" capacity increase													
5/8" meter		3	1		2	1							7
3/4" meter													
1" meter													
County Priority													
5/8" meter													
3/4" meter													
1" meter													
1.5" meter													
Totals	1	5	1		3	1							11

5/8" meter = 1.0 connection
3/4" meter = 1.5 connections
1" meter = 2.5 connections
1.5" meter = 5.0 connections
2" meter = 8 connections
3" meter = 17.5 connections

FY 22/23 Capacity (5/8" connection equivalents)	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Totals
HMB Non-Priority	1	3.5			1.5								6
HMB Priority													
County Non-Priority		3	1		2	1							7
County Priority													
Total	1	6.5	1		3.5	1							13

TOTAL CCWD PRODUCTION (MG) ALL SOURCES- FY 2023

	CCWD Sources			SFPUC Sources		RAW WATER TOTAL	UNMETERED WATER	TREATED TOTAL
	DENNISTON WELLS	DENNISTON RESERVOIR	PILARCITOS WELLS	PILARCITOS LAKE	CRYSTAL SPRINGS RESERVOIR			
JUL	1.92	6.25	0.00	39.07	0.42	47.66	2.63	45.03
AUG	1.70	5.45	0.00	38.23	8.94	54.32	2.90	51.42
SEPT	1.65	5.86	0.00	15.86	27.69	51.06	2.62	48.44
OCT	0.57	3.62	0.00	37.14	3.13	44.46	2.22	42.24
NOV	0.54	13.55	7.66	11.91	2.57	36.23	3.04	33.19
DEC	0.37	10.59	15.88	7.30	2.26	36.40	2.42	33.98
JAN								
FEB								
MAR								
APR								
MAY								
JUN								
TOTAL	6.75	45.32	23.54	149.51	45.01	270.13	15.83	254.30
% MONTHLY TOTAL	1.0%	29.1%	43.6%	20.1%	6.2%	100.0%	6.6%	93.4%
% ANNUAL TO DATE TOTAL	2.5%	16.8%	8.7%	55.3%	16.7%	100.0%	5.9%	94.1%

CCWD vs SFPUC- month 73.7%

CCWD vs SFPUC- annual 28.0%

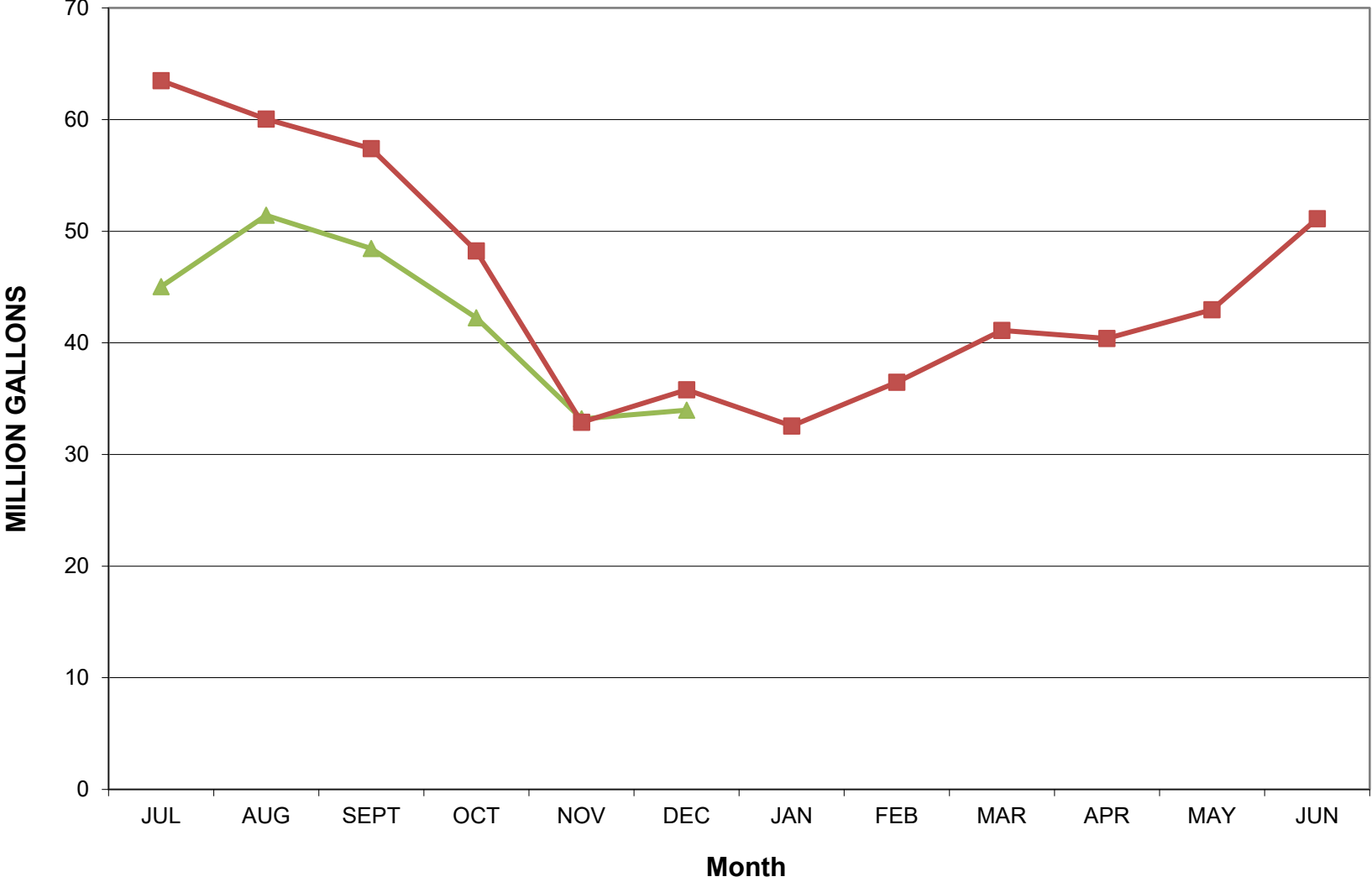
12 Month Running Treated Total

473.57

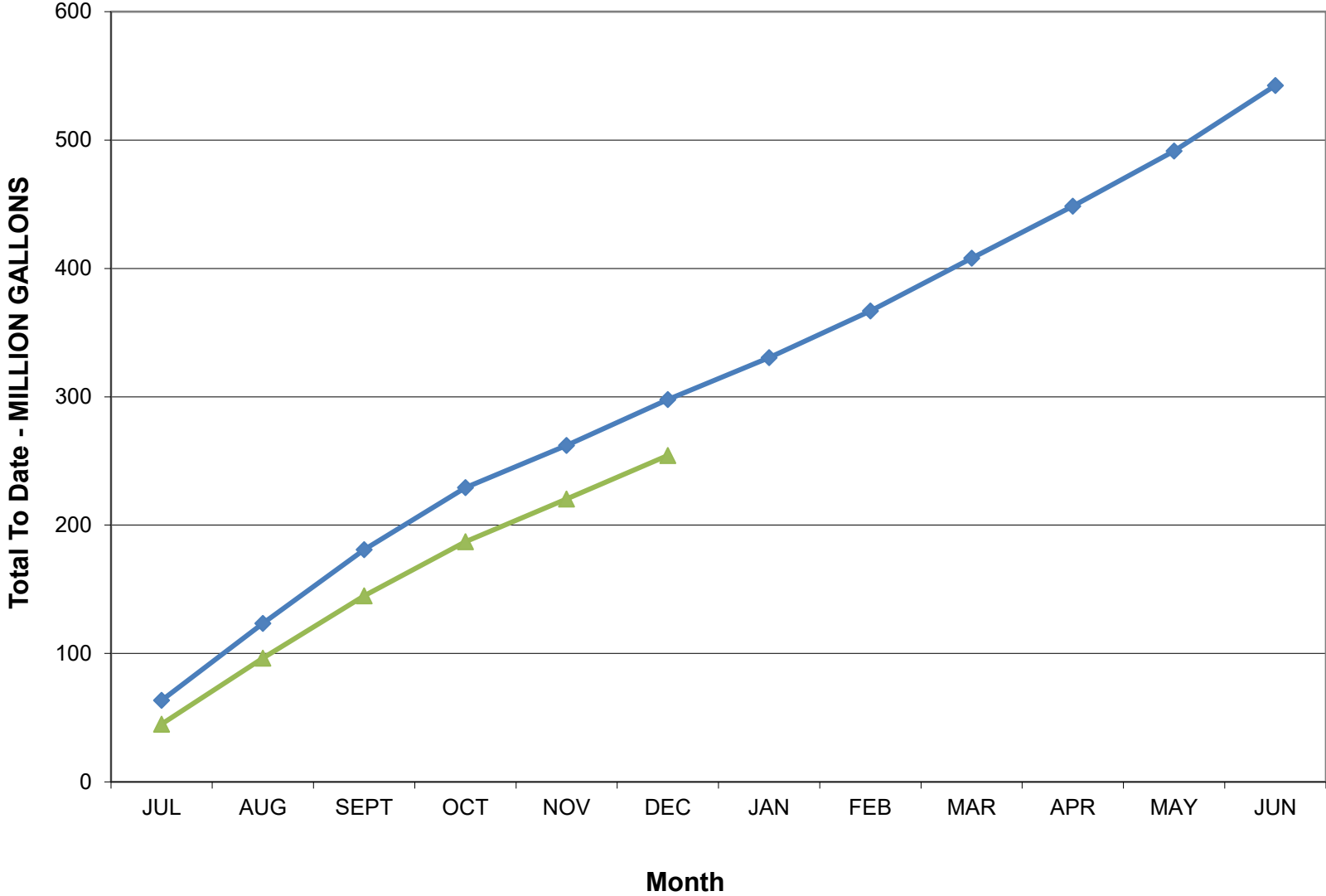
TOTAL CCWD PRODUCTION (MG) ALL SOURCES- FY 2022

	CCWD Sources			SFPUC Sources		RAW WATER TOTAL	UNMETERED WATER	TREATED TOTAL
	DENNISTON WELLS	DENNISTON RESERVOIR	PILARCITOS WELLS	PILARCITOS LAKE	CRYSTAL SPRINGS RESERVOIR			
JUL	0.00	0.00	0.00	0.00	65.93	65.93	2.44	63.49
AUG	0.00	0.00	0.00	0.00	61.90	61.90	1.86	60.04
SEPT	0.00	0.00	0.00	0.00	59.74	59.74	2.34	57.40
OCT	0.53	1.57	0.00	3.69	44.32	50.11	1.87	48.24
NOV	1.62	17.20	9.78	0.00	7.87	36.47	3.58	32.89
DEC	0.69	5.75	21.2	0.00	10.80	38.44	2.64	35.80
JAN	0.00	7.62	24.44	0.00	3.16	35.22	2.66	32.56
FEB	0.00	14.10	21.88	0.00	3.63	39.61	3.13	36.48
MAR	0.00	14.97	24.71	0.00	5.16	44.84	3.72	41.12
APR	2.33	23.27	0.00	9.22	9.25	44.07	3.68	40.39
MAY	2.15	19.30	0.00	22.75	2.61	46.81	3.84	42.97
JUN	1.91	12.20	0.00	35.05	5.04	54.20	3.08	51.12
TOTAL	9.23	115.98	102.01	70.71	279.41	577.34	34.84	542.50
% TOTAL	1.6%	20.1%	17.7%	12.2%	48.4%	100.0%	6.0%	94.0%

Monthly Production FY 22 vs FY 23



Cumulative Production FY22 vs FY23



MONTH Dec-22						
Coastside County Water District Monthly Discharge Report						
EMERGENCY MAIN AND SERVICE REPAIRS						
	Date Reported Discovered	Date Repaired	Location	Pipe Class	Pipe Size & Type	Estimated Water Loss (MG)
1						
2						
3						
4						
5						
6						
7						
8						
Totals						0.000

OTHER DISCHARGES	
Total Volumes (MG)	
Flushing Program	0.015
Reservoir Cleaning	
Automatic Blowoffs	0.245
Dewatering Operations	
Other (includes flow	0.000
DISCHARGES GRAND TOTAL (MG)	
0.260	

Coastside County Water District
 766 Main Street
 July 2022 - June 2023

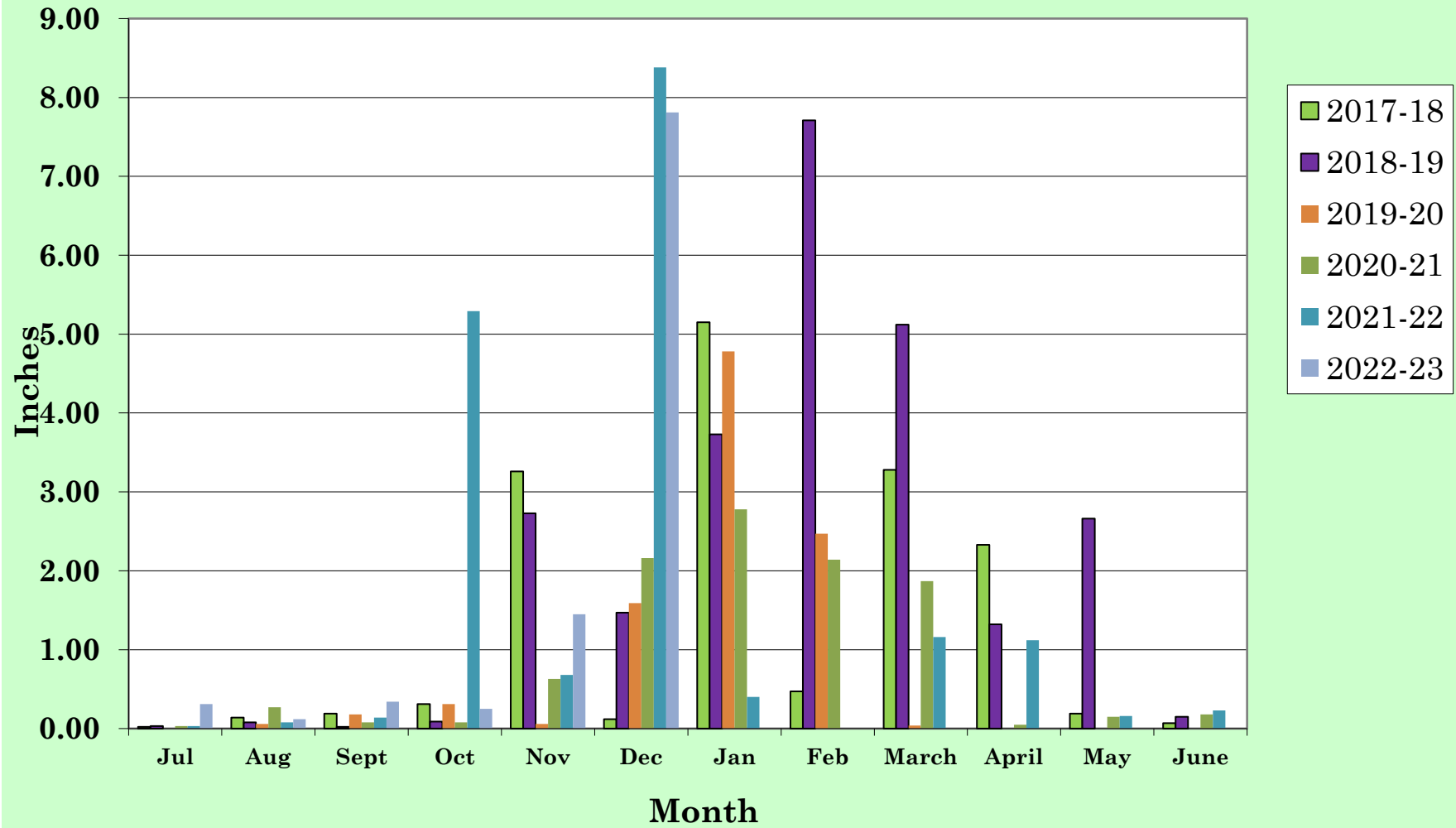
Nunes
 Rainfall in Inches

	2022						2023					
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
1	0.02	0.01	0	0.01	0.34	0.61						
2	0.05	0	0	0	0.02	0						
3	0.02	0	0	0	0	0.63						
4	0	0	0	0	0	0.24						
5	0.02	0	0	0	0.2	0.08						
6	0.04	0	0	0.01	0.06	0.1						
7	0.01	0	0	0.01	0.07	0						
8	0	0	0	0.01	0.72	0.03						
9	0	0	0	0.02	0.04	0						
10	0.01	0	0	0	0	0.77						
11	0	0	0	0.01	0	0.46						
12	0.01	0	0	0	0	0						
13	0	0	0	0	0	0						
14	0	0	0	0.01	0	0						
15	0	0	0	0	0	0						
16	0.01	0	0	0	0	0						
17	0	0.01	0	0	0	0						
18	0	0	0.12	0	0	0						
19	0	0.01	0	0	0	0						
20	0	0	0	0	0	0						
21	0	0	0.2	0	0	0						
22	0	0	0	0.16	0	0						
23	0	0.02	0	0	0	0						
24	0.01	0.02	0	0	0	0						
25	0.01	0.02	0	0	0	0						
26	0	0.01	0	0	0	0.24						
27	0.01	0.02	0	0	0	1.15						
28	0.02	0	0	0	0	0.03						
29	0.03	0	0	0	0	0.38						
30	0.03	0	0	0.01	0	0.26						
31	0.01	0		0		2.83						
Mon. Total	0.31	0.12	0.34	0.25	1.45	7.81						
Year Total	0.31	0.43	0.77	1.02	2.47	10.28						

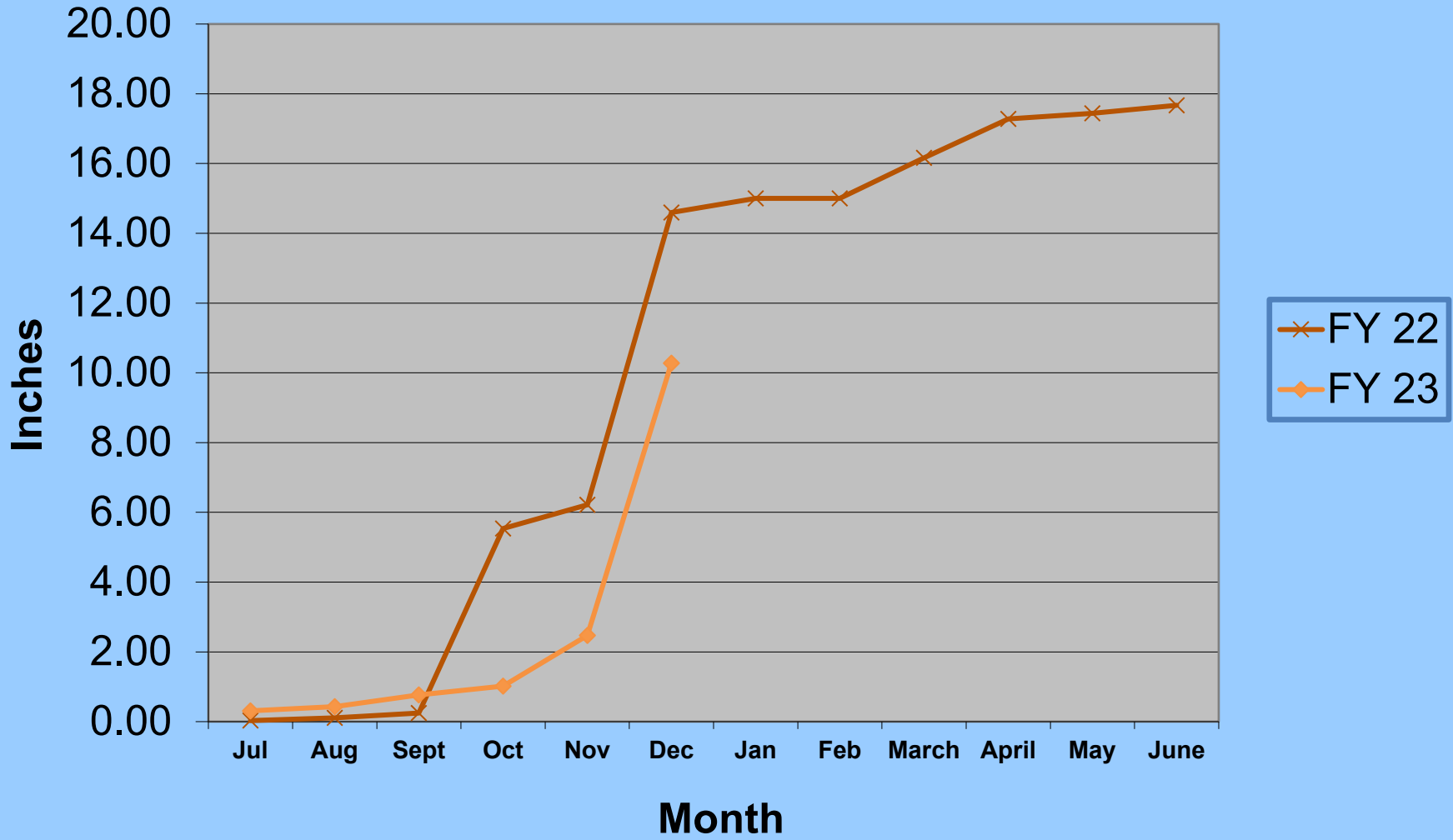
Coastside County Water District

Rainfall by Month

Fiscal Years 18 - 23

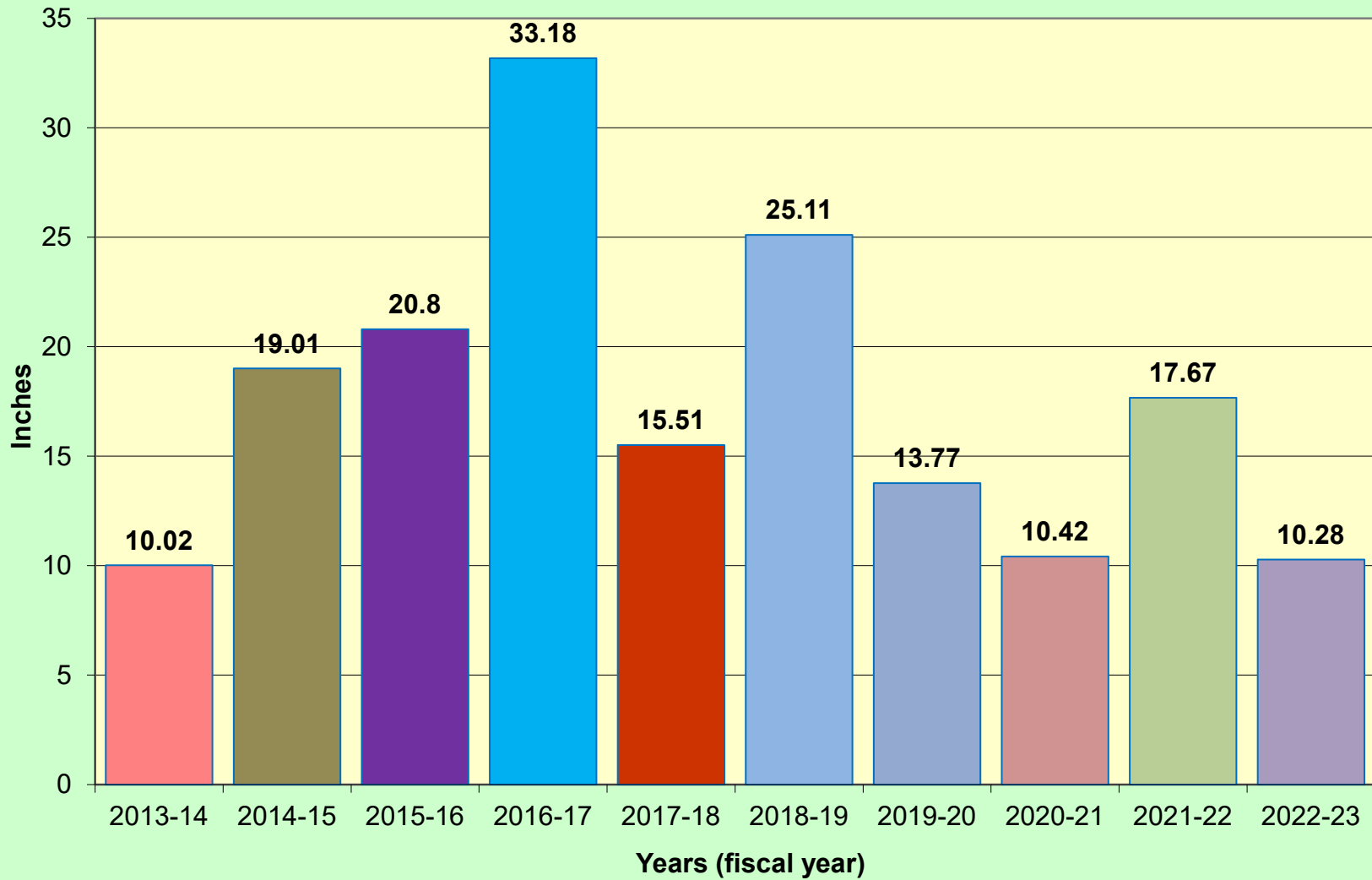


Rainfall Total Comparison Fiscal Years 22-23



Rain Totals

Fiscal Years 14 - 23



San Francisco Public Utilities Commission Hydrological Conditions Report November 2022

J. Chester, C. Graham, N. Waelty, December 8, 2022



The San Francisco Public Utilities Commission Hetch Hetchy Water and Power Division (HHWP) hosted the West Coast Hydro Users Group Conference this fall. As part of the conference, HHWP Maintenance Engineers, Watershed Keepers, Water and Power Planning staff and Power System Operators led tours of HHWP Facilities to demonstrate the marvel of the Hetch Hetchy Aqueduct and its robust ability to deliver high quality water to the San Francisco Bay Area customers.

