

**COASTSIDE COUNTY WATER DISTRICT**

**766 MAIN STREET**

**HALF MOON BAY, CA 94019**

**REGULAR MEETING OF THE BOARD OF DIRECTORS**

**Tuesday, January 12, 2021 - 7:00 p.m.**

**AGENDA**

On March 17, 2020, the Governor issued Executive Order N-29-20 suspending certain provisions of the Ralph M. Brown Act in order to allow for local legislative bodies to conduct their meetings telephonically or by other electronic means. Pursuant to the Shelter-in-Place Order issued by the San Mateo County Health Officer on March 16, 2020, as revised on March 31, 2020, the statewide Shelter-in-Place Order issued by the Governor in Executive Order N-33-20 on March 19, 2020, and the CDC's social distancing guidelines which discourage large public gatherings, the Boardroom will not be open for the January 12, 2021 Regular Meeting of the Coastside County Water District. This meeting will be conducted remotely via teleconference.

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.

**ONLINE:**

Join Zoom Meeting

<https://zoom.us/j/93778260596?pwd=aEpRcFlnaHdQM2lPSEJQWjNiN09TQT09>

Meeting ID: 937 7826 0596

Passcode: 184355

One tap mobile

+16699006833,,93778260596#,,,,,0#,,184355# US (San Jose)

Dial by your location

+1 669 900 6833 US (San Jose)

Meeting ID: 937 7826 0596

Passcode: 184355

Find your local number: <https://zoom.us/u/adZt3d9LjB>

*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](http://www.coastsidewater.org).*

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

**1) ROLL CALL**

**2) PLEDGE OF ALLEGIANCE**

**3) PUBLIC COMMENT**

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

#### 4) CONSENT CALENDAR

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

- A. Approval of disbursements for the month ending December 31, 2020:  
Claims: \$833,529.93; Payroll: \$175,499.03 for a total of \$1,009,028.96 ([attachment](#))
  - *December 2020 Monthly Financial Claims reviewed by and approved by Vice President Feldman*
- B. Acceptance of Financial Reports ([attachment](#))
- C. Approval of Minutes of December 8, 2020 Regular Board of Directors Meeting ([attachment](#))
- D. Approval of Minutes of December 22, 2020 Special Closed Session Meeting of Board of Directors ([attachment](#))
- E. Installed Water Connection Capacity and Water Meters Report ([attachment](#))
- F. Total CCWD Production Report ([attachment](#))
- G. CCWD Monthly Sales by Category Report-December 2020 ([attachment](#))
- H. Monthly Planned Plant or Tank Discharge and New Water Line Flushing Report ([attachment](#))
- I. Monthly Rainfall Reports ([attachment](#))
- J. SFPUC Hydrological Report for the Month of November 2020 ([attachment](#))
- K. Request for Board to Provide Authorization to Write Off Bad Debts for Fiscal Year Ending 2019-2020 ([attachment](#))
- L. Water Service Connection Transfer Report - December 2020 ([attachment](#))

#### 5) MEETINGS ATTENDED / DIRECTOR COMMENTS

#### 6) GENERAL BUSINESS

- A. Coastside County Water District Basic Financial Statements and Independent Auditor's Report for the Fiscal Year Ended June 30, 2020. Accept Audit Report. ([attachment](#))
- B. Quarterly Financial Review ([attachment](#))
- C. Review District Board Committees. Consider and Approve Appointments of Board Members to the Coastside County Water District Board Committees, and Appointment of District Representatives to External Organizations and Associations. Consider and Approve Establishment of New Advisory Committee(s) and External Organization Representative(s) ([attachment](#))
- D. Appointment of CCWD Board Member Representative Alternate(s) to participate in San Mateo Local Agency Formation Commission (LAFCo) election of officers ([attachment](#))
- E. Future Strategic Planning Workshop ([attachment](#))

- F. Approve the Extension of Certain COVID-19 Related Temporary Employee Benefits Set Forth in the Families First Coronavirus Response Act Through June 30, 2021 ([attachment](#))

7) **MONTHLY INFORMATIONAL REPORTS**

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

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

9) **ADJOURNMENT**

**COASTSIDE COUNTY WATER DISTRICT  
CLAIMS FOR DECEMBER 2020**

CHECKS			
CHECK DATE	CHECK NO.	VENDOR	AMOUNT
12/03/2020	28951	COMCAST	\$ 222.30
12/03/2020	28952	HUE & CRY, INC.	\$ 24.00
12/03/2020	28953	OC RUGGED INC	\$ 252.14
12/03/2020	28954	REPUBLIC SERVICES	\$ 562.20
12/03/2020	28955	STATE WATER RESOURCES CONTROL BD	\$ 682.00
12/03/2020	28956	STANDARD INSURANCE COMPANY	\$ 578.40
12/03/2020	28957	VERIZON WIRELESS	\$ 2,080.89
12/11/2020	28958	ADP, INC.	\$ 607.60
12/11/2020	28959	HEALTH BENEFITS ACWA-JPIA	\$ 45,452.88
12/11/2020	28960	AT&T LONG DISTANCE	\$ 306.01
12/11/2020	28961	RECORDER'S OFFICE	\$ 98.00
12/11/2020	28962	RECORDER'S OFFICE	\$ 101.00
12/11/2020	28963	JAMES COZZOLINO, TRUSTEE	\$ 200.00
12/11/2020	28964	EKI INC.	\$ 19,322.64
12/11/2020	28965	FEDAK & BROWN LLP	\$ 1,448.00
12/11/2020	28966	GLADWELL GOVERNMENTAL SERVICES, INC.	\$ 3,120.00
12/11/2020	28967	KELLY HOFFMAN-DAVIS	\$ 1,145.00
12/11/2020	28968	HASSETT HARDWARE	\$ 2,487.20
12/11/2020	28969	HDR ENGINEERING, INC	\$ 84,720.42
12/11/2020	28970	HOSE SOLUTIONS INC.	\$ 1,129.29
12/11/2020	28971	MASS MUTUAL FINANCIAL GROUP	\$ 1,050.00
12/11/2020	28972	VERIZON CONNECT NWF, INC.	\$ 247.00
12/11/2020	28973	SM CTY ENVIRONMENTAL HEALTH	\$ 1,936.00
12/11/2020	28974	TPX COMMUNICATIONS	\$ 2,046.63
12/11/2020	28975	TRI COUNTIES BANK	\$ 1,413.56
12/11/2020	28976	UNITED PARCEL SERVICE INC.	\$ 112.32
12/11/2020	28977	VALIC	\$ 6,280.00
12/11/2020	28978	US BANK NA	\$ 1,832.22
12/11/2020	28979	WATERSMART SOFTWARE, INC	\$ 13,300.00
12/11/2020	28980	WIENHOFF & ASSOCIATES, INC.	\$ 200.00
12/22/2020	28981	A-A LOCK	\$ 497.09
12/22/2020	28982	ANALYTICAL ENVIRONMENTAL SERVICES	\$ 14,926.96
12/22/2020	28983	ANDREINI BROS. INC.	\$ 2,200.25
12/22/2020	28984	AT&T	\$ 698.93
12/22/2020	28985	FRANCISCO A AVINA-SALCIDO	\$ 218.00
12/22/2020	28986	BADGER METER, INC.	\$ 66.00
12/22/2020	28987	BALANCE HYDROLOGICS, INC	\$ 3,510.87
12/22/2020	28988	BIG CREEK LUMBER	\$ 27.32
12/22/2020	28989	CALCON SYSTEMS, INC.	\$ 3,217.75
12/22/2020	28990	CALIFORNIA SURVEYING & DRAFTING SUPPLY INC.	\$ 167.11
12/22/2020	28991	CEL ANALYTICAL INC.	\$ 2,400.00
12/22/2020	28992	DATAPROSE, LLC	\$ 165.81
12/22/2020	28993	EKI INC.	\$ 37,526.67
12/22/2020	28994	GRAINGER, INC.	\$ 1,745.52
12/22/2020	28995	KELLY HOFFMAN-DAVIS	\$ 657.64

12/22/2020	28996	HACH CO., INC.	\$	940.42
12/22/2020	28997	HMB BLDG. & GARDEN INC.	\$	94.96
12/22/2020	28998	HMB GRADING & PAVING INC.	\$	23,272.24
12/22/2020	28999	HALF MOON BAY FEED & FUEL	\$	63.14
12/22/2020	29000	HANSONBRIDGETT. LLP	\$	12,112.50
12/22/2020	29001	HDR ENGINEERING, INC	\$	94,153.88
12/22/2020	29002	INTEGRATED ID SYSTEMS, INC	\$	187.44
12/22/2020	29003	IRON MOUNTAIN	\$	928.67
12/22/2020	29004	IRVINE CONSULTING SERVICES, INC.	\$	9,101.24
12/22/2020	29005	IRVINE CONSULTING SERVICES, INC.	\$	6,491.07
12/22/2020	29006	GLENNA LOMBARDI	\$	91.00
12/22/2020	29007	MASS MUTUAL FINANCIAL GROUP	\$	1,050.00
12/22/2020	29008	MISSION UNIFORM SERVICES INC.	\$	268.92
12/22/2020	29009	MONTEREY COUNTY LAB	\$	708.00
12/22/2020	29010	NORTH AMERICAN FENCE & RAILING	\$	3,165.65
12/22/2020	29011	OCCUPATIONAL HEALTH CENTERS OF CALIFORNIA, A MEDICAL CORP.	\$	110.50
12/22/2020	29012	OFFICE DEPOT	\$	411.93
12/22/2020	29013	PACIFIC GAS & ELECTRIC CO.	\$	42,123.91
12/22/2020	29014	PAPE MACHINERY EXCHANGE	\$	1,304.26
12/22/2020	29015	PAULO'S AUTO CARE	\$	895.33
12/22/2020	29016	PITNEY BOWES	\$	749.49
12/22/2020	29017	FERGUSON ENTERPRISES, INC.	\$	278.85
12/22/2020	29018	ROBERTS & BRUNE CO.	\$	6,472.72
12/22/2020	29019	ROGUE WEB WORKS, LLC	\$	436.00
12/22/2020	29020	SAN FRANCISCO WATER DEPT.	\$	274,118.28
12/22/2020	29021	SAN MATEO CTY PUBLIC HEALTH LAB	\$	176.00
12/22/2020	29022	SMITH & ASSOCIATES, INC.	\$	5,500.00
12/22/2020	29023	SOUTHWEST VALVE, LLC	\$	800.00
12/22/2020	29024	STETSON ENGINEERS, INC.	\$	8,292.65
12/22/2020	29025	TEAMSTERS LOCAL UNION #856	\$	1,331.00
12/22/2020	29026	UGSI CHEMICAL FEED, INC.	\$	2,608.07
12/22/2020	29027	UNIVAR SOLUTIONS USA INC.	\$	2,728.80
12/22/2020	29028	UNITED PARCEL SERVICE INC.	\$	7.35
12/22/2020	29029	UPS STORE	\$	201.61
12/22/2020	29030	USA BLUE BOOK	\$	246.63
12/22/2020	29031	VALIC	\$	6,280.00
12/22/2020	29032	WEST YOST ASSOCIATES, INC	\$	3,297.00
12/29/2020	29033	BAY ALARM COMPANY	\$	1,281.66
12/29/2020	29034	PETTY CASH	\$	174.87
12/29/2020	29035	DE LAGE LANDEN FINANCIAL SERVICES, INC.	\$	876.14
12/29/2020	29036	FEDAK & BROWN LLP	\$	750.00
12/29/2020	29037	DUSTIN JAHNS	\$	64.97
12/29/2020	29038	MIKE MCDERMOTT	\$	20.20
12/29/2020	29039	OCCUPATIONAL HEALTH CENTERS OF CALIFORNIA, A MEDICAL CORP.	\$	110.50
12/29/2020	29040	PACIFICA COMMUNITY TV	\$	300.00
12/29/2020	29041	SAN MATEO COUNTY	\$	9,577.00
12/29/2020	29042	SCHWAAB STAMPS INC.	\$	85.68
12/29/2020	29043	JAMES TETER	\$	649.00
12/29/2020	29044	TRIMBLE INC.	\$	1,890.00

12/29/2020	29045	VERIZON WIRELESS	\$	2,482.98
12/29/2020	29046	JUAN CARLOS SALAZAR	\$	3,360.00
12/29/2020	29047	HAYDEN VREEBURG	\$	80.64
12/29/2020	29048	AMANDA MILLS	\$	38.09
12/29/2020	29049	AMANDA MILLS	\$	6.46
12/29/2020	29050	EUGENE PASTORINO	\$	28.90
12/29/2020	29051	FRITZ NEIDHARDT	\$	47.28
12/29/2020	29052	KATHARINA POWERS	\$	105.98
12/29/2020	29053	JULIA MARSH	\$	15.85
12/29/2020	29054	LAUREL LABA	\$	135.68
12/29/2020	29055	STEVE PETERSON	\$	51.88
12/29/2020	29056	SOPHIE LEE PIGMAN	\$	45.06
12/29/2020	29057	LAUREL LABA	\$	162.45
12/29/2020	29058	LINDA ANDREINI	\$	68.08
12/29/2020	29059	CHRIS MICKELSEN	\$	9.32
12/29/2020	29060	CHRIS MICKELSEN	\$	12.50
12/30/2020	29061	EMILY GREENBERG	\$	1,983.50
12/30/2020	29062	EMILY GREENBERG	\$	574.15
				<hr/>
				SUBTOTAL CLAIMS FOR MONTH
			\$	796,971.95

#### WIRE PAYMENTS

MONTH		VENDOR		AMOUNT
12/11/2020	DFT0000333	PUB. EMP. RETIRE SYSTEM	\$	14,246.92
12/23/2020	DFT0000334	PUB. EMP. RETIRE SYSTEM	\$	14,333.82
12/31/2020		BANK AND CREDIT CARD FEES	\$	7,977.24
				<hr/>
				SUBTOTAL WIRE PAYMENTS FOR MONTH
			\$	36,557.98

**TOTAL CLAIMS FOR THE MONTH \$ 833,529.93**



Coastside County Water District

# Monthly Budget Report

## Account Summary

For Fiscal: 2020-2021 Period Ending: 12/31/2020

	December Budget	December Activity	Variance Favorable (Unfavorable)	Percent Variance	YTD Budget	YTD Activity	Variance Favorable (Unfavorable)	Percent Variance	Total Budget	
<b>Revenue</b>										
<b>RevType: 1 - Operating</b>										
<a href="#">1-4120-00</a>	Water Revenue	766,809.00	926,557.00	159,748.00	20.83 %	6,653,321.00	7,068,793.23	415,472.23	6.24 %	12,096,000.00
	<b>Total RevType: 1 - Operating:</b>	<b>766,809.00</b>	<b>926,557.00</b>	<b>159,748.00</b>	<b>20.83 %</b>	<b>6,653,321.00</b>	<b>7,068,793.23</b>	<b>415,472.23</b>	<b>6.24 %</b>	<b>12,096,000.00</b>
<b>RevType: 2 - Non-Operating</b>										
<a href="#">1-4170-00</a>	Water Taken From Hydrants	4,165.00	4,656.04	491.04	11.79 %	24,990.00	38,337.35	13,347.35	53.41 %	50,000.00
<a href="#">1-4180-00</a>	Late Notice - 10% Penalty	0.00	0.00	0.00	0.00 %	0.00	-2.89	-2.89	0.00 %	25,000.00
<a href="#">1-4230-00</a>	Service Connections	833.00	995.87	162.87	19.55 %	4,998.00	3,898.76	-1,099.24	-21.99 %	10,000.00
<a href="#">1-4920-00</a>	Interest Earned	4,687.00	2,500.17	-2,186.83	-46.66 %	28,125.00	18,725.10	-9,399.90	-33.42 %	56,250.00
<a href="#">1-4930-00</a>	Tax Apportionments/County Checks	350,000.00	415,736.91	65,736.91	18.78 %	425,000.00	507,515.12	82,515.12	19.42 %	750,000.00
<a href="#">1-4950-00</a>	Miscellaneous Income	1,750.00	0.00	-1,750.00	-100.00 %	3,500.00	96.78	-3,403.22	-97.23 %	7,000.00
<a href="#">1-4955-00</a>	Cell Site Lease Income	14,500.00	15,330.56	830.56	5.73 %	87,000.00	94,078.16	7,078.16	8.14 %	179,000.00
<a href="#">1-4965-00</a>	ERAF Refund - County Taxes	0.00	0.00	0.00	0.00 %	175,000.00	232,692.69	57,692.69	32.97 %	375,000.00
	<b>Total RevType: 2 - Non-Operating:</b>	<b>375,935.00</b>	<b>439,219.55</b>	<b>63,284.55</b>	<b>16.83 %</b>	<b>748,613.00</b>	<b>895,341.07</b>	<b>146,728.07</b>	<b>19.60 %</b>	<b>1,452,250.00</b>
	<b>Total Revenue:</b>	<b>1,142,744.00</b>	<b>1,365,776.55</b>	<b>223,032.55</b>	<b>19.52 %</b>	<b>7,401,934.00</b>	<b>7,964,134.30</b>	<b>562,200.30</b>	<b>7.60 %</b>	<b>13,548,250.00</b>
<b>Expense</b>										
<b>ExpType: 1 - Operating</b>										
<a href="#">1-5130-00</a>	Water Purchased	100,065.00	116,981.28	-16,916.28	-16.91 %	1,721,328.00	1,778,042.44	-56,714.44	-3.29 %	2,341,560.00
<a href="#">1-5230-00</a>	Nunes T P Pump Expense	3,417.00	2,229.19	1,187.81	34.76 %	20,498.00	24,533.19	-4,035.19	-19.69 %	41,000.00
<a href="#">1-5231-00</a>	CSP Pump Station Pump Expense	6,000.00	2,659.17	3,340.83	55.68 %	246,000.00	249,015.77	-3,015.77	-1.23 %	350,000.00
<a href="#">1-5232-00</a>	Other Trans. & Dist Pump Expense	1,750.00	1,100.43	649.57	37.12 %	10,500.00	13,134.85	-2,634.85	-25.09 %	21,000.00
<a href="#">1-5233-00</a>	Pilarcitos Canyon Pump Expense	7,500.00	8,682.00	-1,182.00	-15.76 %	18,100.00	11,736.82	6,363.18	35.16 %	43,000.00
<a href="#">1-5234-00</a>	Denniston T P Pump Expense	10,000.00	8,234.49	1,765.51	17.66 %	44,000.00	13,127.94	30,872.06	70.16 %	110,000.00
<a href="#">1-5242-00</a>	CSP Pump Station Operations	1,375.00	485.76	889.24	64.67 %	8,250.00	4,000.22	4,249.78	51.51 %	16,500.00
<a href="#">1-5243-00</a>	CSP Pump Station Maintenance	3,083.00	2,711.29	371.71	12.06 %	18,498.00	15,686.37	2,811.63	15.20 %	37,000.00
<a href="#">1-5246-00</a>	Nunes T P Operations - General	7,500.00	3,442.45	4,057.55	54.10 %	45,000.00	47,984.71	-2,984.71	-6.63 %	90,000.00
<a href="#">1-5247-00</a>	Nunes T P Maintenance	10,417.00	4,832.77	5,584.23	53.61 %	62,498.00	84,904.98	-22,406.98	-35.85 %	125,000.00
<a href="#">1-5248-00</a>	Denniston T P Operations-General	4,583.00	2,357.23	2,225.77	48.57 %	27,502.00	9,252.28	18,249.72	66.36 %	55,000.00
<a href="#">1-5249-00</a>	Denniston T.P. Maintenance	8,000.00	7,952.94	47.06	0.59 %	84,000.00	78,453.73	5,546.27	6.60 %	132,000.00
<a href="#">1-5250-00</a>	Laboratory Expenses	6,250.00	3,621.28	2,628.72	42.06 %	37,500.00	23,816.16	13,683.84	36.49 %	75,000.00
<a href="#">1-5260-00</a>	Maintenance - General	26,500.00	26,992.14	-492.14	-1.86 %	168,500.00	161,093.84	7,406.16	4.40 %	348,500.00
<a href="#">1-5261-00</a>	Maintenance - Well Fields	1,000.00	300.54	699.46	69.95 %	15,000.00	1,909.98	13,090.02	87.27 %	30,000.00
<a href="#">1-5263-00</a>	Uniforms	0.00	0.00	0.00	0.00 %	5,000.00	8,321.67	-3,321.67	-66.43 %	10,000.00
<a href="#">1-5318-00</a>	Studies/Surveys/Consulting	10,000.00	5,288.08	4,711.92	47.12 %	60,000.00	37,856.95	22,143.05	36.91 %	150,000.00
<a href="#">1-5321-00</a>	Water Resources	2,167.00	43.68	2,123.32	97.98 %	12,998.00	153.94	12,844.06	98.82 %	26,000.00



Monthly Budget Report

For Fiscal: 2020-2021 Period Ending: 12/31/2020

		December Budget	December Activity	Variance Favorable (Unfavorable)	Percent Variance	YTD Budget	YTD Activity	Variance Favorable (Unfavorable)	Percent Variance	Total Budget
<a href="#">1-5322-00</a>	Community Outreach	1,000.00	-3,700.00	4,700.00	470.00 %	20,000.00	12,632.41	7,367.59	36.84 %	58,400.00
<a href="#">1-5381-00</a>	Legal	8,333.00	8,776.50	-443.50	-5.32 %	49,998.00	51,826.50	-1,828.50	-3.66 %	100,000.00
<a href="#">1-5382-00</a>	Engineering	5,500.00	5,757.28	-257.28	-4.68 %	33,000.00	44,258.50	-11,258.50	-34.12 %	66,000.00
<a href="#">1-5383-00</a>	Financial Services	0.00	198.00	-198.00	0.00 %	11,000.00	8,973.00	2,027.00	18.43 %	22,000.00
<a href="#">1-5384-00</a>	Computer Services	17,625.00	25,331.06	-7,706.06	-43.72 %	105,750.00	113,730.41	-7,980.41	-7.55 %	211,500.00
<a href="#">1-5410-00</a>	Salaries/Wages-Administration	101,942.00	84,177.93	17,764.07	17.43 %	611,652.00	489,100.50	122,551.50	20.04 %	1,223,311.00
<a href="#">1-5411-00</a>	Salaries & Wages - Field	125,117.00	139,162.63	-14,045.63	-11.23 %	750,702.00	750,977.38	-275.38	-0.04 %	1,501,399.00
<a href="#">1-5420-00</a>	Payroll Tax Expense	15,975.00	9,366.13	6,608.87	41.37 %	95,850.00	76,413.67	19,436.33	20.28 %	191,701.00
<a href="#">1-5435-00</a>	Employee Medical Insurance	41,645.00	40,229.30	1,415.70	3.40 %	249,870.00	233,078.69	16,791.31	6.72 %	511,400.00
<a href="#">1-5436-00</a>	Retiree Medical Insurance	5,661.00	4,965.81	695.19	12.28 %	33,966.00	30,118.46	3,847.54	11.33 %	69,562.00
<a href="#">1-5440-00</a>	Employees Retirement Plan	41,353.00	37,306.66	4,046.34	9.78 %	248,118.00	235,226.76	12,891.24	5.20 %	496,240.00
<a href="#">1-5445-00</a>	Supplemental Retirement 401a	0.00	0.00	0.00	0.00 %	0.00	0.00	0.00	0.00 %	35,000.00
<a href="#">1-5510-00</a>	Motor Vehicle Expense	6,250.00	4,827.17	1,422.83	22.77 %	37,500.00	34,205.87	3,294.13	8.78 %	75,000.00
<a href="#">1-5620-00</a>	Office & Billing Expenses	28,792.00	28,871.82	-79.82	-0.28 %	182,748.00	174,595.68	8,152.32	4.46 %	363,500.00
<a href="#">1-5625-00</a>	Meetings / Training / Seminars	2,750.00	1,288.00	1,462.00	53.16 %	16,500.00	4,994.84	11,505.16	69.73 %	33,000.00
<a href="#">1-5630-00</a>	Insurance	13,250.00	12,290.38	959.62	7.24 %	79,500.00	71,801.24	7,698.76	9.68 %	159,000.00
<a href="#">1-5687-00</a>	Membership, Dues, Subscript.	7,092.00	10,577.02	-3,485.02	-49.14 %	42,548.00	57,674.45	-15,126.45	-35.55 %	85,100.00
<a href="#">1-5688-00</a>	Election Expenses	0.00	0.00	0.00	0.00 %	30,000.00	0.00	30,000.00	100.00 %	30,000.00
<a href="#">1-5689-00</a>	Labor Relations	500.00	0.00	500.00	100.00 %	3,000.00	0.00	3,000.00	100.00 %	6,000.00
<a href="#">1-5700-00</a>	San Mateo County Fees	2,100.00	11,513.00	-9,413.00	-448.24 %	12,400.00	17,110.42	-4,710.42	-37.99 %	25,000.00
<a href="#">1-5705-00</a>	State Fees	3,000.00	13,641.00	-10,641.00	-354.70 %	18,000.00	15,341.70	2,658.30	14.77 %	36,500.00
	<b>Total ExpType: 1 - Operating:</b>	<b>637,492.00</b>	<b>632,494.41</b>	<b>4,997.59</b>	<b>0.78 %</b>	<b>5,237,274.00</b>	<b>4,985,086.32</b>	<b>252,187.68</b>	<b>4.82 %</b>	<b>9,301,173.00</b>
	<b>ExpType: 4 - Capital Related</b>									
<a href="#">1-5715-00</a>	Debt Service/CIEDB 11-099	0.00	0.00	0.00	0.00 %	268,811.00	268,811.40	-0.40	0.00 %	335,825.00
<a href="#">1-5716-00</a>	Debt Service/CIEDB 2016	0.00	0.00	0.00	0.00 %	234,969.00	234,968.81	0.19	0.00 %	323,357.00
<a href="#">1-5717-00</a>	Chase Bank - 2018 Loan	0.00	0.00	0.00	0.00 %	370,586.00	370,586.23	-0.23	0.00 %	433,567.00
	<b>Total ExpType: 4 - Capital Related:</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00 %</b>	<b>874,366.00</b>	<b>874,366.44</b>	<b>-0.44</b>	<b>0.00 %</b>	<b>1,092,749.00</b>
	<b>Total Expense:</b>	<b>637,492.00</b>	<b>632,494.41</b>	<b>4,997.59</b>	<b>0.78 %</b>	<b>6,111,640.00</b>	<b>5,859,452.76</b>	<b>252,187.24</b>	<b>4.13 %</b>	<b>10,393,922.00</b>
	<b>Report Total:</b>	<b>505,252.00</b>	<b>733,282.14</b>	<b>228,030.14</b>		<b>1,290,294.00</b>	<b>2,104,681.54</b>	<b>814,387.54</b>		<b>3,154,328.00</b>

**COASTSIDE COUNTY WATER DISTRICT  
MONTHLY INVESTMENT REPORT  
December 31, 2020**

<b><u>RESERVE BALANCES</u></b>	<b>Current Year as of 12/31/2020</b>	<b>Prior Year as of 12/31/2019</b>
CAPITAL AND OPERATING RESERVE	\$8,940,599.61	\$9,031,494.55
RATE STABILIZATION RESERVE	\$250,000.00	\$250,000.00
<b>TOTAL DISTRICT RESERVES</b>	<b>\$9,190,599.61</b>	<b>\$9,281,494.55</b>

**ACCOUNT DETAIL**

ACCOUNTS WITH TRI COUNTIES BANK		
CHECKING ACCOUNT	\$3,781,656.92	\$3,990,673.74
CSP T & S ACCOUNT	\$136,639.97	\$104,531.07
MONEY MARKET GEN. FUND (Opened 7/20/17)	\$19,448.02	\$19,444.31
LOCAL AGENCY INVESTMENT FUND (LAIF) BALANCE	\$5,252,054.70	\$5,166,045.43
DISTRICT CASH ON HAND	\$800.00	\$800.00
<b>TOTAL ACCOUNT BALANCES</b>	<b>\$9,190,599.61</b>	<b>\$9,281,494.55</b>

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

COASTSIDE COUNTY WATER DISTRICT  
 CAPITAL IMPROVEMENT PROJECTS - STATUS REPORT  
 FISCAL YEAR 2020/2021

12/31/2020

\* Approved June 2020

Status	Approved* CIP Budget FY 20/21	Actual To Date FY 20/21	Projected Year-End FY20/21	Variance vs. Budget	% Completed	Project Status/ Comments
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**Equipment Purchases & Replacement**

06-03	SCADA/Telemetry/Electrical Controls Replacement	ongoing	\$ 50,000		\$ 50,000	\$ -	0%	
19-04	Valve truck	on order	\$ 225,000		\$ 225,000	\$ -	0%	Board approved September 2020
22-05	Planning Software	open	\$ 60,000		\$ 60,000	\$ -	0%	

**Facilities & Maintenance**

99-01	Meter Change Program	ongoing	\$ 20,000		\$ 20,000	\$ -	0%	
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**Pipeline Projects**

13-02	Pipeline Replacement Under Creek at Pilarcitos Ave (Strawflower)	In design	\$ 750,000	\$ 56,527	\$ 750,000	\$ -	0%	
14-01	Highway 92 - Replacement of Welded Steel Line	Open	\$ 100,000	\$ 35,735	\$ 100,000	\$ -	36%	for design only
21-10	El Granada Highlands (below Tank #2) Lot Purchase	Closed	\$ 500,000	\$ 408,330	\$ 408,330	\$ 91,670	100%	Purchase closed 12.2.2020

**Pump Stations / Tanks / Wells**

21-07	District-Wide Tank Improvement Project	Open	\$ 600,000	\$ 3,075	\$ 600,000	\$ -	n/a	
21-02	Pilarcitos Reservoir Spillway-Pump/Emergency Generator	On order	\$ 100,000		\$ 100,000		0%	Board approved September 2020
19-05	Tanks - THM Control	Ongoing	\$ 60,000		\$ 60,000		0%	
21-11	Tank Cathodic Protection Project	Open	\$ 40,000		\$ 40,000	\$ -	0%	

**Water Supply Development**

14-25	Denniston/San Vicente Water Supply Development	ongoing	\$ 300,000	\$ 155,367	\$ 300,000	\$ -	52%	
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**Water Treatment Plants**

20-14	Nunes Water Treatment Plant Improvement Project	In Design	\$ 700,000	\$ 465,953	\$ 700,000	\$ -	D-100%	Design at 100% - will go out to bid early 2021
21-04	Nunes/Denniston Turbidimeter Replacement	Completed	\$ 35,000	\$ 32,498	\$ 32,498	\$ 2,502	100%	Board approved August 2020

**UNSCHEDULED/NEW CIP ITEMS FOR CURRENT FISCAL YEAR 2020/2021**

NN-00	Unscheduled CIP		\$ 100,000		\$ 100,000	\$ -	0%	
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**NEW FY2020/2021 CIP TOTAL \$ 3,640,000 \$ 1,157,485 \$ 3,545,828 \$ 94,172**

**FY2019/2020 CIP Carryover Projects**

21-08	Asset Management/GIS software	in process	\$ 60,000	32,500	\$ 60,000	\$ -	50%	
20-07	District Office Improvements	in process	\$ 60,000	41,754	\$ 60,000	\$ -	60%	
18-13	Denniston WTP and Tank Road Repairs and Paving	in process	\$ 400,000	\$ 431,085	\$ 431,085	\$ (31,085)	100%	
14-01	Highway 92 - Replacement of Welded Steel Line-Phase 1	open	\$ 700,000		\$ 700,000	\$ -	0%	
20-08	Highway 1 Crossings (Silver/Terrace/Grandview/Spindrift)	pre-design	\$ 30,000	35,224	\$ 35,224	\$ (5,224)	15%	
13-05	Denniston WTP and Booster Station Standby Power	in process	\$ 300,000	394,857	\$ 394,857	\$ (94,857)	90%	Partial budget included in FY2019-2020
30-00	Computer Software upgrades	ongoing		9,601	\$ 9,601	\$ (9,601)		

COASTSIDE COUNTY WATER DISTRICT  
 CAPITAL IMPROVEMENT PROJECTS - STATUS REPORT  
 FISCAL YEAR 2020/2021

12/31/2020

\* Approved June 2020

		Status	Approved* CIP Budget FY 20/21	Actual To Date FY 20/21	Projected Year-End FY20/21	Variance vs. Budget	% Completed	Project Status/ Comments
08-08	PRV Replacment Program	in process		19,077	\$ 19,077	\$ (19,077)		
20-17	Garcia Avenue Emergency Pipeline Replacement	closed		25,088	\$ 25,088	\$ (25,088)	100%	
14-27	Grandview 2 Inch Replacement	in design		4,973	\$ 4,973	\$ (4,973)	90%	design only near completion
18-01	Pine Willow Oak Pipeline Replacement	in design		4,992	\$ 4,992	\$ (4,992)	90%	design only near completion

<b>FY2019/2020 CARRYOVER PROJECTS</b>	<b>\$ 1,550,000</b>	<b>\$ 999,151</b>	<b>\$ 1,744,897</b>	<b>\$ (194,897)</b>
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Green = approved by the Board/in process

<b>TOTAL - FY 2020/2021 CIP + PRIOR YEAR CARRYOVER</b>	<b>\$ 5,190,000</b>	<b>\$ 2,156,636</b>	<b>\$ 5,290,725</b>	<b>\$ (100,725)</b>
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**Legal Cost Tracking Report  
12 Months At-A-Glance**

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

<b>Month</b>	<b>Admin (General Legal Fees)</b>	<b>Water Supply Develpmnt</b>	<b>Recycled Water</b>	<b>Transfer Program</b>	<b>CIP</b>	<b>LABOR &amp; EMPLOYMENT</b>	<b>Election (CVRA)</b>	<b>Litigation</b>	<b>Infrastructure Project Review  (Reimbursable)</b>	<b>TOTAL</b>
<b>Dec-19</b>	3,801			365			2,814			6,980
<b>Jan-20</b>	12,289						8,071			20,360
<b>Feb-20</b>	4,256	1,855		245			2,527			8,883
<b>Mar-20</b>	3,990	1,295				1,050	840			7,175
<b>Apr-20</b>	6,353	1,085				665				8,103
<b>May-20</b>	4,011					840				4,851
<b>Jun-20</b>	4,248			70		1,085				5,403
<b>Jul-20</b>	6,940			1,061						8,001
<b>Aug-20</b>	13,125	1,715		270						15,110
<b>Sep-20</b>	10,699			759						11,458
<b>Oct-20</b>	6,655			313	3,351					10,319
<b>Nov-20</b>	8,517			287	2,049	1,260				12,113
<b>TOTAL</b>	<b>84,882</b>	<b>5,950</b>	<b>0</b>	<b>3,370</b>	<b>5,400</b>	<b>4,900</b>	<b>14,252</b>	<b>0</b>	<b>0</b>	<b>118,754</b>

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

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

<b>Month</b>	<b>Admin &amp; Retainer</b>	<b>CIP</b>	<b>Studies &amp; Projects</b>	<b>TOTAL</b>	<b>Reimbursable from Projects</b>
<b>Feb-20</b>	480	4,344	2,197	<b>7,021</b>	2,197
<b>Mar-20</b>	480	4,563		<b>5,043</b>	
<b>Apr-20</b>	480			<b>480</b>	
<b>May-20</b>	480			<b>480</b>	
<b>Jun-20</b>	480		1,268	<b>1,748</b>	1,268
<b>Jul-20</b>	480		1,183	<b>1,663</b>	1,183
<b>Aug-20</b>	480		3,803	<b>4,283</b>	3,803
<b>Sep-20</b>	480		169	<b>649</b>	169
<b>Oct-20</b>	480		1,494	<b>1,974</b>	1,494
<b>Nov-20</b>	480		845	<b>1,325</b>	845
<b>Dec-20</b>	480		169	<b>649</b>	169
<b>TOTAL</b>	<b>5,280</b>	<b>8,907</b>	<b>11,127</b>	<b>25,314</b>	<b>11,127</b>

**Calcon T&M Projects Tracking**

12/31/2020

Project No.	Name	Status	Proposal Date	Approved Date	Project Budget	Project Actual thru 6/30/20	Project Billings FY2020-2021
<b>Closed Projects:</b>							
CAL-13-01	EG Tank 2 Recoating Project	Closed	9/30/13	10/8/13	\$8,220.00	\$ 8,837.50	
CAL-13-02	Nunes Control System Upgrades	Closed	9/30/13	10/8/13	\$46,141.00	\$ 55,363.60	
CAL-13-03	Win 911 and PLC Software	Closed	9/30/13	10/8/13	\$9,717.00	\$ 12,231.74	
CAL-13-04	Crystal Springs Surge Tank Retrofit	Closed	11/26/13	11/27/13	\$31,912.21	\$ 66,572.54	
CAL-13-06	Nunes Legacy Backwash System Removal	Closed	11/25/13	11/26/13	\$6,516.75	\$ 6,455.00	
CAL-13-07	Denniston Backwash FTW Valves	Closed	11/26/13	11/27/13	\$6,914.21	\$ 9,518.28	
CAL-14-01	Denniston Wash Water Return Retrofit	Closed	1/28/14	2/14/14	\$13,607.00	\$ 13,591.60	
CAL-14-02	Denniston Clarifier SCADA Data	Closed	4/2/14	4/7/14	\$4,125.00	\$ 4,077.50	
CAL-14-03	Nunes Surface Scatter Turbidimeter	Closed	4/2/14	4/7/14	\$2,009.50	\$ -	
CAL-14-04	Phase I Control System Upgrade	Closed	4/2/14	4/7/14	\$75,905.56	\$ 44,459.14	
CAL-14-06	Miramar Control Panel	Closed	8/28/14	8/28/14	\$37,953.00	\$ 27,980.71	
CAL-14-08	SFWater Flow & Data Logger/Cahill Tank	Closed	8/20/2014	8/20/2014	\$1,370.00	\$ 1,372.00	
CAL-15-01	Main Street Monitors	Closed				\$ 6,779.42	
CAL-15-02	Denniston To Do List	Closed				\$ 2,930.00	
CAL-15-03	Nunes & Denniston Turbidity Meters	Closed			\$6,612.50	\$ 12,536.12	
CAL-15-04	Phase II Control System Upgrade	Closed	6/23/2015	8/11/2015	\$195,000.00	\$ 202,227.50	
CAL-15-05	Permanganate Water Flow	Closed				\$ 1,567.15	
CAL-16-04	Radio Network	Closed	12/9/2016	1/10/2017	\$126,246.11	\$ 139,200.68	
CAL-16-05	El Granada Tank No. 3 Recoating	Closed	12/16/2016		\$6,904.50	\$ 6,845.00	
CAL-17-03	Nunes Valve Control	Closed	6/29/2017	7/11/2017	\$73,281.80	\$ 79,034.35	
CAL-17-04	Denniston Booster Pump Station	Closed	7/27/2017	8/8/2017	\$21,643.75	\$ 29,760.00	
CAL-17-05	Crystal Springs Pump Station #3 Soft Start	Closed	7/27/2017	8/8/2017	\$12,213.53	\$ 12,178.13	
CAL-18-04	Tank Levels Calibration Special	Closed	3/5/2018	3/5/2018	\$8,388.75	\$ 10,700.00	
CAL-18-05	Pilarcitos Stream Flow Gauge -Well 1 120 Service Power	Closed	3/22/2018	3/22/2018	\$3,558.13	\$ 3,997.40	
CAL-17-06	Nunes Flocculator & Rapid Mix VFD Panels	Closed	12/6/2017	12/12/2017	\$29,250.75	\$ 30,695.66	
CAL-17-01	Crystal Springs Leak Valve Control	Closed	2/8/2017	2/14/2017	\$8,701.29	\$ 18,055.88	
CAL-17-02	Crystal Springs Requirements & Addtl Controls	Closed	2/8/2017	2/14/2017	\$38,839.50	\$ 41,172.06	
CAL-18-02	Nunes Plant HMI V2	Closed	11/12/2018		\$10,913.14	\$ 9,434.90	
CAL-18-03	CSP Breakers & Handles		3/7/2018	3/7/2018	\$25,471.47	\$ 49,837.52	
CAL-18-06	Nunes VFD Project		9/6/2018	9/6/2018	\$2,381.51	\$ 895.50	
CAL-19-01	CSP Cla-Val Power Checks		2/4/2019	2/4/2019	\$15,067.91	\$ 40,475.94	
CAL-19-02	CSP Wet Well		4/1/2019	4/1/2019	\$12,960.24	\$ 12,853.20	
CAL-19-03	Pilarcitos Flow Meter Project		4/1/2019	4/1/2019	\$14,493.75	\$ 17,616.84	
CAL-19-04	CSP Main Breaker					\$ -	
	SCADA Systems		10/15/2019	10/15/2019	\$104,000.00	\$ 114,250.00	
	Spare 350/500 Pumps					\$ 3,327.09	
	CSP Main Breaker					\$ 5,220.00	
<b>Closed Projects - Subtotal (pre FY2019-2021)</b>					<b>\$960,319.86</b>	<b>\$1,102,049.95</b>	

**FY 2020-2021 Open Projects:**

<b>Open Projects - Subtotal</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
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**Other: Maintenance**

<b>Tanks</b>	
Crystal Springs Maintenance	\$ 1,639.94
<b>Nunes Maintenance</b>	\$ 21,633.96
Denniston Maintenance	\$ 11,580.26
<b>Distribution System</b>	\$ 33,014.93
<b>Wells</b>	

Subtotal Maintenance	\$ 67,869.09
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<b>TOTAL FY 2020/21</b>	<b>\$ 67,869.09</b>
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**EKI Environment & Water  
Engineering Services Billed Through December 31, 2020**

	<b>Contract Date</b>	<b>Not to Exceed Budget</b>	<b>Status</b>	<b>FY 2018-2019</b>	<b>FY 2019-2020</b>	<b>FY2020-2021</b>
<b>CIP Project Management</b>						
Fiscal Year 2018-2019	10.19.2018	\$ 25,000.00	Complete			
Fiscal Year 2018-2019	1.14.2019	\$ 40,000.00	Complete			
Fiscal Year 2018-2019	3.12.2019	\$ 75,000.00	Complete			
Fiscal Year 2019-2020	7.29.2019	\$ 180,000.00	Open	\$ 123,410.00	\$ 104,108.97	\$ 1,138.80
Pipeline Projects (Ferdinand) - T2		\$ 2,000.00		\$ 18,220.42	\$ 13,476.55	
Tank Seismic Projects - T3				\$ 16,676.92	\$ 19,249.53	
Hydraulic Modeling - T4				\$ (4,385.04)	\$ 20,570.20	
Fiscal Year 2020-2021	8.13.2020	\$ 100,000.00				\$ 44,081.14
<b>Sub Total - CIP Project Management Services</b>		<b>\$ 422,000.00</b>		<b>\$ 163,452.66</b>	<b>\$ 157,405.25</b>	<b>\$ 45,219.94</b>

<b>Highway 1 South Pipeline Replacement Project</b>	<b>16-02</b>	9.20.2018	\$ 25,000.00	Complete	\$ 17,680.45		
<b>Ferdinand Avenue Pipeline Replacement Design</b>	<b>14-31</b>	2.12.2019	\$ 29,000.00	Complete	\$ 27,824.37	\$ 1,169.10	
<b>Casa Del Mar Main Replacement (Phase 1) and Grand Boulevard Pipeline/PRV Loop Design</b>	<b>14-32</b>	2.12.2019	\$ 28,500.00	Complete	\$ 27,297.34	\$ 1,195.22	
<b>Denniston Culvert Replacement and Paving Project Design</b>	<b>18-13</b>	7.1.2019	\$ 16,400.00	Open	\$ 804.96	\$ 21,296.34	
<b>Denniston Culvert Replacement-Engineering Services during Construction</b>	<b>18-13</b>	7.8.2020	\$ 48,800.00	Complete			\$ 47,647.17
<b>Construction Inspection Services for Ferdinand Avenue Water Main Replacement Project</b>	<b>14-31</b>	7.1.2019	\$ 32,300.00	Complete		\$ 32,300.00	
<b>Pine Willow Oak Water Main Replacement Project</b>	<b>18-01</b>	7.29.2019	\$ 69,700.00	Open		\$ 49,906.63	\$ 4,991.74
<b>Grandview Water Main Replacement Project (Design, Bid Support, construction support)</b>	<b>14-27</b>	7.29.2019	\$ 56,100.00	Open		\$ 42,095.19	\$ 4,972.76
<b>Pilarcitos Creek Crossing Water Main Replacement Preliminary Design</b>	<b>13-02</b>	8.27.2019	\$ 104,600.00	Complete		\$ 95,332.59	
<b>Pilarcitos Creek Crossing Water Main Replacement Design</b>	<b>13-02</b>	7.14.2020	\$ 82,900.00	Open			\$ 24,371.88
<b>Grandview/Silver/Terrace/Spindrifft Under Hwy 1 PreDesign</b>	<b>20-08</b>	10.15.2019	\$ 59,600.00	Open		\$ 18,217.30	\$ 33,949.07
<b>Total - All Services</b>			<b>\$ 974,900.00</b>		<b>\$ 237,059.78</b>	<b>\$ 418,917.62</b>	<b>\$ 161,152.56</b>



*COASTSIDE COUNTY WATER DISTRICT*

*766 MAIN STREET*

*HALF MOON BAY, CA 94019*

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS**

**December 8, 2020**

On March 17, 2020, the Governor issued Executive Order N-29-20 suspending certain provisions of the Ralph M. Brown Act in order to allow for local legislative bodies to conduct their meetings telephonically or by other electronic means. Pursuant to the Shelter-in-Place Order issued by the San Mateo County Health Officer on March 16, 2020, as revised on March 31, 2020, the statewide Shelter-in-Place Order issued by the Governor in Executive Order N-33-20 on March 19, 2020, and the CDC's social distancing guidelines which discourage large public gatherings, the Boardroom was not open for the December 8, 2020 Regular Meeting of the Coastside County Water District. The Regular Meeting was conducted remotely via teleconference.

The Public was able to watch and/or participate in the public meeting by joining the meeting 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 Chris Mickelsen called the meeting to order at 7:00 p.m. participating in roll call via Zoom Video Conference: Directors John Muller, Ken Coverdell, Bob Feldman, and Vice-President Glenn Reynolds.

Also participating: Mary Rogren, General Manager, Patrick Miyaki, Legal Counsel; James Derbin, Superintendent of Operations; Cathleen Brennan, Water Resource Analyst; Gina Brazil, Office Manager, Denise Ford, Administrative Assistant/Recording Secretary, and Nancy Trujillo, Accounting Manager.

**2) PLEDGE OF ALLEGIANCE**

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

**4) SPECIAL ORDER OF BUSINESS**

President Mickelsen administered the Oath of Office to newly re-elected Directors Glenn Reynolds and Ken Coverdell and newly elected Director John Muller.