System Storage

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

Table 1. Current System Storage as of December 1, 2022							
	Current Storage		Maximum Storage		Available Capacity		Percentage of Maximum Storage
	acre-feet	millions of gallons	acre-feet	millions of gallons	acre-feet	millions of gallons	
Tuolumne System							
Hetch Hetchy Reservoir ¹	246,236		340,830		94,594		72%
Cherry Reservoir ²	245,227		268,800		23,573		91%
Lake Eleanor ³	16,640		21,495		4,855		77%
Water Bank	252,506		570,000		317,494		44%
Tuolumne Storage	760,609		1,201,125		440,516		63%
Local Bay Area Storage							
Calaveras Reservoir	56,726	18,484	96,824	31,550	40,098	13,066	59%
San Antonio Reservoir	43,609	14,210	52,506	17,109	8,897	2,899	83%
Crystal Springs Reservoir	51,923	16,919	58,377	19,022	6,453	2,103	89%
San Andreas Reservoir	15,994	5,212	18,996	6,190	3,002	978	84%
Pilarcitos Reservoir	2,141	698	2,995	976	853	278	72%
Total Local Storage	170,394	55,523	229,697	74,847	59,304	19,324	74%
Total System	931,003		1,430,822		499,820		65%

¹ Maximum Hetch Hetchy Reservoir storage with drum gates deactivated.

² Maximum Cherry Reservoir storage with flash-boards removed.

³ Maximum Lake Eleanor storage with flash-boards removed.

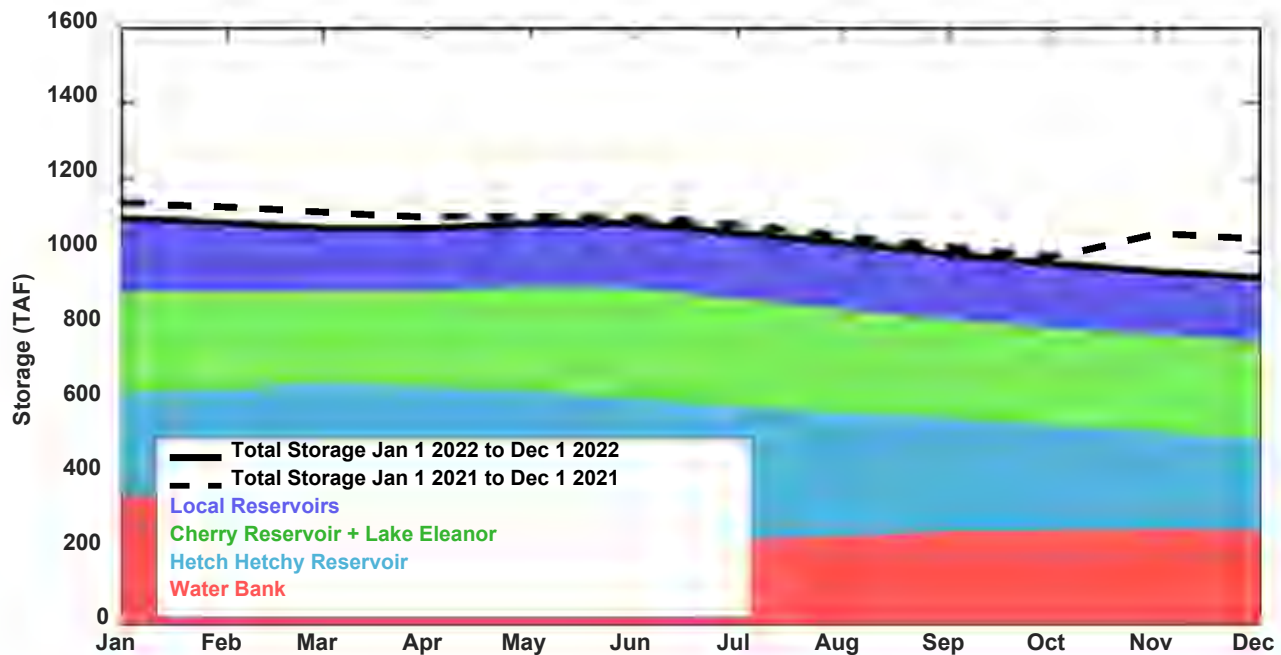


Figure 1: Local and Upcountry Reservoir storage. Color bands show contributions to total system storage. Solid black line shows total system storage for the past 12 months. Dashed black line shows total system storage the previous 12 months.

Hetch Hetchy System Precipitation Index

Current Month: The November 2022 six-station precipitation index was 3.72 inches, or 136% of normal for the month.

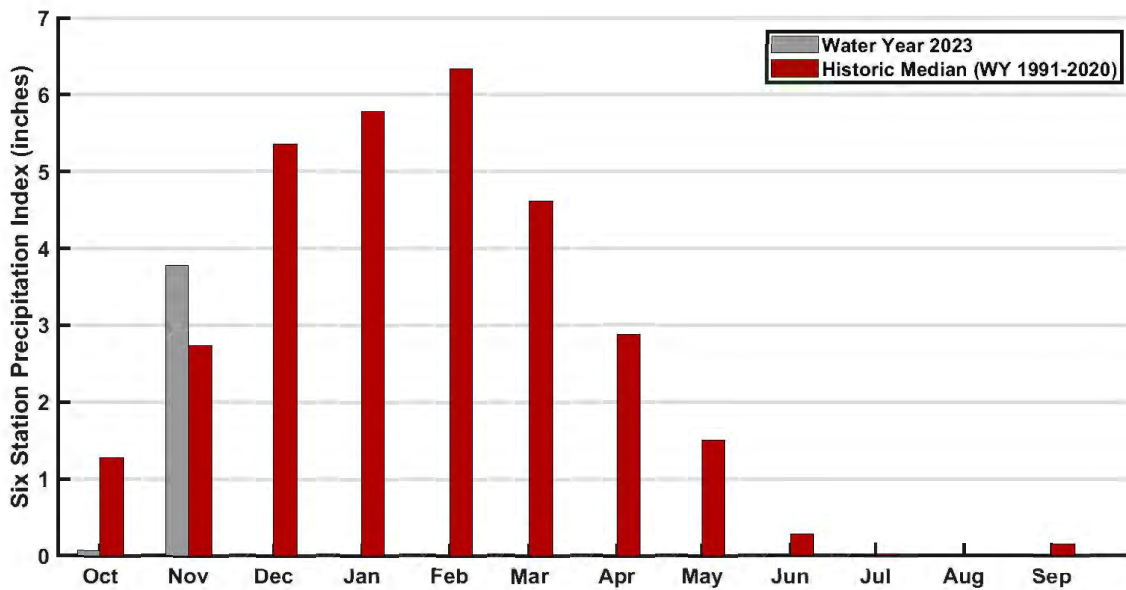


Figure 2: Monthly distribution of the six-station precipitation index relative to the monthly precipitation medians. The precipitation index is computed as the average of six Sierra precipitation stations and is an indicator of the overall basin wetness.

Cumulative Precipitation to Date: As of November 30, the six-station precipitation index for Water Year (WY) 2023 was 3.77 inches, which is 93% of the median total to date. The Hetch Hetchy Weather Station received 4.43 inches of precipitation in November resulting in a total of 4.52 inches for WY 2023, or 111% of median to date. The cumulative WY 2023 Hetch Hetchy precipitation is shown in Figure 3 in red.

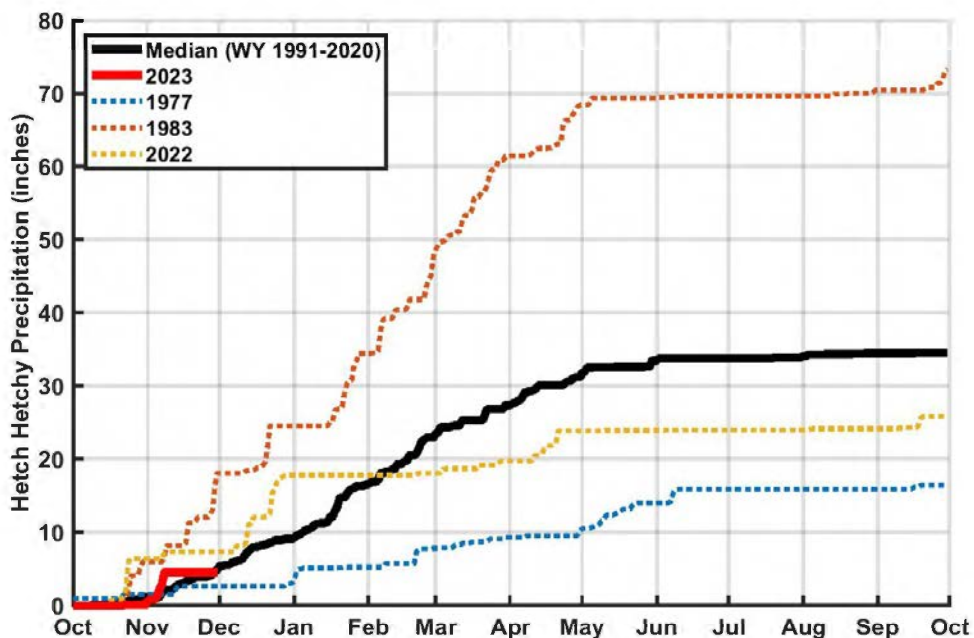


Figure 3: Water Year 2023 cumulative precipitation measured at Hetch Hetchy Weather Station. Median cumulative precipitation measured at Hetch Hetchy Weather Station and example wet and dry years are included with Water Year 2023 for comparison purposes.

Tuolumne Basin Unimpaired Inflow

Unimpaired inflow to SFPUC reservoirs and the Tuolumne River at La Grange for November 2022 and Water Year 2023 is summarized below in Table 2.

Table 2. Calculated reservoir inflows and Water Available to City								
* All flows are in acre-feet	November 2022				October 1, 2022 through November 30, 2022			
	Observed Flow	Median ¹	Mean ¹	Percent of Mean	Observed Flow	Median ¹	Mean ¹	Percent of Mean
Inflow to Hetch Hetchy Reservoir	4,616	5,425	10,789	43%	3,315	8,245	17,893	19%
Inflow to Cherry Lake and Lake Eleanor	11,603	7,439	14,286	81%	10,461	13,413	21,953	48%
Tuolumne River at LaGrange	26,622	18,084	33,098	80%	32,382	40,749	53,985	60%
Water Available to City	0	0	5,488	0%	0	328	11,136	0%

¹Hydrologic Record: 1991-2020

Hetch Hetchy System Operations

Water deliveries via the San Joaquin Pipeline increased from 177 MGD to 200 MGD on November 2 and then reduced to 177 on November 17 and remained there for the rest of November.

Hetch Hetchy Reservoir power draft and stream releases during the month totaled 20,057 acre-feet. Hetch Hetchy Reservoir minimum instream release requirements for November were 50 cfs. Total inflow into Hetch Hetchy Reservoir as of August 1, 2022, has resulted in a Water Year Type B for Hetch Hetchy Reservoir from August 1 through December 31, 2022. Hetch Hetchy Reservoir instream release are 40 cfs for December.

Cherry Reservoir power draft and stream releases totaled 9,172 acre-feet for the month of November. The required minimum instream release from Cherry Reservoir for November was 5 cfs and will remain at 5 cfs until June 30, 2023. Lake Eleanor required release for November was 5 cfs and will remain 5 cfs until February 28, 2023.

The Cherry Reservoir - Lake Eleanor pumps were operated from November 2 through November 6 and November 17 through November 30. A total of 5,752 acre-feet of water was transferred from Lake Eleanor to Cherry Reservoir in November.

Regional System Treatment Plant Production

The Harry Tracy Water Treatment Plant average production rate for November was 37 MGD. The Sunol Valley Water Treatment Plant was in 'stand-by' for most of the month, production was less than 1 MGD.

Regional System Water Delivery

The average November delivery rate was 158 MGD, which is 16% below the October delivery rate of 188 MGD.

Local Precipitation

The rainfall summary for November 2022 is presented in Table 3.

Weather Station Location	November		October 1, 2022 through November 30, 2022	
	Total (inches)	Percent of Mean for the Month	Total (inches)	Percent of Mean for the Year-To-Date
Pilarcitos Reservoir	2.63	75%	2.79	59%
Lower Crystal Springs Reservoir	1.97	86%	2.03	68%
Calaveras Reservoir	2.57	127%	2.60	104%

*Mean Period = WY 1991-2020

Snowpack, Water Supply and Planned Water Supply Management

Due to significant precipitation from a November storm the current snowpack (Figure 5) is slightly above average with another series of storm systems expected to impact the upcountry watersheds during the first half of December. Longer term forecasts are following a similar pattern to what was seen last year with dry conditions returning with the new year.

Hetch Hetchy Reservoir is drafting via SJPL deliveries and minimum instream releases. Cherry Reservoir and Lake Eleanor are drafting via minimum instream releases and Holm Powerhouse Draft. As the snowpack builds with each storm, operations have begun to draft Cherry Reservoir storage to manage upcoming runoff. Water Bank debited in November as storm driven upcountry reservoir inflows exceeded releases.

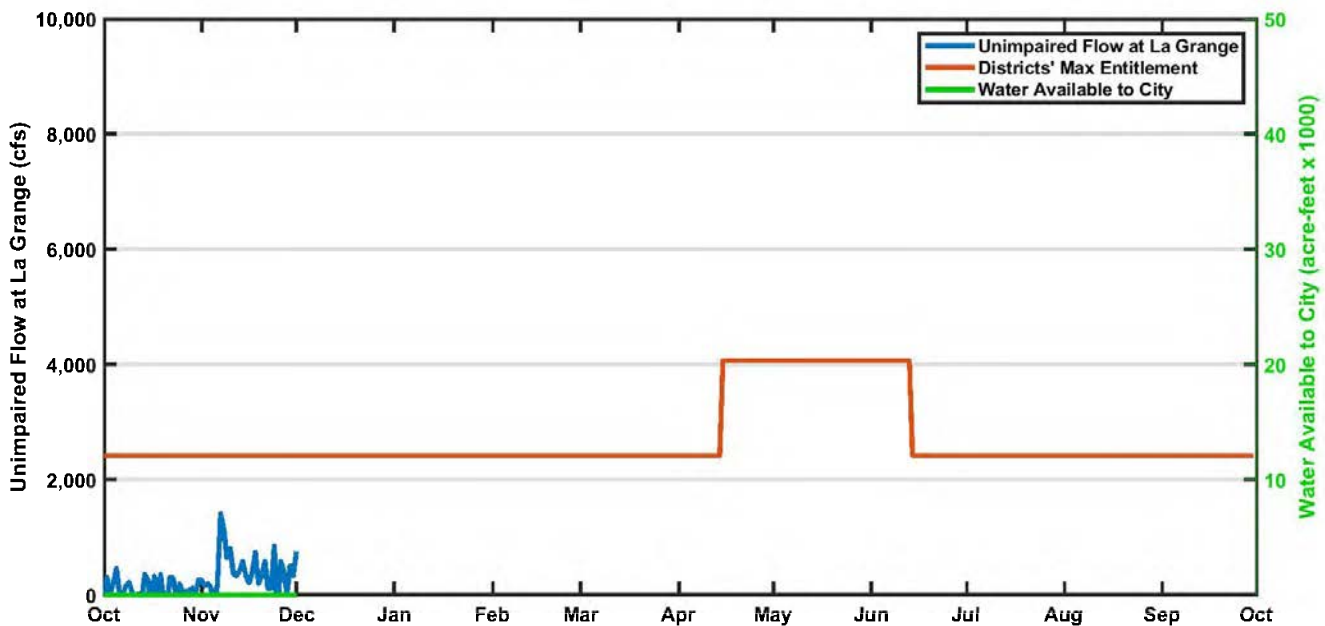


Figure 4: Calculated unimpaired flow at La Grange and the allocation of flows between the Districts and the City.

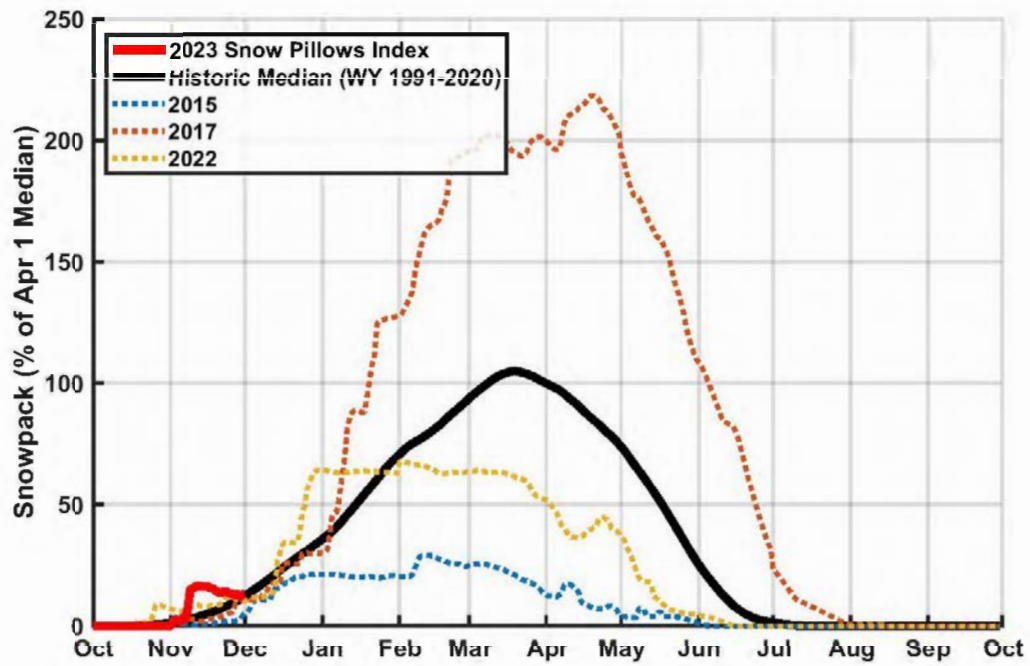


Figure 5: Tuolumne River Basin 10 Station Snow Index (lines), based on real time snow pillow SWE measurements in the Tuolumne Basin.

**WATER SERVICE CONNECTION TRANSFER REPORT
TRANSFERS APPROVED FOR THE MONTH OF DECEMBER 2022**

DONATING APN	PROPERTY OWNER(S)	RECIPIENT APN	PROPERTY OWNER(S)	# OF CONNECTIONS	DATE
056-096-180	Michael & Rachel Jacobsen	056-230-170	Keet Nerhan	1 - 5/8"	December 15, 2022

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, General Manager

Agenda: January 10, 2023

Date: January 4, 2023

Subject: Approval of Water Service Agreement - 390 Redondo Beach Road, Half Moon Bay

Recommendation:

Approve the attached Water Service Agreement between Coastside County Water District and Jerome and Adrienne Schnell for construction of a water pipeline extension to 390 Redondo Beach Road, Half Moon Bay.

Background:

The attached Water Service Agreement provides for construction of the water utility system that will serve 390 Redondo Beach Road in Half Moon Bay. The project consists of approximately 110 linear feet of 8" diameter ductile iron pipeline.

Fiscal Impact:

None. All costs for engineering review, construction inspection, meter installation, administrative support, and other District activities associated with providing water service for the parcel are paid by the applicant.



WATER SERVICE AGREEMENT

390 REDONDO BEACH ROAD / JEROME AND ADRIENNE SCHNELL **NON-COMPLEX PIPELINE EXTENSION PROJECT**

THIS AGREEMENT is made as of this ____ day of _____, 2023, between COASTSIDE COUNTY WATER DISTRICT ("District"), and Jerome John Schnell, Jr. and Adrienne Marie Schnell, as Trustees of the Schnell Family Trust dated July 25, 2018 (collectively, the "Applicant").

THE PARTIES AGREE AS FOLLOWS:

1. RECITALS

This Agreement is entered into with regard to the following facts and circumstances.

A. District is a public corporation organized under the provisions of the California Water Code and is engaged in the storage, transmission and sale of water for domestic purposes within San Mateo County.

B. Applicant is the owner of real property located within the geographic limits of the District known as 390 Redondo Beach Road APN 066-092-870 in the City of Half Moon Bay, State of California (collectively, the "Property"), which is shown on Exhibit A.

C. Applicant has purchased, and has the right to install, one five-eighth inch (5/8") Non-priority water connection assigned to APN 066-092-870 (390 Redondo Beach Road).

D. Applicant has requested the installation of the following: (1) an eight-inch pipeline extension approximately one hundred and ten (110) feet in length; (2) one three quarter inch domestic service connection and one one-inch fire service connection; and (3) all related appurtenances (collectively, the "Project").

E. Applicant represents and warrants that Applicant has obtained any and all permits and approvals necessary to construct the Project on the Property, including a Coastal Development Permit.

2. APPROVAL OF PROJECT UTILITY SYSTEM

The Project Utility System, as defined below, shown on and described in the plans prepared by James S. Teter, Consulting Engineer, dated February 2021 (collectively, the "reviewed submittal documents") are approved. Copies of the reviewed submittal documents are incorporated herein by this reference as Exhibit B.

"Project Utility System" means the water mains, service lines, fittings, valves and housing thereof, fire hydrant, manholes, and all appurtenances thereto, as depicted and described in the reviewed submittal documents. The Project Utility System does not include the water mains on the Applicant side of the meter or the backflow prevention devices, all of which will be owned and maintained by Applicant.

3. INSTALLATION

A. Applicant shall commence installation of the Project Utility System no later than three (3) months, subject to extension for force majeure events not the fault of Applicant, after the date of this Agreement and shall complete its installation within twelve (12) months after the date of this Agreement. If installation is not commenced or completed by such dates, the District may terminate this Agreement, unless the delay is solely attributable to events, such as fire, flood or earthquake, which are beyond the control of, and not the fault of, Applicant.

B. Applicant shall install the Project Utility System in accordance with (1) the location and sizes shown on the reviewed submittal documents identified in Section 2; (2) the District's "Standard Specifications and Construction Details," a copy of which has previously been furnished to Applicant; and (3) the further reasonable directions of the District Engineer.

4. SUBMITTAL OF PROPOSAL FOR REVIEW AND APPROVAL BY DISTRICT.

Applicant is responsible for obtaining a proposal for construction of the Project from a licensed, qualified contractor to construct the Project ("Proposal"). The contractor shall possess a valid California Contractor's License (Class A or C34). The contractor shall have satisfactorily completed construction of a minimum of 5 similar pipeline projects, and shall, if requested, submit a list of these projects together with the telephone number of the owner's representative who can be contacted regarding the work. Prior to commencement of construction, Applicant shall furnish a copy of the Proposal, along with evidence satisfactory to the District that the

contractor possesses the necessary license and experience to construct the Project Utility System.

5. INSPECTION; CONSTRUCTION

A. Prior to commencing construction, Applicant shall furnish to the District Engineer, at Applicant's expense, a report by a competent soils engineer or soils laboratory indicating that the compaction of the fills within which said facilities are to be installed is at least equal to ninety-five percent (95%) compaction, as that phrase is defined in the latest edition of the Standard Specifications, State of California, Department of Transportation, or meets such other criteria as the District Engineer may prescribe.

B. Applicant shall notify District in writing at least ten (10) days in advance of the proposed starting date for construction and shall not commence construction unless the District Engineer or other authorized District inspector is at the site of the work when construction begins. District agrees to make the District Engineer or other authorized District inspector available to be on site, provided the ten (10) days advance notice is given by Applicant. If construction is not continuous, District shall be notified at least forty-eight (48) hours in advance of the resumption of construction. Any work performed without notice to District may be rejected by District on that ground alone. The District Engineer will observe and inspect facilities solely to protect the interests of the District and to determine whether the completed work is acceptable to District and can be incorporated into the District system. The District does not assume thereby any responsibility for the operations or safety practices of Applicant. Applicant is responsible for correct location of all facilities which it installs. The District Engineer will not inspect facilities installed "downstream" of the individual meter boxes.

C. Applicant shall permit District's employees and authorized representatives to inspect the Project Utility System, and the plans and materials therefore, at any reasonable time before, during, or after installation.

D. Applicant shall repair at its expense (or, at the option of District, shall reimburse District for the actual cost of repairs effected by it) any damage to District property caused by Applicant, its agents, employees, or contractors in constructing the Project Utility System.

6. PAYMENT OF FEES AND CHARGES

The Applicant will pay applicable fees and charges as follows:

A. Transmission and Storage Fees. None due. Applicant has previously paid transmission and storage fees for one (1) five eighth-inch non-priority service connection and one (1) three quarter-inch non-priority water service connection.

B. Water Meter and Water Meter Installation Fees. None due. Applicant will be billed separately for actual cost of the required meters at the time of plan review and meter installation for each parcel.

C. Initial Filing Fee. None due. The District acknowledges receipt of a non-refundable initial filing fee in the amount of \$150.

D. Plan Check and Construction Inspection Fees. None due. The Applicant has deposited the sum of Five Thousand Dollars and No Cents (\$5,000.00), which was the cost estimate for the District staff and Engineer's costs in preparing and reviewing final plans, inspecting the construction of the Project Utility System, modifications of water system maps, and administrative, legal, and auditing costs. A final accounting will be performed prior to acceptance of the Project Utility System. Applicant shall pay additional fees if the deposit does not cover District costs for providing these services.

E. Total Payment Due with Agreement. None due.

7. BONDS

Prior to commencement of construction, Applicant shall furnish to District the following bonds:

A. A Payment Bond in the amount of 100% of the Proposal amount, to guarantee payment of the obligations referred to in Section 3248 of the Civil Code;

B. A Performance Bond in the amount 100% of the Proposal amount, to guarantee faithful performance of the terms of this Agreement; and

C. A Maintenance Bond in the amount of 10% of the Proposal amount, to guarantee against defective materials and faulty workmanship for a period of two (2) years from and after the acceptance of the Project Utility System by District.

The bonds shall be in a form satisfactory to District. The surety or sureties must be qualified to do business in California. If any of the sureties, in the sole opinion of District, is or becomes irresponsible, District may require other or additional sureties which Applicant shall furnish to the satisfaction of District within ten (10) days after notice from District. In default thereof, District shall be released from all obligations under this Agreement. No prepayment or delay in payment and no change, extension, addition, or alteration or any provision of this Agreement or in the approved submittal documents referred to in Section 2, above, and no forbearance or acceptance by or on the part of District shall operate to release any surety from liability on a bond.

8. INDEMNITY

A. District shall not be responsible or held liable in any manner whatsoever for any injury or damage which may be done to any person or property (or other loss or liability) arising from the performance or failure to perform the obligations set forth in this Agreement and the installation of the Project Utility System by or on behalf of Applicant.

B. Applicant, on its behalf and on behalf of its successors in interest, hereby agrees to waive any claims against District arising from or related to the events and activities described in Subsection A, above, and to indemnify, defend and hold harmless the District, its directors, officers, employees, and agents from and against any and all liability for the death of or injury to any person and for the loss of, or damage to, any property (including the loss of its use) which may arise from such events and activities. The agreements contained in this paragraph shall survive the performance of the remainder of this Agreement and shall remain in full force and effect notwithstanding such performance.

C. The provisions of Section 7.A and 7.B shall not be applicable to injury or damage, loss or liability caused by the District's sole, active negligence or willful misconduct.

9. INSURANCE

A. Applicant or its construction contractor shall, at its cost, maintain in full force and effect during the period beginning with commencement of construction of the Project

Utility System and terminating no earlier than thirty (30) days after completion thereof and approval by District for its connection with the District's distribution system, a policy or policies of liability insurance, as follows:

1. General Liability - Commercial General Liability (CGL) - Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 00 01) including products and completed operations, property damage, bodily injury, personal and advertising injury with limit of at least five million dollars (\$5,000,000) per occurrence or the full per occurrence limits of the policies available, whichever is greater. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (coverage as broad as the ISO CG 25 03, or ISO CG 25 04 endorsement provided to Coastside County Water District) or the general aggregate limit shall be twice the required occurrence limit.

2. Automobile Liability - Insurance Services Office (ISO) Business Auto Coverage (Form CA 00 01), covering Symbol 1 (any auto) with limit of one million dollars (\$1,000,000) for bodily injury and property damage each accident.

3. Workers' Compensation Insurance -. The Contractor shall provide workers' compensation coverage as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease. Waiver of Subrogation (also known as Transfer of Rights of Recovery Against Others to Us): The Contractor hereby agrees to waive rights of subrogation to obtain endorsement necessary to affect this waiver of subrogation in favor of the Coastside County Water District, its directors, officers, employees, and authorized volunteers, for losses paid under the terms of this coverage which arise from work performed by the Named Insured for the Coastside County Water District; this provision applies regardless of whether or not the Coastside County Water District has received a waiver of subrogation from the insurer.

Such policies shall insure District as an additional insured against any and all liability for the death of or injury to any person and for the loss of or damage to any property which may arise by reason of acts done or omitted to be done as a result of the installation of the Project Utility System by or on behalf of Applicant and shall further insure District against any and all costs and expenses, including attorneys fees, which District may incur in resisting any claim which may be made against District for any such injury or damage.

B. Each such policy shall:

1. be issued by an insurance company or companies qualified to do business in California and approved in writing by District;
2. name District, its Directors, officers, agents and employees, as additional insureds;
3. specify that it acts as Primary Insurance; the insurer being liable thereunder for the full amount of any loss up to and including the total limit of liability without right of contribution from any insurance effected by District;
4. provide that the policy shall not be cancelled or altered without thirty (30) days' prior written notice to District (or Applicant shall provide this written notice to the District); and
5. otherwise be in form reasonably satisfactory to District.

C. Applicant or its contractor shall provide and maintain at all times during the course of installation of the Project Utility System, Worker's Compensation Insurance in conformance with the laws of the State of California. Such policy shall provide that the underwriter thereof waives all right of subrogation against District by reason of any claim arising out of or connected with installation of the Project Utility System and that such policy shall not be cancelled or altered without thirty (30) days' prior written notice to District.

D. Copies of all policies required above (or Certificates of Insurance satisfactory to District) shall be delivered to District at least ten (10) days prior to commencement of construction of the Project Utility System.

10. SIZING OF INTERIOR PLUMBING; WATER PRESSURE

A. Applicant acknowledges that the District's system in the area of the Project meets the District's minimum water pressure requirements, but is subject to low water pressure conditions. District recommends that Applicant consider the low water pressure conditions in designing the interior plumbing of Project residences. It is Applicant's responsibility to ensure sufficiency of water flow and pressure at all fixture units in each residence; District shall have no responsibility to inspect the installation of interior plumbing fixtures or piping.

B. Applicant agrees to inform the future owners and occupants of the Project of the low water pressure conditions that exist at the Project and to advise future owners and occupants of the Project that installing additional or larger water fixtures may reduce the already low water pressure condition.

11. CONVEYANCE OF TITLE TO PROJECT UTILITY SYSTEM

Full rights, title and interest in and to all elements of the Project Utility System installed pursuant hereto will be granted to District upon written notice of acceptance thereof by District and without the necessity for any further action by Applicant. There shall be no obligation upon District to pay or reimburse to Applicant any part of the cost of Project Utility System. Applicant warrants that upon such passage of title to District, the title shall be free and clear from any and all mechanics and materialmen liens that could arise from construction of the Project Utility System, charges and encumbrances whatsoever. The water meters described in Section 2, above, are and will remain the property of District.

12. ACCEPTANCE BY DISTRICT

District shall accept the Project Utility System when all of the following conditions have been met: (1) completion of the Project Utility System; (2) certification by Superintendent and or District Engineer upon completion that the Project Utility System has been constructed in accordance with this Agreement; (3) furnishing by Applicant of evidence that it has paid all costs incurred in constructing the Project Utility System; (4) performance by Applicant of all of its obligations under this Agreement which are to be completed prior to acceptance of the Project Utility System, including payment of all sums due the District; and conveyance of all easements; and (5) furnishing by Applicant one set of drawings of the completed improvements showing "as-built" conditions.

Upon acceptance, and payment for the cost of meter installation, District shall provide water utility service to the Project.

Upon acceptance, Applicant shall be relieved of all future obligation to maintain the Project Utility System, subject to its obligation to repair defects, which obligation is secured by the maintenance bond provided for in Section 6.C., for the duration of the term of such bond (i.e., two years after acceptance).

13. EXECUTION AND PERFORMANCE OF AGREEMENT

Execution of this Agreement is a condition precedent to issuance by District of any letters, approvals, consents, or communications to any state, municipal, local or other public bodies regarding the availability of water service to the Property from the Project. Full performance of and compliance with each and every term of this Agreement by Applicant is a condition precedent to water service by District.

14. DISTRICT REGULATIONS

Applicant shall at all times abide by and faithfully observe any and all District ordinances, resolutions, rules and regulations presently in effect, including current fee schedules, or which may hereafter be enacted or amended from time to time, including but not limited to *Regulations Regarding Water Service Extensions and Water System Improvements; Engineering and Construction Standards; Approved Materials* (codified through Resolution No. 2003-11, March 2004), a copy of which has previously been furnished to Applicant.

15. ASSIGNMENT

Applicant's rights under this Agreement may be assigned only in connection with a sale or conveyance of the Property. No such assignment shall be valid or binding on the District unless the assignee executes a written instrument, in form and substance satisfactory to District, assuming all of Applicant's obligations under this Agreement, which have not been fully performed as of the date of assignment. Such assignment shall not release Applicant from any of its obligations to District under this Agreement.

This Agreement shall be binding upon and shall inure to the benefit of the parties and their successors and permitted assigns. If the Applicant or a permitted successor or assign shall disincorporate, forfeit its articles or right of incorporation, or otherwise fully terminate without a successor or assign, District shall as of the date of disincorporation, forfeiture or termination own the Project Utility System free and clear of any obligation to any party.

16. NOTICE

Any notice required by this Agreement shall be satisfied by a notice in writing, either delivered personally or sent by regular or certified mail, postage prepaid, and addressed as follows:

District: Coastside County Water District
766 Main Street
Half Moon Bay, CA 94019
Attention: Mary Rogren, General Manager

Applicant: Jerome John Schnell, Jr. and Adrienne Marie Schnell, as Trustees
of the Schnell Family Trust dated July 25, 2018
390 Redondo Beach Road
Half Moon Bay, CA 94019

17. CONSTRUCTION OF AGREEMENT

Both parties have participated in preparing this Agreement. This Agreement shall be construed reasonably and not in favor of or against either party hereto on the grounds that one party prepared the Agreement.

18. ENTIRE AGREEMENT

This Agreement, including the Exhibits which are hereby incorporated by reference, contains the entire agreement between the parties hereto. No oral understandings, statements, promises or inducements contrary to the terms of this Agreement exist.

19. APPLICABLE LAW

This Agreement shall be governed by and construed and enforced in accordance with and subject to the laws of the State of California. Except as expressly provided for herein, this Agreement is not intended to, and does not, modify the District's rights to exercise the legislative discretion accorded to it by the laws of California. Any lawsuit related to this Agreement shall be commenced and prosecuted in the County of San Mateo, State of California.

20. AMENDMENT

Any amendment hereof, including any oral modification allegedly supported by new consideration, shall not be effective unless reduced to a writing signed by both parties.

21. AUTHORIZED SIGNATURE

The individuals whose names are subscribed to this Agreement represent that they are authorized to act on behalf of the party for whom they sign.

22. TIME

Time is of the essence of the Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

**DISTRICT:
COASTSIDE COUNTY WATER DISTRICT**

**APPLICANT:
Jerome John Schnell, Jr. and Adrienne
Marie Schnell, as Trustees of the Schnell
Family Trust dated July 25, 2018**

By: _____
President, Board of Directors

By: _____
Jerome John Schnell, Jr., Trustee

By: _____
Secretary

By: _____
Adrienne Marie Schnell, Trustee

EXHIBIT A



Coastside County Water District

CONTRACT DOCUMENTS FOR THE CONSTRUCTION OF
PIPELINE EXTENSION TO
390 REDONDO BEACH ROAD

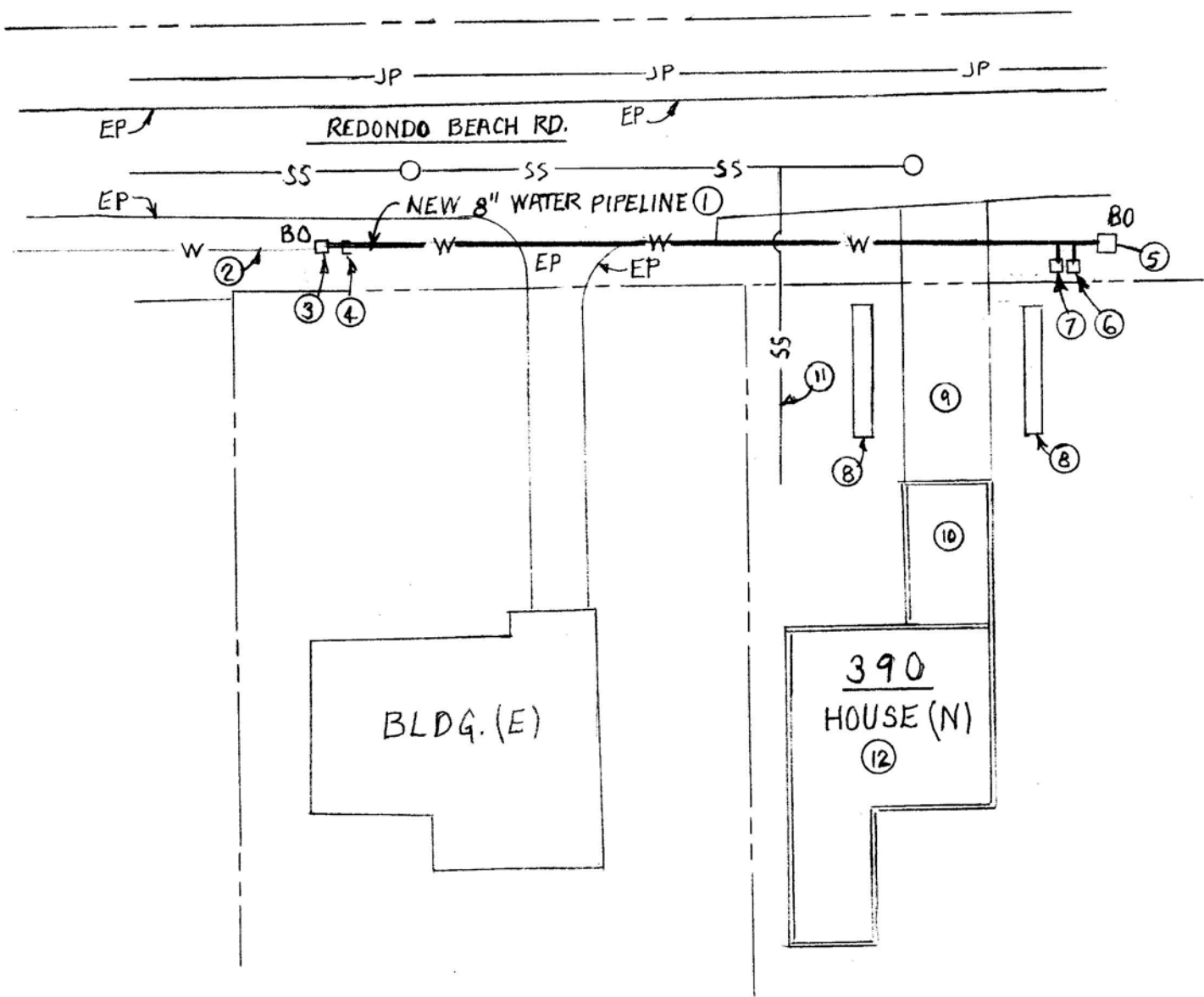
February 2021

GENERAL NOTES

1. This Public Works Contract consists of, in general, constructing 110 linear feet of 8 inch ductile iron pipeline; one eight inch size blow-off assembly and removal of one existing eight inch size blow-off assembly; one ¾" size water (domestic) service connection; one 1" size water (fire) service connection; leakage testing and disinfection; surface restoration of unpaved trench areas; asphalt concrete repaving of paved trench areas and cleanup.
2. Work shall be in conformance with the current version of the Coastside County Water District document titled "Standard Specifications and Standard Drawings".
3. The Contractor shall obtain a Street Encroachment Permit from the City of Half Moon Bay.
4. Typical Trench Sections are included in the "Standard Specifications and Standard Drawings" document for the various types of existing surface conditions.
5. Water meter boxes shall be located a minimum of 10 feet from the sanitary sewer lateral, and a minimum of 3 feet from other utility laterals including electric, gas, and communications. Water meter boxes shall not be located within a driveway area.

GENERAL LEGEND

— W —	Water Pipeline, New or Existing
— SS —	Sanitary Sewer, Existing or Proposed
— JP —	Joint Electric and Communications, Existing or Proposed
- - - - -	Property Line
— EP —	Edge of Existing Asphalt Concrete Pavement



SITE PLAN

SCALE: 1" = APPROX. 20'

COORDINATE THIS DRWG. WITH THE
DRWGS. FOR THE PROPOSED NEW HOUSE

LEGEND FOR CIRCLED NUMBERS

<u>CIRCLED NUMBER</u>	<u>DESCRIPTION</u>
1	NEW 8" DUCTILE IRON WATER PIPELINE. LENGTH OF NEW PIPELINE IS APPROXIMATELY 110 LINEAR FEET.
2	EXISTING 8" DUCTILE IRON PIPE.
3	EXISTING BLOW-OFF ASSEMBLY TO BE REMOVED.
4	TEMPORARY END CAP FOR LEAKAGE TESTING & DISINFECTION.
5	NEW 8" BLOW-OFF ASSEMBLY. SEE CCWD STD. DRAWING NO. CC-17.
6	NEW ¾" DOMESTIC WATER SERVICE CONNECTION. SEE CCWD STD. DRAWING No. CC-06.
7	NEW 1" FIRE SERVICE CONNECTION. SEE CCWD STD. DRAWING NO. CC-06.
8	PROPOSED NEW DETENTION BASIN.
9	PROPOSED NEW DRIVEWAY.
10	PROPOSED NEW GARAGE.
11	PROPOSED NEW SANITARY SEWER LATERAL.
12	PROPOSED NEW RESIDENCE AT 390 REDONDO BEACH ROAD.

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, General Manager

Agenda: January 10, 2023

Report

Date: January 6, 2023

Subject: Coastside County Water District Basic Financial Statements and Independent Auditor's Report for the Fiscal Year Ended June 30, 2022

Recommendation:

Accept the Coastside County Water District Basic Financial Statements and Independent Auditor's Report for Fiscal Year Ended June 30, 2022.

Background:

Fedak & Brown LLP, the District's Independent Auditor, has completed work on the Basic Financial Statements for the Year Ended June 30, 2022. The Auditor's letter attests that the financial statements fairly represent the financial position of the District. No exceptions or concerns were noted.