## 5) CONSENT CALENDAR

- A. Approval of disbursements for the month ending November 30, 2020:  
Claims: \$761,123.30; Payroll: \$173,375.04 for a total of \$934,498.34
- B. Acceptance of Financial Reports
- C. Approval of Minutes of November 10, 2020 Regular Board of Directors Meeting
- D. Installed Water Connection Capacity and Water Meters Report
- E. Total CCWD Production Report
- F. CCWD Monthly Sales by Category Report-November 2020
- G. Monthly Planned Plant or Tank Discharge and New Water Line Flushing Report
- H. Monthly Rainfall Reports
- I. SFPUC Hydrological Report for the Month of October 2020
- J. Water Service Connection Transfer Report – November 2020

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

**ON MOTION BY Vice-President Reynolds and seconded by Director Muller, the Board voted by roll call vote to approve the Consent Calendar:**

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

## 6) MEETINGS ATTENDED/DIRECTOR COMMENTS

Director Feldman reported that he attended ACWA's 2020 Fall Virtual Conference. He highlighted some events of the conference, among them being the 2020 Top Outreach Agency Award for Region 5 that was given to the District.

Director Coverdell received a letter from Assembly Speaker Kevin Mullin, in which Speaker Mullin offered his assistance to our District in addressing water related issues.

## 7) GENERAL BUSINESS

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

Nominations were opened by President Mickelsen, with Director Coverdell nominating Vice-President Reynolds to serve as the District's 2021 Board President, which was seconded by Director Muller. The nomination period was then closed.

Director Coverdell then nominated Director Feldman to serve as the District's Vice- President, which was seconded by Director Muller. The nomination period was then closed.

**ON MOTION BY Director Coverdell and seconded by Director Muller, the Board voted to elect Vice-President Glenn Reynolds to serve as the 2021 CCWD Board President; and**

**ON MOTION BY Director Coverdell and seconded by Director Muller, the Board voted by roll call vote for the nominated candidate, Director Bob Feldman, to serve as the 2021 CCWD Board Vice-President:**

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

**B. Approval of Coastside County Water District Response to Grand Jury Report Entitled “Ransomware: It Is Not Enough To Think You Are Protected”**

Ms. Rogren summarized the October 7, 2020 Grand Jury report that contains findings and recommendations including best practices for County agencies to consider when developing a cybersecurity strategy. Coastside County Water District along with 67 other County agencies are required to respond to the Grand Jury no later than January 5, 2021, and the response must be approved by the Board of Directors in a public meeting. District staff and legal counsel prepared a draft response that acknowledges the Grand Jury’s findings, specifies that cyber security is important, and confirms that by November 30, 2020, the District has made a request for a confidential report from the District’s IT consultants that addresses concerns included in the Grand Jury Report.

**ON MOTION BY Director Coverdell and seconded by Vice-President Reynolds, the Board voted by roll call vote to approve Coastside County Water District’s Response to the County of San Mateo Grand Jury Report Entitled “Ransomware: It Is Not Enough To Think You Are Protected”.**

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

**8) MONTHLY INFORMATION REPORTS**

**A. Superintendent of Operations Report**

Mr. Derbin summarized operations highlights for the month of November 2020.

**B. Water Resources Report**

Ms. Brennan summarized the previous water year 2020 hydrologic conditions for the watersheds that the District relies on for water supply and the current water year 2021 conditions.

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

Director Muller suggested that the District consider sending a letter of appreciation to the SFPUC Acting General Manager, Michael Carlin and Assistant General Manager for Water Enterprise, Steven Ritchie for their continued support of the District.

**10) ADJOURNMENT**-The Board Meeting was adjourned at 7:45 p.m.

Respectfully submitted,

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Mary Rogren, General Manager  
Secretary to the District

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Glenn Reynolds, President  
Board of Directors

**COASTSIDE COUNTY WATER DISTRICT**

**766 MAIN STREET**

**HALF MOON BAY, CA 94019**

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS**

**Tuesday, December 22, 2020**

On March 17, 2020, the Governor issued Executive Order N-29-20 suspending certain provisions of the Ralph M. Brown Act in order to allow for local legislative bodies to conduct their meetings telephonically or by other electronic means. Pursuant to the Shelter-in-Place Order issued by the San Mateo County Health Officer on March 16, 2020, as revised on March 31, 2020, the statewide Shelter-in-Place Order issued by the Governor in Executive Order N-33-20 on March 19, 2020, and the CDC's social distancing guidelines which discourage large public gatherings, the Boardroom was not open for the December 22, 2020 Special Meeting of the Coastside County Water District. This Special Meeting was conducted remotely via teleconference.

- 1) ROLL CALL** - President Mickelsen called the special meeting to order at 6:30pm. Participating in roll call via Zoom Video Conference: Directors John Muller, Ken Coverdell, Vice-President Feldman, and President-Elect Glenn Reynolds.

Also present: Mary Rogren, General Manger, Patrick Miyaki, Legal Counsel and Denise Ford, Administrative Assistant/Recording Secretary.

- 2) PUBLIC COMMENT** - There were no public comments.
- 3) CLOSED SESSION - The Closed Session began at 6:31 p.m.**

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

- 4) RECONVENE TO OPEN SESSION**

The Closed Session concluded at 7:42 p.m., and the Board reconvened to open session, Mr. Miyaki reported that the Board took no action in the closed session.

- 5) ADJOURNMENT** - The special meeting was adjourned at 7:42 p.m.

Respectfully submitted,

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Mary Rogren, General Manager

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Glenn Reynolds, President  
Board of Directors

**COASTSIDE COUNTY WATER DISTRICT**  
**Installed Water Connection Capacity & Water Meters**

**FY 2021 Meters**

Installed Water Meters	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
<b>HMB Non-Priority</b>													
0.5" capacity increase													
5/8" meter	1				1								2
3/4" meter													
1" meter													
1 1/2" meter													
2" meter													
3" meter													
<b>HMB Priority</b>													
0.5" capacity increase													
5/8" meter													
3/4" meter													
1" meter													
1 1/2" meter													
2" meter													
<b>County Non-Priority</b>													
0.5" capacity increase													
5/8" meter	1	2											3
3/4" meter													
1" meter													
<b>County Priority</b>													
5/8" meter													
3/4" meter													
1" meter													
1.5" meter													
<b>Totals</b>	2	2	0	0	1	0							5

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

FY 2020 Capacity (5/8" connection equivalents)	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Totals
HMB Non-Priority	1				1								2
HMB Priority													
County Non-Priority	1	2											3
County Priority													
<b>Total</b>	2	2	0	0	1	0							5

**TOTAL CCWD PRODUCTION (MG) ALL SOURCES- FY 2021**

	CCWD Sources			SFPUC Sources		RAW WATER TOTAL	UNMETERED WATER	TREATED TOTAL
	DENNISTON WELLS	DENNISTON RESERVOIR	PILARCITOS WELLS	PILARCITOS LAKE	CRYSTAL SPRINGS RESERVOIR			
JUL	0.02	2.83	0.00	28.80	36.06	67.71	2.35	65.36
AUG	0.00	0.00	0.00	49.75	20.27	70.02	2.25	67.78
SEPT	0.00	0.00	0.00	1.31	60.84	62.15	1.31	60.84
OCT	0.00	0.00	0.00	0.00	63.97	63.97	2.11	61.86
NOV	0.00	0.00	3.91	14.39	29.52	47.82	0.93	46.90
DEC	2.26	5.76	11.17	14.25	4.16	37.60	2.68	34.92
JAN								
FEB								
MAR								
APR								
MAY								
JUN								
<b>TOTAL</b>	2.28	8.59	15.08	108.50	214.82	349.27	11.62	337.65
% MONTHLY TOTAL	6.0%	15.3%	29.7%	37.9%	11.1%	100.0%	7.1%	92.9%
% ANNUAL TO DATE TOTAL	0.7%	2.5%	4.3%	31.1%	61.5%	100.0%	3.3%	96.7%

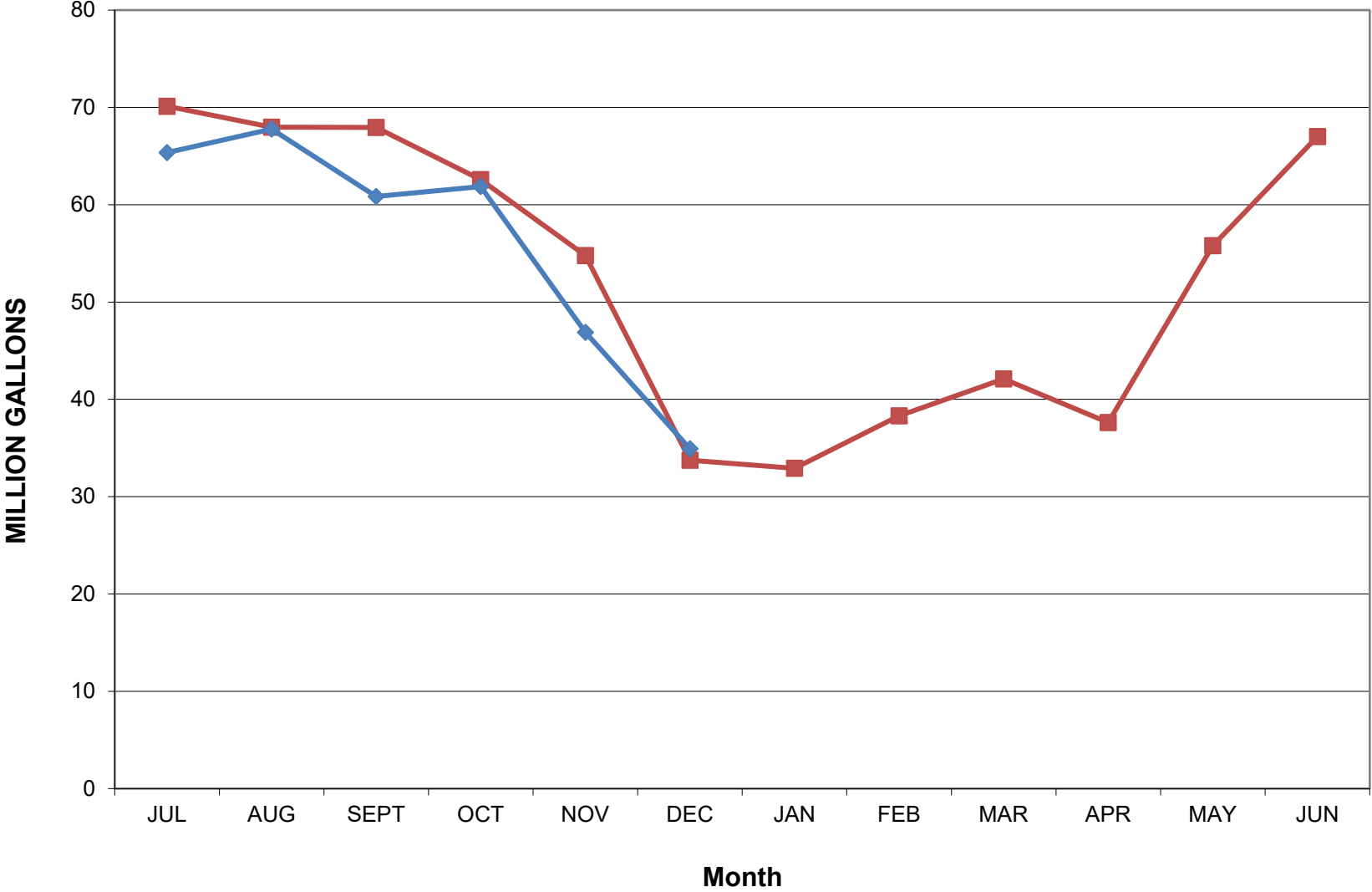
CCWD vs SFPUC- month 51.0%  
 CCWD vs SFPUC- annual 7.4%

12 Month Running Treated Total **611.41**  
**TOTAL CCWD PRODUCTION (MG) ALL SOURCES- FY 2020**

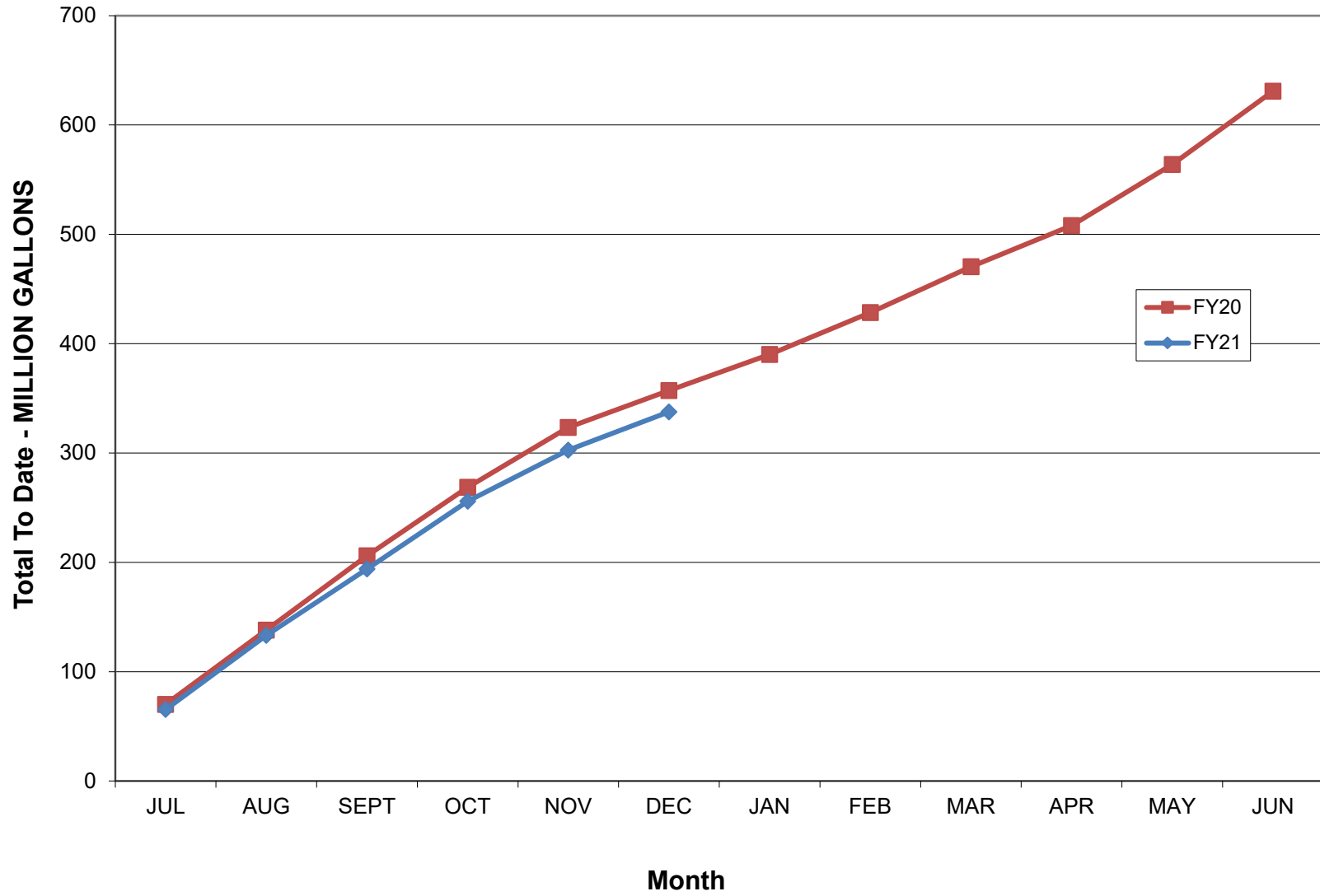
	CCWD Sources			SFPUC Sources		RAW WATER TOTAL	UNMETERED WATER	TREATED TOTAL
	DENNISTON WELLS	DENNISTON RESERVOIR	PILARCITOS WELLS	PILARCITOS LAKE	CRYSTAL SPRINGS RESERVOIR			
JUL	1.61	28.25	0.00	22.27	20.58	72.71	2.58	70.13
AUG	1.44	22.18	0.00	20.20	26.36	70.18	2.21	67.97
SEPT	1.43	19.67	0.00	19.19	30.98	71.27	3.32	67.95
OCT	0.27	5.45	0.00	9.91	48.70	64.33	1.74	62.59
NOV	0.17	19.16	8.61	0.00	29.39	57.33	2.56	54.77
DEC	0.02	18.87	13.91	0.00	4.10	36.90	3.16	33.74
JAN	0.00	18.92	14.65	0.00	1.79	35.36	2.45	32.92
FEB	1.69	27.02	12.07	1.73	0.23	42.74	4.44	38.30
MAR	0.89	18.88	13.07	3.63	8.30	44.77	2.66	42.11
APR	0.07	16.42	0.00	14.09	10.06	40.64	3.01	37.63
MAY	0.24	18.20	0.00	0.00	41.16	59.60	3.82	55.79
JUN	1.35	10.60	0.00	0.00	58.81	70.76	3.74	67.02
<b>TOTAL</b>	9.18	223.62	62.31	91.02	280.46	666.59	35.68	630.92
% TOTAL	1.4%	33.5%	9.3%	13.7%	42.1%	100.0%	5.35%	0.0%



Monthly Production FY 20 vs FY 21



Cumulative Production FY20 vs FY21





MONTH Dec-20						
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	12/6/2020	12/6/20	446 Sevilla Ave.	Main	12" CI	0.050
2	12/7/2020	12/8/2020	771 Johnston St.	Main	6" CI	0.007
3	12/27/2020	12/27/2020	429 Casa Del Mar	Main	6" CI	0.003
4						
5						
6						
7						
8						
<b>Totals</b>						<b>0.060</b>

OTHER DISCHARGES	
Total Volumes (MG)	
Flushing Program	0.032
Reservoir Cleaning	
Automatic Blowoffs	0.199
Dewatering Operations	
Other (includes flow testing)	0.000
PLANNED DISCHARGES GRAND TOTAL (MG)	
<b>0.231</b>	



Coastside County Water District  
 766 Main Street  
 July 2020 - June 2021

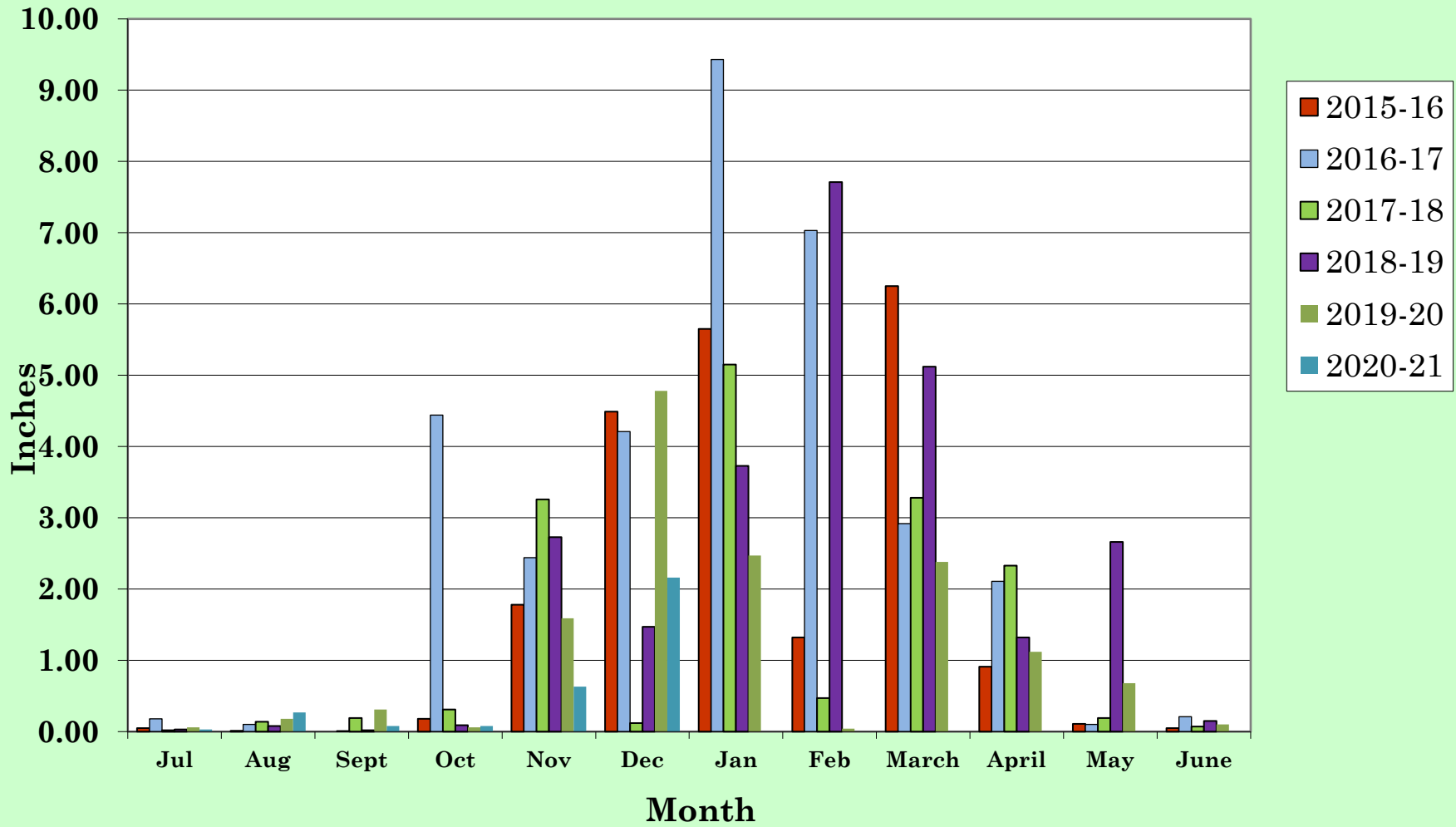
Nunes  
 Rainfall in Inches

	2020						2021					
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
1	0	0.01	0	0	0	0.0						
2	0	0	0	0	0	0.0						
3	0	0.03	0	0	0	0.0						
4	0	0.03	0	0	0	0.0						
5	0	0.02	0	0.01	0	0.0						
6	0	0	0	0.02	0.04	0.0						
7	0	0	0	0	0	0.0						
8	0	0	0	0.01	0	0.0						
9	0	0	0.01	0.01	0	0.0						
10	0	0	0	0.01	0	0.0						
11	0	0	0.01	0.01	0	0.8						
12	0	0	0.02	0	0	0.1						
13	0	0	0.01	0	0.07	0.6						
14	0	0	0	0	0.01	0.0						
15	0	0	0	0	0	0.0						
16	0	0.08	0	0	0	0.4						
17	0	0	0.01	0	0.36	0.0						
18	0	0	0	0	0.1	0.0						
19	0	0	0	0	0.01	0.0						
20	0.01	0	0	0	0	0.0						
21	0	0.02	0	0	0	0.0						
22	0	0.01	0	0	0.03	0.0						
23	0.02	0	0.01	0	0.01	0.0						
24	0	0	0.01	0	0	0.0						
25	0	0.02	0	0	0	0.2						
26	0	0.01	0	0.01	0	0.0						
27	0	0.02	0	0	0	0.0						
28	0	0	0	0	0	0.0						
29	0	0.02	0	0	0	0.0						
30	0	0	0	0	0	0.1						
31	0	0		0		0.0						
Mon.Total	0.03	0.27	0.08	0.08	0.63	2.16						
Year Total	0.03	0.30	0.38	0.46	1.09	3.25						