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

Attachments:

- A. Coastside County Water District – Annual Financial Report for the Fiscal Years ended June 30, 2022 and 2021
- B. Independent Auditor's Report on Internal Controls and Compliance
- C. Management Report for Year ended June 30, 2022
- D. Fedak & Brown Presentation Materials

(Blank)



Coastside County Water District

Annual Financial Report

For the Fiscal Years Ended June 30, 2022 and 2021





Mission Statement

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

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

Coastside County Water District Board of Directors as of June 30, 2022

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

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

Coastside County Water District

Annual Financial Report

For the Fiscal Years Ended June 30, 2022 and 2021

Final Draft

**Coastside County Water District
Annual Financial Report
For the Fiscal Years Ended June 30, 2022 and 2021**

Table of Contents

	<u>Page No.</u>
Table of Contents	i
Financial Section	
Independent Auditor’s Report	1-3
Management’s Discussion and Analysis	4-9
Basic Financial Statements:	
Statements of Net Position	10-11
Statements of Revenues, Expenses, and Changes in Net Position	12
Statements of Cash Flows	13-14
Notes to the Basic Financial Statements	15-51
Required Supplementary Information	
Schedules of Changes in the District’s Total OPEB Liability and Related Ratios	52
Schedules of the District’s Proportionate Share of the Net Pension Liability	53
Schedules of Pension Plan Contributions	54
Report on Internal Controls and Compliance	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	55-56

Financial Section

Final Draft

Final Draft

Independent Auditor's Report

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

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the Coastside County Water District (District), which comprises the statements of net position as of June 30, 2022 and 2021, and the related statements of revenues, expenses, and changes in net position for the fiscal years then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Coastside County Water District as of June 30, 2022 and 2021, and the changes in net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform our audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Independent Auditor's Report, continued

Auditor's Responsibilities for the Audits of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District 's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of Matter

As discussed in Note 12 to the financial statements, in June 30, 2022, the District adopted the provisions of *Governmental Accounting Standards Board (GASB) Statement No. 87– Leases*.

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

Independent Auditor's Report, continued

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 and the required supplementary information on pages 52 through 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance. This report can be found on pages 55 and 56.

Fedak & Brown LLP
Cypress, California
January 10, 2023

Coastside County Water District
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2022 and 2021

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Coastside County Water District (District) provides an introduction to the financial statements of the District for the fiscal years ended June 30, 2022 and 2021. We encourage readers to consider the information presented here in conjunction with the basic financial statements and related notes, which follow this section.

Financial Highlights

- In fiscal year 2022, the District's net position increased 4.75% or \$2,334,035 to \$51,426,505 as a result from ongoing operations. In fiscal year 2021, the District's net position increased 6.00% or \$2,779,357 to \$49,092,470 as a result from ongoing operations.
- In fiscal year 2022, the District's operating revenues decreased 5.47% or \$733,796 to \$12,682,875. In fiscal year 2021, the District's operating revenues increased 4.16% or \$535,551 to \$13,416,671.
- In fiscal year 2022, the District's non-operating revenues increased 15.44% or \$271,373 to \$2,028,989. In fiscal year 2021, the District's non-operating revenues decreased 6.30% or \$118,210 to \$1,757,616.
- In fiscal year 2022, the District's operating expenses increased 0.98% or \$93,097 to \$9,559,793. In fiscal year 2021, the District's operating expenses increased 9.16% or \$794,484 to \$9,466,696.
- In fiscal year 2022, the District's non-operating expenses increased 2.85% or \$14,217 to \$513,334. In fiscal year 2021, the District's non-operating expenses decreased 6.32% or \$33,671 to \$499,117.
- In fiscal year 2022, the District's capital contributions increased 100.00% or \$202,431. There were no capital contributions reported in fiscal year 2021.

Required Financial Statements

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

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

Coastside County Water District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021

Financial Analysis of the District

One of the most important question asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the District in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 15 through 51.

Statements of Net Position

Condensed Statements of Net Position

	<u>2022</u>	<u>As Restated 2021</u>	<u>Change</u>	<u>As Restated 2020</u>	<u>Change</u>
Assets:					
Current assets	\$ 18,741,000	13,642,622	5,098,378	11,753,966	1,888,656
Capital assets, net	61,990,971	57,538,937	4,452,034	56,950,166	588,771
Total assets	<u>80,731,971</u>	<u>71,181,559</u>	<u>9,550,412</u>	<u>68,704,132</u>	<u>2,477,427</u>
Deferred outflows of resources:	<u>934,315</u>	<u>1,128,426</u>	<u>(194,111)</u>	<u>1,099,412</u>	<u>29,014</u>
Liabilities:					
Current liabilities	2,272,395	1,837,111	435,284	1,778,308	58,803
Non-current liabilities	25,585,734	20,928,790	4,656,944	21,179,540	(250,750)
Total liabilities	<u>27,858,129</u>	<u>22,765,901</u>	<u>5,092,228</u>	<u>22,957,848</u>	<u>(191,947)</u>
Deferred inflows of resources:	<u>2,648,939</u>	<u>742,281</u>	<u>1,906,658</u>	<u>990,159</u>	<u>(247,878)</u>
Net position:					
Net investment in capital assets	40,702,488	42,678,956	(1,976,468)	41,466,948	1,212,008
Restricted	450,382	282,081	168,301	370,599	(88,518)
Unrestricted	10,273,635	6,131,433	4,142,202	4,475,566	1,655,867
Total net position	<u>\$ 51,426,505</u>	<u>49,092,470</u>	<u>2,334,035</u>	<u>46,313,113</u>	<u>2,779,357</u>

Coastside County Water District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021

Statements of Net Position, continued

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$51,426,505 and \$49,092,470 as of June 30, 2022 and 2021, respectively.

By far, the largest portion of the District's net position (79% and 87% as of June 30, 2022 and 2021, respectively) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to customers within the District's service area; consequently, these assets are not available for future spending.

At the end of fiscal years 2022 and 2021, the District showed a positive balance in its unrestricted net position of \$10,273,635 and \$6,131,433, respectively, which may be utilized in future years. See Note 11 for further information.

Statements of Revenues, Expenses, and Changes in Net Position

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

	<u>2022</u>	<u>As Restated 2021</u>	<u>Change</u>	<u>As Restated 2020</u>	<u>Change</u>
Revenue:					
Operating revenue	\$ 12,682,875	13,416,671	(733,796)	12,881,120	535,551
Non-operating revenue	2,028,989	1,757,616	271,373	1,875,826	(118,210)
Total revenue	<u>14,711,864</u>	<u>15,174,287</u>	<u>(462,423)</u>	<u>14,756,946</u>	<u>417,341</u>
Expense:					
Operating expense	9,559,793	9,466,696	93,097	8,672,212	794,484
Depreciation	2,507,133	2,429,117	78,016	2,266,638	162,479
Non-operating expense	513,334	499,117	14,217	532,788	(33,671)
Total expense	<u>12,580,260</u>	<u>12,394,930</u>	<u>185,330</u>	<u>11,471,638</u>	<u>923,292</u>
Net income before capital contributions	2,131,604	2,779,357	(647,753)	3,285,308	(505,951)
Capital contributions:	<u>202,431</u>	<u>-</u>	<u>202,431</u>	<u>-</u>	<u>-</u>
Change in net position	2,334,035	2,779,357	(445,322)	3,285,308	(505,951)
Net position, beginning of year, as previously stated	<u>49,092,470</u>	<u>46,313,113</u>	<u>2,779,357</u>	<u>43,027,900</u>	<u>3,285,213</u>
Prior period adjustment	-	-	-	(95)	95
Net position, beginning of year, as restated	<u>49,092,470</u>	<u>46,313,113</u>	<u>2,779,357</u>	<u>43,027,805</u>	<u>3,285,308</u>
Net position, end of year	<u>\$ 51,426,505</u>	<u>49,092,470</u>	<u>2,334,035</u>	<u>46,313,113</u>	<u>2,779,357</u>

The Statements of Revenues, Expenses, and Changes of Net Position show how the District's net position changed during the fiscal years. In the case of the District, net position increased 4.75% or \$2,334,035, in fiscal year 2022 to \$51,426,505 as a result from ongoing operations. In fiscal year 2021, the District's net position increased 6.00% or \$2,779,357 to \$49,092,470 as a result from ongoing operations.

Coastside County Water District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021

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

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

In fiscal year 2022, total revenues decreased 3.05% or \$462,423 to \$14,711,864. Operating revenues decreased 5.47% or \$733,796, primarily due to a decrease in water consumption sales. Non-operating revenues increased 15.44% or \$271,373, primarily due to increases of \$204,000 in property tax revenue, \$168,315 in transmission and storage fees, which were offset by a decrease of \$107,906 in investment returns. In fiscal year 2021, total revenues increased 2.83% or \$417,341 to \$15,174,287. Operating revenues increased 4.16% or \$535,551, primarily due to an increase in water consumption sales. Non-operating revenues decreased 6.30% or \$118,210, primarily due to decreases of \$119,075 in investment returns, \$24,045 in transmission and storage fees, and \$23,464 in other revenue, which were offset by an increase of \$53,118 in property tax revenue.

In fiscal year 2022, total expenses (including depreciation) increased 1.50% or \$185,330 to \$12,580,260. Operating expenses increased 0.98% or \$93,097, due primarily to increases of \$525,261 in general and administrative expense which includes \$289,430 in pension related actuarial adjustments, \$340,432 in transmission and distribution which includes \$153,228 in pension related actuarial adjustments, \$177,898 in pumping expense which includes \$124,853 in pension related actuarial adjustments, which were offset by a decrease of \$950,494 in source of supply as compared to prior year. Non-operating expenses increased 2.85% or \$14,217, due primarily to an increase of \$41,139 in interest related to long-term debt, offset by decreases of \$15,741 in County collection fees and \$13,681 in loss on disposition of capital assets as compared to the prior year. In fiscal year 2021, total expenses (including depreciation) increased 8.05% or \$923,292 to \$12,394,930. Operating expenses increased 9.16% or \$794,484, due primarily to increases of \$989,681 in source of supply, \$77,444 in pumping expense, and \$30,731 in general and administrative expense; which were offset by a decrease of \$303,372 in transmission and distribution as compared to prior year. Non-operating expenses decreased 6.32% or \$33,671, due primarily to decreases of \$31,761 in interest related to long-term debt and \$13,592 in loss on disposal of capital assets, which were offset by a decrease of \$11,682 in County collection fees as compared to the prior year.

In fiscal year 2022, the District's capital contributions increased 100.00% or \$202,431 due primarily to an increase in capital contributions sourcing from the State. There were no capital contributions reported in fiscal year 2021.

Capital Asset Administration

Changes in capital asset amounts for 2022 were as follows:

	As Restated 2021	Additions	Transfers/ Deletions	Balance 2022
Capital assets:				
Non-depreciable assets	\$ 4,228,967	6,974,666	(1,546,376)	9,657,257
Depreciable and amortizable assets	91,076,200	1,538,532	(62,265)	92,552,467
Accumulated depreciation and amortization	(37,766,230)	(2,507,133)	54,610	(40,218,753)
Total capital assets, net	\$ <u>57,538,937</u>	<u>6,006,065</u>	<u>(1,554,031)</u>	<u>61,990,971</u>

Coastside County Water District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021

Capital Asset Administration, continued

Changes in capital asset amounts for 2021 were as follows:

	<u>As Restated 2020</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>As Restated 2021</u>
Capital assets:				
Non-depreciable assets	\$ 2,712,254	3,044,940	(1,528,227)	4,228,967
Depreciable and amortizable assets	89,609,480	1,514,856	(48,136)	91,076,200
Accumulated depreciation and amortization	<u>(35,371,568)</u>	<u>(2,429,117)</u>	<u>34,455</u>	<u>(37,766,230)</u>
Total capital assets, net	<u>\$ 56,950,166</u>	<u>2,130,679</u>	<u>(1,541,908)</u>	<u>57,538,937</u>

At the end of fiscal years 2022 and 2021, the District's investment in capital assets amounted to \$61,990,971 and \$57,538,937 (net of accumulated depreciation and amortization), respectively. This investment in capital assets includes land, source of supply infrastructure, transmission and distribution systems, the Crystal Springs pump station, treatment plants, well fields and tanks, pipelines and meters, buildings and structures, vehicles, furniture and equipment, leased equipment, and construction-in-process. See Note 3 to the basic financial statements for further detailed information on the District's capital assets.

Debt Administration

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

	<u>As Restated 2021</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2022</u>
Long-term debt:				
Lease payable	\$ 24,791	-	(8,532)	16,259
Loans payable	<u>14,835,190</u>	<u>7,071,903</u>	<u>(634,869)</u>	<u>21,272,224</u>
Total long-term debt	<u>\$ 14,859,981</u>	<u>7,071,903</u>	<u>(643,401)</u>	<u>21,288,483</u>

Changes in long-term debt amounts for 2021 were as follows:

	<u>As Restated 2020</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>As Restated 2021</u>
Long-term debt:				
Lease payable	\$ 33,084	-	(8,293)	24,791
Loans payable	<u>15,450,134</u>	<u>-</u>	<u>(614,944)</u>	<u>14,835,190</u>
Total long-term debt	<u>\$ 15,483,218</u>	<u>-</u>	<u>(623,237)</u>	<u>14,859,981</u>

In 2022 and 2021, long-term debt decreased by \$643,401 and \$623,237 due to current year scheduled principal payments, respectively. The long-term debt position of the District is more fully analyzed in Note 6 to the basic financial statements.

Coastside County Water District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021

Conditions Affecting Current Financial Position

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

Requests for Information

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

Final Draft

Basic Financial Statements

Final Draft

Coastside County Water District
Statements of Net Position
June 30, 2022 and 2021

	<u>2022</u>	<u>As Restated 2021</u>
Current assets:		
Cash and cash equivalents (note 2)	\$ 16,113,342	11,083,431
Restricted – cash and cash equivalents (note 2)	200,382	32,081
Accrued interest receivable	18,632	4,300
Accounts receivable – water sales and services	1,666,569	1,932,177
Accounts receivable – other	26,547	7,883
Accounts receivable – property taxes	16,423	14,973
Materials and supplies inventory	228,322	177,096
Water-in-storage inventory	35,130	44,774
Prepaid expenses and other deposits	249,253	178,998
Leases receivable (note 3)	186,400	166,909
Total current assets	<u>18,741,000</u>	<u>13,642,622</u>
Non-current assets:		
Leases receivable (note 3)	267,287	290,667
Capital assets – not being depreciated (note 4)	9,657,257	4,228,967
Capital assets, net – being depreciated and amortized (note 4)	52,333,714	53,309,970
Total non-current assets	<u>62,258,258</u>	<u>57,829,604</u>
Total assets	<u>80,999,258</u>	<u>71,472,226</u>
Deferred outflows of resources:		
Deferred other post-employment benefits outflows (note 7)	123,441	213,774
Deferred pension outflows (note 8)	810,874	914,652
Total deferred outflows of resources	<u>\$ 934,315</u>	<u>1,128,426</u>

Continued on next page

See accompanying notes to the basic financial statements

Coastside County Water District
Statements of Net Position, continued
June 30, 2022 and 2021

	<u>2022</u>	<u>As Restated 2021</u>
Current liabilities:		
Accounts payable and accrued expenses	\$ 817,378	608,283
Accrued wages and related payables	100,001	86,864
Customer deposits and deferred revenue	59,485	274,917
Accrued interest payable	202,641	160,992
Long-term liabilities – due within one year:		
Compensated absences (note 5)	83,431	62,654
Leases payable (note 6)	8,779	8,532
Loans payable (note 6)	1,000,680	634,869
Total current liabilities	<u>2,272,395</u>	<u>1,837,111</u>
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (note 5)	250,294	187,961
Leases payable (note 6)	7,480	16,259
Loans payable (note 6)	20,271,544	14,200,321
Net other post-employment benefit liability (note 7)	2,643,416	2,568,827
Net pension liability (note 8)	2,413,000	3,955,422
Total non-current liabilities	<u>25,585,734</u>	<u>20,928,790</u>
Total liabilities	<u>27,858,129</u>	<u>22,765,901</u>
Deferred inflows of resources:		
Deferred other post-employment benefits inflows (note 7)	35,556	131,612
Deferred pension inflows (note 8)	2,185,310	179,155
Deferred lease inflows (note 3)	428,073	431,514
Total deferred inflows	<u>2,648,939</u>	<u>742,281</u>
Net position:		
Net investment in capital assets (note 9)	40,702,488	42,678,956
Restricted (note 10)	450,382	282,081
Unrestricted (note 11)	10,273,635	6,131,433
Total net position	<u>\$ 51,426,505</u>	<u>49,092,470</u>

See accompanying notes to the basic financial statements

Coastside County Water District
Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2022 and 2021

	2022	As Restated 2021
Operating revenues:		
Water consumption sales	\$ 12,682,875	13,416,671
Total operating revenues	12,682,875	13,416,671
Operating expenses:		
Source of supply	1,973,872	2,924,366
Pumping	1,664,481	1,486,583
Transmission and distribution	2,327,598	1,987,166
General and administrative	3,593,842	3,068,581
Total operating expenses	9,559,793	9,466,696
Operating income before depreciation and amortization expense	3,123,082	3,949,975
Depreciation and amortization expense	(2,507,133)	(2,429,117)
Operating income	615,949	1,520,858
Non-operating revenue(expense):		
Property taxes	1,720,333	1,516,333
Investment returns	(103,546)	4,360
Transmission and storage fees	200,375	32,060
Lease revenue	176,342	176,299
Lease interest earnings	12,386	15,660
Interest expense	(500,044)	(458,905)
Collection fees – County	(13,290)	(29,031)
Gain (loss) on disposition of assets	2,500	(11,181)
Other revenue	20,599	12,904
Total non-operating, net	1,515,655	1,258,499
Net income before capital contributions	2,131,604	2,779,357
Capital contributions:		
Capital contributions – state	202,431	-
Total capital contributions	202,431	-
Change in net position	2,334,035	2,779,357
Net position, beginning of year, as restated (note 12)	49,092,470	46,313,113
Net position, end of year	\$ 51,426,505	49,092,470

See accompanying notes to the basic financial statements

**Coastside County Water District
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>As Restated 2021</u>
Cash flows from operating activities:		
Cash receipts from customers for water sales and services	\$ 12,714,387	13,601,897
Cash paid to employees for salaries and wages	(3,481,851)	(3,426,163)
Cash paid to vendors and suppliers for materials and services	<u>(5,003,363)</u>	<u>(6,478,556)</u>
Net cash provided by operating activities	<u>4,229,173</u>	<u>3,697,178</u>
Cash flows from non-capital financing activities:		
Cash receipts from property taxes	1,718,883	1,545,372
Cash paid for collection fees	<u>(13,290)</u>	<u>(29,031)</u>
Net cash provided by operating activities	<u>1,705,593</u>	<u>1,516,341</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(6,942,350)	(2,528,306)
Proceeds from capital contributions	202,431	-
Proceeds from sale of capital assets	2,500	-
Proceeds from issuance of debt	7,071,903	-
Principal paid on long-term debt	(643,401)	(623,237)
Interest paid on long-term debt	<u>(458,395)</u>	<u>(464,846)</u>
Net cash used in capital and related financing activities	<u>(767,312)</u>	<u>(3,616,389)</u>
Cash flows from investing activities:		
Investment returns	14,483	19,551
Principal received on leases receivable	3,889	168,301
Interest received on leases receivable	<u>12,386</u>	<u>15,660</u>
Net cash provided by investing activities	<u>30,758</u>	<u>203,512</u>
Net increase in cash and cash equivalents	5,198,212	1,800,642
Cash and cash equivalents, beginning of year	<u>11,115,512</u>	<u>9,314,870</u>
Cash and cash equivalents, end of year	<u>\$ 16,313,724</u>	<u>11,115,512</u>
 Reconciliation of cash and cash equivalents to the statement of financial position:		
Cash and cash equivalents	\$ 16,113,342	11,083,431
Restricted assets – cash and cash equivalents	<u>200,382</u>	<u>32,081</u>
Total cash and cash equivalents	<u>\$ 16,313,724</u>	<u>11,115,512</u>

Continued on next page

See accompanying notes to the basic financial statements

Coastside County Water District
Statements of Cash Flows, continued
For the Fiscal Years Ended June 30, 2022 and 2021

	2022	As Restated 2021
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 615,949	1,520,858
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,507,133	2,429,117
Other revenues	397,316	221,263
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
(Increase)Decrease in assets:		
Accounts receivable – water sales and services	265,608	(58,570)
Accounts receivable – other	(18,664)	25,700
Materials and supplies inventory	(51,226)	(13,377)
Water-in-storage inventory	9,644	(22,119)
Prepaid expenses and other deposits	(70,255)	(64,833)
(Increase)Decrease in deferred outflows of resources		
Deferred other post-employment benefits outflows	90,333	(158,496)
Deferred pension outflows	103,778	129,482
Increase(Decrease) in liabilities and deferred inflows:		
Accounts payable and accrued expenses	209,095	(200,259)
Accrued wages and related payables	13,137	18,486
Customer deposits and deferred revenue	(215,432)	218,096
Compensated absences	83,110	33,028
Other post-employment benefit obligation	(74,589)	(250,600)
Net pension liability	(1,542,422)	117,280
Decrease in deferred inflows of resources		
Deferred other post-employment benefits inflows	(96,056)	(37,881)
Deferred pension inflows	2,006,155	(33,604)
Deferred lease inflows	(3,441)	(176,393)
Total adjustments	3,613,224	2,176,320
Net cash provided by operating activities	\$ 4,229,173	3,697,178
Non cash investing, capital and related financing activities:		
Change in fair value of funds deposited with LAIF	\$ 132,361	437

See accompanying notes to the basic financial statements

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(1) Reporting Entity and Summary of Significant Accounting Policies

Organization and Operations of the Reporting Entity

The Coastside County Water District (District) was formed in July 1947 for the purposes of furnishing potable water within the District's service area. The District operates under the authority of the provisions found in Division 12 of the State of California Water Code. The District is located in San Mateo County and includes the City of Half Moon Bay and the unincorporated communities of El Granada, Miramar, and Princeton-By-The-Sea. The District provides water to approximately 19,000 customers. The District is governed by a five-member Board of Directors who serve overlapping four-year terms.

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

Basis of Accounting and Measurement Focus

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

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

Financial Reporting

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

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

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

Financial Reporting

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

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

The requirements of this Statement were effective for reporting periods beginning after December 15, 2019; however, in light of the COVID-19 pandemic, the effective date has been postponed by 18 months. Earlier application is encouraged.

In June 2018, the GASB issued Statement No. 89 – *Accounting for Interest Cost incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2019; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

In October 2021, the GASB issued Statement No. 98 – *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of Annual Comprehensive Financial Report and its acronym in generally accepted accounting principles for state and local governments.

This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for Annual Comprehensive Financial Report sounds like a profoundly objectionable racial slur. This Statement’s introduction of the new term is founded on a commitment to promoting inclusiveness.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

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

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

Use of Estimates

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

Cash and Cash Equivalents

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

Investments

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

Fair Value Measurements

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

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

Accounts Receivable

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

Restricted Assets

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

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

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

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

Inventory and Water-in-Storage

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

Prepays

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

Lease Receivable / Payable

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

Capital Assets

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

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

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

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

Deferred Outflows of Resources

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

Post-Employment Benefits Other Than Pensions (OPEB)

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

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

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

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

Deferred Outflows of Resources, continued

Pensions

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

Compensated Absences

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

Post-Employment Benefits Other Than Pensions (OPEB)

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

GASB 75 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation Date: June 30, 2020
- Measurement Dates: June 30, 2021 and June 30, 2020
- Measurement Periods: July 1, 2020 to June 30, 2021 and July 1, 2019 to June 30, 2020

Pensions

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

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

- Valuation Dates: June 30, 2020 and June 30, 2019
- Measurement Dates: June 30, 2021 and June 30, 2020
- Measurement Periods: July 1, 2020 to June 30, 2021 and July 1, 2019 to June 30, 2020

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

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

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

Deferred Inflows of Resources

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

Post-Employment Benefits Other Than Pensions (OPEB)

- Deferred inflow for the Plans' experience (gains)/losses which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan.

Pensions

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

Net Position

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

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

Property Taxes

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

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

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

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

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

Capital Contributions

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

Budgetary Policies

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

(2) Cash and Investments

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

	2022	2021
Cash and cash equivalents	\$ 16,113,342	11,083,431
Cash and cash equivalents – restricted	200,382	32,081
Total cash and investments	\$ 16,313,724	11,115,512

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

	2022	2021
Cash on hand	\$ 800	800
Deposits with financial institutions	4,144,848	5,828,720
Investments	12,168,076	5,285,992
Total cash and cash equivalents	\$ 16,313,724	11,115,512

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

	2022	2021
Deposits in Local Agency Investment Fund	311 days	291 days

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

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

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(2) Cash and Investments, continued

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

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

Investment in State Investment Pool

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

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

Custodial Credit Risk

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

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

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(2) Cash and Investments, continued

Custodial Credit Risk, continued

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

Interest Rate Risk

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

At June 30, 2022 and 2021, the District's investments held to maturity were categorized as twelve months or less, respectively.

Credit Risk

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

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

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

Credit ratings at June 30, 2021 consisted of the following:

<u>Investment Types</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Year End</u>	
			<u>AAA</u>	<u>Not Rated</u>
Local Agency Investment Fund (LAIF)	\$ 5,266,543	N/A	\$ -	5,266,543
Money Market Funds	19,449	AAA	19,449	-
Total	\$ 5,285,992		\$ 19,449	5,266,543

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(2) Cash and Investments, continued

Concentration of Credit Risk

The District's investment policy contains no limitations on the amounts that can be invested in any one issuer as beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than for external investment pools) that represent 5% or more of total District's investments at June 30, 2022 and 2021, respectively.

Fair Value Measurements

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

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

Investments measured at fair value on a recurring and non-recurring basis at June 30, 2021 are as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Money market funds	\$ 19,449	19,449	-	-
Total investments measured at fair value	19,449	19,449	-	-
Investments measured at amortized cost:				
Local Agency Investment Fund (LAIF)	5,266,543			
Total	\$ 5,285,992			

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(3) Leases Receivable

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

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

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

	<u>Restated 2020</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Restated 2021</u>	<u>Current Portion</u>	<u>Long-term Portion</u>	<u>Deferred Inflows</u>
Leases receivable:							
T Mobile SF1842	\$ 142,956	-	(41,821)	101,135	44,867	56,268	\$ (94,581)
T Mobile SF1943	119,474	-	(35,019)	84,455	37,467	46,988	(79,030)
Crown 147386	174,706	-	(29,858)	144,848	31,680	113,168	(137,137)
Crown 150104a	56,302	-	(33,277)	23,025	23,025	-	(21,971)
Crown 150104b	-	-	-	-	-	-	-
Verizon	132,439	-	(28,326)	104,113	29,870	74,243	(98,795)
Total leases receivable \$	<u>625,877</u>	<u>-</u>	<u>(168,301)</u>	<u>457,576</u>	<u>166,909</u>	<u>290,667</u>	<u>\$ (431,514)</u>

T-Mobile – SF1842

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

Following the provisions set forth by *GASB Statement No. 87*, the District recorded a lease receivable and a deferred inflow at present value using a discount rate of 4.00%. The deferred inflow is amortized on a straight-line basis over the term of the lease. As of June 30, 2022 and 2021, deferred inflows were reported at \$50,928 and \$94,581, respectively.

Future payments to be received and deferred inflows as of June 30, 2022, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Deferred Inflows</u>
2023	\$ 48,074	982	49,056	\$ (43,653)
2024	8,194	29	8,223	(7,275)
Total	56,268	1,011	57,279	\$ (50,928)
Current	(48,074)			
Non-current	\$ 8,194			

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(3) Leases Receivable, continued

T-Mobile – SF1943

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

Following the provisions set forth by *GASB Statement No. 87*, the District recorded a lease receivable and a deferred inflow at present value using a discount rate of 4.00%. The deferred inflow is amortized on a straight-line basis over the term of the lease. As of June 30, 2022 and 2021, deferred inflows were reported at \$42,555 and \$79,030, respectively.

Future payments to be received and deferred inflows as of June 30, 2022, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Deferred Inflows</u>
2023	\$ 40,146	820	40,966	\$ (36,476)
2024	6,842	24	6,866	(6,079)
Total	46,988	844	47,832	\$ (42,555)
Current	(40,146)			
Non-current	\$ 6,842			

Crown – 147386

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

Following the provisions set forth by *GASB Statement No. 87*, the District recorded a lease receivable and a deferred inflow at present value using a discount rate of 4.00%. The deferred inflow is amortized on a straight-line basis over the term of the lease. As of June 30, 2022 and 2021, deferred inflows were reported at \$104,224 and \$137,137, respectively.

Future payments to be received and deferred inflows as of June 30, 2022, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Deferred Inflows</u>
2023	\$ 33,844	2,788	36,632	\$ (32,913)
2024	35,563	1,801	37,364	(32,913)
2025	37,348	764	38,112	(32,913)
2026	6,413	23	6,436	(5,485)
Total	113,168	5,376	118,544	\$ (104,224)
Current	(33,844)			
Non-current	\$ 79,324			

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(3) Leases Receivable, continued

Crown – 150104 b & a

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

Following the provisions set forth by *GASB Statement No. 87*, the District recorded a lease receivable and a deferred inflow at present value using a discount rate of 4.00%. The deferred inflow is amortized on a straight-line basis over the term of the lease. As of June 30, 2022 and 2021, deferred inflows were reported at \$161,970 and \$21,971, respectively.

Future payments to be received and deferred inflows as of June 30, 2022, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Deferred Inflows</u>
2023	\$ 32,404	4,227	36,631	\$ (34,708)
2024	34,082	3,282	37,364	(34,708)
2025	35,824	2,288	38,112	(34,708)
2026	35,984	1,261	37,245	(34,708)
2027	24,726	266	24,992	(23,138)
Total	163,020	11,324	174,344	\$ (161,970)
Current	(32,404)			
Non-current	\$ 130,616			

Verizon

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

Following the provisions set forth by *GASB Statement No. 87*, the District recorded a lease receivable and a deferred inflow at present value using a discount rate of 4.00%. The deferred inflow is amortized on a straight-line basis over the term of the lease. As of June 30, 2022 and 2021, deferred inflows were reported at \$68,936 and \$98,795, respectively.

Future payments to be received and deferred inflows as of June 30, 2022, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Deferred Inflows</u>
2023	\$ 31,932	1,704	33,636	\$ (30,398)
2024	33,694	770	34,464	(30,398)
2025	8,617	41	8,658	(7,600)
Total	74,243	2,515	76,758	\$ (68,396)
Current	(31,932)			
Non-current	\$ 42,311			

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(4) Capital Assets

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

	<u>As Restated 2021</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2022</u>
Non-depreciable assets:				
Land	\$ 574,372	-	-	574,372
Construction-in-process	3,654,595	6,974,666	(1,546,376)	9,082,885
Total non-depreciable assets	<u>4,228,967</u>	<u>6,974,666</u>	<u>(1,546,376)</u>	<u>9,657,257</u>
Depreciable and amortizable assets:				
Source of supply	401,040	-	-	401,040
Transmission and distribution	19,604,200	161,374	-	19,765,574
Pump station – Crystal Springs	26,172,476	-	-	26,172,476
Treatment plants	12,590,950	305,283	-	12,896,233
Well field and tanks	4,459,150	-	-	4,459,150
Pipelines and meters	22,983,100	265,734	-	23,248,834
Buildings and structures	1,258,882	163,432	-	1,422,314
Vehicles	984,745	412,705	(43,507)	1,353,943
Furniture and equipment	2,579,192	230,004	(18,758)	2,790,438
Leased equipment	42,465	-	-	42,465
Total depreciable and amortizable assets	<u>91,076,200</u>	<u>1,538,532</u>	<u>(62,265)</u>	<u>92,552,467</u>
Accumulated depreciation and amortization:				
Depreciable assets	(37,747,822)	(2,498,637)	54,610	(40,191,849)
Amortizable assets	(18,408)	(8,496)	-	(26,904)
Total accumulated depreciation and amortization:	<u>(37,766,230)</u>	<u>(2,507,133)</u>	<u>54,610</u>	<u>(40,218,753)</u>
Total depreciable assets, net	<u>53,309,970</u>	<u>(968,601)</u>	<u>(7,655)</u>	<u>52,333,714</u>
Total capital assets, net	\$ <u>57,538,937</u>	<u>6,006,065</u>	<u>(1,554,031)</u>	<u>61,990,971</u>

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

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(4) Capital Assets, continued

Changes in capital assets for the year ended June 30, 2021 were as follows:

	<u>As Restated 2020</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>As Restated 2021</u>
Non-depreciable assets:				
Land	\$ 160,612	413,760	-	574,372
Construction-in-process	2,551,642	2,631,180	(1,528,227)	3,654,595
Total non-depreciable assets	<u>2,712,254</u>	<u>3,044,940</u>	<u>(1,528,227)</u>	<u>4,228,967</u>
Depreciable and amortizable assets:				
Source of supply	401,040	-	-	401,040
Transmission and distribution	19,531,529	72,671	-	19,604,200
Pump station – Crystal Springs	26,172,476	-	-	26,172,476
Treatment plants	11,519,523	1,071,427	-	12,590,950
Well field and tanks	4,374,574	84,576	-	4,459,150
Pipelines and meters	22,821,216	210,020	(48,136)	22,983,100
Buildings and structures	1,217,129	41,753	-	1,258,882
Vehicles	984,745	-	-	984,745
Furniture and equipment	2,544,783	34,409	-	2,579,192
Leased equipment	42,465	-	-	42,465
Total depreciable and amortizable assets	<u>89,609,480</u>	<u>1,514,856</u>	<u>(48,136)</u>	<u>91,076,200</u>
Accumulated depreciation and amortization:				
Depreciable assets	(35,361,656)	(2,420,621)	34,455	(37,747,822)
Amortizable assets	(9,912)	(8,496)	-	(18,408)
Total accumulated depreciation and amortization:	<u>(35,371,568)</u>	<u>(2,429,117)</u>	<u>34,455</u>	<u>(37,766,230)</u>
Total depreciable assets, net	<u>54,237,912</u>	<u>(914,261)</u>	<u>(13,681)</u>	<u>53,309,970</u>
Total capital assets, net	\$ <u>56,950,166</u>	<u>2,130,679</u>	<u>(1,541,908)</u>	<u>57,538,937</u>

Major changes to capital assets in 2021 consisted primarily of additions of \$1,071,427 in upgrades to treatment plants, \$210,020 in additions to pipelines and meters, \$84,576 in upgrades to well field and tanks, \$72,671 in upgrades to transmission and distribution, \$41,753 in upgrades to buildings and structures, and \$34,409 in additions to furniture and equipment. Major deletions include \$1,528,227 in transfers from construction in progress to depreciable assets and \$48,136 in disposals of pipelines and meters.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(5) Compensated Absences

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

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

Changes to compensated absences for the year ended June 30, 2021 were as follows:

<u>Balance</u> <u>2020</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance</u> <u>2021</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
\$ 217,587	201,571	(168,543)	250,615	62,654	187,961

(6) Long-term Debt

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

Long-term debt:	<u>As Restated</u> <u>2021</u>	<u>Additions</u>	<u>Payments</u>	<u>As Restated</u> <u>2022</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
Lease payable:						
Ray Morgan Company	\$ 24,791	-	(8,532)	16,259	8,779	7,480
Total lease payable	24,791	-	(8,532)	16,259	8,779	7,480
Loans payable:						
CIEDB Installment Loan – 2011	\$ 5,276,693	-	(188,201)	5,088,492	193,452	4,895,040
CIEDB Installment Loan – 2016	5,138,818	-	(132,991)	5,005,827	137,565	4,868,262
JP Morgan Chase Bank NA	4,419,679	-	(313,677)	4,106,002	323,617	3,782,385
First Foundation Public Finance	-	7,071,903	-	7,071,903	346,046	6,725,857
Total loans payable	14,835,190	7,071,903	(634,869)	21,272,224	1,000,680	20,271,544
Long-term debt	\$ 14,859,981	7,071,903	(643,401)	21,288,483	1,009,459	20,279,024

Changes in long-term debt amounts for the year ended June 30, 2021 were as follows:

Long-term debt:	<u>As Restated</u> <u>2020</u>	<u>Additions</u>	<u>Payments</u>	<u>As Restated</u> <u>2021</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
Lease payable:						
Ray Morgan Company	\$ 33,084	-	(8,293)	24,791	8,532	16,259
Total lease payable	33,084	-	(8,293)	24,791	8,532	16,259
Loans payable:						
CIEDB Installment Loan – 2011	\$ 5,459,785	-	(183,092)	5,276,693	188,201	5,088,492
CIEDB Installment Loan – 2016	5,267,386	-	(128,568)	5,138,818	132,991	5,005,827
First Foundation Public Finance	4,722,963	-	(303,284)	4,419,679	313,677	4,106,002
Total loans payable	15,450,134	-	(614,944)	14,835,190	634,869	14,200,321
Long-term debt	\$ 15,483,218	-	(623,237)	14,859,981	643,401	14,216,580

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(6) Long-term Debt, continued

Ray Morgan Company – Equipment Lease

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

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

Annual lease payments are as follows:

<u>Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$	8,779	349	9,128
2024		7,480	98	7,578
Total		16,259	447	16,706
Current		(8,779)		
Long-term	\$	7,480		

CEIDB Installment Loan – 2011

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

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

Future remaining debt service payments are as follows:

<u>Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$	193,452	142,056	335,508
2024		198,849	136,494	335,343
2025		204,397	116,687	321,084
2026		210,099	111,423	321,523
2027		215,961	106,012	321,974
2028-2032		1,173,619	443,463	1,617,083
2033-2037		1,346,733	283,663	1,630,396
2038-2042		1,545,382	100,291	1,645,673
Total		5,088,492	1,440,091	6,528,583
Current		(193,452)		
Long-term	\$	4,895,040		

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(6) Long-term Debt, continued

CEIDB Installment Loan – 2016

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

Future remaining debt service payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 137,565	169,834	307,399
2024	142,298	165,021	307,319
2025	147,193	160,041	307,234
2026	152,256	154,891	307,147
2027	157,494	149,563	307,057
2028-2032	872,561	661,261	1,533,822
2033-2037	1,033,327	497,728	1,531,055
2038-2042	1,223,716	304,065	1,527,781
2043-2046	1,139,417	80,048	1,219,465
Total	5,005,827	<u>2,342,452</u>	<u>7,348,279</u>
Current	<u>(137,565)</u>		
Long-term	\$ <u>4,868,262</u>		

JP Morgan Chase Loan – 2018

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

Future remaining debt service payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 323,617	112,410	436,027
2024	334,197	103,036	437,233
2025	339,384	93,437	432,821
2026	349,256	83,624	432,880
2027	363,716	73,464	437,180
2028-2032	1,968,492	204,355	2,172,847
2033	427,340	6,090	433,430
Total	4,106,002	<u>676,416</u>	<u>4,782,418</u>
Current	<u>(323,617)</u>		
Long-term	\$ <u>3,782,385</u>		

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(6) Long-term Debt, continued

First Foundation Public Finance– 2022

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

Future remaining debt service payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 346,046	149,464	495,510
2024	270,531	146,970	417,501
2025	276,564	140,870	417,434
2026	282,731	134,634	417,365
2027	289,036	128,259	417,295
2028-2032	1,544,786	540,577	2,085,363
2033-2037	1,724,884	358,470	2,083,354
2038-2042	1,925,980	155,132	2,081,112
2043	411,345	4,586	415,931
Total	7,071,903	<u>1,758,962</u>	<u>8,830,865</u>
Current	<u>(346,046)</u>		
Long-term	\$ <u>6,725,857</u>		

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

General Information about the OPEB Plan

Plan Description

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

Benefits Provided

To be eligible for retiree health benefits, an employee must retire from the District on or after age 55 with at least 15 years of continuous service. Dependents are also eligible to receive benefits. Retirees may enroll in any plan available through the District’s ACWA-JPIA (Association of California Water Agencies Joint Powers Insurance Authority) Medical Program. The District provides coverage of single-party medical and vision premiums for life and dental benefits until age 65. Employees hired after November 14, 2006 and before November 1, 2008, will receive 50% of the benefits coverage offered. Employees hired after November 1, 2008, are not eligible for post-employment health benefits.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

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

Employees Covered by Benefit Terms

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

	2022	2021
Active plan members	8	8
Retirees and beneficiaries receiving benefits	8	9
Total Plan membership	16	17

Contributions

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

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

	2022	2021
Contributions – employer	\$ 56,080	59,118

As of June 30 2022 and 2021, employer OPEB contributions of \$56,080 and \$59,118 will be and were recognized as a reduction of total OPEB liability in the fiscal years ended June 30, 2023 and 2022, respectively.

Total OPEB Liability

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

	2022	2021
Total OPEB liability	\$ 2,643,416	2,568,827

The District's total OPEB liability was measured as of June 30, 2022 and 2021, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of June 30, 2020, respectively. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

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

Changes in the Total OPEB Liability

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

	June 30, 2022	June 30, 2021
Balance at beginning of year	\$ 2,568,827	2,318,227
Changes for the year:		
Service cost	75,384	42,880
Interest	56,548	80,847
Employer contributions	(59,118)	(53,593)
Expected minus actual payments	(13,149)	(5,915)
Experience (gains)/losses	-	(60,712)
Assumption changes	14,924	247,093
Net changes	74,589	250,600
Balance at end of year	\$ 2,643,416	2,568,827

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

For the fiscal years ended June 30, 2022 and 2021, the District recognized OPEB expense of \$124,926 and \$113,341, respectively.

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

Description	June 30, 2022		June 30, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to the measurement date at June 30	\$ 56,080	-	59,118	-
Net change in assumptions	67,361	-	154,656	-
Experience (gains)/losses	-	(35,556)	-	(131,612)
Total	\$ 123,441	(35,556)	213,774	(131,612)

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

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

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

As of June 30, 2022, the District recognized other amounts reported by the Plan actuarial as deferred outflows of resources and deferred inflows of resources related to the total OPEB liability. OPEB related amounts will be recognized as OPEB expense as follows.

Fiscal Year Ending June 30,	Deferred Net Outflows / (Inflows) of Resources
2023	\$ 31,296
2024	509

Actuarial Assumptions

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

Inflation	2022 – 2.50 percent 2021 – 2.75 percent
Salary increases	2.75 percent
Discount rate	2022 – 2.16 percent 2021 – 2.20 percent
Healthcare cost trend rates	4.00 percent per year
Retirees' share of benefit-related costs	100 percent of projected health insurance premiums for retirees at age 55 with a minimum 15 years of service who were hired prior to November 15, 2006. 50 percent of projected health insurance premiums for retirees at age 55 with a minimum 15 years of service who were hired after November 14, 2006 and before November 1, 2008.

Discount Rate

As of the measurement dates June 30, 2021 and 2020, the discount rate used to measure the total OPEB liability was 2.16 percent and 2.20 percent, respectively. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

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

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

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

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

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

At June 30, 2021, the discount rate comparison was the following:

		Discount Rate - 1% (1.20%)	Current Discount Rate (2.20%)	Discount Rate + 1% (3.20%)
District's total OPEB liability	\$	<u>2,960,956</u>	<u>2,568,827</u>	<u>2,249,883</u>

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

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

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

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

At June 30, 2021 the healthcare cost trend rate comparison was the following:

		1% Decrease (3.00% decreasing to 2.00%)	Healthcare Cost Trend Rates (4.00% decreasing to 3.00%)	1% Increase (5.00% decreasing to 4.00%)
District's total OPEB liability	\$	<u>2,200,735</u>	<u>2,568,827</u>	<u>3,029,048</u>

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

See page 52 for the Required Supplementary Information.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(8) Defined Benefit Pension Plan

Plan Description

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

Benefits Provided

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

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

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

	Miscellaneous Plan		
	Classic	New Classic	PEPRA
Hire date	Prior to August 14, 2010	On or after August 14, 2010, and prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.5% @ 55	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	55 - 60	55 - 60	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.5% to 2.4%	1.0% to 2.5%
2022:			
Required employee contribution rates	7.96%	6.92%	7.25%
Required employer contribution rates	12.99%	9.30%	7.73%
2021:			
Required employee contribution rates	7.953%	6.918%	7.250%
Required employer contribution rates	13.146%	9.442%	7.874%

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(8) Defined Benefit Pension Plan, continued

Contributions

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

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

		Miscellaneous Plan	
		2022	2021
Contributions – employer	\$	527,859	480,383

Net Pension Liability

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

		Proportionate Share of Net Pension Liability	
		2022	2021
Miscellaneous Plan	\$	2,413,000	3,955,422

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, 2021 and 2020, 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, 2020 and 2019, rolled forward to June 30, 2021 and 2020, respectively, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's change in the proportionate share of the pension liability for the District's Plan as of the fiscal year ended June 30, were as follows:

		Miscellaneous Plan	
		2022	2021
Proportion – beginning of year		0.03635%	0.03746%
Proportion – end of year		0.04462%	0.03635%
Change – Increase (Decrease)		0.00827%	-0.00111%

Deferred Pension Outflows (Inflows) of Resources

As of June 30, 2022 and 2021, the District recognized pension expense of \$1,095,370 and \$693,541, respectively.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(8) Defined Benefit Pension Plan, continued

Deferred Pension Outflows (Inflows) of Resources, continued

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

<u>Description</u>	<u>June 30, 2022</u>		<u>June 30, 2021</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 527,859	-	480,383	-
Net difference between actual and expected experience	270,592	-	203,834	-
Net change in assumptions	-	-	-	(28,212)
Net difference between projected and actual earnings on plan investments	-	(2,106,420)	117,502	-
Net difference between actual contribution and proportionate share of contribution	12,423	-	112,933	-
Net adjustment due to differences in proportions of net pension liability	-	(78,890)	-	(150,943)
Total	<u>\$ 810,874</u>	<u>(2,185,310)</u>	<u>914,652</u>	<u>(179,155)</u>

As of June 30 2022 and 2021, employer pension contributions of \$527,859 and \$480,383, reported as deferred outflows of resources related to contributions subsequent to the measurement date will be and was recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2023 and 2022, respectively.

As of June 30, 2022, the District recognized other amounts reported by the Plan actuarial as deferred outflows of resources and deferred inflows of resources related to the pension liability. Pension related amounts will be recognized as pension expense as follows.

<u>Fiscal Year Ending June 30,</u>	<u>Deferred Net Outflows / (Inflows) of Resources</u>
2023	\$ (404,790)
2024	(448,473)
2023	(473,090)
2026	(575,942)

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(8) Defined Benefit Pension Plan, continued

Actuarial Assumptions

The total pension liability in the June 30, 2021 and 2020, actuarial valuation report was determined using the following actuarial assumptions:

Valuation Date	June 30, 2020 and 2019
Measurement Date	June 30, 2021 and 2020
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Investment Rate of Return	7.50 % Net of pension plan investment and administrative expenses; includes inflation
Mortality Rate Table*	Derived using CalPERS' Membership Data for all Funds
Period upon which actuarial Experience Survey assumptions were based	2021 and 2020 – 1997–2015
Post Retirement Benefit	Contract COLA up to 2.50% until purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter

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

Discount Rate

The discount rate used to measure the total pension liability was 7.15% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, the amortization and smoothing periods recently adopted by CalPERS were utilized. The crossover test was performed for a miscellaneous agent plan and a safety agent plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments.