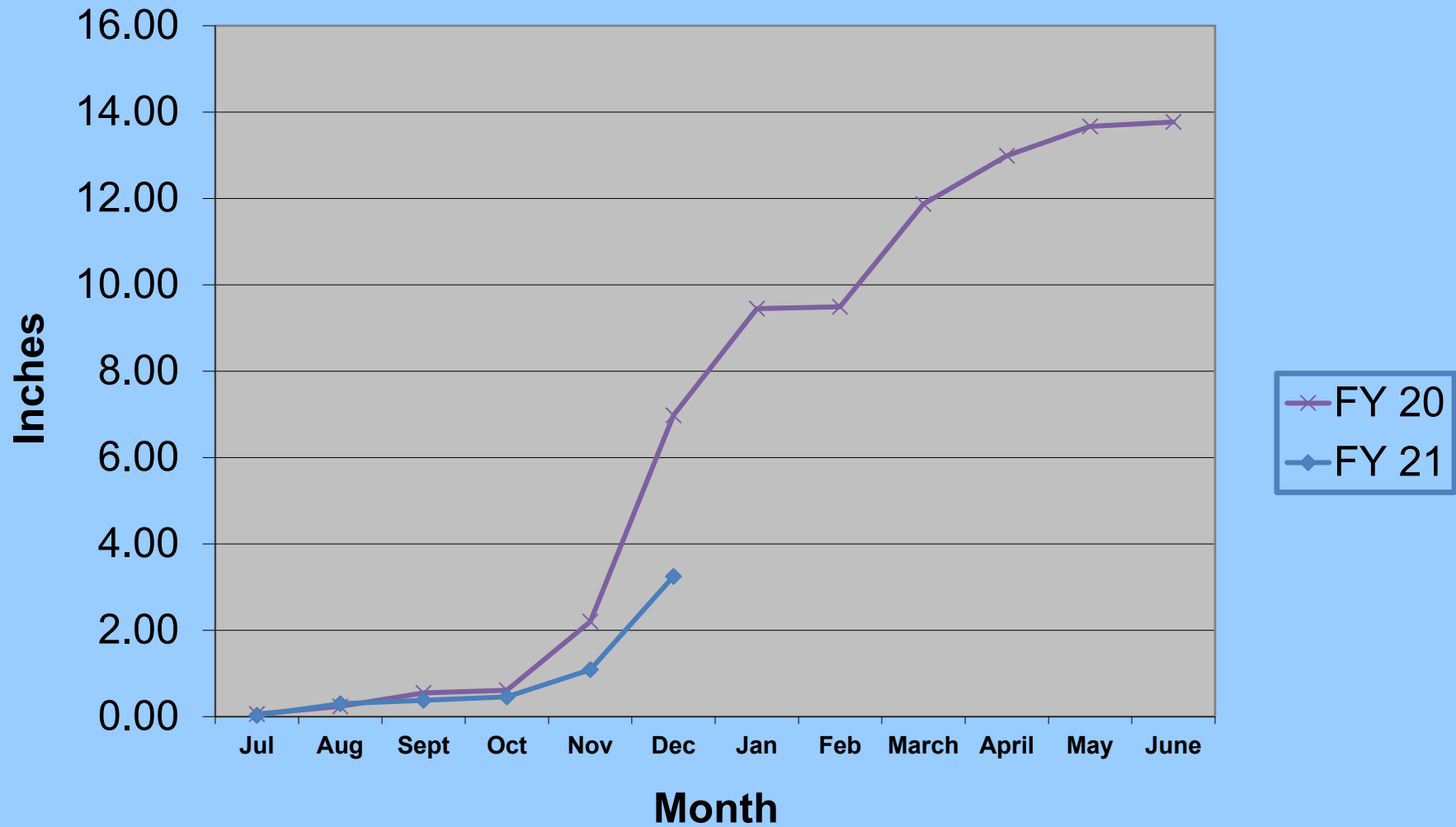
# Coastside County Water District

## Rainfall by Month

Fiscal Years 16 - 21



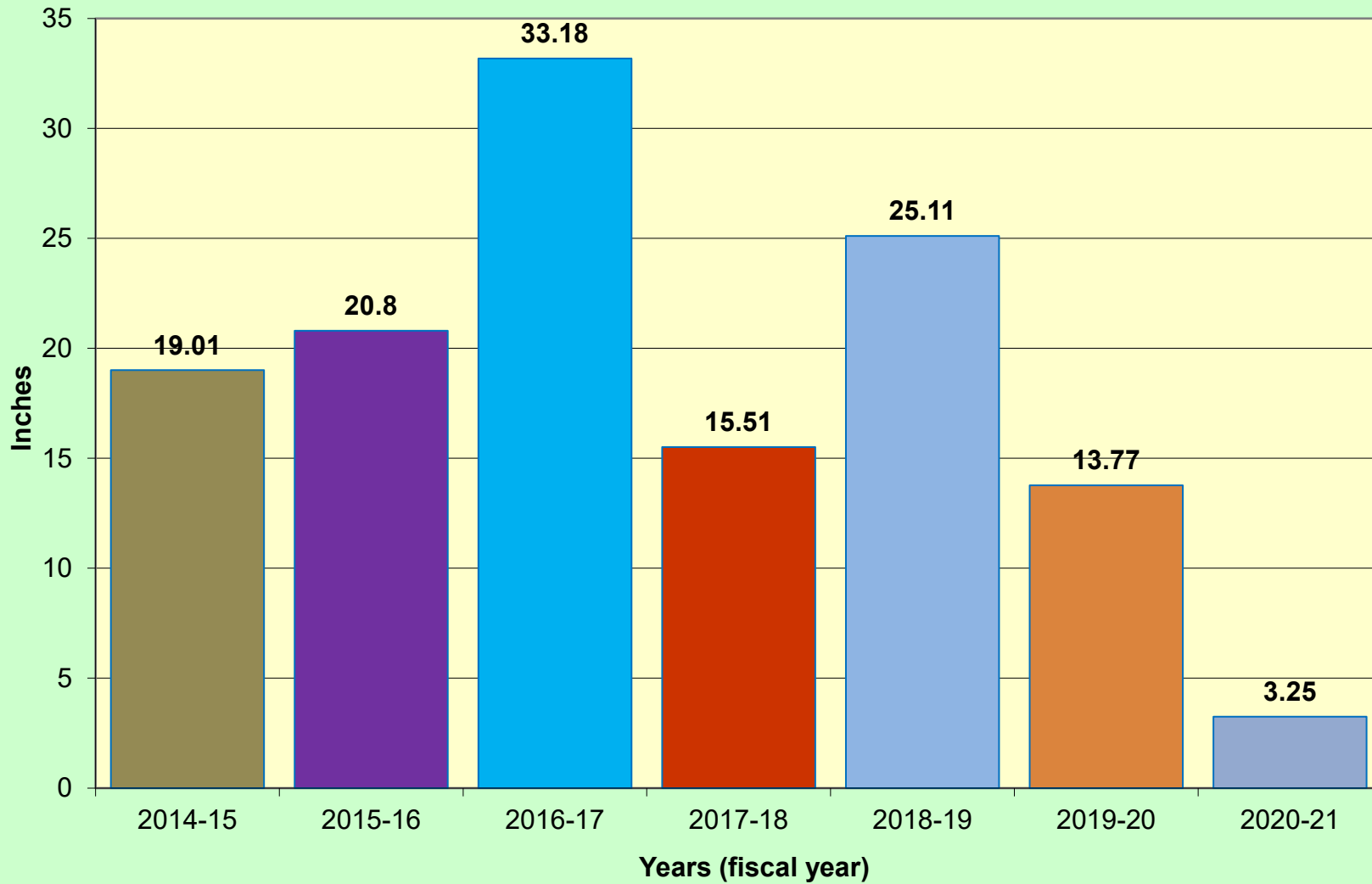
# Rainfall Total Comparison Fiscal Years 20-21





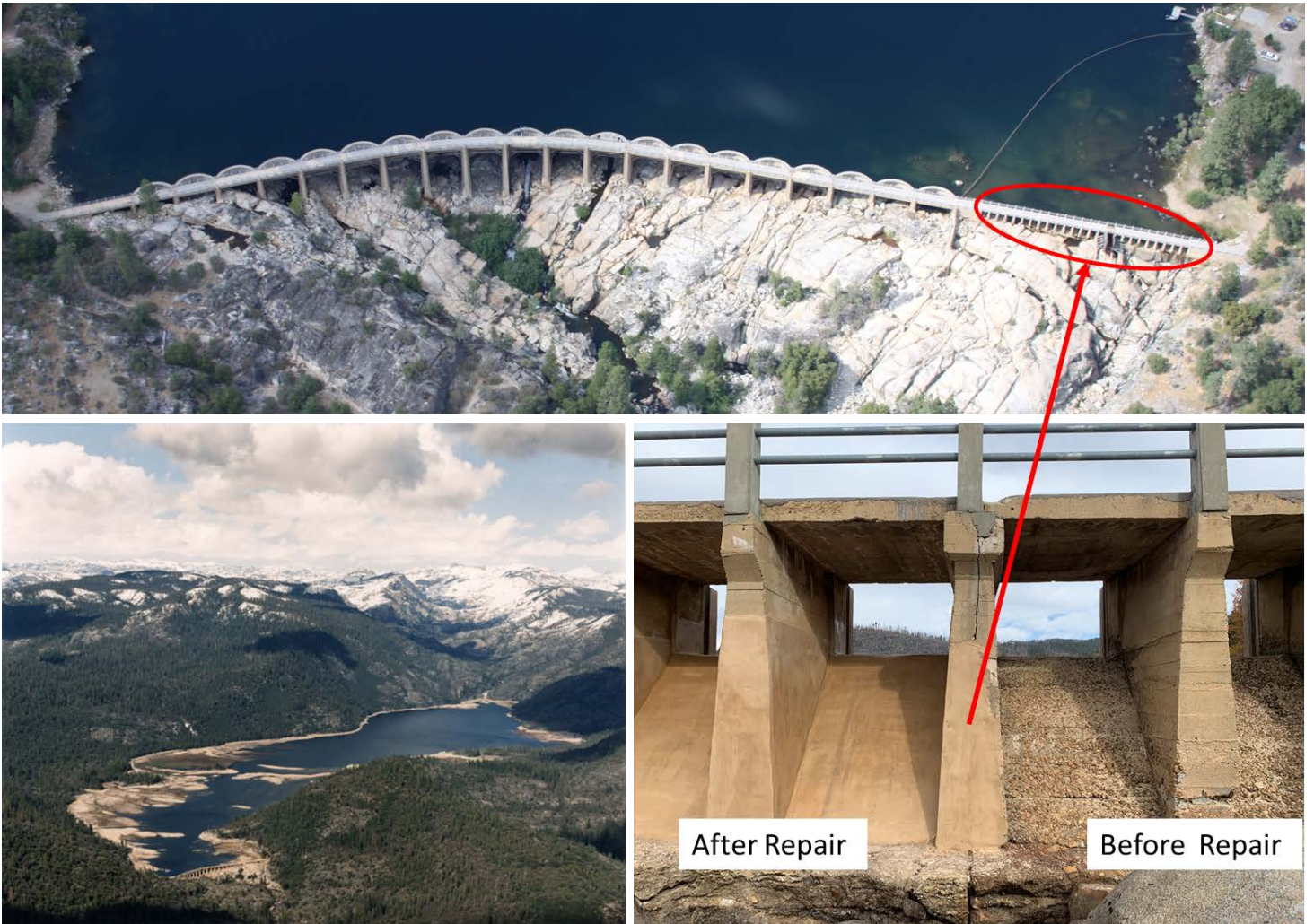
# Rain Totals

## Fiscal Years 13 - 21



# San Francisco Public Utilities Commission Hydrological Conditions Report November 2020

J. Chester, C. Graham, N. Waelyt, December 10, 2020



Eleanor Dam impounds Lake Eleanor and was built in 1918 to deliver water to the Early Intake Powerhouse. The multiple arch gravity dam is one of the oldest still utilized structures on the Hetch Hetchy Project. As part of ongoing maintenance, the spillway was repaired in 2020.

## System Storage

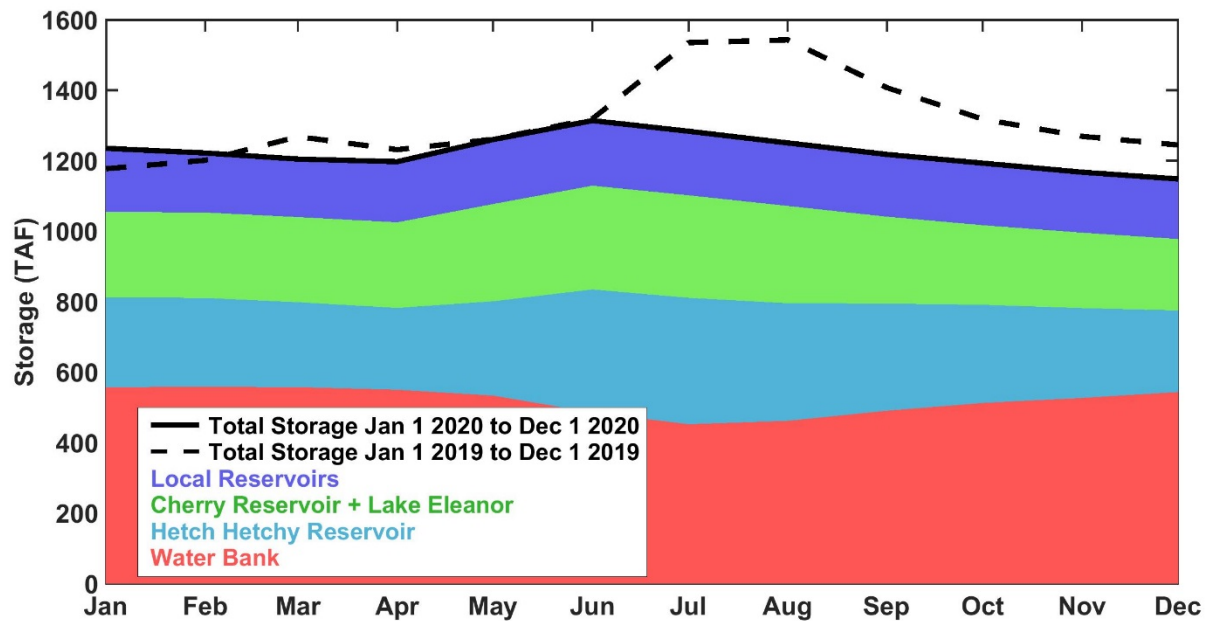
Current Tuolumne System and Local Bay Area storage conditions are summarized in Table 1.

Table 1 Current System Storage as of December 1, 2020							
	Current Storage		Maximum Storage		Available Capacity		Percentage of Maximum Storage
	acre-feet	millions of gallons	acre-feet	millions of gallons	acre-feet	millions of gallons	
<b>Tuolumne System</b>							
Hetch Hetchy Reservoir <sup>1</sup>	231,492		340,830		109,338		68%
Cherry Reservoir <sup>2</sup>	192,510		268,810		76,300		72%
Lake Eleanor <sup>3</sup>	10,297		21,495		11,198		48%
Water Bank	543,619		570,000		26,381		95%
Tuolumne Storage	977,918		1,201,135		223,217		81%
<b>Local Bay Area Storage</b>							
Calaveras Reservoir	56,185	18,308	96,824	31,550	40,638	13,242	58%
San Antonio Reservoir	44,673	14,557	50,496	16,454	5,823	1,897	89%
Crystal Springs Reservoir	51,325	16,724	58,377	19,022	7,052	2,298	88%
San Andreas Reservoir	16,362	5,332	18,996	6,190	2,634	858	86%
Pilarcitos Reservoir	1,759	573	2,995	976	1,236	403	59%
Total Local Storage	170,305	55,494	227,688	74,192	57,383	18,698	75%
<b>Total System</b>	<b>1,148,223</b>		<b>1,428,823</b>		<b>289,600</b>		<b>80%</b>

<sup>1</sup> Maximum Hetch Hetchy Reservoir storage with drum gates deactivated.

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

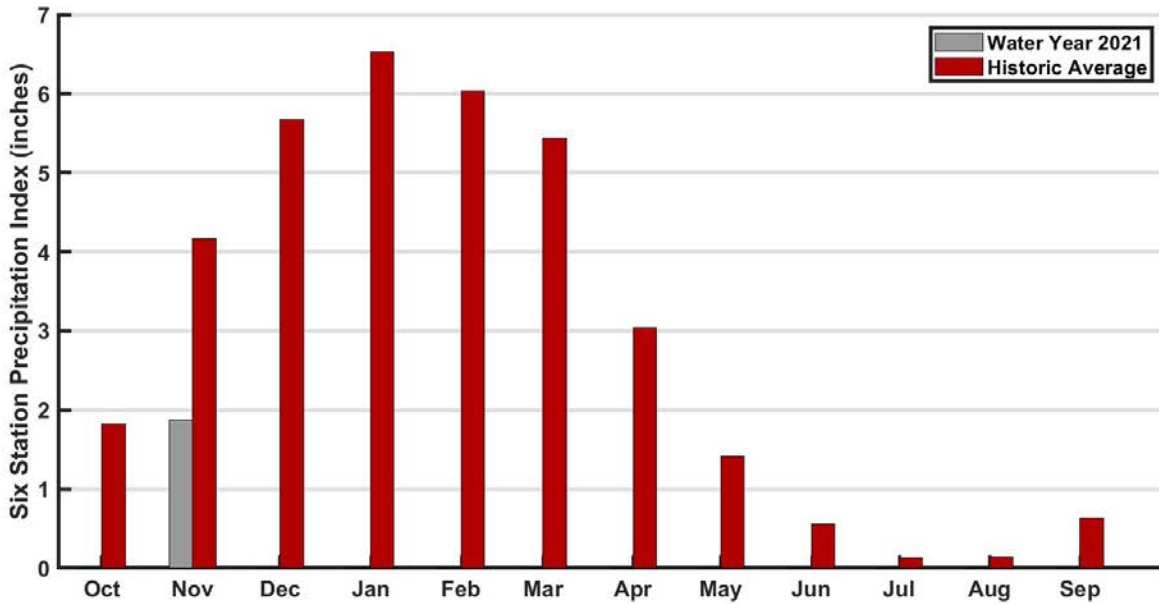
<sup>3</sup> Maximum Lake Eleanor storage with flash-boards out.



**Figure 1:** System storage for past 12 months in thousand acre-feet (TAF). 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.

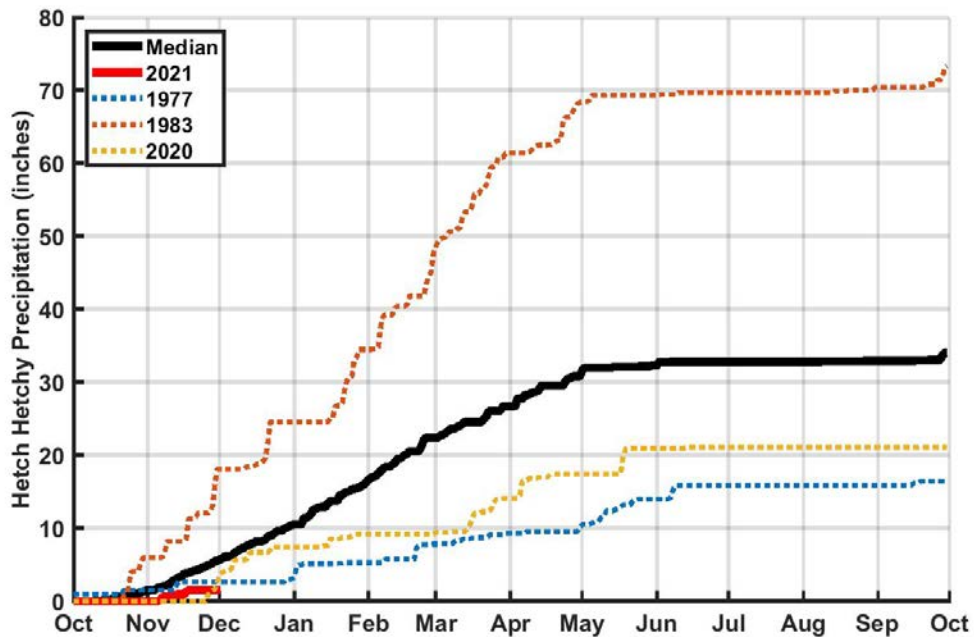
## Hetch Hetchy System Precipitation Index

*Current Month:* The November 2020 six-station precipitation index reported 1.87 inches of precipitation for the month, which is 45% of the average November. The precipitation index is computed as the average of six Sierra precipitation stations and is an indicator of the overall basin wetness.



**Figure 2:** Monthly distribution of the six-station precipitation index relative to the monthly precipitation averages. 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 December 1, the six-station precipitation index for water year (WY) 2021 was 1.87 inches, which is 5% of the average annual water year total. Hetch Hetchy received 1.54 inches of precipitation in November for a total of 1.54 inches for WY 2021, or 5% of average to-date. The cumulative WY2021 Hetch Hetchy precipitation is shown in Figure 3 in red.



**Figure 3:** Water Year 2021 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 2020 for comparison purposes.

## Tuolumne Basin Unimpaired Inflow

Unimpaired inflow to SFPUC reservoirs and the Tuolumne River at La Grange for November 2020 and the year to date is summarized below in Table 2.

<b>Table 2 Calculated Reservoir Inflows and Water Available to City</b>								
* All flows are in acre-feet	November 2020				October 1, 2020 through December 1, 2020			
	Observed Flow	Median <sup>1</sup>	Mean <sup>1</sup>	Percent of Mean	Observed Flow	Median <sup>1</sup>	Mean <sup>1</sup>	Percent of Mean
Inflow to Hetch Hetchy Reservoir	625	6,038	13,528	5%	625	10,442	19,966	3%
Inflow to Cherry Reservoir and Lake Eleanor	248	7,413	15,616	2%	234	11,983	21,190	1%
Tuolumne River at La Grange	907	20,372	44,836	2%	7,089	39,873	62,508	11%
Water Available to City	0	0	12,751	0%	0	0	15,303	0%

<sup>1</sup>Hydrologic Record: 1919-2015

### Hetch Hetchy System Operations

Hetch Hetchy Reservoir power draft and stream releases during the month totaled 24,014 acre-feet. Hetch Hetchy Reservoir minimum instream release requirements for November and December are 35 cfs. Total precipitation and inflows for Calendar Year 2020 have resulted in a Water Year Type C (dry) for Hetch Hetchy Reservoir.

Cherry Reservoir valve and power draft releases totaled 11,189 acre-feet for the month and were used to maintain seasonal target elevations. The required minimum instream release from Cherry Reservoir for November was 5 cfs and will remain at that flow through June 2021. Lake Eleanor required minimum instream release were 5 cfs for November and remain there through March 2021. The Cherry / Eleanor Pumps were off for all of November and will remain off until inflows to Lake Eleanor increase.

### Regional System Treatment Plant Production

The Harry Tracy Water Treatment Plant average production rate for November was 7 MGD. The Sunol Valley Water Treatment Plant average production for the month was 15 MGD.

### Local System Water Delivery

The average November delivery rate was 185 MGD, which is a 14% decrease below the October delivery rate of 214 MGD.