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

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

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(8) Defined Benefit Pension Plan, continued

Discount Rate, continued

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

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

As of June 30, 2021 the target allocation and the long-term expected real rate of return by asset class were as follows:

<u>Asset Class</u>	<u>Strategic Allocation</u>	<u>Real Return Years 1-10*</u>	<u>Real Return Year 11+**</u>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	<u>100%</u>		

* An expected inflation of 2.00% used for this period

** An expected inflation of 2.92% used for this period

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

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

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

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

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(8) Defined Benefit Pension Plan, continued

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

At June 30, 2021 the discount rate comparison was the following:

	Discount Rate – 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
District's Net pension liability	\$ 5,818,882	3,955,422	2,415,704

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See pages 53 and 54 for the Required Supplementary Information.

Payable to the Pension Plan

At June 30, 2022 and 2021, the District reported no payables for the outstanding amount of contribution to the pension plan, respectively.

(9) Net Investment in Capital Assets

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

	2022	As Restated 2021
Capital assets:		
Capital assets – not being depreciated	\$ 9,657,257	4,228,967
Capital assets, net – being depreciated and amortized	52,333,714	53,309,970
Current:		
Leases payable	(8,779)	(8,532)
Loans payable	(1,000,680)	(634,869)
Non-current:		
Leases payable	(7,480)	(16,259)
Loans payable	(20,271,544)	(14,200,321)
Total net investment in capital assets	\$ 40,702,488	42,678,956

(10) Restricted Net Position

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

	2022	As Restated 2021
Restricted – cash and cash equivalents	\$ 200,382	32,081
Restricted – rate stabilization	250,000	250,000
Total restricted net position	\$ 450,382	282,081

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(11) Unrestricted Net Position

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

	2022	As Restated 2021
Non-spendable net position:		
Materials and supplies inventory	\$ 228,322	177,096
Water-in-storage inventory	35,130	44,774
Prepaid expenses and other deposits	249,253	178,998
Total non-spendable net position	512,705	400,868
Spendable net position are designated as follows:		
Unrestricted	9,760,930	5,730,565
Total spendable net position	9,760,930	5,730,565
Total unrestricted net position	\$ 10,273,635	6,131,433

(12) Adjustments to Net Position

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

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

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

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(12) Adjustments to Net Position, continued

The adjustments to net position were as follows:

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

(13) Deferred Compensation Savings Plan

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

Federal law requires deferred compensation assets to be held in trust with The Variable Annuity Life Insurance Company (VALIC) and Mass Mutual for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors. The total market value of all plan assets held in trust at June 30, 2022 and 2021, was \$1,909,363 and \$2,139,945, respectively.

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

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(14) Risk Management

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

At June 30, 2022, the District participates in the ACWA/JPIA pooled programs for liability, property, and workers' compensation programs as follows:

- General and auto liability, public officials and employees' errors and omissions: The ACWA/JPIAs total risk financing self-insurance limits of \$5,000,000 per occurrence. The ACWA/JPIA purchased additional excess coverage layers: \$50 million for general, auto and public officials liability, which increases the limits on the insurance coverage noted above.

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

- Crime coverage up to \$100,000 per loss includes public employee dishonesty, depositor's forgery or alteration, theft, computer and funds transfer fraud coverage's, subject to \$1,000 deductible per loss.
- Property loss is paid at the replacement cost for property on file, if replaced within two years after the loss, otherwise paid on an actual cash value basis, to a combined total of \$500 million per loss, subject to a \$2,500 deductible per loss. Mobile equipment and vehicles, on file, are paid on actual cost value basis at time of loss and subject to \$1,000 deductible per loss.
- Boiler and machinery coverage for the replacement cost up to \$100 million per occurrence, subject to various deductibles depending on the type of equipment, on file.
- Cyber liability: including cyber-security up to \$5,000,000 aggregate limit. Cyber liability deductible is \$100,000 per incident.
- Workers' compensation coverage up to California statutory limits for all work-related injuries/illnesses covered by California law; a pooled self-insured limit of \$2,000,000. The ACWA/JPIA purchased additional excess coverage layer: \$2,000,000 employer's liability.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ending June 30, 2022, 2021 and 2020. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2022, 2021, and 2020, respectively.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

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

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2022 that have effective dates that may impact future financial presentations.

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

Governmental Accounting Standards Board Statement No. 91

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

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

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

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

Governmental Accounting Standards Board Statement No. 92

In January 2020, the GASB issued Statement No. 92 – *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

The requirements of this Statement were as follows: (1) The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance; (2) The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020; (3) The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020; and (4) The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged and is permitted by topic.

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

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

Governmental Accounting Standards Board Statement No. 93

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

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

Governmental Accounting Standards Board Statement No. 94

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

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

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

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

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

Governmental Accounting Standards Board Statement No. 96

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

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

Governmental Accounting Standards Board Statement No. 97

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

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

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

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

Governmental Accounting Standards Board Statement No. 99

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

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

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

Governmental Accounting Standards Board Statement No. 100

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

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

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

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

Coastside County Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

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

Governmental Accounting Standards Board Statement No. 101

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

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

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

(16) Commitments and Contingencies

Construction Contracts

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

Litigation

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

(17) Subsequent Events

Events occurring after June 30, 2022, have been evaluated for possible adjustment to the financial statements or disclosure as of January 10, 2023, which is the date the financial statements were available to be issued.

Required Supplementary Information

Final Draft

Final Draft

Coastside County Water District
Schedules of Changes in the District's Total OPEB Liability and Related Ratios
As of June 30, 2022
Last Ten Years*

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

Methods and Assumptions Used to

Determine Contribution Rates:

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

(1) Level percentage of payroll, closed

(2) 2017 CalPERS OPEB Assumption Model (2021)
2014 CalPERS OPEB Assumption Model (2020 – 2018)

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

Coastside County Water District
Schedules of the District's Proportionate Share of the Net Pension Liability
As of June 30, 2022
Last Ten Years*

Description	Measurement Dates							
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability	0.04462%	0.03635%	0.03746%	0.03848%	0.03951%	0.04102%	0.04484%	0.04212%
District's proportionate share of the net pension liability	\$ 2,413,000	3,955,422	3,838,142	3,708,081	3,917,927	3,955,422	3,077,582	2,620,900
District's covered payroll	\$ 2,224,572	2,177,776	2,330,675	1,990,577	1,939,509	1,885,311	1,689,259	1,562,529
District's proportionate share of the net pension liability as a percentage of its covered payroll	108.47%	181.63%	164.68%	186.28%	202.01%	209.80%	182.19%	167.73%
District's fiduciary net position as a percentage of the district's total pension liability	84.33%	71.75%	72.87%	71.99%	69.62%	69.14%	71.67%	76.34%

Notes To Schedule:

There were no changes in benefits.

Changes in Assumptions:

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

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

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

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

There were no changes in assumptions.

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

The discount rate was reduced from 7.65% to 7.15%

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

The inflation rate was reduced from 2.75% to 2.50%

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

There were no changes in assumptions.

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

There were no changes in assumptions.

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

There were no changes in assumptions.

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

**Coastside County Water District
Schedules of Pension Plan Contributions
As of June 30, 2022
Last Ten Years***

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

Notes To Schedule:

Valuation date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Methods and assumptions used to determine contribution rates:								
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	15 Year Smoothed Market Method
Inflation	2.50%	2.50%	2.63%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment rate of return	7.15% (3)	7.00% (3)	7.25% (3)	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed.

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

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

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

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

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

< Page Intentionally Left Blank >

Final Draft

Report on Internal Controls and Compliance

Final Draft

Final Draft

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Coastside County Water District (District) as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprises the District’s basic financial statements, and have issued our report thereon dated January 10, 2023.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Purpose of this Report

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

Fedak & Brown LLP
Cypress, California
January 10, 2023

Final Draft

Coastside County Water District

Management Report

June 30, 2022

Final Draft

Coastside County Water District

Management Report

Table of Contents

<u>Item</u>	<u>Page No.</u>
General Introduction	1
Summary of Current Year Comments and Recommendations	1
Summary of Prior Year Comments and Recommendations	2
Appendix:	
Audit/Finance Committee Letter	1-4
Schedule of Audit Adjusting Entries	5-12

Final Draft

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

Dear Members of the Board:

In planning and performing our audit of the financial statements of Coastside County Water District (District) as of and for the years ended June 30, 2022 and 2021, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

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

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

Current Year Comment and Recommendation

Disclosure of Audit Adjustments and Reclassifications

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

Management's Response

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

Prior Year Comment and Recommendation

Disclosure of Audit Adjustments and Reclassifications

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

Management's Response

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

* * * * *

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

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

APPENDIX

Coastside County Water District

Audit/Finance Committee Letter

June 30, 2022

Final Draft

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

We have audited the financial statements of the business-type activities, of the Coastside County Water District (District) for the years ended June 30, 2022 and 2021. and have issued our report thereon dated January 10, 2023. 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 July 8, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

If any, we have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated January 10, 2023.

Planned Scope and Timing of the Audit

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

Compliance with All Ethics Requirements Regarding Independence

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

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

Required Risk Assessment Procedures per Auditing Standards:

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

- Management override of controls
- Revenue recognition

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. As of and for the year ended June 30, 2022, the District implemented the provisions of *GASB Statement No. 87 – Leases*. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

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

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

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

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

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

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

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

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

Significant Accounting Estimates, continued

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

Significant Unusual Transactions

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

Identified or Suspected Fraud

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

Significant Difficulties Encountered during the Audit

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

Uncorrected and Corrected Misstatements

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

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached schedule on pages 5 through 12 discloses all material misstatements that we identified as a result of our audit procedures that were brought to the attention of, and corrected by, management.

Disagreements with Management

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

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

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

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated January 10, 2023.

Management's Consultations with Other Accountants

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

Other Significant Matters, Findings, or Issues

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

Other Matters

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

Restriction on Use

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

Conclusion

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

Fedak & Brown LLP

Cypress, California

January 10, 2023

Coastside County Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2022

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
AJE - To adjust net position to prior year ending per issued FS.			
1-5687-00	Membership, Dues, Subscript.	17.00	
1-3030-0000	Surplus Unappropriated		17.00
Total		<u>17.00</u>	<u>17.00</u>
Adjusting Journal Entries JE # 2			
GASB 68 Entry #1 - To reclassify 2021 contributions to NPL at June 30, 2022.			
1-2542-0000	Net Pension Liability	480,383.00	
1-1450-0000	Deferred Outflows - Pension		480,383.00
Total		<u>480,383.00</u>	<u>480,383.00</u>
Adjusting Journal Entries JE # 3			
GASB 68 Entry #2 - To reclassify 2022 contributions to Deferred Outflows of Resources at June 30, 2022.			
1-1450-0000	Deferred Outflows - Pension	527,859.00	
1-5441-00	GASB 68 Contra Contributions		269,208.00
1-5441-01	GASB 68 Contra Contributions		116,129.00
1-5441-02	GASB 68 Contra Contributions		142,522.00
Total		<u>527,859.00</u>	<u>527,859.00</u>
Adjusting Journal Entries JE # 4			
GASB 68 Entry #3 - To record changes in pension liability during FY20/21 at June 30, 2022.			
1-1450-0000	Deferred Outflows - Pension	256,206.00	
1-2542-0000	Net Pension Liability	1,062,039.00	
1-2560-0000	Deferred Inflows - Pension	10,849.00	
1-2560-0000	Deferred Inflows - Pension	117,502.00	
1-5442-00	GASB 68 CY (Income) Expense	823,773.00	
1-5442-01	GASB 68 CY (Income) Expense	355,354.00	
1-5442-02	GASB 68 CY (Income) Expense	436,115.00	
1-1450-0000	Deferred Outflows - Pension		30,365.00
1-1450-0000	Deferred Outflows - Pension		117,502.00
1-2560-0000	Deferred Inflows - Pension		34,261.00
1-2560-0000	Deferred Inflows - Pension		2,879,710.00
Total		<u>3,061,838.00</u>	<u>3,061,838.00</u>
Adjusting Journal Entries JE # 5			
GASB 68 Entry #4 - To record changes in the deferred outflows and deferred inflows (amortization) during FY20/21 at June 30, 2022.			
1-2560-0000	Deferred Inflows - Pension	17,363.00	
1-2560-0000	Deferred Inflows - Pension	106,314.00	
1-2560-0000	Deferred Inflows - Pension	655,788.00	
1-1450-0000	Deferred Outflows - Pension		70,145.00
1-1450-0000	Deferred Outflows - Pension		189,448.00
1-5442-00	GASB 68 CY (Income) Expense		265,135.00
1-5442-01	GASB 68 CY (Income) Expense		114,372.00
1-5442-02	GASB 68 CY (Income) Expense		140,365.00
Total		<u>779,465.00</u>	<u>779,465.00</u>

**Coastside County Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2022**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 6			
GASB 75 Entry #1 - To reclassify 2021 contributions to a reduction in Net OPEB Liability at June 30, 2022.			
1-2541-0000	Net OPEB Obligation	59,118.00	
1-1460-0000	Deferred Outflows - OPEB		59,118.00
Total		<u>59,118.00</u>	<u>59,118.00</u>
Adjusting Journal Entries JE # 7			
GASB 75 Entry #2 - To contra reclassify 2022 contributions for retiree benefits to deferred outflows of resources from expense at June 30, 2022.			
1-1460-0000	Deferred Outflows - OPEB	56,080.00	
1-5451-00	GASB 75 Contributions (Contra)		28,040.00
1-5451-01	GASB 75 Contributions (Contra) - Pumping		11,777.00
1-5451-02	GASB 75 Contributions (Contra)-Trans & Distrib		16,263.00
Total		<u>56,080.00</u>	<u>56,080.00</u>
Adjusting Journal Entries JE # 8			
GASB 75 Entry #3 - To record changes in OPEB liability and related deferrals during FY20/21 in the current year.			
1-1460-0000	Deferred Outflows - OPEB	14,924.00	
1-5452-00	GASB 75 CY (Income) Expense Contra	65,966.00	
1-5452-01	GASB 75 CY (Income) Expense Contra - Pumping	27,706.00	
1-5452-02	GASB 75 CY (Income) Expense Contra - T&S	38,260.00	
1-2541-0000	Net OPEB Obligation		133,707.00
1-2570-0000	Deferred Inflows - OPEB		13,149.00
Total		<u>146,856.00</u>	<u>146,856.00</u>
Adjusting Journal Entries JE # 9			
GASB 75 Entry #4 - To record changes in the deferred outflows and deferred inflows (amortization) at June 30, 2022.			
1-2570-0000	Deferred Inflows - OPEB	109,205.00	
1-1460-0000	Deferred Outflows - OPEB		102,219.00
1-5452-00	GASB 75 CY (Income) Expense Contra		3,493.00
1-5452-01	GASB 75 CY (Income) Expense Contra - Pumping		1,467.00
1-5452-02	GASB 75 CY (Income) Expense Contra - T&S		2,026.00
Total		<u>109,205.00</u>	<u>109,205.00</u>
Adjusting Journal Entries JE # 10			
PPA - GASB 87 - Lessee - To record initial lease asset and liability.			
1-1020-1020	Leased Assets - Equipment	42,465.00	
1-2520-0000	Lease Liability - Equipment		42,465.00
Total		<u>42,465.00</u>	<u>42,465.00</u>

**Coastside County Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2022**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 11			
PPA - GASB 87 - Lessee - Ricoh - To record FY2019 two months of payments and amortization of lease asset and lease liability.			
1-2520-0000	Lease Liability - Equipment	1,321.16	
1-5800-19	Prior period adjustment 2019 - GASB 87	200.14	
1-5800-19	Prior period adjustment 2019 - GASB 87	1,416.00	
1-1160-0000	Accum Amort - Equip Lease		1,416.00
1-5800-19	Prior period adjustment 2019 - GASB 87		1,521.30
Total		<u>2,937.30</u>	<u>2,937.30</u>
Adjusting Journal Entries JE # 12			
PPA - GASB 87 - Lessee - Ricoh - To record FY2020 annual payments and amortization of lease asset and lease liability.			
1-2520-0000	Lease Liability - Equipment	8,059.94	
1-5800-20	Prior period adjustment 2020 - GASB 87	8,496.00	
1-5800-20	Prior period adjustment 2020 - GASB 87	1,067.86	
1-1160-0000	Accum Amort - Equip Lease		8,496.00
1-5800-20	Prior period adjustment 2020 - GASB 87		9,127.80
Total		<u>17,623.80</u>	<u>17,623.80</u>
Adjusting Journal Entries JE # 13			
PPA - GASB 87 - Lessee - Ricoh - To record FY2021 annual payments and amortization of lease asset and lease liability.			
1-2520-0000	Lease Liability - Equipment	8,292.68	
1-5800-21	Prior period adjustment 2021 - GASB 87	8,496.00	
1-5800-21	Prior period adjustment 2021 - GASB 87	835.12	
1-1160-0000	Accum Amort - Equip Lease		8,496.00
1-5800-21	Prior period adjustment 2021 - GASB 87		9,127.80
Total		<u>17,623.80</u>	<u>17,623.80</u>
Adjusting Journal Entries JE # 14			
AJE - GASB 87 - Lessee - Ricoh - To record FY2022 annual payments and amortization of lease asset and lease liability.			
1-2520-0000	Lease Liability - Equipment	8,532.13	
1-5692-00	Interest expense - lease	595.67	
1-5708-00	Amortization Expense	8,496.00	
1-1160-0000	Accum Amort - Equip Lease		8,496.00
1-5620-32	Office - Equipment Leases		9,127.80
Total		<u>17,623.80</u>	<u>17,623.80</u>
Adjusting Journal Entries JE # 15			
PPA - GASB 87 - Lessor - TMobileSF1842 - To record initial lease receivable and deferred inflow.			
1-1395-0000	Leases receivable	181,885.86	
1-1470-0000	Deferred Inflow - Leases		181,885.86
Total		<u>181,885.86</u>	<u>181,885.86</u>

**Coastside County Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2022**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 16			
PPA - GASB 87 - Lessor - T-Mobile SF1842 - To record FY2020 lease revenue, interest, adjust receivable and inflow.			
1-1470-0000	Deferred Inflow - Leases	43,652.61	
1-5800-20	Prior period adjustment 2020 - GASB 87	43,610.82	
1-1395-0000	Leases receivable		38,929.98
1-5800-20	Prior period adjustment 2020 - GASB 87		4,680.84
1-5800-20	Prior period adjustment 2020 - GASB 87		43,652.61
Total		<u>87,263.43</u>	<u>87,263.43</u>
Adjusting Journal Entries JE # 17			
PPA - GASB 87 - Lessor - T-Mobile SF1842 - To record FY2021 lease revenue, interest, adjust receivable and inflow.			
1-1470-0000	Deferred Inflow - Leases	43,652.61	
1-5800-21	Prior period adjustment 2021 - GASB 87	45,355.25	
1-1395-0000	Leases receivable		41,821.37
1-5800-21	Prior period adjustment 2021 - GASB 87		3,533.88
1-5800-21	Prior period adjustment 2021 - GASB 87		43,652.61
Total		<u>89,007.86</u>	<u>89,007.86</u>
Adjusting Journal Entries JE # 18			
AJE - GASB 87 - Lessor - T-Mobile SF1842 - To record FY2022 lease revenue, interest, adjust receivable and inflow.			
1-1470-0000	Deferred Inflow - Leases	43,652.61	
1-4955-00	Cell Site Lease Income	47,169.47	
1-1395-0000	Leases receivable		44,866.95
1-4922-00	Interest Revenue - Leases		2,302.52
1-4956-00	Lease Revenue - GASB 87		43,652.61
Total		<u>90,822.08</u>	<u>90,822.08</u>
Adjusting Journal Entries JE # 19			
PPA - GASB 87 - Lessor - T-MobileSF1943 - To record initial lease receivable and deferred inflow.			
1-1395-0000	Leases receivable	151,980.72	
1-1470-0000	Deferred Inflow - Leases		151,980.72
Total		<u>151,980.72</u>	<u>151,980.72</u>
Adjusting Journal Entries JE # 20			
PPA - GASB 87 - Lessor - T-Mobile SF1943 - To record FY2020 lease revenue, interest, adjust receivable and inflow.			
1-1470-0000	Deferred Inflow - Leases	36,475.37	
1-5800-20	Prior period adjustment 2020 - GASB 87	36,418.54	
1-1395-0000	Leases receivable		32,507.02
1-5800-20	Prior period adjustment 2020 - GASB 87		3,911.52
1-5800-20	Prior period adjustment 2020 - GASB 87		36,475.37
Total		<u>72,893.91</u>	<u>72,893.91</u>

**Coastside County Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2022**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 21			
PPA - GASB 87 - Lessor - T-Mobile SF1943 - To record FY2021 lease revenue, interest, adjust receivable and inflow.			
1-1470-0000	Deferred Inflow - Leases	36,475.37	
1-5800-21	Prior period adjustment 2021 - GASB 87	37,969.76	
1-1395-0000	Leases receivable		35,018.24
1-5800-21	Prior period adjustment 2021 - GASB 87		2,951.52
1-5800-21	Prior period adjustment 2021 - GASB 87		36,475.37
Total		<u>74,445.13</u>	<u>74,445.13</u>
Adjusting Journal Entries JE # 22			
AJE - GASB 87 - Lessor - T-Mobile SF1943 - To record FY2022 lease revenue, interest, adjust receivable and inflow.			
1-1470-0000	Deferred Inflow - Leases	36,475.37	
1-4955-00	Cell Site Lease Income	39,390.31	
1-1395-0000	Leases receivable		37,467.52
1-4922-00	Interest Revenue - Leases		1,922.79
1-4956-00	Lease Revenue - GASB 87		36,475.37
Total		<u>75,865.68</u>	<u>75,865.68</u>
Adjusting Journal Entries JE # 23			
PPA - GASB 87 - Lessor - Crown147386 - To record initial lease receivable and deferred inflow.			
1-1395-0000	Leases receivable	202,963.44	
1-1470-0000	Deferred Inflow - Leases		202,963.44
Total		<u>202,963.44</u>	<u>202,963.44</u>
Adjusting Journal Entries JE # 24			
PPA - GASB 87 - Lessor - Crown 147386 - To record FY2020 lease revenue, interest, adjust receivable and inflow.			
1-1470-0000	Deferred Inflow - Leases	32,912.99	
1-5800-20	Prior period adjustment 2020 - GASB 87	33,677.00	
1-1395-0000	Leases receivable		28,257.17
1-5800-20	Prior period adjustment 2020 - GASB 87		5,419.83
1-5800-20	Prior period adjustment 2020 - GASB 87		32,912.99
Total		<u>66,589.99</u>	<u>66,589.99</u>
Adjusting Journal Entries JE # 25			
PPA - GASB 87 - Lessor - Crown 147386 - To record FY2021 lease revenue, interest, adjust receivable and inflow.			
1-1470-0000	Deferred Inflow - Leases	32,912.99	
1-5800-21	Prior period adjustment 2021 - GASB 87	34,451.32	
1-1395-0000	Leases receivable		29,858.05
1-5800-21	Prior period adjustment 2021 - GASB 87		4,593.27
1-5800-21	Prior period adjustment 2021 - GASB 87		32,912.99
Total		<u>67,364.31</u>	<u>67,364.31</u>