## Local Precipitation

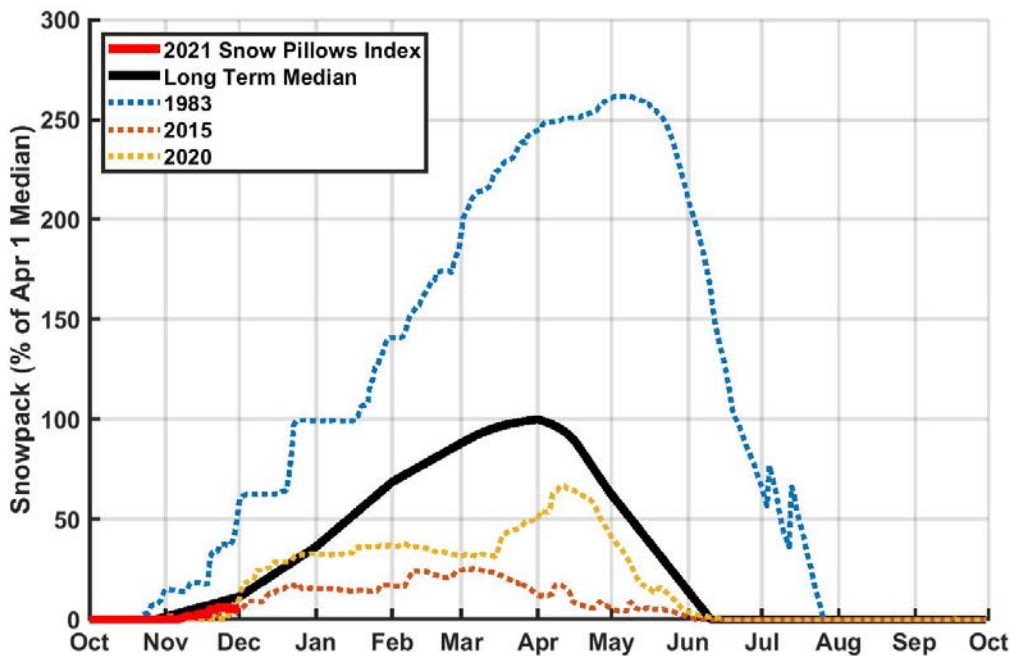
The rainfall summary for November 2020 is presented in Table 3.

Weather Station Location	November		October 1, 2020 through December 1, 2020	
	Total (inches)	Percent of Mean for the Month	Total (inches)	Percent of Mean for the Year-To-Date
Pilarcitos Reservoir	2.13	48 %	2.20	34%
Lower Crystal Springs Reservoir	0.97	31 %	0.97	21%
Calaveras Reservoir	0.93	36 %	0.93	25%

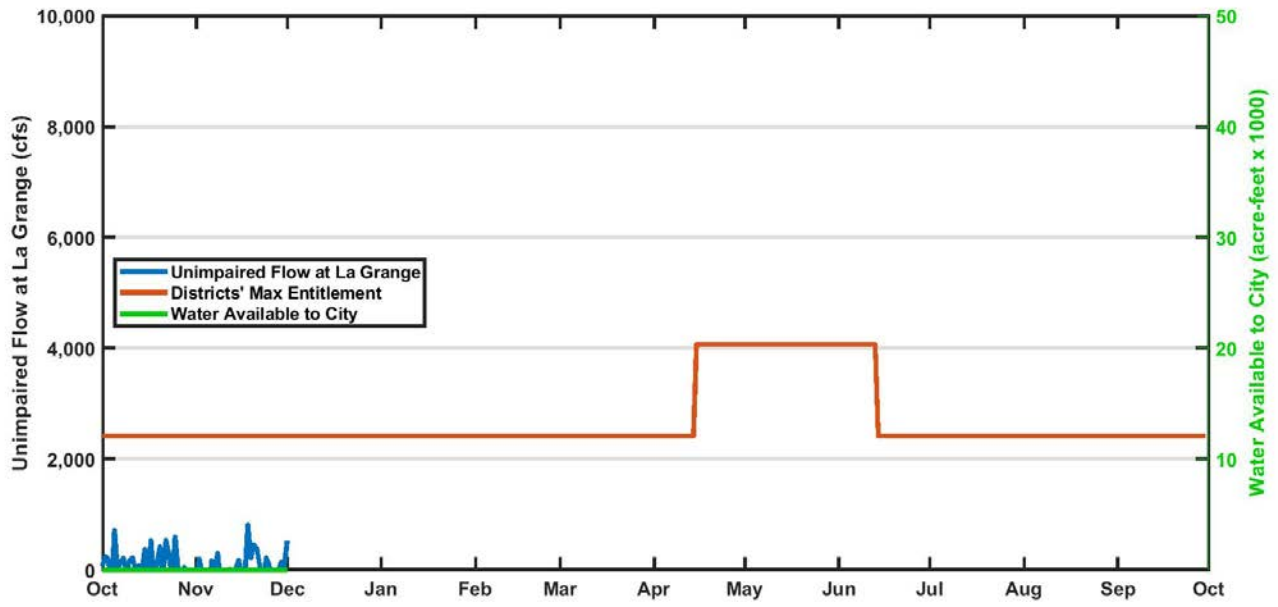
## Snowpack, Water Supply and Planned Water Supply Management

Based on the snow pillows, December 1st snowpack is currently 6% of the annual April 1st peak snowpack (Figure 4), matching the precipitation to date.

Due to the historically low measured precipitation and cool temperatures, inflows to all upcountry reservoirs have been very low this fall. Short and medium term forecasts remain dry for the upcountry region. Forecasted inflows to all upcountry reservoirs are expected to remain low until weather conditions change. Hetch Hetchy Reservoir storage is expected to continue to decrease as deliveries and stream releases exceed inflows. Water storage at Cherry Reservoir and Lake Eleanor are slowly declining as instream minimum releases and Holm Powerhouse power draft exceed inflows. The calculated unimpaired flow at La Grange and the allocation of flows between the Districts and the City are shown in Figure 4. As of December 1, there has been a total of 0 acre-feet available to the City in Water Year 2021.



**Figure 4:** Tuolumne River Basin 10 Station Snow Index (lines), based on real time snow pillow SWE measurements. Also plotted are the mean monthly manual snow surveys (stars) in the Tuolumne Basin.



**Figure 5:** Calculated unimpaired flow at La Grange and the allocation of flows between the Districts and the City.

## **STAFF REPORT**

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

**From:** Mary Rogren, General Manager

**Agenda:** January 12, 2021

### **Report**

**Date:** January 8, 2021

**Subject:** Request for Board to Provide Authorization to Write Off Bad Debts for Fiscal Year Ending 2019-2020

---

### **Recommendation:**

Authorize staff to write off bad debts for fiscal year 2019-2020 (July 1, 2019 to June 30, 2020) in the total amount of \$11,076.

### **Background:**

The process of writing off bad debts takes place at the end of each fiscal year as part of the year-end closeout and audit process. At this time, staff requests that the Board authorize the General Manager to write off the debts have not been collected throughout the fiscal year. The total for Fiscal Year 2019-2020 is \$ 11,076 (or 0.1% of Water Revenue) as detailed in the attached table.

These bad debts only include customers who have discontinued service with the District without rendering payment of their final closing bills. Staff efforts to locate the customers and collect payment of these accounts have been exhausted.

Past due balances of active customers will be discussed in the Quarterly Financial Review section.

The following represents the bad debt amounts written off over the past five (5) fiscal years:

Fiscal Year 2018-2019: \$8,229  
Fiscal Year 2017-2018: \$13,394  
Fiscal Year 2016-2017: \$10,403  
Fiscal Year 2015-2016: \$ 4,480  
Fiscal Year 2014-2015: \$ 7,428

### **Fiscal Impact:**

Charge to expense of \$11,076.



**Coastside County Water District  
Bad Debt Write-Offs for Fiscal Year 2019-2020**

Name	Amount Due
SANCHEZ FARMS	\$ 6,075.42
PILLAR POINT FISH HOUSE	\$ 878.53
SOLID STONE CONSTRUCTION & DESIGN	\$ 557.85
SOLID STONE CONSTRUCTION & DESIGN	\$ 68.09
STEVE THOMPSON	\$ 475.37
LAURA WINSTON	\$ 400.00
SAUL MIRAMONTES	\$ 368.21
TOBY DIAZ	\$ 283.72
ANDREW DELLINS	\$ 246.84
EIVIND SUKKESTAD	\$ 225.19
RAUL VILLA	\$ 200.72
JOHN/ANGIE MARTIN	\$ 137.47
JOHN WILMES	\$ 124.72
TRACI RUBLE	\$ 123.47
MARY MARSH (Deceased)	\$ 119.45
DON McCAHON	\$ 119.42
DON McCAHON	\$ 6.46
SHANON EGAN	\$ 116.43
CHARLES/PATRICIA JONES	\$ 115.61
KRISTINA YOTIVE	\$ 88.73
BROOK MORGAN	\$ 76.96
MICHAEL AHERN	\$ 72.33
HERMAN HUTCHINSON	\$ 49.65
SHARON RENO	\$ 44.83
MANUEL NUNES SILVA	\$ 44.39
ELIAS JWEINAT	\$ 42.50
JOHN/ANGIE MARTIN	\$ 14.00
Total Amount Due	<u><u>\$ 11,076.36</u></u>

**WATER SERVICE CONNECTION TRANSFER REPORT  
TRANSFERS APPROVED FOR THE MONTH OF DECEMBER 2020**

<b>DONATING APN</b>	<b>PROPERTY OWNER(S)</b>	<b>RECIPIENT APN</b>	<b>PROPERTY OWNER(S)</b>	<b># OF CONNECTIONS</b>	<b>DATE</b>
047-152-040	Frederick Campbell	047-217-110	Randy Ralston/Linda Mendiola	one (1) 5/8"	December 9, 2020
115-520-170	Charles J. Keenan III (c/o Joyce Yamigiwa)	047-242-040	Ingrid Barker/Aaron Burghardt	one (1) 5/8"	December 9, 2020

## **STAFF REPORT**

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

**From:** Mary Rogren, General Manager

**Agenda:** January 12, 2021

### **Report**

**Date:** January 08, 2021

**Subject:** Coastside County Water District Basic Financial Statements and Independent Auditor's Report for the Fiscal Year Ended June 30, 2020

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### **Recommendation:**

Accept the Coastside County Water District Basic Financial Statements and Independent Auditor's Report for Fiscal Year Ended June 30, 2020.

### **Background:**

Fedak & Brown LLP, the District's Independent Auditor, has completed work on the Basic Financial Statements for the Year Ended June 30, 2020. The Auditor's letter attests that the financial statements fairly represent the financial position of the District. No exceptions or concerns were noted.

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

### **Attachments:**

- A. Coastside County Water District - Annual Financial Report for the Fiscal Years ended June 30, 2020 and 2019
- B. Independent Auditor's Report on Internal Controls and Compliance
- C. Management Report for Year ended June 30, 2020

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**Coastside County Water District**  
**Annual Financial Report**

**For the Fiscal Years Ended June 30, 2020 and 2019**

Draft Subject to Approval





## **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, 2020**

<b>Name</b>	<b>Title</b>	<b>Elected/ Appointed</b>	<b>Current Term</b>
Chris Mickelsen	President	Elected	11/18-11/22
Glenn Reynolds	Vice-President	Elected	11/16-11/20
Ken Coverdell	Director	Elected	11/16-11/20
Robert Feldman	Director	Elected	11/18-11/22
James Larimer	Director	Appointed	3/19-11/20

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

**Coastside County Water District**

**Annual Financial Report**

**For the Fiscal Years Ended June 30, 2020 and 2019**

*Board Presentation Draft Subject to Approval*

**Coastside County Water District  
Annual Financial Report  
For the Fiscal Years Ended June 30, 2020 and 2019**

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**Financial Section**

Board Presentation Draft Subject to Approval



## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the Coastside County Water District (District) for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

#### *Auditor's Responsibility*

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

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

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

#### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of June 30, 2020 and 2019, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## 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 3 through 8 and the required supplementary information on pages 46 through 48 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 12, 2021, 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 49 and 50.

**Fedak & Brown LLP**  
Cypress, California  
January 12, 2021

**Coastside County Water District**  
***Management's Discussion and Analysis, continued***  
**For the Fiscal Years Ended June 30, 2020 and 2019**

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, 2020 and 2019. 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 2020, the District's net position increased 7.59% or \$3,267,774 to \$46,295,674 as a result from ongoing operations. In fiscal year 2019, the District's net position increased 5.78% or \$2,349,486 to \$43,027,900 as a result from ongoing operations.
- In fiscal year 2020, the District's operating revenues increased 8.56% or \$1,015,887 to \$12,881,120. In fiscal year 2019, the District's operating revenues increased 0.05% or \$5,734 to \$11,865,233.
- In fiscal year 2020, the District's non-operating revenues increased 6.13% or \$107,340 to \$1,857,856. In fiscal year 2019, the District's non-operating revenues increased 10.27% or \$162,995 to \$1,750,516.
- In fiscal year 2020, the District's operating expenses increased 1.73% or \$147,876 to \$8,681,340. In fiscal year 2019, the District's operating expenses increased 4.09% or \$335,631 to \$8,533,464.
- In fiscal year 2020, the District's non-operating expenses decreased 5.06% or \$28,327 to \$531,720. In fiscal year 2019, the District's non-operating expenses decreased 24.00% or \$176,899 to \$560,047.

**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 Statements of Net Position include all of the District's investments in resources (assets) and deferred outflows of resources, and the obligations to creditors (liabilities) and deferred inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenue and expenses are accounted for in the 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. These statements 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 Statements 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, 2020 and 2019**

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

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 14 through 45.

**Statements of Net Position**

**Condensed Statements of Net Position**

	<u>2020</u>	<u>2019</u>	<u>Change</u>	<u>As Restated 2018</u>	<u>Change</u>
<b>Assets:</b>					
Current assets	\$ 11,585,665	11,128,310	457,355	8,914,249	2,214,061
Capital assets, net	<u>56,917,613</u>	<u>53,943,608</u>	<u>2,974,005</u>	<u>54,030,020</u>	<u>(86,412)</u>
<b>Total assets</b>	<u>68,503,278</u>	<u>65,071,918</u>	<u>3,431,360</u>	<u>62,944,269</u>	<u>2,127,649</u>
<b>Deferred outflows of resources:</b>	<u>1,099,412</u>	<u>1,298,272</u>	<u>(198,860)</u>	<u>1,623,393</u>	<u>(325,121)</u>
<b>Liabilities:</b>					
Current liabilities	1,770,015	1,434,092	335,923	1,458,803	(24,711)
Non-current liabilities	<u>21,154,749</u>	<u>21,699,199</u>	<u>(544,450)</u>	<u>22,372,644</u>	<u>(673,445)</u>
<b>Total liabilities</b>	<u>22,924,764</u>	<u>23,133,291</u>	<u>(208,527)</u>	<u>23,831,447</u>	<u>(698,156)</u>
<b>Deferred inflows of resources:</b>	<u>382,252</u>	<u>208,999</u>	<u>173,253</u>	<u>57,801</u>	<u>151,198</u>
<b>Net position:</b>					
Net investment in capital assets	41,467,479	37,893,505	3,573,974	37,585,708	307,797
Restricted	370,599	314,403	56,196	410,329	(95,926)
Unrestricted	<u>4,457,596</u>	<u>4,819,992</u>	<u>(362,396)</u>	<u>2,682,377</u>	<u>2,137,615</u>
<b>Total net position</b>	<u>\$ 46,295,674</u>	<u>43,027,900</u>	<u>3,267,774</u>	<u>40,678,414</u>	<u>2,349,486</u>

**Coastside County Water District**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

**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 of the District exceeded liabilities by \$46,295,674 and \$43,027,900 as of June 30, 2020 and 2019, respectively.

By far, the largest portion of the District's net position (90% and 88% as of June 30, 2020 and 2019, 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 2020 and 2019, the District showed a positive balance in its unrestricted net position of \$4,457,596 and \$4,819,992, respectively, which may be utilized in future years. See note 10 for further information.

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

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

	<u>2020</u>	<u>2019</u>	<u>Change</u>	<u>As Restated 2018</u>	<u>Change</u>
<b>Revenue:</b>					
Operating revenue	\$ 12,881,120	11,865,233	1,015,887	11,859,499	5,734
Non-operating revenue	1,857,856	1,750,516	107,340	1,587,521	162,995
Total revenue	<u>14,738,976</u>	<u>13,615,749</u>	<u>1,123,227</u>	<u>13,447,020</u>	<u>168,729</u>
<b>Expense:</b>					
Operating expense	8,681,340	8,533,464	147,876	8,197,833	335,631
Depreciation	2,258,142	2,172,752	85,390	2,011,772	160,980
Non-operating expense	531,720	560,047	(28,327)	736,946	(176,899)
Total expense	<u>11,471,202</u>	<u>11,266,263</u>	<u>204,939</u>	<u>10,946,551</u>	<u>319,712</u>
Change in net position	3,267,774	2,349,486	918,288	2,500,469	(150,983)
<b>Net position, beginning of year</b>					
– as previously stated	43,027,900	40,678,414	2,349,486	39,575,817	1,102,597
<b>Prior period adjustment</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,397,872)</u>	<u>1,397,872</u>
<b>Net position, beginning of year</b>					
– as restated	<u>43,027,900</u>	<u>40,678,414</u>	<u>2,349,486</u>	<u>38,177,945</u>	<u>2,500,469</u>
<b>Net position, end of year</b>	<u>\$ 46,295,674</u>	<u>43,027,900</u>	<u>3,267,774</u>	<u>40,678,414</u>	<u>2,349,486</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 7.59% or \$3,267,774, in fiscal year 2020 to \$46,295,674 as a result from ongoing operations. In fiscal year 2019, the District's net position increased 5.78% or \$2,349,486 to \$43,027,900 as a result from ongoing operations.

**Coastside County Water District**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

**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 2020, total revenues increased 8.09% or \$1,123,227 to \$14,738,976. Operating revenues increased 8.56% or \$1,015,887, primarily due to an increase in water consumption sales. Non-operating revenues increased 6.13% or \$107,340, primarily due to increases of \$67,932 in property tax revenue \$25,316 in investment earnings, and \$12,838 in other revenue. In fiscal year 2019, total revenues increased 1.25% or \$168,729 to \$13,615,749. Operating revenues increased 0.05% or \$5,734, primarily due to an increase in water consumption sales. Non-operating revenues increased 10.27% or \$162,995, primarily due to increases of \$160,309 in property tax revenue \$75,519 in investment earnings, \$10,187 in rental revenue, and \$10,661 in other revenue, which were offset by a decrease of \$96,181 in transmission and storage fees.

In fiscal year 2020, total expenses (including depreciation) increased 1.82% or \$204,939 to \$11,471,202. Operating expenses increased 1.73% or \$147,876, primarily due to increases of \$217,421 in general and administrative expense, \$134,626 in pumping expense, \$98,468 in transmission and distribution, which were offset by a decrease of \$302,639 in source of supply as compared to prior year. Non-operating expenses decreased 5.06% or \$28,327, primarily due to decreases of \$33,721 in amortization of debt issuance costs, \$22,419 in interest expense, which were offset by an increase of \$24,773 in loss on disposal of assets as compared to the prior year. In fiscal year 2019, total expenses (including depreciation) increased 2.92% or \$319,712 to \$11,266,263. Operating expenses increased 4.09% or \$335,631, primarily due to increases of \$224,302 in sources of supply and \$318,059 in transmission and distribution, which were offset by decreases of \$155,482 in pumping expense and \$51,248 in general and administrative expense as compared to the prior year. Non-operating expenses decreased 24.00% or \$176,899, primarily due to decreases of \$106,474 in interest expense, \$83,292 in loss on disposal of assets from prior year, and \$16,638 in collection fees, which were offset by an increase of \$29,506 in amortization of debt issuance costs as compared to the prior year.

**Capital Asset Administration**

Changes in capital asset amounts for 2020 were as follows:

	<b>Balance 2019</b>	<b>Additions</b>	<b>Transfers/ Deletions</b>	<b>Balance 2020</b>
<b>Capital assets:</b>				
Non-depreciable assets	\$ 1,722,213	4,956,425	(3,966,384)	2,712,254
Depreciable assets	85,416,420	4,283,579	(132,984)	89,567,015
Accumulated depreciation	<u>(33,195,025)</u>	<u>(2,258,142)</u>	<u>91,511</u>	<u>(35,361,656)</u>
Total capital assets, net	<u>\$ 53,943,608</u>	<u>6,981,862</u>	<u>(4,007,857)</u>	<u>56,917,613</u>



**Coastside County Water District**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

**Capital Asset Administration, continued**

Changes in capital asset amounts for 2019 were as follows:

	<u>Balance 2018</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2019</u>
<b>Capital assets:</b>				
Non-depreciable assets	\$ 2,209,803	1,936,418	(2,424,008)	1,722,213
Depreciable assets	82,911,695	2,573,930	(69,205)	85,416,420
Accumulated depreciation	<u>(31,091,478)</u>	<u>(2,172,752)</u>	<u>69,205</u>	<u>(33,195,025)</u>
Total capital assets, net	<u>\$ 54,030,020</u>	<u>2,337,596</u>	<u>(2,424,008)</u>	<u>53,943,608</u>

At the end of fiscal years 2020 and 2019, the District's investment in capital assets amounted to \$56,917,613 and \$53,943,608 (net of accumulated depreciation), 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, 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 2020 were as follows:

	<u>Balance 2019</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2020</u>
<b>Long-term debt:</b>				
Loans payable	\$ 16,050,103	-	(599,969)	15,450,134
Total long-term debt	<u>\$ 16,050,103</u>	<u>-</u>	<u>(599,969)</u>	<u>15,450,134</u>

Changes in long-term debt amounts for 2019 were as follows:

	<u>Balance 2018</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2019</u>
<b>Long-term debt:</b>				
Bonds payable	\$ 5,121,279	-	(5,121,279)	-
Loans payable	<u>11,323,033</u>	<u>5,311,319</u>	<u>(584,249)</u>	<u>16,050,103</u>
Total long-term debt	<u>\$ 16,444,312</u>	<u>5,311,319</u>	<u>(5,705,528)</u>	<u>16,050,103</u>

In 2020 and 2019, long-term debt decreased by \$599,969 and \$5,705,528, due to current year scheduled principal payments and prior year refunded debt for the purpose of refinancing and principal payments, respectively. The long-term debt position of the District is more fully analyzed in Note 5 to the basic financial statements.

**Coastside County Water District**  
***Management's Discussion and Analysis, continued***  
**For the Fiscal Years Ended June 30, 2020 and 2019**

**Conditions Affecting Current Financial Position**

The COVID-19 pandemic in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact on the District and the duration cannot be estimated at this time.

Management is unaware of any other 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.

**Requests for Information**

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

Board Presentation Draft Subject to Approval

# **Basic Financial Statements**

Board Presentation Draft Subject to Approval

**Coastside County Water District  
Statements of Net Position  
June 30, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>Current assets:</b>		
Cash and cash equivalents (note 2)	\$ 9,194,271	8,944,963
Restricted – cash and cash equivalents (note 2)	120,599	64,403
Accrued interest receivable	19,054	32,607
Accounts receivable – water sales and services	1,873,607	1,725,277
Accounts receivable – other	33,583	23,673
Accounts receivable – property taxes	44,012	17,869
Materials and supplies inventory	163,719	170,681
Water-in-storage inventory	22,655	19,628
Prepaid expenses and other deposits	114,165	129,209
<b>Total current assets</b>	<b>11,585,665</b>	<b>11,128,310</b>
<b>Non-current assets:</b>		
Capital assets – not being depreciated (note 3)	2,712,254	1,722,213
Capital assets, net – being depreciated (note 3)	54,205,359	52,221,395
<b>Total non-current assets</b>	<b>56,917,613</b>	<b>53,943,608</b>
<b>Total assets</b>	<b>68,503,278</b>	<b>65,071,918</b>
<b>Deferred outflows of resources:</b>		
Deferred other post-employment benefits outflows (note 6)	55,278	40,360
Deferred pension outflows (note 7)	1,044,134	1,257,912
<b>Total deferred outflows of resources</b>	<b>\$ 1,099,412</b>	<b>1,298,272</b>

*Continued on next page*

See accompanying notes to the basic financial statements

**Coastside County Water District**  
**Statements of Net Position, continued**  
**June 30, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 808,542	479,104
Accrued wages and related payables	68,378	55,638
Customer deposits and deferred revenue	56,821	71,092
Accrued interest payable	166,933	172,719
Long-term liabilities – due within one year:		
Compensated absences (note 4)	54,397	55,570
Loans payable (note 5)	614,944	599,969
	<b>1,770,015</b>	<b>1,434,092</b>
<b>Non-current liabilities:</b>		
Long-term liabilities – due in more than one year:		
Compensated absences (note 4)	163,190	166,711
Loans payable (note 5)	14,835,190	15,450,134
Net other post-employment benefit liability (note 6)	2,318,227	2,374,273
Net pension liability (note 7)	3,838,142	3,708,081
	<b>21,154,749</b>	<b>21,699,199</b>
	<b>22,924,764</b>	<b>23,133,291</b>
<b>Deferred inflows of resources:</b>		
Deferred other post-employment benefits inflows (note 6)	169,493	84,430
Deferred pension inflows (note 7)	212,759	124,569
	<b>382,252</b>	<b>208,999</b>
<b>Net position:</b>		
Net investment in capital assets (note 8)	41,467,479	37,893,505
Restricted (note 9)	370,599	314,403
Unrestricted (note 10)	4,457,596	4,819,992
	<b>\$ 46,295,674</b>	<b>43,027,900</b>

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, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>Operating revenues:</b>		
Water consumption sales	\$ 12,881,120	11,865,233
<b>Total operating revenues</b>	<b>12,881,120</b>	<b>11,865,233</b>
<b>Operating expenses:</b>		
Source of supply	1,934,685	2,237,324
Pumping	1,409,139	1,274,513
Transmission and distribution	2,290,538	2,192,070
General and administrative	3,046,978	2,829,557
<b>Total operating expenses</b>	<b>8,681,340</b>	<b>8,533,464</b>
Operating income before depreciation expense	4,199,780	3,331,769
Depreciation expense – capital recovery	(2,258,142)	(2,172,752)
<b>Operating income</b>	<b>1,941,638</b>	<b>1,159,017</b>
<b>Non-operating revenue(expense):</b>		
Property taxes	1,463,215	1,395,283
Investment earnings	123,435	98,119
Transmission and storage fees	56,105	64,120
Rental revenue	178,733	166,964
Interest expense	(489,598)	(512,017)
Amortization of debt issuance costs	-	(33,721)
Collection fees – County	(17,349)	(14,309)
Gain (loss) on disposition of assets	(24,773)	2,500
Other revenue	36,368	23,530
Total non-operating, net	<b>1,326,136</b>	<b>1,190,469</b>
<b>Change in net position</b>	<b>3,267,774</b>	<b>2,349,486</b>
<b>Net position, beginning of year</b>	<b>43,027,900</b>	<b>40,678,414</b>
<b>Net position, end of year</b>	<b>\$ 46,295,674</b>	<b>43,027,900</b>

See accompanying notes to the basic financial statements

**Coastside County Water District  
Statements of Cash Flows  
For the Fiscal Years Ended June 30, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities:</b>		
Cash receipts from customers for water sales and services	\$ 12,708,609	12,200,935
Cash paid to employees for salaries and wages	(2,997,804)	(2,752,259)
Cash paid to vendors and suppliers for materials and services	(4,768,853)	(5,479,422)
Net cash provided by operating activities	4,941,952	3,969,254
<b>Cash flows from non-capital financing activities:</b>		
Cash receipts from property taxes	1,437,072	1,393,319
Cash paid for collection fees	(17,349)	(14,309)
Other revenues	271,206	257,114
Other expenses	(24,773)	-
Net cash provided by operating activities	1,666,156	1,636,124
<b>Cash flows from capital and related financing activities:</b>		
Acquisition and construction of capital assets	(5,318,585)	(2,140,527)
Proceeds from issuance of debt	-	5,311,319
Principal paid on long-term debt	(599,969)	(5,705,528)
Interest paid on long-term debt	(495,384)	(574,505)
Net cash used in capital and related financing activities	(6,413,938)	(3,109,241)
<b>Cash flows from investing activities:</b>		
Investment earnings	111,334	62,669
Net cash provided by investing activities	111,334	62,669
<b>Net increase in cash and cash equivalents</b>	305,504	2,558,806
<b>Cash and cash equivalents, beginning of year</b>	9,009,366	6,450,560
<b>Cash and cash equivalents, end of year</b>	\$ 9,314,870	9,009,366
<b>Reconciliation of cash and cash equivalents to the statement of financial position:</b>		
Cash and cash equivalents	\$ 9,194,271	8,944,963
Restricted assets – cash and cash equivalents	120,599	64,403
<b>Total cash and cash equivalents</b>	\$ 9,314,870	9,009,366

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See accompanying notes to the basic financial statements

**Coastside County Water District  
Statements of Cash Flows, continued  
For the Fiscals Year Ended June 30, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ 1,941,638	1,159,017
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>		
Depreciation	2,258,142	2,172,752
<b>Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:</b>		
(Increase)Decrease in assets:		
Accounts receivable – water sales and services	(148,330)	315,629
Accounts receivable – other	(9,910)	45,969
Materials and supplies inventory	6,962	(23,311)
Water-in-storage inventory	(3,027)	6,856
Prepaid expenses and other deposits	15,044	910
Unamortized bond issuance costs	-	27,373
(Increase)Decrease in deferred outflows of resources		
Deferred other post-employment benefits outflows	(14,918)	4,004
Deferred pension outflows	213,778	321,117
Increase(Decrease) in liabilities and deferred inflows:		
Accounts payable and accrued expenses	329,438	(49,812)
Accrued wages and related payables	12,740	10,378
Customer deposits and deferred revenue	(14,271)	(25,896)
Compensated absences	(4,694)	31,456
Other post-employment benefit obligation	56,046	31,460
Net pension liability	130,061	(209,846)
Decrease in deferred inflows of resources		
Deferred other post-employment benefits inflows	85,063	84,430
Deferred pension inflows	88,190	66,768
Total adjustments	3,000,314	2,810,237
Net cash provided by operating activities	\$ 4,941,952	3,969,254
<b>Non cash investing, capital and related financing activities:</b>		
Change in fair value of funds deposited with LAIF	\$ 25,654	8,733
Amortization of debt issuance costs	\$ -	33,721

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, 2020 and 2019**

**(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.

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

*Governmental Accounting Standards Board Statement No. 95*

In May 2020, the GASB issued Statement No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

**Coastside County Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

**(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.

**Uncertainty**

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact on District and the duration cannot be estimated at this time.

**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, 2020 and 2019**

**(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.

**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

**Deferred Outflows of Resources**

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

*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.

*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.

**Coastside County Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

**(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, continued*

- 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 changes in assumptions which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.
- Deferred outflow for the net differences in actual and proportionate share of employer contribution and net changes in proportion which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.

**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, 2019 and June 30, 2017
- Measurement Dates: June 30, 2019 and June 30, 2018
- Measurement Periods: July 1, 2018 to June 30, 2019 and July 1, 2017 to June 30, 2018

**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, 2018 and June 30, 2017
- Measurement Dates: June 30, 2019 and June 30, 2018
- Measurement Periods: July 1, 2018 to June 30, 2019 and July 1, 2017 to June 30, 2018

**Coastside County Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

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

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

**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, 2020 and 2019**

**(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.

**Reclassification**

Certain amounts in the June 30, 2019 financial statements have been reclassified for comparative purposes to conform to the presentation in the June 30, 2020 financial statements. There was no change in reported net income or net position related to these reclassifications.

**(2) Cash and Investments**

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

	<b>2020</b>	<b>2019</b>
Cash and cash equivalents	\$ 9,194,271	8,944,963
Cash and cash equivalents – restricted	120,599	64,403
Total cash and investments	\$ 9,314,870	9,009,366

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

	<b>2020</b>	<b>2019</b>
Cash on hand	\$ 800	700
Deposits with financial institutions	4,047,097	3,878,682
Investments	5,266,973	5,129,984
Total cash and cash equivalents	\$ 9,314,870	9,009,366

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

	<b>2020</b>	<b>2019</b>
Deposits in Local Agency Investment Fund	191 days	173 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, 2020 and 2019**

**(2) Cash and Investments, continued**

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

<b>Authorized Investment Type</b>	<b>Maximum Maturity</b>	<b>Maximum Percentage Of Portfolio</b>	<b>Maximum Investment in One Issuer</b>
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, 2020 and 2019**

**(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, 2020 and 2019, 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, 2020 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)	\$ 5,247,526	N/A	\$ -	5,247,526
Money Market Funds	19,447	AAA	19,447	-
Total	\$ <u>5,266,973</u>		\$ <u>19,447</u>	<u>5,247,526</u>

Credit ratings at June 30, 2019 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)	\$ 5,110,545	N/A	\$ -	5,110,545
Money Market Funds	19,439	AAA	19,439	-
Total	\$ <u>5,129,984</u>		\$ <u>19,439</u>	<u>5,110,545</u>



**Coastside County Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

**(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, 2020 and 2019, respectively.

***Fair Value Measurements***

Investments measured at fair value on a recurring and non-recurring basis at June 30, 2020 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	\$ 19,447	19,447	-	-
Total investments measured at fair value	19,447	<u>19,447</u>	<u>-</u>	<u>-</u>
Investments measured at amortized cost:				
Local Agency Investment Fund (LAIF)	<u>5,247,526</u>			
Total	<u>\$ 5,266,973</u>			

Investments measured at fair value on a recurring and non-recurring basis at June 30, 2019 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	\$ 19,439	19,439	-	-
Total investments measured at fair value	19,439	<u>19,439</u>	<u>-</u>	<u>-</u>
Investments measured at amortized cost:				
Local Agency Investment Fund (LAIF)	<u>5,110,545</u>			
Total	<u>\$ 5,129,984</u>			

**Coastside County Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

**(3) Capital Assets**

Changes in capital assets for the year ended June 30, 2020 were as follows:

	<u>Balance 2019</u>	<u>Category Reclass</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2020</u>
Non-depreciable assets:					
Land	\$ 160,612	-	-	-	160,612
Construction-in-process	<u>1,561,601</u>	-	<u>4,956,425</u>	<u>(3,966,384)</u>	<u>2,551,642</u>
Total non-depreciable assets	<u>1,722,213</u>	-	<u>4,956,425</u>	<u>(3,966,384)</u>	<u>2,712,254</u>
Depreciable assets:					
Source of supply	401,040	-	-	-	401,040
Transmission and distribution	22,081,182	(2,746,690)	197,037	-	19,531,529
Pump station - Crystal Springs	26,027,604	-	212,860	(67,988)	26,172,476
Treatment plants	11,456,101	-	63,422	-	11,519,523
Well field and tanks	4,265,247	-	109,327	-	4,374,574
Pipelines and meters	17,013,013	2,746,690	3,061,513	-	22,821,216
Buildings and structures	1,019,964	-	197,165	-	1,217,129
Vehicles	785,317	-	254,598	(55,170)	984,745
Furniture and equipment	<u>2,366,952</u>	-	<u>187,657</u>	<u>(9,826)</u>	<u>2,544,783</u>
Total depreciable assets	<u>85,416,420</u>	-	<u>4,283,579</u>	<u>(132,984)</u>	<u>89,567,015</u>
Accumulated depreciation:					
Depreciable assets	<u>(33,195,025)</u>	-	<u>(2,258,142)</u>	91,511	<u>(35,361,656)</u>
Total accumulated depreciation	<u>(33,195,025)</u>	-	<u>(2,258,142)</u>	91,511	<u>(35,361,656)</u>
Total depreciable assets, net	<u>52,221,395</u>	-	<u>2,025,437</u>	<u>(41,473)</u>	<u>54,205,359</u>
<b>Total capital assets, net</b>	<u>\$ 53,943,608</u>	-	<u>6,981,862</u>	<u>(4,007,857)</u>	<u>56,917,613</u>

Major changes to capital assets in 2020 consisted primarily of additions of \$3,061,513 in upgrades to pipelines and meters, \$254,598 in additions to vehicles, \$212,860 in upgrades to pump station – Crystal Springs, \$197,165 in upgrades to buildings and structures, \$197,037 in upgrades to transmission and distribution, \$187,657 in additions to furniture and equipment, and \$109,327 in upgrades to well field and tanks. Major deletions included \$3,966,384 in transfers from construction in progress to depreciable assets.

**Coastside County Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

**(3) Capital Assets, continued**

Changes in capital assets for the year ended June 30, 2019 were as follows:

	<u>Balance 2018</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2019</u>
Non-depreciable assets:				
Land	\$ 160,612	-	-	160,612
Construction-in-process	2,049,191	1,936,418	(2,424,008)	1,561,601
Total non-depreciable assets	<u>2,209,803</u>	<u>1,936,418</u>	<u>(2,424,008)</u>	<u>1,722,213</u>
Depreciable assets:				
Source of supply	401,040	-	-	401,040
Transmission and distribution	21,782,986	298,196	-	22,081,182
Pump station - Crystal Springs	25,755,067	272,537	-	26,027,604
Treatment plants	11,322,100	134,001	-	11,456,101
Well field and tanks	4,126,152	139,095	-	4,265,247
Pipelines and meters	15,434,633	1,578,380	-	17,013,013
Buildings and structures	1,019,964	-	-	1,019,964
Vehicles	755,772	85,061	(55,516)	785,317
Furniture and equipment	2,313,981	66,660	(13,689)	2,366,952
Total depreciable assets	<u>82,911,695</u>	<u>2,573,930</u>	<u>(69,205)</u>	<u>85,416,420</u>
Accumulated depreciation:				
Depreciable assets	(31,091,478)	(2,172,752)	69,205	(33,195,025)
Total accumulated depreciation	<u>(31,091,478)</u>	<u>(2,172,752)</u>	<u>69,205</u>	<u>(33,195,025)</u>
Total depreciable assets, net	<u>51,820,217</u>	<u>401,178</u>	<u>-</u>	<u>52,221,395</u>
<b>Total capital assets, net</b>	<u>\$ 54,030,020</u>	<u>2,337,596</u>	<u>(2,424,008)</u>	<u>53,943,608</u>

Major changes to capital assets in 2019 consisted primarily of additions of \$1,578,380 in upgrades to pipelines and meters, \$298,196 in upgrades to transmission and distribution, and \$272,537 in upgrades to pump station – Crystal Springs. Major deletions included \$2,424,008 in transfers from construction in progress to depreciable assets.

**(4) Compensated Absences**

Changes to compensated absences for the year ended June 30, 2020 were as follows:

<u>Balance 2019</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance 2020</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
\$ 222,281	246,188	(250,882)	217,587	54,397	163,190

Changes to compensated absences for the year ended June 30, 2019 were as follows:

<u>Balance 2018</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance 2019</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
\$ 190,825	211,795	(180,339)	222,281	55,570	166,711

**Coastside County Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

**(5) Long-term Debt**

Changes in long-term debt amounts for the year ended June 30, 2020 were as follows:

<b>Long-term debt:</b>	<b>Balance</b>			<b>Balance</b>	<b>Current</b>	<b>Long-term</b>
	<b>2019</b>	<b>Additions</b>	<b>Payments</b>	<b>2020</b>	<b>Portion</b>	<b>Portion</b>
<b>Loans payable:</b>						
CIEDB Installment Loan – 2011	\$ 5,637,908	-	(178,123)	5,459,785	183,092	5,276,693
CIEDB Installment Loan – 2016	5,391,678	-	(124,292)	5,267,386	128,568	5,138,818
JP Morgan Chase Bank NA	5,020,517	-	(297,554)	4,722,963	303,284	4,419,679
Long-term debt	<u>\$ 16,050,103</u>	<u>-</u>	<u>(599,969)</u>	<u>15,450,134</u>	<u>614,944</u>	<u>14,835,190</u>

Changes in long-term debt amounts for the year ended June 30, 2019 were as follows:

<b>Long-term debt:</b>	<b>Balance</b>			<b>Balance</b>	<b>Current</b>	<b>Long-term</b>
	<b>2018</b>	<b>Additions</b>	<b>Payments</b>	<b>2019</b>	<b>Portion</b>	<b>Portion</b>
<b>Bonds payable:</b>						
2006B Water revenue refunding bonds	\$ 5,155,000	-	(5,155,000)	-	-	-
2006B discount	(33,721)	-	33,721	-	-	-
Total bonds payable	<u>5,121,279</u>	<u>-</u>	<u>(5,121,279)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Loans payable:</b>						
CIEDB Installment Loan – 2011	5,811,196	-	(173,288)	5,637,908	178,123	5,459,785
CIEDB Installment Loan – 2016	5,511,837	-	(120,159)	5,391,678	124,292	5,267,386
JP Morgan Chase Bank NA	-	5,311,319	(290,802)	5,020,517	297,554	4,722,963
Total loans payable	<u>11,323,033</u>	<u>5,311,319</u>	<u>(584,249)</u>	<u>16,050,103</u>	<u>599,969</u>	<u>15,450,134</u>
Long-term debt	<u>\$ 16,444,312</u>	<u>5,311,319</u>	<u>(5,705,528)</u>	<u>16,050,103</u>	<u>599,969</u>	<u>15,450,134</u>

***CEIDB Installment Loan – 2011***

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

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

**Coastside County Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

**(5) Long-term Debt, continued**

*CEIDB Installment Loan – 2011, continued*

Future remaining debt service payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 183,092	152,733	335,825
2022	188,201	147,468	335,669
2023	193,452	142,056	335,508
2024	198,849	136,494	335,343
2025	204,397	116,687	321,084
2026-2030	1,110,773	501,476	1,612,249
2031-2035	1,274,617	350,233	1,624,850
2036-2040	1,462,629	176,680	1,639,309
2041-2042	643,775	16,464	660,239
Total	5,459,785	<u>1,740,291</u>	<u>7,200,076</u>
Current	<u>(183,092)</u>		
Long-term	\$ <u>5,276,693</u>		

*CEIDB Installment Loan – 2016*

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

Future remaining debt service payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 128,568	194,789	323,357
2022	132,991	189,904	322,895
2023	137,565	184,852	322,417
2024	142,298	179,626	321,924
2025	147,193	160,041	307,234
2026-2030	815,490	719,313	1,534,803
2031-2035	965,742	566,477	1,532,219
2036-2040	1,143,678	385,481	1,529,159
2041-2045	1,354,398	171,136	1,525,534
2046-2047	299,463	5,151	304,614
Total	5,267,386	<u>2,756,770</u>	<u>8,024,156</u>
Current	<u>(128,568)</u>		
Long-term	\$ <u>5,138,818</u>		

**Coastside County Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

**(5) Long-term Debt, continued**

***JP Morgan Chase Loan – 2018***

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

Future remaining debt service payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 303,284	130,283	433,567
2022	313,677	121,491	435,168
2023	323,617	112,410	436,027
2024	334,197	103,036	437,233
2025	339,384	93,437	432,821
2026-2030	1,859,616	313,500	2,173,116
2031-2033	<u>1,249,188</u>	<u>54,033</u>	<u>1,303,221</u>
Total	4,722,963	<u>928,190</u>	<u>5,651,153</u>
Current	<u>(303,284)</u>		
Long-term	\$ <u>4,419,679</u>		

***2006 Series B – Water Revenue Refunding Bonds***

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

As of June 30, 2020 and 2019, the 2006 Series B – Water Revenue Refund Bond has been paid in full and has a \$0 outstanding balance.

**Coastside County Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

**(6) Other Post-employment Benefits (OPEB) Plan**

***General Information about the OPEB Plan***

***Plan Description***

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

***Benefits Provided***

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

***Employees Covered by Benefit Terms***

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

	<b>2020</b>	<b>2019</b>
Active plan members	10	11
Retirees and beneficiaries receiving benefits	8	7
Separated plan members entitled to but not yet receiving benefits	-	-
Total Plan membership	18	18

***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:

	<b>2020</b>	<b>2019</b>
Contributions – employer	\$ 50,826	40,360

As of June 30 2020 and 2019, employer pension contributions of \$50,826 and \$40,360 will be and were recognized as a reduction of total OPEB liability in the fiscal years ended June 30, 2021 and 2020, respectively.

**Coastside County Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

**(6) Other Post-employment Benefits (OPEB) Plan, continued**

***Total OPEB Liability***

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

	<b>2020</b>	<b>2019</b>
Total OPEB liability	\$ 2,318,227	2,374,273

The District's total OPEB liability was measured as of June 30, 2020 and 2019, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of June 30, 2019 and 2017, respectively. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

***Changes in the Total OPEB Liability***

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

	<b>June 30, 2020</b>	<b>June 30, 2019</b>
Balance at beginning of year	\$ 2,374,273	2,405,733
Changes for the year:		
Service cost	46,953	45,696
Interest	90,043	91,126
Employer contributions	(40,360)	(61,033)
Expected minus actual payments	(16,052)	-
Experience (gains)/losses	(234,153)	-
Assumption changes	97,523	(107,249)
<b>Net changes</b>	<b>(56,046)</b>	<b>(31,460)</b>
Balance at end of year	\$ 2,318,227	2,374,273

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

For the fiscal years ended June 30, 2020 and 2019, the District recognized OPEB expense of \$64,925 and \$75,457, respectively.

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

<b>Description</b>	<b>June 30, 2020</b>		<b>June 30, 2019</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
OPEB contributions subsequent to the measurement date at June 30	\$ 50,826	-	40,360	-
Net changes in assumptions	4,452	-	-	(84,430)
Experience (gains)/losses	-	(169,493)	-	-
<b>Total</b>	<b>\$ 55,278</b>	<b>(169,493)</b>	<b>40,360</b>	<b>(84,430)</b>



**Coastside County Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

**(6) 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, 2020, 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.

<b>Fiscal Year Ending June 30,</b>	<b>Deferred Net Outflows / (Inflows) of Resources</b>
2021	\$ (72,071)
2022	(72,071)
2023	(20,899)
2024	-
2025	-
Thereafter	-

***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	2.75 percent
Salary increases	2.75 percent
Discount rate	2020 - 3.50 percent 2019 - 3.80 percent
Healthcare cost trend rates	4.00 percent per year
Retirees' share of benefit-related	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, 2019 and 2018, the discount rate used to measure the total OPEB liability was 3.50 and 3.80 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, 2020 and 2019**

**(6) 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, 2020, the discount rate comparison was the following:

	<b>Discount Rate - 1% (2.50%)</b>	<b>Current Discount Rate (3.50%)</b>	<b>Discount Rate + 1% (4.50%)</b>
District's Total OPEB liability \$	2,695,535	2,318,227	2,016,555

At June 30, 2019, the discount rate comparison was the following:

	<b>Discount Rate - 1% (2.80%)</b>	<b>Current Discount Rate (3.80%)</b>	<b>Discount Rate + 1% (4.80%)</b>
District's Total OPEB liability \$	2,746,133	2,374,273	2,068,496

*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, 2020 the healthcare cost trend rate comparison was the following:

	<b>1% Decrease (3.00% decreasing to 2.00%)</b>	<b>Healthcare Cost Trend Rates (4.00% decreasing to 3.00%)</b>	<b>1% Increase (5.00% decreasing to 4.00%)</b>
District's Total OPEB liability \$	2,022,190	2,318,227	2,676,359

At June 30, 2019 the healthcare cost trend rate comparison was the following:

	<b>1% Decrease (3.00% decreasing to 2.00%)</b>	<b>Healthcare Cost Trend Rates (4.00% decreasing to 3.00%)</b>	<b>1% Increase (5.00% decreasing to 4.00%)</b>
District's Total OPEB liability \$	2,051,927	2,374,273	2,761,643

**Coastside County Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

**(6) Other Post-employment Benefits (OPEB) Plan, continued**

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

See page 46 for the Required Supplementary Schedule.