**Coastside County Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2022**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 26			
AJE - GASB 87 - Lessor - Crown 147386 - To record FY2022 lease revenue, interest, adjust receivable and inflow.			
1-1470-0000	Deferred Inflow - Leases	32,912.99	
1-4955-00	Cell Site Lease Income	35,401.56	
1-1395-0000	Leases receivable		31,680.40
1-4922-00	Interest Revenue - Leases		3,721.16
1-4956-00	Lease Revenue - GASB 87		32,912.99
Total		<u>68,314.55</u>	<u>68,314.55</u>
Adjusting Journal Entries JE # 27			
PPA - GASB 87 - Lessor - Crown 150104a - To record initial lease receivable and			
1-1395-0000	Leases receivable	87,882.16	
1-1470-0000	Deferred Inflow - Leases		87,882.16
Total		<u>87,882.16</u>	<u>87,882.16</u>
Adjusting Journal Entries JE # 28			
PPA - GASB 87 - Lessor - Crown 150104a - To record FY2020 lease revenue, interest, adjust receivable and inflow.			
1-1470-0000	Deferred Inflow - Leases	32,955.81	
1-5800-20	Prior period adjustment 2020 - GASB 87	33,677.00	
1-1395-0000	Leases receivable		31,580.17
1-5800-20	Prior period adjustment 2020 - GASB 87		2,096.83
1-5800-20	Prior period adjustment 2020 - GASB 87		32,955.81
Total		<u>66,632.81</u>	<u>66,632.81</u>
Adjusting Journal Entries JE # 29			
PPA - GASB 87 - Lessor - Crown 150104a - To record FY2021 lease revenue, interest, adjust receivable and inflow.			
1-1470-0000	Deferred Inflow - Leases	32,955.81	
1-5800-21	Prior period adjustment 2021 - GASB 87	34,451.32	
1-1395-0000	Leases receivable		33,277.00
1-5800-21	Prior period adjustment 2021 - GASB 87		1,174.32
1-5800-21	Prior period adjustment 2021 - GASB 87		32,955.81
Total		<u>67,407.13</u>	<u>67,407.13</u>
Adjusting Journal Entries JE # 30			
AJE - GASB 87 - Lessor - Crown 150104a - To record FY2022 lease revenue, interest, adjust receivable and inflow.			
1-1470-0000	Deferred Inflow - Leases	21,970.54	
1-4955-00	Cell Site Lease Income	23,271.76	
1-1395-0000	Leases receivable		23,025.00
1-4922-00	Interest Revenue - Leases		246.76
1-4956-00	Lease Revenue - GASB 87		21,970.54
Total		<u>45,242.30</u>	<u>45,242.30</u>

**Coastside County Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2022**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 31			
AJE - GASB 87 - Lessor - Crown150104b - To record initial lease receivable and deferred inflow.			
1-1395-0000	Leases receivable	173,539.07	
1-1470-0000	Deferred Inflow - Leases		173,539.07
Total		<u>173,539.07</u>	<u>173,539.07</u>
Adjusting Journal Entries JE # 32			
AJE - GASB 87 - Lessor - Crown 150104b - To record FY2022 lease revenue, interest, adjust receivable and inflow.			
1-1470-0000	Deferred Inflow - Leases	11,569.27	
1-4955-00	Cell Site Lease Income	12,129.80	
1-1395-0000	Leases receivable		10,518.58
1-4922-00	Interest Revenue - Leases		1,611.22
1-4956-00	Lease Revenue - GASB 87		11,569.27
Total		<u>23,699.07</u>	<u>23,699.07</u>
Adjusting Journal Entries JE # 33			
PPA - GASB 87 - Lessor - Verizon - To record initial lease receivable and deferred inflow.			
1-1395-0000	Leases receivable	159,591.97	
1-1470-0000	Deferred Inflow - Leases		159,591.97
Total		<u>159,591.97</u>	<u>159,591.97</u>
Adjusting Journal Entries JE # 34			
PPA - GASB 87 - Lessor - Verizon - To record FY2020 lease revenue, interest, adjust receivable and inflow.			
1-1470-0000	Deferred Inflow - Leases	30,398.47	
1-5800-20	Prior period adjustment 2020 - GASB 87	31,349.70	
1-1395-0000	Leases receivable		27,152.66
1-5800-20	Prior period adjustment 2020 - GASB 87		4,197.04
1-5800-20	Prior period adjustment 2020 - GASB 87		30,398.47
Total		<u>61,748.17</u>	<u>61,748.17</u>
Adjusting Journal Entries JE # 35			
PPA - GASB 87 - Lessor - Verizon - To record FY2021 lease revenue, interest, adjust receivable and inflow.			
1-1470-0000	Deferred Inflow - Leases	30,398.47	
1-5800-21	Prior period adjustment 2021 - GASB 87	31,733.61	
1-1395-0000	Leases receivable		28,326.34
1-5800-21	Prior period adjustment 2021 - GASB 87		3,407.27
1-5800-21	Prior period adjustment 2021 - GASB 87		30,398.47
Total		<u>62,132.08</u>	<u>62,132.08</u>

**Coastside County Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2022**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 36			
AJE - GASB 87 - Lessor - Verizon - To record FY2022 lease revenue, interest, adjust receivable and inflow.			
1-1470-0000	Deferred Inflow - Leases	30,398.47	
1-4955-00	Cell Site Lease Income	32,451.48	
1-1395-0000	Leases receivable		29,870.16
1-4922-00	Interest Revenue - Leases		2,581.32
1-4956-00	Lease Revenue - GASB 87		30,398.47
Total		<u>62,849.95</u>	<u>62,849.95</u>
	Total Adjusting Journal Entries	<u>7,359,216.37</u>	<u>7,359,216.37</u>
	Total All Journal Entries	<u>7,359,216.37</u>	<u>7,359,216.37</u>

Legend:

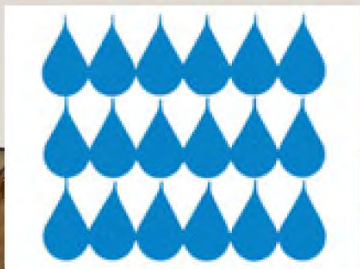
AJE	Audit Adjusting Journal Entry
GASB 68 Entry	Audit Pension Adjusting Journal Entry
GASB 75 Entry	Audit OPEB Adjusting Journal Entry
GASB 87 Entry	Audit Lease Adjusting Journal Entry
PPA	Prior Period Adjusting Journal Entry

Final Draft



Presentation of 2022 Audit Results
Annual Audit FY 2022

Fedak & Brown LLP /
C.J. Brown & Company CPAs



THE REPORTS

Independent Auditor's Report

- **Unmodified “CLEAN” Opinion**

- In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Coastside County Water District as of June 30, 2022....

FINANCIAL HIGHLIGHTS

	2022	As Restated 2021	Change	As Restated 2020	Change
Assets:					
Current assets	\$ 18,741,000	13,642,622	5,098,378	11,753,966	1,888,656
Capital assets, net	<u>61,990,971</u>	<u>57,538,937</u>	<u>4,452,034</u>	<u>56,950,166</u>	<u>588,771</u>
Total assets	<u>80,731,971</u>	<u>71,181,559</u>	<u>9,550,412</u>	<u>68,704,132</u>	<u>2,477,427</u>
Deferred outflows of resources:	<u>934,315</u>	<u>1,128,426</u>	<u>(194,111)</u>	<u>1,099,412</u>	<u>29,014</u>
Liabilities:					
Current liabilities	2,272,395	1,837,111	435,284	1,778,308	58,803
Non-current liabilities	<u>25,585,734</u>	<u>20,928,790</u>	<u>4,656,944</u>	<u>21,179,540</u>	<u>(250,750)</u>
Total liabilities	<u>27,858,129</u>	<u>22,765,901</u>	<u>5,092,228</u>	<u>22,957,848</u>	<u>(191,947)</u>
Deferred inflows of resources:	<u>2,648,939</u>	<u>742,281</u>	<u>1,906,658</u>	<u>990,159</u>	<u>(247,878)</u>
Net position:					
Net investment in capital assets	40,702,488	42,678,956	(1,976,468)	41,466,948	1,212,008
Restricted	450,382	282,081	168,301	370,599	(88,518)
Unrestricted	<u>10,273,635</u>	<u>6,131,433</u>	<u>4,142,202</u>	<u>4,475,566</u>	<u>1,655,867</u>
Total net position	<u>\$ 51,426,505</u>	<u>49,092,470</u>	<u>2,334,035</u>	<u>46,313,113</u>	<u>2,779,357</u>

FINANCIAL HIGHLIGHTS

	<u>2022</u>	<u>As Restated 2021</u>	<u>Change</u>	<u>As Restated 2020</u>	<u>Change</u>
Revenue:					
Operating revenue	\$ 12,682,875	13,416,671	(733,796)	12,881,120	535,551
Non-operating revenue	<u>2,028,989</u>	<u>1,757,616</u>	<u>271,373</u>	<u>1,875,826</u>	<u>(118,210)</u>
Total revenue	<u>14,711,864</u>	<u>15,174,287</u>	<u>(462,423)</u>	<u>14,756,946</u>	<u>417,341</u>
Expense:					
Operating expense	9,559,793	9,466,696	93,097	8,672,212	794,484
Depreciation	2,507,133	2,429,117	78,016	2,266,638	162,479
Non-operating expense	<u>513,334</u>	<u>499,117</u>	<u>14,217</u>	<u>532,788</u>	<u>(33,671)</u>
Total expense	<u>12,580,260</u>	<u>12,394,930</u>	<u>185,330</u>	<u>11,471,638</u>	<u>923,292</u>
Net income before capital contributions	2,131,604	2,779,357	(647,753)	3,285,308	(505,951)
Capital contributions:	<u>202,431</u>	<u>-</u>	<u>202,431</u>	<u>-</u>	<u>-</u>
Change in net position	2,334,035	2,779,357	(445,322)	3,285,308	(505,951)
Net position, beginning of year, as restated	<u>49,092,470</u>	<u>46,313,113</u>	<u>2,779,357</u>	<u>43,027,805</u>	<u>3,285,308</u>
Net position, end of year	<u>\$ 51,426,505</u>	<u>49,092,470</u>	<u>2,334,035</u>	<u>46,313,113</u>	<u>2,779,357</u>

MANAGEMENT REPORT

- **Auditor's communication with those charged with governance (SAS 114)**
- **Communication of control deficiencies (SAS 115)**

MANAGEMENT REPORT

-
- **Our communication with those charged with governance –**
 - **Qualitative Aspects of Accounting Practices**
 - Significant estimates
 - Note disclosures
 - **Difficulties Encountered in Performing the Audit**
 - **Disagreements with Management**
 - **Management Consultations with Other Independent Accountants**

NEW ACCOUNTING PRONOUNCEMENT

GASB 87: recognition of:

- 1. lease receivable (future rental payments to be received) and deferred inflows (future rental income to be earned) for all operating leases over 12 months.**
- 2. Lease assets (right-to-use asset) and liabilities (lease liability) for all operating leases over 12 months.**

Current operating leases:

- 1. Cellular tower leases (T-Mobile, Crown and Verizon); and**
- 2. Copier for Administrative Office**

SUMMARY AND CONCLUSION

In 2022:

- **The District received an unmodified “CLEAN” opinion.**
- **Net position increased by \$2,334,035 as a result of continuing operations.**
- **Total revenues decreased by \$462,423 due primarily to a decrease in water sales.**
- **Total expenses increased by \$185,330 due primarily to an increase in operating expenses and depreciation.**

QUESTIONS



STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, General Manager

Agenda: January 10, 2023

Report

Date: January 6, 2023

Subject: Quarterly Financial Review

Recommendation:

Information Only.

Background:

The attached Period Budget Analysis summarizes year-to-date revenue and expenses for the first six months of Fiscal Year 2022-2023. Key highlights include:

- Year-to-date total revenue is \$418,000 or 5.5% below budget due to:
 - (\$645,000) - Lower revenue than budget due to lower water usage given water conservation/drought response. Although the budget included reduced usage over prior year, water sales in first 6 months were 14% lower than prior year.
 - \$ 131,000 - Higher county tax and ERAF receipts than plan
 - \$ 55,000 - Higher LAIF interest income than plan
 - \$ 24,000 - Higher late fees than plan
 - \$ 14,000 - Higher hydrant sales
 - \$ 3,000 - Other

- Year-to-date total expenses are \$718,000 or 10% below budget. Key cost savings include:
 - \$ 418,000 savings in SFPUC water purchases due to higher use of Denniston local sources and lower water usage due to conservation efforts
 - \$ 143,000 savings in salaries & benefits due to open positions
 - \$ 32,000 lower electricity costs than plan due to lower Crystal Springs/SFPUC water usage
 - \$ 20,000 savings on election expenses
 - \$ 47,000 in timing of maintenance spending
 - \$ 58,000 in timing of other spending including consulting and other services, community outreach and water shortage programs

STAFF REPORT

Agenda: January 10, 2023

Subject: Quarterly Financial Review

Page Two

- In summary, for the first six months of Fiscal Year 2022-2023, the contribution to CIP and Reserves from Operations was \$1,044,000 vs. a plan of \$744,000.

Capital Improvement Projects (CIP)

For the first six months of the 2022-2023 Fiscal Year, the District spent \$3,100,000. Significant project spending included \$1,579,000 for the Grandview Pipeline Replacement Project; \$523,000 for the Nunes Water Treatment Plant Improvement Project; \$370,000 for the Pipeline Replacement Under Pilarcitos Creek from Strawflower to Pilarcitos Avenue/Oak Park; \$118,000 for the Nunes Magnetic Meter Project; \$98,000 for Fire Hydrant Replacements; and \$92,000 for Water Supply Development.

Given supply chain issues with receipt of parts, \$1,500,000 of spending scheduled for Fiscal Year 2022-2023 on the Nunes Water Treatment Plant Improvement Project will be moved to Fiscal Year 2023-2024.

Cash

The current cash balance is at \$14,906,000.

COASTSIDE COUNTY WATER DISTRICT - PERIOD BUDGET ANALYSIS
For Six Months Ending December 31, 2022

ACCOUNT	DESCRIPTION	YTD BUDGET	YTD ACTUAL	Variance Favorable (Unfavorable)	% Variance	Comments
OPERATING REVENUE						
1-0-4120-00	Water Revenue -All Areas	6,753,900.00	6,109,209.64	(644,690.36)	-9.55%	Reflects usage decrease due to drought conservation measures above what was budgeted
1-0-4170-00	Water Taken From Hydrants	24,000.00	38,181.98	14,181.98	59.09%	
TOTAL OPERATING REVENUE		6,777,900.00	6,147,391.62	(630,508.38)	-9.30%	
NON-OPERATING REVENUE						
1-0-4180-00	Late Notice -10% Penalty	24,800.00	48,893.52	24,093.52	97.15%	Late notice fees were reinstated 7.2022
1-0-4230-00	Service Connections	6,000.00	7,628.72	1,628.72	27.15%	
1-0-4920-00	Interest Earned	15,800.00	71,243.99	55,443.99	350.91%	Includes higher interest on LAIF than planned
1-0-4930-00	Tax Apportionments/Cnty Checks	480,000.00	563,267.64	83,267.64	17.35%	County tax receipts higher than budget
1-0-4950-00	Miscellaneous Income	4,000.00	3,046.33	(953.67)	-23.84%	
1-0-4955-00	Cell Site Lease Income	96,000.00	97,050.31	1,050.31	1.09%	
1-0-4965-00	ERAF REFUND -County Taxes	250,000.00	298,227.24	48,227.24	19.29%	County ERAF tax receipts higher than budget
TOTAL NON-OPERATING REVENUE		876,600.00	1,089,357.75	212,757.75	24.27%	
TOTAL REVENUES		7,654,500.00	7,236,749.37	(417,750.63)	-5.46%	
OPERATING EXPENSES						
1-1-5130-00	Water Purchased	1,757,077.00	1,339,085.28	417,991.72	23.79%	Reflects use of local water sources (Denniston) vs. SFPUC. Also reflects lower water sales.
1-1-5230-00	Pump Exp, Nunes T P	24,000.00	27,297.25	(3,297.25)	-13.74%	
1-1-5231-00	Pump Exp, CSP Pump Station	242,000.00	179,797.70	62,202.30	25.70%	Reflects use of local water sources (Denniston) vs. SFPUC.
1-1-5232-00	Pump Exp, Trans. & Dist.	12,600.00	12,887.96	(287.96)	-2.29%	
1-1-5233-00	Pump Exp, Pilarcitos Canyon	23,800.00	20,629.01	3,170.99	13.32%	
1-1-5234-00	Pump Exp. Denniston	15,000.00	44,586.57	(29,586.57)	-197.24%	Reflects use of local water sources (Denniston) vs. SFPUC.
1-1-5242-00	CSP Pump Station Operations	6,000.00	7,674.10	(1,674.10)	-27.90%	
1-1-5243-00	CSP Pump Station Maintenance	17,000.00	6,529.36	10,470.64	61.59%	
1-1-5246-00	Nunes T P Operations	48,000.00	58,939.94	(10,939.94)	-22.79%	
1-1-5247-00	Nunes T P Maintenance	59,000.00	31,578.87	27,421.13	46.48%	
1-1-5248-00	Denniston T.P. Operations	23,000.00	32,915.90	(9,915.90)	-43.11%	
1-1-5249-00	Denniston T.P. Maintenance	70,000.00	99,784.42	(29,784.42)	-42.55%	Reflects pump motor rehab; Higher Calcon instrumentation repairs/upgrades
1-1-5250-00	Laboratory Services	38,000.00	29,065.43	8,934.57	23.51%	
1-1-5260-00	Maintenance -General	188,000.00	175,439.78	12,560.22	6.68%	
1-1-5261-00	Maintenance -Well Fields	34,000.00	0.00	34,000.00	100.00%	Timing
1-1-5263-00	Uniforms	10,000.00	11,302.85	(1,302.85)	-13.03%	
1-1-5318-00	Studies/Surveys/Consulting	82,000.00	83,461.84	(1,461.84)	-1.78%	
1-1-5321-00	Water Resources	13,500.00	4,257.99	9,242.01	68.46%	
1-1-5322-00	Community Outreach	37,000.00	18,636.70	18,363.30	49.63%	
1-1-5325-00	Water Shortage Program	30,000.00	3,829.00	26,171.00	87.24%	
1-1-5381-00	Legal	55,000.00	46,376.88	8,623.12	15.68%	
1-1-5382-00	Engineering	37,800.00	44,003.58	(6,203.58)	-16.41%	
1-1-5383-00	Financial Services	19,000.00	16,710.00	2,290.00	12.05%	
1-1-5384-00	Computer Services	151,000.00	130,276.71	20,723.29	13.72%	Timing
1-1-5410-00	Salaries/Wages-Administration	631,412.00	539,146.08	92,265.92	14.61%	Vacant Assistant GM position
1-1-5411-00	Salaries & Wages -Field	878,846.00	870,556.03	8,289.97	0.94%	
1-1-5420-00	Payroll Tax Expense	111,737.00	90,031.20	21,705.80	19.43%	
1-1-5435-00	Employee Medical Insurance	246,000.00	236,391.02	9,608.98	3.91%	
1-1-5436-00	Retiree Medical Insurance	25,100.00	23,923.81	1,176.19	4.69%	

ACCOUNT	DESCRIPTION	YTD BUDGET	YTD ACTUAL	Variance Favorable (Unfavorable)	% Variance	Comments
1-1-5440-00	Employees Retirement Plan	299,094.00	288,870.59	10,223.41	3.42%	
1-1-5445-00	Supplemental Retirement 401a	0.00	0.00	0.00	0.00%	
1-1-5510-00	Motor Vehicle Expense	39,000.00	40,704.12	(1,704.12)	-4.37%	
1-1-5620-00	Office Supplies & Expense	190,000.00	183,585.19	6,414.81	3.38%	
1-1-5625-00	Meetings / Training / Seminars	21,000.00	26,376.31	(5,376.31)	-25.60%	
1-1-5630-00	Insurance	75,000.00	75,744.38	(744.38)	-0.99%	
1-1-5687-00	Membership, Dues, Subscript.	48,000.00	62,111.45	(14,111.45)	-29.40%	Timing
1-1-5688-00	Election Expenses	20,000.00	0.00	20,000.00	100.00%	No election expenses incurred.
1-1-5689-00	Labor Relations	0.00	0.00	0.00	0.00%	
1-1-5700-00	San Mateo County Fees	13,000.00	12,623.36	376.64	2.90%	
1-1-5705-00	State Fees	5,000.00	2,372.00	2,628.00	52.56%	
TOTAL OPERATING EXPENSES		5,595,966.00	4,877,502.66	718,463.34	12.84%	
CAPITAL ACCOUNTS						
1-1-5715-00	Debt Srvc/CIEDB 11-099 (I-BANK)	273,341.00	273,340.92	0.08	0.00%	
1-1-5716-00	Debt Srvc/CIEDB 2016 (I-BANK)	238,683.00	238,683.17	(0.17)	0.00%	
1-1-5717-00	Chase Bank - 2018 Loan	382,128.00	382,127.53	0.47	0.00%	
1-1-5718-00	First Foundation Bank - 2022	420,517.00	420,517.07	(0.07)	0.00%	
TOTAL CAPITAL ACCOUNTS		1,314,669.00	1,314,668.69	0.31	0.00%	
TOTAL EXPENSES		6,910,635.00	6,192,171.35	718,463.65	10.40%	
CONTRIBUTION TO CIP/RESERVES		743,865.00	1,044,578.02			

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, General Manager

Agenda: January 10, 2023

Date: January 5, 2023

Subject: Award of Contract to Andreini Bros. Inc. for the Poplar Street Water Main Replacement Project

Recommendation:

Authorize the General Manager to enter into a contractual agreement with Andreini Bros. Inc. for \$302,656 to replace the water main on Poplar Street between Main Street and Highway 1 before the City of Half Moon Bay starts the eastern portion of the City’s Poplar Street Traffic Calming and Safety Project.

Background: In an effort to work cooperatively and efficiently with the City of Half Moon Bay, District staff fast tracked a design with EKI for replacement of the water main in Poplar Street between Main Street and Highway 1. The City has received a grant for the Poplar Street Traffic Calming and Safety Project, and the City expects to begin its project in the Summer of 2023. District staff would like to replace its ap. 50 years old 6” cast iron main on this section of Poplar to minimize costs, including paving, and inconvenience with the District’s customers in this neighborhood.

The Poplar Avenue Water Main Replacement Project will include: Installation of: 815 linear feet of 6 inch ductile iron water main, 14 services and one fire hydrant assembly. The District will provide the brass service parts and copper to the contractor to save on markup, and more importantly, to avoid existing supply chain issues. Three bids were solicited for the parts with only one responsive bidder Core and Main. This material cost was ~\$29,900. EKI Environment and Water Inc. prepared the plans and specifications for the work.