**(7) Defined Benefit Pension Plan**

**Plan Description**

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

**Benefits Provided**

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

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

The Plan's provisions and benefits in effect at June 30, 2020 are summarized as follows:

	<b>Miscellaneous Plan</b>		
	<b>Classic</b>	<b>New Classic</b>	<b>PEPRA</b>
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%
Required employee contribution rates	7.951%	6.915%	7.250%
Required employer contribution rates	12.142%	8.668%	7.072%

**Coastside County Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

**(7) Defined Benefit Pension Plan, continued**

***Contributions***

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

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

	<b>Miscellaneous Plan</b>	
	<b>2020</b>	<b>2019</b>
Contributions – employer	\$ 440,335	610,791

***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:

	<b>Proportionate Share of Net Pension Liability</b>	
	<b>2020</b>	<b>2019</b>
Miscellaneous Plan	\$ 3,838,142	3,708,081

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, 2019 and 2018, 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, 2018 and 2017, rolled forward to June 30, 2019 and 2018, using standard update procedures, respectively.

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:

	<b>Miscellaneous Plan</b>	
	<b>2020</b>	<b>2019</b>
Proportion – beginning of year	0.03848%	0.03951%
Proportion – end of year	0.03746%	0.03848%
Change – Increase (Decrease)	-0.00102%	-0.00103%

***Deferred Pension Outflows (Inflows) of Resources***

As of June 30, 2020 and 2019, the District recognized pension expense of \$872,364 and \$788,831, respectively.

**Coastside County Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

**(7) 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, 2020</u>		<u>June 30, 2019</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	\$ 440,335	-	610,791	-
Net differences between actual and expected experience	245,922	-	93,857	-
Net changes in assumptions	118,142	-	319,125	-
Net differences between projected and actual earnings on plan investments	-	(67,103)	18,332	-
Net differences between actual contribution and proportionate share of contribution	239,735	-	215,807	-
Net adjustment due to differences in proportions of net pension liability	-	(145,656)	-	(124,569)
<b>Total</b>	<b>\$ 1,044,134</b>	<b>(212,759)</b>	<b>1,257,912</b>	<b>(124,569)</b>

As of June 30 2020 and 2019, employer pension contributions of \$440,335 and \$610,791, 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, 2021 and 2020, respectively.

As of June 30, 2020, 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>
2021	\$ 377,456
2022	(57,235)
2019	57,847
2024	12,972
2025	-
Thereafter	-

**Coastside County Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

**(7) Defined Benefit Pension Plan, continued**

***Actuarial Assumptions***

The total pension liability in the June 30, 2019 and 2018, actuarial valuation report was determined using the following actuarial assumptions:

Valuation Date	June 30, 2018 and 2017
Measurement Date	June 30, 2019 and 2018
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
 Actuarial assumptions:	
Discount rate	7.15%
Inflation	2019 and 2018 – 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	2019 and 2018 – 1997–2015
Post Retirement Benefit	2018 – 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, 2020 and 2019**

**(7) Defined Benefit Pension Plan, continued**

*Discount Rate, continued*

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

The 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, 2020 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, 2020 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	\$ <u>5,741,112</u>	<u>3,838,142</u>	<u>2,267,374</u>



**Coastside County Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

**(7) 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, 2019 the discount rate comparison was the following:

	<b>Discount Rate – 1% (6.15%)</b>	<b>Current Discount Rate (7.15%)</b>	<b>Discount Rate + 1% (8.15%)</b>
District's Net pension liability	\$ 5,498,746	3,708,081	2,229,916

***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 47 and 48 for the Required Supplementary Schedules.

***Payable to the Pension Plan***

At June 30, 2020 and 2019, the District reported no payables for the outstanding amount of contribution to the pension plan, respectively.

**(8) Net Investment in Capital Assets**

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

	<b>2020</b>	<b>2019</b>
Capital assets:		
Capital assets – not being depreciated	\$ 2,712,254	1,722,213
Capital assets, net – being depreciated	54,205,359	52,221,395
Current:		
Loans payable	(614,944)	(599,969)
Non-current:		
Loans payable	(14,835,190)	(15,450,134)
Total net investment in capital assets	\$ 41,467,479	37,893,505

**(9) Restricted Net Position**

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

	<b>2020</b>	<b>2019</b>
Restricted – cash and cash equivalents	\$ 120,599	64,403
Restricted – rate stabilization	250,000	250,000
Total restricted net position	\$ 370,599	314,403



**Coastside County Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

**(10) Unrestricted Net Position**

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

	<b>2020</b>	<b>2019</b>
Non-spendable net position:		
Materials and supplies inventory	\$ 163,719	170,681
Water-in-storage inventory	22,655	19,628
Prepaid expenses and other deposits	114,165	129,209
Total non-spendable net position	300,539	319,518
Spendable net position are designated as follows:		
Unrestricted	4,157,057	4,500,474
Total spendable net position	4,157,057	4,500,474
Total unrestricted net position	\$ 4,457,596	4,819,992

**(11) 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, 2020 and 2019, was \$1,871,125 and \$2,051,795, 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.

**(12) 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, 2020, the District participates in the ACWA/JPIA pooled programs for liability, property, and workers' compensation programs as follows:

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

**Coastside County Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

**(12) Risk Management, continued**

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 varies from \$10,000 to \$50,000 depending on District total scheduled values.
- Employee dishonesty/crime supplement: insured up to \$100,000 per occurrence with a \$1,000 deductible for employee dishonesty, forgery or alteration and computer fraud. The Program covers all employees, the Board of Directors.
- 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, 2020, 2019 and 2018. 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, 2020, 2019, and 2018, respectively.

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

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2020 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. 84***

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

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

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

**Coastside County Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

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

***Governmental Accounting Standards Board Statement No. 84, continued***

The requirements of this Statement were effective for reporting periods beginning after December 15, 2018; 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. 87***

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

The requirements of this Statement 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.

***Governmental Accounting Standards Board Statement No. 89***

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 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.

**Coastside County Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

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

***Governmental Accounting Standards Board Statement No. 90***

In August 2018, the GASB issued Statement No. 90 – *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2018; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year.

Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

***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.

**Coastside County Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

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

***Governmental Accounting Standards Board Statement No. 91, continued***

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.

***Governmental Accounting Standards Board Statement No. 93***

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



**Coastside County Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

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

***Governmental Accounting Standards Board Statement No. 93, continued***

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

***Governmental Accounting Standards Board Statement No. 94***

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

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

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

***Governmental Accounting Standards Board Statement No. 96***

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

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

**Coastside County Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

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

***Governmental Accounting Standards Board Statement No. 97***

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

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

**(14) 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.

**Coastside County Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

**(14) Commitments and Contingencies, continued**

***COVID-19 Pandemic***

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of an outbreak of a new strain of coronavirus (the “COVID-19 outbreak”) and the risks that is posed to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District’s financial condition, liquidity, and future results of operations. Management is actively monitoring the impact of the global situation on the District’s financial condition, liquidity, operations, and workforce. The District cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time; however, if the pandemic continues, it may have a material effect on the District’s results of future operations and financial position in fiscal year 2021.

**(15) Subsequent Events**

Events occurring after June 30, 2020, have been evaluated for possible adjustment to the financial statements or disclosure as of January 12, 2021, which is the date the financial statements were available to be issued.

Board Presentation Draft Subject to Approval



## **Required Supplementary Information**

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**Coastside County Water District**  
**Schedule of Changes in the District Total OPEB Liability and Related Ratios**  
**As of June 30, 2020**  
**Last Ten Years\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>			
Service cost	\$ 46,953	45,696	44,473
Interest	90,043	91,126	81,573
Employer contributions	(40,360)	(61,033)	(58,686)
Expected minus actual payments	(16,052)	-	-
Assumption Changes	97,523	(107,249)	-
Experience (gains)/losses	(234,153)	-	-
Net change in total OPEB liability	(56,046)	(31,460)	67,360
<b>Total OPEB liability – beginning</b>	<u>2,374,273</u>	<u>2,405,733</u>	<u>2,338,373</u>
<b>Total OPEB liability – ending</b>	<u>\$ 2,318,227</u>	<u>2,374,273</u>	<u>2,405,733</u>
Covered employee payroll	\$ <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>100.54%</u>	<u>83.84%</u>	<u>80.62%</u>

**Note:**

\* 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**  
**District's Proportionate Share of the Net Pension Liability**  
**As of June 30, 2020**  
**Last Ten Years\***

<u>Description</u>	<u>Measurement Date</u>					
	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
District's Proportion of the Net Pension Liability	0.03746%	0.03848%	0.03951%	0.04102%	0.04484%	0.04212%
District's Proportionate Share of the Net Pension Liability	\$ 3,838,142	3,708,081	3,917,927	3,708,081	3,077,582	2,620,900
District's Covered Payroll	\$ 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	164.68%	186.28%	202.01%	196.68%	182.19%	167.73%
District's Fiduciary Net Position as a Percentage of the District's Total Pension Liability	72.87%	71.99%	69.62%	69.14%	71.67%	76.34%

**Notes:**

**Changes in Benefit Terms** – For the measurement date June 30, 2019, there were no changes in the benefit terms.

**Changes of Assumptions** – For the measurement date June 30, 2019, the discount rate remained at 7.15% percent.

\* 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, 2020  
Last Ten Years\***

<u>Schedule of Pension Plan Contributions:</u>	<u>Fiscal Year</u>					
	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
Actuarially Determined Contribution	\$ 446,799	591,439	537,586	489,709	451,848	389,014
Contribution's in Relation to the Actuarially Determined Contribution	(440,335)	(610,791)	(516,408)	(490,718)	(461,241)	(415,861)
Contribution Deficiency (Excess)	\$ 6,464	(19,352)	21,178	(1,009)	(9,393)	(26,847)
Covered Payroll	\$ 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	19.17%	29.71%	27.72%	25.97%	26.75%	24.90%

**Notes:**

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

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# **Report on Internal Controls and Compliance**

Board Presentation Draft Subject to Approval





**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, 2020 and 2019, 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 12, 2021.

**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 12, 2021

Board Presentation Draft Subject to Approval

**Coastside County Water District**

**Management Report**

**June 30, 2020**

Board Presentation version

**Coastside County Water District**

**Management Report**

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Board Presentation version

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

**Dear Members of the Board:**

In planning and performing our audit of the financial statements of Coastside County Water District (District) as of and for the years ended June 30, 2020 and 2019, in accordance with auditing standards generally accepted in the United States of America, we considered 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

**Summary of Current Year Comments and Recommendations**

Our comments, all of which have been discussed with the appropriate members of management, are summarized as follows:

***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. In many cases, however, 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 June 30, 2020.

## **Summary of Prior Year Comments and Recommendations**

### ***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. In many cases, however, 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 June 30, 2019.

\* \* \* \* \*

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.

**Fedak & Brown LLP**  
Cypress, California  
January 12, 2021

**APPENDIX**

**Coastside County Water District**

**Audit/Finance Committee Letter**

**June 30, 2020**

*Board Presentation version*

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

We have audited the financial statements of the business-type activities, of the Coastside County Water District (District) for the years ended June 30, 2020 and 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated February 5, 2020. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Matters**

#### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the basic financial statements.

We noted no transactions entered into by the District during fiscal year 2020 for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates play an integral part in the preparation of basic financial statements by management and are based upon management's knowledge, experience and current judgments about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the position in the basic financial statements are:

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.



## **Significant Audit Matters, continued**

### ***Qualitative Aspects of Accounting Practices, continued***

The disclosures in the basic financial statements are neutral, consistent and clear. Certain basic financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the basic financial statements are:

The disclosure of capital assets, net in Note 3 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 6 to the basic financial statements is based on information which could differ from those in future periods.

The disclosure of the District's defined benefit pension plan, in Note 7 to the basic financial statements is based on actuarial assumptions which could differ from actual costs.

### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### ***Corrected and Uncorrected Misstatements***

Professional Standards require us to accumulate all known and likely misstatements identified during the audit, except those that are considered trivial, and communicate them to the appropriate level of management. (See Pages 4 and 5)

### ***Disagreements with Management***

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction that could be significant to the basic financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit of the District.

### ***Management Representations***

We have requested certain representations from management that are included in the Management Representational Letter to the Auditor dated January 12, 2021.

### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves the application of an accounting principal to the District's basic financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### ***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Conclusion**

We appreciate the cooperation extended to us by Mary Rogren, General Manager, in the performance of our audit testwork.

We will be pleased to respond to any question you have about the foregoing. We appreciate the opportunity to continue to be of service to the District.

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

**Fedak & Brown LLP**

Cypress, California

January 12, 2021

Board Presentation version

**Coastside County Water District**  
**Schedule of Audit Adjusting Journal Entries**  
**June 30, 2020**

Account	Description	Debit	Credit
<b>Adjusting Journal Entries</b>			
<b>Adjusting Journal Entries JE # 1</b>			
GASB 68 Entry #1 - To reclassify 2019 contributions to NPL at June 30, 2020.			
1-2542-0000	Net Pension Liability	610,791.00	
1-1450-0000	Deferred Outflows - Pension		610,791.00
<b>Total</b>		<b><u>610,791.00</u></b>	<b><u>610,791.00</u></b>
<b>Adjusting Journal Entries JE # 2</b>			
GASB 68 Entry #2 - To reclassify 2020 contributions to Deferred Outflows of Resources at June 30, 2020.			
1-1450-0000	Deferred Outflows - Pension	440,335.00	
1-5441-00	GASB 68 Contra Contributions		206,957.00
1-5441-01	GASB 68 Contra Contributions		88,067.00
1-5441-02	GASB 68 Contra Contributions		145,311.00
<b>Total</b>		<b><u>440,335.00</u></b>	<b><u>440,335.00</u></b>
<b>Adjusting Journal Entries JE # 3</b>			
GASB 68 Entry #3 - To record changes in pension liability during FY18/19 at June 30, 2020.			
1-1450-0000	Deferred Outflows - Pension	183,585.00	
1-1450-0000	Deferred Outflows - Pension	239,956.00	
1-2560-0000	Deferred Inflows - Pension	18,332.00	
1-2560-0000	Deferred Inflows - Pension	64,852.00	
1-5442-00	GASB 68 CY (Income) Expense	167,847.00	
1-5442-01	GASB 68 CY (Income) Expense	71,425.00	
1-5442-02	GASB 68 CY (Income) Expense	117,851.00	
1-1450-0000	Deferred Outflows - Pension		18,206.00
1-1450-0000	Deferred Outflows - Pension		18,332.00
1-2542-0000	Net Pension Liability		740,852.00
1-2560-0000	Deferred Inflows - Pension		86,458.00
<b>Total</b>		<b><u>863,848.00</u></b>	<b><u>863,848.00</u></b>
<b>Adjusting Journal Entries JE # 4</b>			
GASB 68 Entry #4 - To record changes in the deferred outflows and deferred inflows (amortization) during FY18/19 at June 30, 2020.			
1-2560-0000	Deferred Inflows - Pension	65,371.00	
1-5442-00	GASB 68 CY (Income) Expense	242,163.00	
1-5442-01	GASB 68 CY (Income) Expense	103,048.00	
1-5442-02	GASB 68 CY (Income) Expense	170,030.00	
1-1450-0000	Deferred Outflows - Pension		182,777.00
1-1450-0000	Deferred Outflows - Pension		159,657.00
1-1450-0000	Deferred Outflows - Pension		87,891.00
1-2560-0000	Deferred Inflows - Pension		150,287.00
<b>Total</b>		<b><u>580,612.00</u></b>	<b><u>580,612.00</u></b>
<b>Adjusting Journal Entries JE # 5</b>			
GASB 75 Entry #1 - To reclassify 2019 contributions to a reduction in Net OPEB Liability at June 30, 2020.			
1-2541-0000	Net OPEB Obligation	40,360.00	
1-1460-0000	Deferred Outflows - OPEB		40,360.00
<b>Total</b>		<b><u>40,360.00</u></b>	<b><u>40,360.00</u></b>

**Coastside County Water District  
Schedule of Audit Adjusting Journal Entries  
June 30, 2020**

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 6</b>			
GASB 75 Entry #2 - To contra reclassify 2020 contributions for retiree benefits to deferred outflows of resources from expense at June 30, 2020.			
1-1460-0000	Deferred Outflows - OPEB	50,826.00	
1-5451-00	GASB 75 Contributions (Contra)		23,929.00
1-5451-01	GASB 75 Contributions (Contra) - Pumping		9,916.00
1-5451-02	GASB 75 Contributions (Contra)-Trans & Distrib		16,981.00
<b>Total</b>		<b><u>50,826.00</u></b>	<b><u>50,826.00</u></b>
<b>Adjusting Journal Entries JE # 7</b>			
GASB 75 Entry #3 - To record changes in OPEB liability and related deferrals during FY18/19 in the current year.			
1-1460-0000	Deferred Outflows - OPEB	97,523.00	
1-2541-0000	Net OPEB Obligation	15,686.00	
1-2570-0000	Deferred Inflows - OPEB	84,430.00	
1-5452-00	GASB 75 CY (Income) Expense Contra	64,498.00	
1-5452-01	GASB 75 CY (Income) Expense Contra - Pumping	26,728.00	
1-5452-02	GASB 75 CY (Income) Expense Contra - T&S	45,770.00	
1-1460-0000	Deferred Outflows - OPEB		84,430.00
1-2570-0000	Deferred Inflows - OPEB		250,205.00
<b>Total</b>		<b><u>334,635.00</u></b>	<b><u>334,635.00</u></b>
<b>Adjusting Journal Entries JE # 8</b>			
GASB 75 Entry #4 - To record changes in the deferred outflows and deferred inflows (amortization) at June 30, 2020.			
1-2570-0000	Deferred Inflows - OPEB	80,712.00	
1-1460-0000	Deferred Outflows - OPEB		8,641.00
1-5452-00	GASB 75 CY (Income) Expense Contra		33,931.00
1-5452-01	GASB 75 CY (Income) Expense Contra - Pumping		14,061.00
1-5452-02	GASB 75 CY (Income) Expense Contra - T&S		24,079.00
<b>Total</b>		<b><u>80,712.00</u></b>	<b><u>80,712.00</u></b>
<b>Adjusting Journal Entries JE # 9</b>			
AJE - To adjust net position per review of prior year financials.			
1-3030-0000	Surplus Unappropriated	94.00	
1-4950-00	Miscellaneous Income		94.00
<b>Total</b>		<b><u>94.00</u></b>	<b><u>94.00</u></b>
<b>Total Adjusting Journal Entries</b>		<b><u>3,002,213.00</u></b>	<b><u>3,002,213.00</u></b>
<b>Total All Journal Entries</b>		<b><u>3,002,213.00</u></b>	<b><u>3,002,213.00</u></b>

**Legend:**

AJE	Audit Adjusting Journal Entry
GASB 68	Sixth Year GASB 68 Implementation Adjusting Journal Entry
GASB 75	Third Year GASB 75 Implementation Adjusting Journal Entry

## **STAFF REPORT**

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

**From:** Mary Rogren, General Manager

**Agenda:** January 12, 2021

### **Report**

**Date:** January 8, 2021

**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 2020-2021. Key highlights include:

- Year-to-date total revenue is \$562,000 above budget due to:
  - \$429,000 - Higher revenue than budget due to higher irrigation and residential usage given the weather and lack of rainfall in the Fall
  - \$ 133,000 - Higher county tax and ERAF receipts than plan
  
- Year-to-date total expenses are \$252,000 or 4.8% below budget. Key cost savings include:
  - \$123,000 savings in salaries due to delays in hiring (2) positions given COVID-19 logistics.
  - \$53,000 savings in employee benefits.
  - \$30,000 savings in election expenses.
  - \$46,000 in timing differences of spending.

### **Capital Improvement Projects**

For the first six months of the 2020-2021 Fiscal Year, the District spent \$2,156,000. The District plans to go out to bid for the Nunes Water Treatment Plant Improvements in February 2021.

### **Cash**

The current cash balance is at \$9,200,000 similar to levels at December 2019.

### **Accounts Receivable**

On April 2, 2020, Governor Newsom issued an executive order to disallow shut-offs of residential accounts and critical infrastructure small businesses in response under the COVID-19 state of emergency. Earlier in 2020, the District also

**STAFF REPORT****Agenda: January 12, 2021****Subject: Quarterly Financial Review****Page Two**

implemented SB998 that prevents residential shut-offs for accounts 60 days past due.

Staff continues to monitor the accounts and is seeing an increase in past due accounts and slow payers.

Month-End	Total Accounts Receivable					Sum of Past Due Balances	% Past Due of Prior 2 months Revenue
	Current	+1 Month Late	+2 Months Late	+3 Months Late	Greater than 4 Months Late		
12/31/2020	\$ 920,895	\$ 111,095	\$ 50,494	\$ 21,092	\$ 40,900	\$ 1,144,475	\$ 223,580 9.9%
11/30/2020	\$ 1,041,790	\$ 136,589	\$ 39,734	\$ 31,002	\$ 39,846	\$ 1,288,961	\$ 247,171 10.4%
10/31/2020	\$ 1,217,187	\$ 100,307	\$ 40,478	\$ 30,704	\$ 23,839	\$ 1,412,515	\$ 195,328 8.2%
9/30/2020	\$ 1,162,157	\$ 93,971	\$ 38,312	\$ 11,332	\$ 15,371	\$ 1,321,143	\$ 158,986 6.2%
8/31/2020	\$ 1,229,970	\$ 128,013	\$ 63,280	\$ 32,211	\$ 16,318	\$ 1,469,792	\$ 239,822 9.4%
7/31/2020	\$ 1,318,803	\$ 119,479	\$ 67,439	\$ 5,567	\$ 19,944	\$ 1,531,232	\$ 212,429 9.4%
6/30/2020	\$ 1,230,126	\$ 111,308	\$ 27,264	\$ 8,718	\$ 14,563	\$ 1,391,979	\$ 161,853 8.8%
5/31/2020	\$ 1,033,498	\$ 78,199	\$ 18,956	\$ 8,581	\$ 9,159	\$ 1,148,393	\$ 114,895 6.9%
4/30/2020	\$ 809,452	\$ 130,404	\$ 17,935	\$ 6,223	\$ 4,750	\$ 968,764	\$ 159,312 10.0%
3/31/2020	\$ 867,305	\$ 101,577	\$ 9,386	\$ 2,043	\$ 2,894	\$ 983,205	\$ 115,900 8.0%
2/29/2020	\$ 720,074	\$ 53,035	\$ 4,918	\$ 2,022	\$ 2,761	\$ 782,809	\$ 62,735 4.2%
1/31/2020	\$ 730,879	\$ 42,202	\$ 5,364	\$ 437	\$ 3,520	\$ 782,403	\$ 51,524 3.5%
12/31/2019	\$ 755,962	\$ 103,655	\$ 19,280	\$ 1,649	\$ 12,109	\$ 892,655	\$ 136,693 7.1%

**COASTSIDE COUNTY WATER DISTRICT - PERIOD BUDGET ANALYSIS**  
**For Six Months Ending December 31, 2020**

ACCOUNT	DESCRIPTION	YTD BUDGET	YTD ACTUAL	Variance Favorable (Unfavorable)	% Variance
<b>OPERATING REVENUE</b>					
1-0-4120-00	Water Revenue - All Areas	6,653,321.00	7,068,793.23	415,472.23	6.2%
1-0-4170-00	Water Taken From Hydrants	24,990.00	38,337.35	13,347.35	53.4%
<b>TOTAL OPERATING REVENUE</b>		<b>6,678,311.00</b>	<b>7,107,130.58</b>	<b>428,819.58</b>	<b>6.4%</b>
<b>NON-OPERATING REVENUE</b>					
1-0-4180-00	Late Notice -10% Penalty	0.00	(2.89)	(2.89)	
1-0-4230-00	Service Connections	4,998.00	3,898.76	(1,099.24)	-22.0%
1-0-4920-00	Interest Earned	28,125.00	18,725.10	(9,399.90)	-33.4%
1-0-4930-00	Tax Apportionments/Cnty Checks	425,000.00	507,515.12	82,515.12	0.0%
1-0-4950-00	Miscellaneous Income	3,500.00	96.78	(3,403.22)	-97.2%
1-0-4955-00	Cell Site Lease Income	87,000.00	94,078.16	7,078.16	8.1%
1-0-4965-00	ERAF REFUND -County Taxes	175,000.00	232,692.69	57,692.69	0.0%
<b>TOTAL NON-OPERATING REVENUE</b>		<b>723,623.00</b>	<b>857,003.72</b>	<b>133,380.72</b>	<b>18.4%</b>
<b>TOTAL REVENUES</b>		<b>7,401,934.00</b>	<b>7,964,134.30</b>	<b>562,200.30</b>	<b>7.6%</b>
<b>OPERATING EXPENSES</b>					
1-1-5130-00	Water Purchased	1,721,328.00	1,778,042.44	(56,714.44)	-3.3%
1-1-5230-00	Pump Exp, Nunes T P	20,498.00	24,533.19	(4,035.19)	-19.7%
1-1-5231-00	Pump Exp, CSP Pump Station	246,000.00	249,015.77	(3,015.77)	-1.2%
1-1-5232-00	Pump Exp, Trans. & Dist.	10,500.00	13,134.85	(2,634.85)	-25.1%
1-1-5233-00	Pump Exp, Pilarcitos Canyon	18,100.00	11,736.82	6,363.18	35.2%
1-1-5234-00	Pump Exp. Denniston	44,000.00	13,127.94	30,872.06	70.2%
1-1-5242-00	CSP Pump Station Operations	8,250.00	4,000.22	4,249.78	51.5%
1-1-5243-00	CSP Pump Station Maintenance	18,498.00	15,686.37	2,811.63	15.2%
1-1-5246-00	Nunes T P Operations	45,000.00	47,984.71	(2,984.71)	-6.6%
1-1-5247-00	Nunes T P Maintenance	62,498.00	84,904.98	(22,406.98)	-35.9%
1-1-5248-00	Denniston T.P. Operations	27,502.00	9,252.28	18,249.72	66.4%
1-1-5249-00	Denniston T.P. Maintenance	84,000.00	78,453.73	5,546.27	6.6%
1-1-5250-00	Laboratory Services	37,500.00	23,816.16	13,683.84	36.5%
1-1-5260-00	Maintenance -General	168,500.00	161,093.84	7,406.16	4.4%
1-1-5261-00	Maintenance -Well Fields	15,000.00	1,909.98	13,090.02	87.3%
1-1-5263-00	Uniforms	5,000.00	8,321.67	(3,321.67)	0.0%
1-1-5318-00	Studies/Surveys/Consulting	60,000.00	37,856.95	22,143.05	36.9%

ACCOUNT	DESCRIPTION	YTD BUDGET	YTD ACTUAL	Variance Favorable (Unfavorable)	% Variance
1-1-5321-00	Water Resources	12,998.00	153.94	12,844.06	98.8%
1-1-5322-00	Community Outreach	20,000.00	12,632.41	7,367.59	36.8%
1-1-5381-00	Legal	49,998.00	51,826.50	(1,828.50)	-3.7%
1-1-5382-00	Engineering	33,000.00	44,258.50	(11,258.50)	-34.1%
1-1-5383-00	Financial Services	11,000.00	8,973.00	2,027.00	18.4%
1-1-5384-00	Computer Services	105,750.00	113,730.41	(7,980.41)	-7.5%
1-1-5410-00	Salaries/Wages-Administration	611,652.00	489,100.50	122,551.50	20.0%
1-1-5411-00	Salaries & Wages -Field	750,702.00	750,977.38	(275.38)	0.0%
1-1-5420-00	Payroll Tax Expense	95,850.00	76,413.67	19,436.33	20.3%
1-1-5435-00	Employee Medical Insurance	249,870.00	233,078.69	16,791.31	6.7%
1-1-5436-00	Retiree Medical Insurance	33,966.00	30,118.46	3,847.54	11.3%
1-1-5440-00	Employees Retirement Plan	248,118.00	235,226.76	12,891.24	5.2%
1-1-5445-00	Supplemental Retirement 401a	0.00	0.00	0.00	0.0%
1-1-5510-00	Motor Vehicle Expense	37,500.00	34,205.87	3,294.13	8.8%
1-1-5620-00	Office Supplies & Expense	182,748.00	174,595.68	8,152.32	4.5%
1-1-5625-00	Meetings / Training / Seminars	16,500.00	4,994.84	11,505.16	69.7%
1-1-5630-00	Insurance	79,500.00	71,801.24	7,698.76	9.7%
1-1-5687-00	Membership, Dues, Subscript.	42,548.00	57,674.45	(15,126.45)	-35.6%
1-1-5688-00	Election Expenses	30,000.00	0.00	30,000.00	0.0%
1-1-5689-00	Labor Relations	3,000.00	0.00	3,000.00	100.0%
1-1-5700-00	San Mateo County Fees	12,400.00	17,110.42	(4,710.42)	-38.0%
1-1-5705-00	State Fees	18,000.00	15,341.70	2,658.30	14.8%
<b>TOTAL OPERATING EXPENSES</b>		<b>5,237,274.00</b>	<b>4,985,086.32</b>	<b>252,187.68</b>	<b>4.8%</b>
<b>CAPITAL ACCOUNTS</b>					
1-1-5712-00	Debt Svc/Existing Bonds 2006B	0.00	0.00	0.00	0.0%
1-1-5715-00	Debt Svc/CIEDB 11-099 (I-BANK)	268,811.00	268,811.40	(0.40)	0.0%
1-1-5716-00	Debt Svc/CIEDB 2016 (I-BANK)	234,969.00	234,968.81	0.19	0.0%
1-1-5717-00	Chase Bank - 2018 Loan	370,586.00	370,586.23	(0.23)	
<b>TOTAL CAPITAL ACCOUNTS</b>		<b>874,366.00</b>	<b>874,366.44</b>	<b>(0.44)</b>	<b>0.0%</b>
<b>TOTAL EXPENSES</b>		<b>6,111,640.00</b>	<b>5,859,452.76</b>	<b>252,187.24</b>	<b>4.1%</b>
<b>CONTRIBUTION TO CIP/RESERVES</b>		<b>1,290,294.00</b>	<b>2,104,681.54</b>		



## **STAFF REPORT**

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

**From:** Mary Rogren, General Manager

**Agenda:** January 12, 2021

**Report Date:** January 8, 2021

**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 Advisory 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 12, 2021**

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

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Although past District practice was for committee appointments to be the prerogative of the Board President, in April 2019, the Board changed its practices to require Board action of approvals of the Committee members.

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

**Coastside County Water District Standing Committees**

**Finance Committee**

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

**Human Resources (Personnel & Recruitment) Committee**

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

**District Facilities Committee**

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

**Coastside County Water District Advisory Committees**

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

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

**Recycled Water Committee**

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

### **Strategic Planning Committee**

This Committee was created at the June 11, 2019 CCWD Board of Directors meeting under the direction of President Coverdell. The purpose of this Committee is to focus on the District's planning priorities and follow up items from the March 2017 Priority Setting Workshop.

### **Other**

In 2021, the District will publish its 2020 Urban Water Management Plan. District Staff recommends that the Board consider establishing an advisory committee to review the plan and work with staff prior to adoption of the plan.

### **Coastside County Water District External Organization Representatives**

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

#### **Association of California Water Agencies (ACWA)**

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

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

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

**STAFF REPORT**

**Agenda: January 12, 2021**

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

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

**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.

**Other**

The Board may also want to consider designating a representative to the CA-NV Section of the American Water Works Association (AWWA) given the importance of this organization to the water community.

# COASTSIDE COUNTY WATER DISTRICT

## BOARD COMMITTEES

**Updated: January 14, 2020**

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

<u>Advisory Committees</u>	<u>Directors</u>
Montara Water & Sanitary District (MWSD) Mutual Interest Committee	Feldman, Mickelsen
Recycled Water Committee	Reynolds, Larimer
Strategic Planning Committee	Coverdell, Reynolds

<u>External Organizations</u>	<u>Directors</u>
Association of California Water Agencies (ACWA)	Reynolds
Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA)	Reynolds
California Special District Association (CSDA)	Feldman
Bay Area Water Supply & Conservation Agency (BAWSCA) – 4 year term – June 2017 to June 30, 2021	Mickelsen
Local Agency Formation Commission (LAFCo))	Board President *

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

## **STAFF REPORT**

**To:** Coastside County Water District Board of Directors  
**From:** Mary Rogren, General Manager  
**Agenda:** January 12, 2021  
**Subject:** Appointment of CCWD Board Member Representative Alternate(s) to participate in San Mateo Local Agency Formation Commission (LAFCo) election of officers

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### **Recommendation:**

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

### **Background:**

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

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

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

## **STAFF REPORT**

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

**From:** Mary Rogren, General Manager

**Agenda:** January 12, 2021

**Report**

**Date:** January 8, 2021

**Subject:** Future Strategic Planning Workshop

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### **Recommendation:**

Discussion Only.

### **Background:**

The last Strategic Planning and Priority Setting Workshop with the District's Board occurred in March 2017. The top priorities identified by the Board at that session primarily focused on long-range water supply planning.

The President and several of the Directors have expressed interest at recent Board meetings to have a strategic planning session in the near future.

We would like to spend a few minutes discussing the logistics and focus for a future strategic planning session with the Board and specifically to address the long-range water supply planning efforts.

## **STAFF REPORT**

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

**From:** Mary Rogren, General Manager

**Agenda:** January 12, 2021

**Report**

**Date:** January 8, 2021

**Subject:** Approve the Extension of Certain COVID-19 Related Temporary Employee Benefits Set Forth in the Families First Coronavirus Response Act Through June 30, 2021

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### **Recommendation:**

Approve the extension of the period during which employees may take paid leave for certain COVID-19 related reasons, similar to paid leave benefits as provided by the District in accordance with the Families First Coronavirus Response Act (FFCRA), through June 30, 2021. The recommended six-month extension does not expand the 80 hours of Emergency Paid Sick Leave, but does grant District employees six more months to use the original 80 hours provided under the FFCRA.

If this recommendation is approved, as may be required, staff will meet and confer with the union prior to implementation of this extension as to the District's unionized employees.

### **Background:**

In March 2020, the Federal government enacted the Families First Coronavirus Response Act (FFCRA) which required the District to provide its employees with paid sick leave or expanded family and medical leave for specified reasons related to COVID-19. Specifically, the FFCRA included 80 hours of Emergency Paid Sick Leave that may be used for a variety of COVID-19 related impacts, as dictated under the FFCRA. The FFCRA also expanded the definitions under which current Family Medical Leave Act (FMLA) leave benefits may be used, specifically to apply to childcare needs as a result of childcare providers and schools being closed due to COVID-19 and requires that such leave be paid.

The provisions of the FFCRA applied through December 31, 2020, and the Federal government has not extended the mandated benefits. Accordingly, the District is not required to provide FFCRA paid leave to employees after December 31, 2020.

However, under current orders for San Mateo County Health Department, Cal-OSHA, and State of California Department of Public Health, individuals who come into close contact with someone who has COVID are required to quarantine for 14



**STAFF REPORT**

**Agenda: January 12, 2021**

**Subject: Extension of COVID-19 Temporary Benefits**

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days; and those who contract COVID are required to isolate at least 10 days after getting symptoms of COVID or if asymptomatic, 10 days after the date of the positive test. Accordingly, District employees may continue to have need for leaves of absence due to the effects of the COVID-19 pandemic under circumstances similar to those for which FFCRA paid leave benefits were provided.

Given health and safety concerns for the District's small staff, staff requests approval to continue providing paid leave benefits, under the same terms and conditions as applied to FFCRA paid leave benefits, including full use of the original 80 hours of Emergency Paid Sick Leave that may be available for employees who have not already exhausted this leave, through June 30, 2021 in order to provide District employees with paid sick leave to quarantine/isolate or to care for an individual subject to quarantine or to care for a child whose school or child care provider is closed or unavailable for reasons related to COVID-19.

## **STAFF REPORT**

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

**From:** Mary Rogren, General Manager

**Agenda:** January 12, 2021

### **Report**

**Date:** January 8, 2021

**Subject:** General Manager's Report

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### **Recommendation:**

Information Only.

### **Proposed Tuolumne River Voluntary Agreement (TRVA) – BAWSCA Statements**

Please find attached recent statements from Nicole Sandkulla regarding BAWSCA's interests in the proposed Tuolumne River Voluntary Agreement:

- December 17, 2020 statement
- December 22, 2020 statement documenting Nicole Sandkulla's remarks to the San Francisco Public Utility Commission.

### **COVID-19 Update**

In December 2020, the District prepared and distributed a COVID-19 Prevention Program (CPP) document as required by CAL OSHA under the COVID-19 emergency temporary standards effective December 1, 2020.



**The Proposed Tuolumne River Voluntary Agreement (TRVA), Based on the Tuolumne River Management Plan Developed by the Modesto and Turlock Irrigation Districts (Districts) and the San Francisco Public Utilities Commission (SFPUC), Provides More Water for Fish in the River and Protects Water Users in Alameda, San Mateo and Santa Clara Counties, to Meet Governor Newsom's Goal for Voluntary Water-Supply Issues**

December 17, 2020

BAWSCA Chief Executive Officer Nicole Sandkulla says the TRVA is exactly the kind of science-based, voluntary agreement that Governor Newsom wants to resolve California's water issues. It will provide more water for fish in the Tuolumne River and protect the water supply for 1.8 million residents, over 40,000 businesses, and hundreds of communities in the three counties that BAWSCA represents and that could suffer serious water reductions if the adopted Bay-Delta Plan is implemented.

These water customers purchase two-thirds of the water sold by the SFPUC's Regional (Hetch Hetchy) Water System (System) and pay \$250 million a year for it. This is twice as much water used and paid for by San Francisco's in-city customers and is why BAWSCA, under California law, represents the interests of the water customers in the three counties.

The TRVA includes an integrated suite of additional Tuolumne River flow and non-flow measures that substantially increase the production of native salmon in the river while providing reasonable protection for water supply critical to BAWSCA's member agencies. Studies have shown that the TRVA will result in a 150 percent increase in young salmon that leave the river for the Bay-Delta, and eventually the Pacific Ocean, compared to numbers projected under current conditions.

The Tuolumne River is an important part of the Bay-Delta, and negotiations have been held for years to improve it. Taxpayer money will not be used for the TRVA, and more than \$120 million in construction and operating costs will be paid by customers of the Districts and the water users who rely on the System.

BAWSCA supports the TRVA and urges the Governor to encourage the State Water Resources Control Board (Board) to perform the required environmental evaluation of the TRVA. The Board has supported voluntary agreements in past negotiations of water-supply issues and restated it in its 2019 report about the Bay-Delta including the Tuolumne River.

BAWSCA will enlist support for the Governor's leadership from California legislators who represent water users, labor unions who want more jobs and affordable housing for their members, and businesses, which all depend on water from the Tuolumne River.

Ignoring or opposing this carefully constructed voluntary agreement after years of development, discussion, and participation by non-governmental organizations and water agencies, could endanger the water supply for these residents in the three counties; businesses that provide jobs, and the communities that protect their citizens' health, safety, and economic well-being.

Having the Board study the TRVA as an alternative to the adopted Bay-Delta Plan is a positive step forward, with no downside and a potential to solve one of the region's and the State's most significant water-supply issues. It is an opportunity for the Governor to protect everyone in Alameda, San Mateo and Santa Clara counties, who depends on the Tuolumne River, and improve the environment for fish and the Bay-Delta.

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**Statement from Nicole Sandkulla, Chief Executive Officer of the Bay Area Water Supply and Conservation Agency (BAWSCA) to the San Francisco Public Utilities Commission  
About the Water-Supply Situation for BAWSCA's Constituents in Alameda,  
San Mateo and Santa Clara Counties**

**December 22, 2020**

Good afternoon President Maxwell and Commissioners:

Merry Christmas and happy holidays from BAWSCA to all of you and your staff.

As I look ahead to 2021, I assure you that BAWSCA will work closely and cooperatively with you and your staff during what promises to be a very busy and challenging year for BAWSCA, and, I presume, for your organization.

For BAWSCA, there will be a determined effort to reach our goal, which is a reliable supply of high-quality water at a fair price. It has been BAWSCA's single goal for twenty years and will continue to be.

BAWSCA wants to make progress with and get closure on the Bay Delta issue as it affects our future water supply and successful resolution is necessary to protect our water users in Alameda, San Mateo and Santa Clara counties. As the owner and operator of the Regional (Hetch Hetchy) Water System (System), San Francisco appropriately decided to take the lead to resolve the Bay Delta issue, but the reality is that little progress has been made.

This situation must not drag on without reasonable progress, and the BAWSCA Board of Directors, appointed by its 26 member agencies in our three counties, and I are determined that we will do everything within our power and authority to protect our residents, businesses, and communities from an unwise Bay Delta Plan.

As you know, BAWSCA's constituents purchase two-thirds of the water sold by your System and currently pay \$250 million a year for it. This is twice as much water as used and paid for by San Francisco's in-city customers. It is one reason why BAWSCA, under California law, represents the interests of water customers in its three counties.

We expect you to do more to get the results we need without further delay. A Tuolumne River Voluntary Agreement (TRVA) based on the Tuolumne River Management Plan is the right vehicle. BAWSCA will use its strategic assets directly to help reach this goal. We will keep you informed of what we are doing, and we will continue to exchange ideas on a weekly basis.

We also expect your organization to continue aggressively to complete the WSIP without further extension and complete it within the current legislated deadline.

Clearly, we cannot be satisfied with the achievements in 2020 to protect BAWSCA's constituents. You must continue your work to identify new alternative sources of high-quality water for your system and be prepared to deliver it at a fair price when and where our constituents need it.

Finding new water sources is an annual requirement in AB 1823, and while there has been forward movement in 2020, it must be on a faster track in 2021 to meet the adopted schedule and deadlines set by this Commission. BAWSCA is committed to doing its part to achieve these critical results.

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## **MONTHLY REPORT**

**To:** Mary Rogren, General Manager  
**From:** James Derbin, Superintendent of Operations  
**Agenda:** January 12, 2020  
**Report**  
**Date:** January 8, 2020

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### **Monthly Highlights**

- Pilarcitos wells running at 265 gpm
- Pilarcitos Reservoir ~250 gpm
- Denniston running at 400 gpm
- Replaced Hydrants at:
  - Rite Aid parking lot
  - 431 Wave Ave.
  - 400 Kehoe Ave.
  - 421 Kehoe Ave.
  - 1400 Pilarcitos Ave.
  - 930 Sonora Ave.

### **Sources of Supply**

- **December Sources:**
  - Crystal Springs (Skylawn only)/Denniston Reservoir and Wells/Pilarcitos Reservoir and Wells

### **Projects**

- Both Denniston Generators installed, factory startup/testing partially complete. Issue with parts. Cummins is resolving at their cost. Generators are both operational.
- Emergency pump for Pilarcitos dam is delivered and tested. See attached pictures.
- HDR - Bi-weekly progress meetings with staff ongoing. 90% design was delivered in November. Expect 100% design by 1/11/21. Go to bid in January/February and award February/March.
- EKI - 90% on Pilarcitos crossing replacement. Waiting for Biological Resources Evaluation from WRA before we start the CDP process.

# New Emergency Pilarcitos Pump and Accessories



## STAFF REPORT

**To:** Board of Directors  
**From:** Cathleen Brennan, Water Resources Analyst  
**Agenda:** January 12, 2021  
**Report:** January 7, 2021  
**Subject:** Water Resources Informational Report

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### Noticing of 2020 Urban Water Management Plan (UWMP)

The District is required to notify (CWC Section 10621) the city and the county within our service area that the District will be reviewing the UWMP and considering amendments or changes. This must be done *at least* 60 days prior to the public hearing.

The District has chosen to send a notice by email at the beginning of our update process to the city, the county, BAWSCA member agencies, and interested parties. This is a recommended action to make sure you give agencies as much notice ahead of time as possible. The list of agencies is attached to this staff report. The District has also chosen to include the Water Shortage Contingency Plan (WSCP) updates in this same notice. You can find a copy of the notice on the next page of this report.

Since the District does not have the date of public hearing, the notice just states that it will be in the spring of 2021. The District will send additional notices to the city, the county, and the public 60 days before the public hearing, regarding the UWMP and the WSCP. Copies of the draft changes to the UWMP and WSCP will be made available to the public prior to the public hearing.

December 23, 2020

Subject: **Urban Water Management Plan and Water Shortage Contingency Plan**

The Coastside County Water District (District) is in the process of updating its Urban Water Management Plan (UWMP). The Urban Water Management Planning Act, Water Code (CWC) Section 10610 et seq., requires that every urban water supplier providing water for municipal purposes either directly or indirectly to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually to prepare and adopt an UWMP and update that plan at least every five years. The UWMP integrates land use, water supply, infrastructure, demand management, and climate change.

In addition, the District will be updating its Water Shortage Contingency Plan (WSCP) to include new and expanded authorities. The new requirements include an analysis of six levels of water supply shortage conditions [CWC §10620(d)(2) and §10632] and a drought risk assessment [CWC§10635(b)].

As an urban water supplier, the District coordinates with water management agencies, relevant public agencies, and other water suppliers on the preparation of the UWMP and WSCP updates. Pursuant to CWC Section 10621(b), the District is sending notice to inform the City of Half Moon Bay, the County of San Mateo, and other interested parties about the UWMP update. The District will hold a public hearing regarding its UWMP updates in the spring of 2021.

If you have questions or concerns regarding the process, please contact Cathleen Brennan.

Sincerely,  
Cathleen Brennan  
Water Resources Analyst  
(650) 276-0861 | [cbrennan@coastsidewater.org](mailto:cbrennan@coastsidewater.org)



## Agencies Notified

1	Alameda County Water District
2	Bay Area Water Supply and Conservation Agency
3	Cabrillo Unified School District
4	California Water Service Co.
5	City of Brisbane
6	City of Burlingame
7	City of Daly City
8	City of East Palo Alto
9	City of Half Moon Bay
10	City of Hayward
11	City of Menlo Park
12	City of Millbrae
13	City of Milpitas
14	City of Mountain View
15	City of Palo Alto
16	City of Redwood City
17	City of San Bruno
18	City of San Jose
19	City of Santa Clara
20	City of Sunnyvale
21	Coastside Fire Protection District
22	Coastside Land Trust
23	County of San Mateo
24	Foster City/Estero Municipal Improvement District
25	Granada Community Services District
26	Half Moon Bay Coastside Chamber of Commerce
27	LAFCO
28	Mid-Peninsula Water District
29	Montara Water and Sanitary District
30	National Park Service Golden Gate National Parks
31	North Coast County Water District
32	Peninsula Open Space Trust
33	Purissima Hills Water District
34	San Francisco Public Utilities Commission
35	San Mateo County Farm Bureau
36	San Mateo County Harbor District
37	San Mateo Resource Conservation District
38	Sewer Authority Mid-Coastside
39	Stanford University

40 The Rotary Club of Half Moon Bay  
41 Town of Hillsborough  
42 Tuolumne River Trust  
43 Westborough Water District