Results from the January 4, 2023, bid opening below:

Contractor	Bid Amount
Andreini Bros. Inc.	\$302,656
Casey Construction, Inc,	\$316,100
Golden Bay Construction, Inc.	\$348,705
Koios Engineering Inc.	\$513,100

STAFF REPORT

Agenda: January 10, 2023

Subject: Award of Contract – Poplar Street

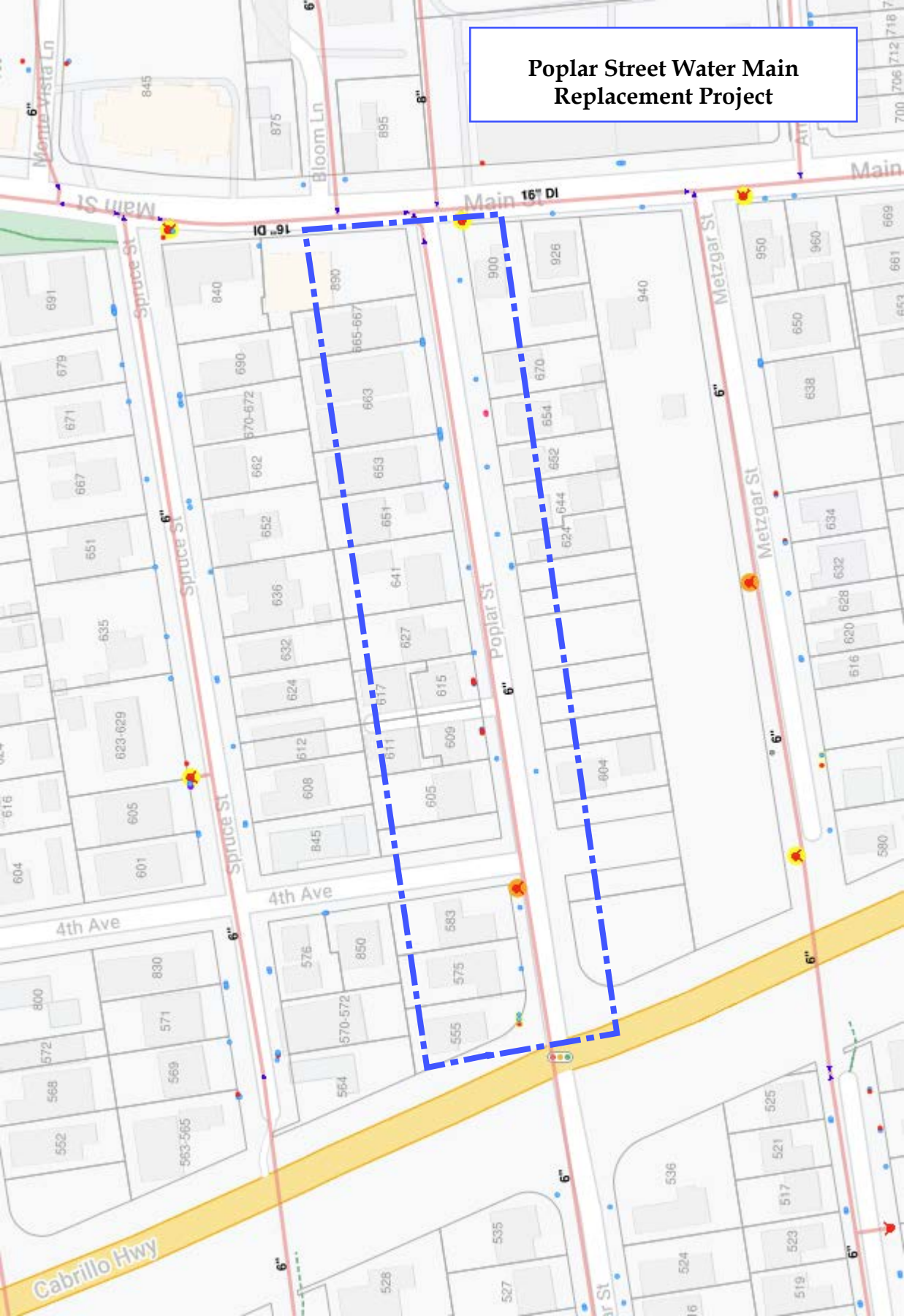
Page Two

Engineer's estimate with the bass parts included was \$311,350.

Fiscal Impact:

The District included \$2M in Years 6-10 of its Capital Improvement Program for replacement of the Poplar Street pipeline. The western section of Poplar Street will be replaced in future years.

Poplar Street Water Main Replacement Project



STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, General Manager

Agenda: January 10, 2023

Report Date: January 6, 2023

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

Recommendation:

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

Background:

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

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

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

STAFF REPORT

Agenda: January 10, 2023

Subject: Coastside County Water District Board Committees

PAGE 2

The paragraphs below provide additional detail on the District's Committees.

Coastside County Water District Standing Committees

Finance Committee

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

Human Resources (Personnel & Recruitment) Committee

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

District Facilities Committee

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

Coastside County Water District Advisory Committees

Urban Water Management Plan (UWMP) Committee

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

Water Reuse Committee

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

Strategic Planning Committee

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

Coastside County Water District External Organization Representatives

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

Association of California Water Agencies (ACWA)

ACWA is the largest statewide coalition of public water agencies in the country. It is a leader on California water issues and a respected voice for its members in both Sacramento and Washington, D.C. ACWA's 450 public agency members are responsible for 90% of the water delivered to communities, farms, and businesses in California. ACWA plays an active role in managing the states' water resources and promoting investments in water use efficiency, water recycling, ground management and desalination. ACWA's membership is organized into ten geographic regions. The regions provide a structure in which members can discuss issues of mutual concern, and based on that interaction, provide representative input to the ACWA Board. The District's ACWA representative typically attends the annual Spring and Fall Conferences and is eligible to vote as the District's voting designee in ACWA elections. A District Board Member may also serve as an ACWA Region 5 Director. President Muller was elected in March 2022 to server as the ACWA Region 5 Director for the remainder of 2022-2023 term.

Association of California Water Agencies Joint Powers Insurance Authority

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

California Special District Association (CSDA)

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

Bay Area Water Supply & Conservation Agency (BAWSCA)

BAWSCA was created on May 27, 2003 to represent the interests of the cities and water districts, and two private utilities located in Alameda, Santa Clara and San Mateo Counties that purchase water on a wholesale basis from the San Francisco Regional Water System. BAWSCA's goals are to ensure a reliable supply of high-quality water at a fair price. The agency is governed by a 27-member Board of Directors comprised of representatives from all BAWSCA agencies. The District's BAWSCA representative must be appointed by Coastside County Water District Board action. The CCWD Board appointed Director Mickelsen in June of 2013, in 2017 and again in 2021 to serve as the BAWSCA representative for the current term through June 30, 2025.

Local Agency Formation Commission (LAFCo)

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

American Water Works Association (AWWA)

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

COASTSIDE COUNTY WATER DISTRICT BOARD COMMITTEES

January 11, 2022

Standing Committees

Finance Committee

Human Resources Committee

District Facilities Committee

Directors

Coverdell, Feldman

Feldman, Muller

Mickelsen, Reynolds

Advisory Committees

Urban Water Management Plan Committee (UWMP)

Water Reuse Committee

Strategic Planning Committee

Directors

Feldman, Mickelsen

Coverdell, Muller

Coverdell, Reynolds

External Organizations

Association of California Water Agencies (ACWA)

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

California Special District Association (CSDA)

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

Local Agency Formation Commission (LAFCo)

American Water Works Association (AWWA)

Directors

Feldman

Feldman

Muller

Mickelsen

Board President *

Reynolds

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

STAFF REPORT

To: Coastside County Water District Board of Directors
From: Mary Rogren, General Manager
Agenda: January 10, 2023
Subject: Appointment of CCWD Board Member Representative Alternate(s) to participate in San Mateo Local Agency Formation Commission (LAFCo) election of officers

Recommendation:

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

Background:

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

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

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

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, General Manager

Agenda: January 10, 2023

Report

Date: January 6, 2023

Subject: General Manager's Report

Recommendation:

Information Only.

Storm Emergency Repairs

During the New Year's Eve storm on 12/31/2022 and the subsequent storms during the week of 1/2/2023, the District sustained damage in Pilarcitos Canyon and on Highway 92, including fallen trees, washed out roads and culverts, and exposed pipe. Staff is still assessing the extent of the damage and repair options and costs.

The District's "Policies and Procedures for Award of Contracts" includes a section entitled "General Manager Waivers - Emergencies" which states the following:

- a. For contracts that require Board approval, the General Manager may waive any or all of the procedural requirements set forth in this policy without prior Board approval in an "emergency". An "emergency" includes, but is not limited to, (1) a breakdown of essential District services, and (2) field conditions that indicate an immediate threat to the public or employee safety or other significant impact to District facilities.

As General Manager, I will be exercising my authority under this section in the coming weeks or so to address the emergency repairs needed. I will coordinate and provide updates with the Board President and provide a full report to the Board at the next Board meeting as required by the Policies and Procedures for Award of Contracts.

MONTHLY REPORT

To: Mary Rogren, General Manager
From: James Derbin, Superintendent of Operations
Agenda: January 10, 2023
Report Date: January 6, 2023

Monthly Highlights

- Grandview Main and services in on schedule to be complete end of January 2023
- Pilarcitos wells on
- Bid opening for Poplar Street Water Main Replacement Project, Andreini Bros. was the low bidder at \$302,656

December Sources: Pilarcitos Lake/Wells, Denniston Reservoir/Wells, Crystal Springs

Projects

Nunes Water Treatment Plant Improvement Project. Ranger work has started again after some lingering supply chain issues.

Ranger was onsite last week performing the following items of work:

- Installation of filter to waste (FTW) pumps and piping.
- Installation of first actuator valve 02-BFV-703.

Work anticipated over the next 30 days include:

- Plant shut down anticipated around 1/10/23 (weather permitting) to facilitate mechanical tie-ins
- Installation of the following: Handrailing per Design Change #8, Electrical work at new sedimentation basin, FTW piping to Rapid Mix chamber, caustic tank and piping, saddle and chemical injector on 8-inch FTW piping, sludge valves and piping, 3-inch valve for work per DC#5, New wharf hydrant, two 12-inch valves on filter backwash supply (FBS) and treated water (TW) lines
- Connect 12-inch FTW to FBS/TW piping
- Replace 12-inch inlet piping and flow meters
- EKI
 - Grandview/Hwy 1 Crossing and Main Replacement project - Estimated completion is end of January 2023
 - Miramontes Point Road - 100% Design under review
- HDR
 - Half Moon Bay Tank replacement project - Plans for replacement of HMB tanks 1&2 at 100% design and under internal review.

STAFF REPORT

To: Board of Directors
From: Cathleen Brennan, Water Resources Analyst
Agenda: January 10, 2023
Report: January 5, 2023
Subject: Water Resources Informational Report

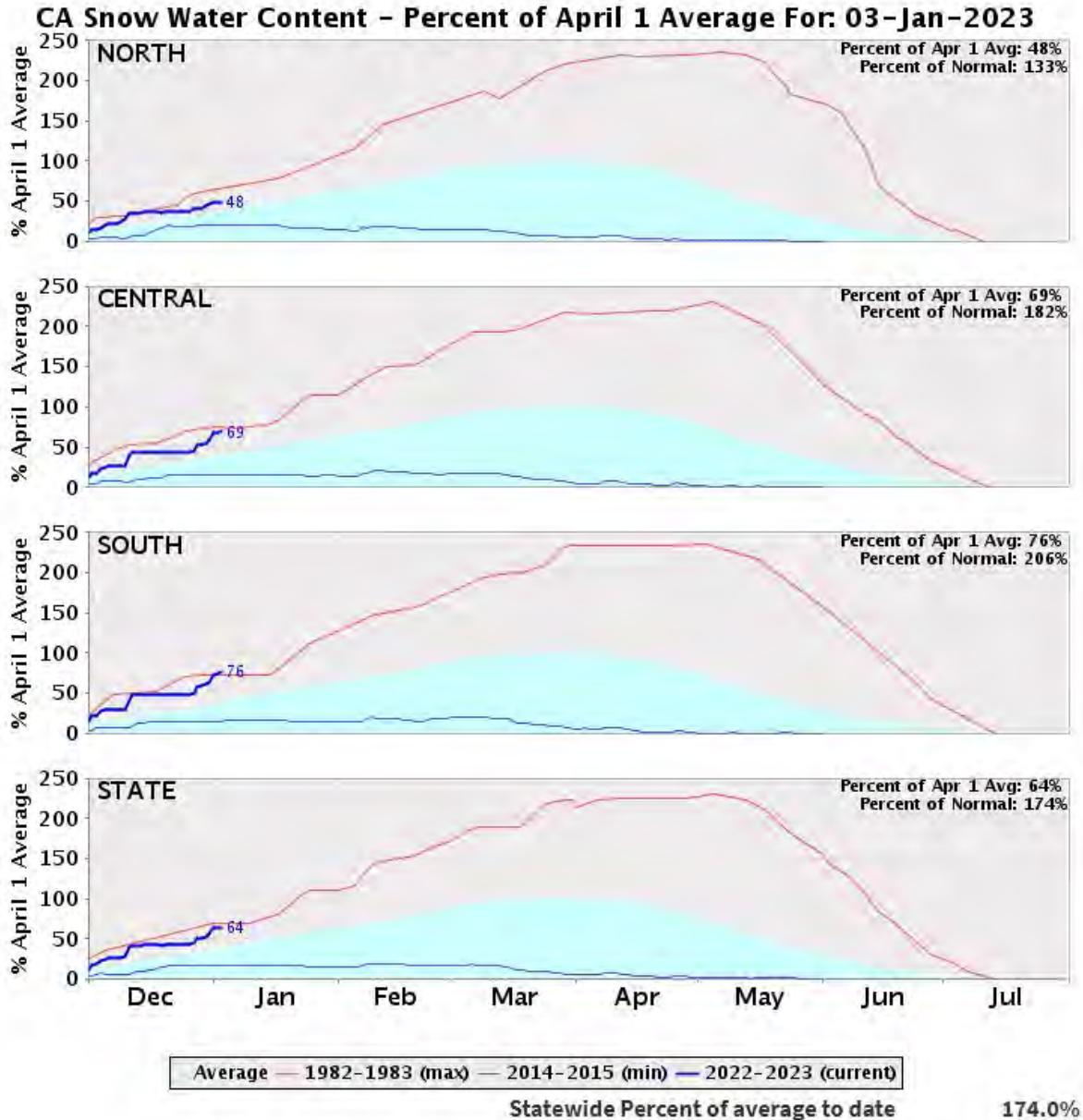
**January 3, 2023, Snow Survey – Department of Water Resources,
California: “December storms provided big snow totals...”**

A month of storms can definitely make a difference in water storage across the state.



The recent storms have provided the much-needed snowpack in the Sierra Mountain Range to help combat the drought but have also resulted in flooding in other parts of the state.

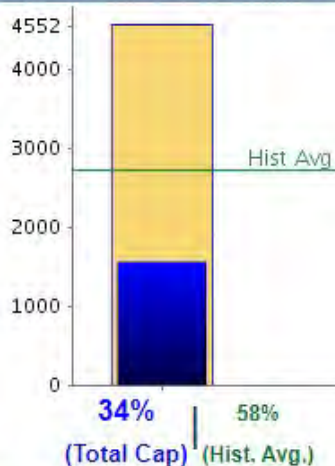
The snow data as of January 3rd is shown in the following table. The statewide percent of average to date is 174%.



Reservoir conditions have improved across the state, but it is estimated that it would take almost twice the average precipitation to fill all the reservoirs used for urban, agricultural, and environmental demand, with unknown estimates to replenish groundwater basins.

The following snapshots from the Department of Water Resources are the current storage conditions of significant reservoirs in northern and central California.

Shasta - Storage Conditions, January 04, 2023



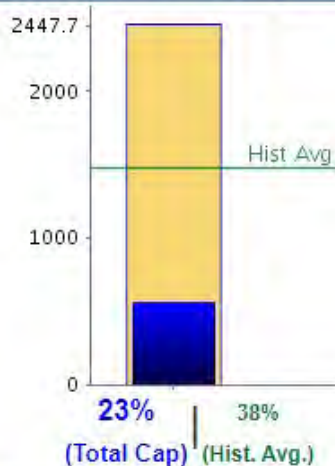
- Data as of Midnight: January 04, 2023
- Storage: 1,562,012 AF
 - Reservoir Elevation: 929.71 FT
 - **34% of Total Capacity**
 - **58% of Historical Avg. For This Date**
 - Total Capacity: 4,552,000 AF
 - Avg. Stor. for January 04: 2,713,016 AF

Change Date:

Major Reservoirs Current Conditions Graphs

[Printable Version of Current Data](#)

Trinity - Storage Conditions, January 04, 2023



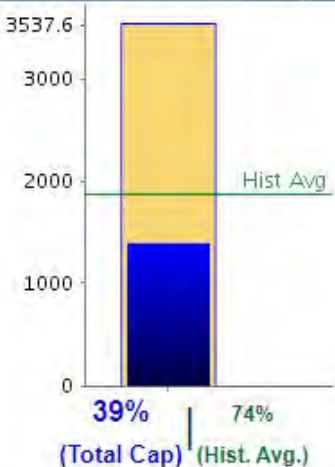
- Data as of Midnight: January 04, 2023
- Storage: 563,863 AF
 - Reservoir Elevation: 2,195.92 FT
 - **23% of Total Capacity**
 - **38% of Historical Avg. For This Date**
 - Total Capacity: 2,447,650 AF
 - Avg. Stor. for January 04: 1,478,901 AF

Change Date:

Major Reservoirs Current Conditions Graphs

[Printable Version of Current Data](#)

Oroville - Storage Conditions, January 04, 2023



- Data as of Midnight: January 04, 2023
- Storage: 1,386,544 AF
 - Reservoir Elevation: 716.70 FT
 - **39% of Total Capacity**
 - **74% of Historical Avg. For This Date**
 - Total Capacity: 3,537,577 AF
 - Avg. Stor. for January 04: 1,876,521 AF

Change Date:

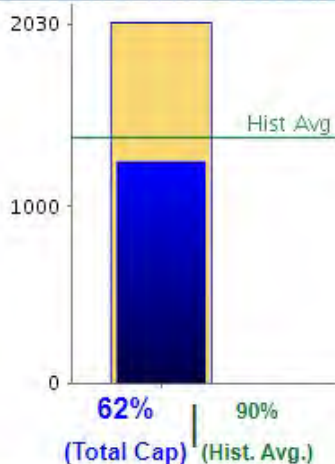
Major Reservoirs Current Conditions Graphs

[Printable Version of Current Data](#)

Don Pedro - Storage Conditions, January 04, 2023



Don Pedro Reservoir



Data as of Midnight: January 04, 2023

- Storage: 1,252,889 AF
- Reservoir Elevation: 758.51 FT
- **62% of Total Capacity**
- **90% of Historical Avg. For This Date**
- Total Capacity: 2,030,000 AF
- Avg. Stor. for January 04: 1,387,078 AF

Change Date:

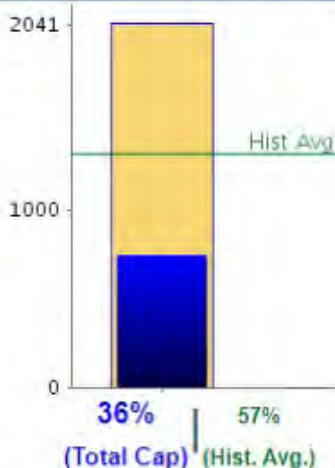
Major Reservoirs Current Conditions Graphs

[Printable Version of Current Data](#)

San Luis - Storage Conditions, January 04, 2023



San Luis Reservoir



Data as of Midnight: January 04, 2023

- Storage: 744,677 AF
- Reservoir Elevation: 426.03 FT
- **36% of Total Capacity**
- **57% of Historical Avg. For This Date**
- Total Capacity: 2,041,000 AF
- Avg. Stor. for January 04: 1,309,554 AF

Change Date:

Major Reservoirs Current Conditions Graphs

[Printable Version of Current Data](#)

Current California Drought Conditions

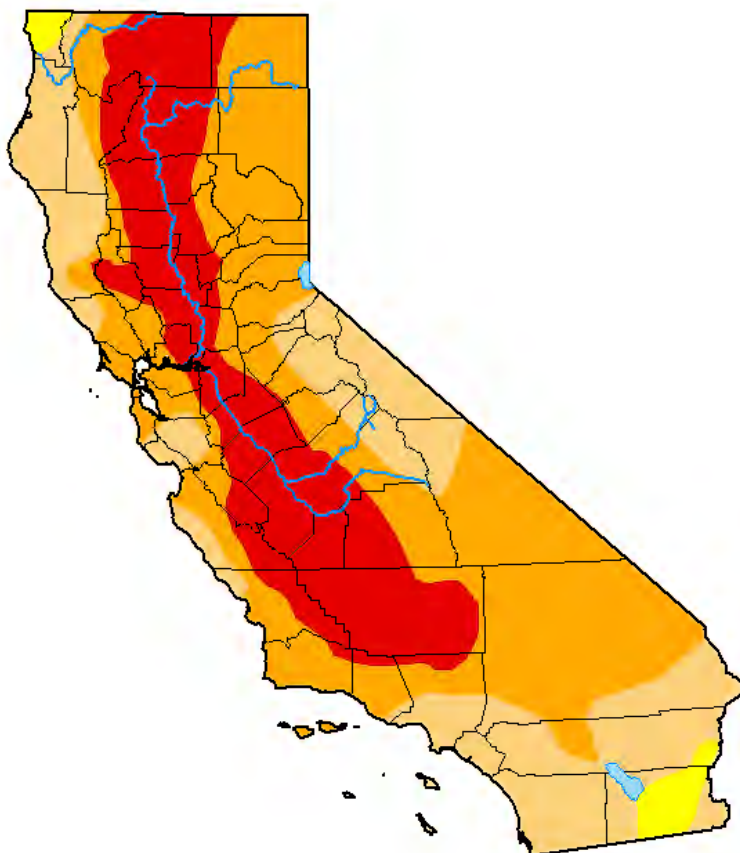
Drought conditions have improved across the state, as shown in the graphic below.

U.S. Drought Monitor California

January 3, 2023

(Released Thursday, Jan. 5, 2023)

Valid 7 a.m. EST



Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	0.00	100.00	97.93	71.14	27.10	0.00
Last Week <i>12-27-2022</i>	0.00	100.00	97.94	80.56	35.50	7.16
3 Months Ago <i>10-04-2022</i>	0.00	100.00	99.77	94.02	40.91	16.57
Start of Calendar Year <i>01-03-2023</i>	0.00	100.00	97.93	71.14	27.10	0.00
Start of Water Year <i>09-27-2022</i>	0.00	100.00	99.76	94.01	40.91	16.57
One Year Ago <i>01-04-2022</i>	0.00	100.00	99.30	67.62	16.60	0.84

Intensity:

- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

Author:

Brad Pugh
CPC/NOAA



droughtmonitor.unl.edu