

**COASTSIDE COUNTY WATER DISTRICT**

**766 MAIN STREET**

**HALF MOON BAY, CA 94019**

**REGULAR MEETING OF THE BOARD OF DIRECTORS**

**Tuesday, March 8, 2022 - 7:00 p.m.**

**AGENDA**

Due to the Covid-19 pandemic, and in accordance with Assembly Bill 361, which modifies California Government Code Section 54953, the Boardroom will not be open to the public for the March 8, 2022, Regular Meeting of the Board of Directors of the Coastside County Water District. This meeting will be conducted remotely via teleconference only.

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

How to Join Online or by Phone

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

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

Join Zoom Meeting

<https://us06web.zoom.us/j/93778260596?pwd=aEpRcFlnaHdQM2lPSElQWjNiN09TQT09>

Meeting ID: 937 7826 0596

Passcode: 184355

One tap mobile

+16699006833,,93778260596#,,,,\*184355# US (San Jose)

Dial by your location

+1 669 900 6833 US (San Jose)

Passcode: 184355

Find your local number: <https://us06web.zoom.us/u/kbb87ncuIr>

*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 give their name and address and provide their comments to the Board.*

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

**5) CONSENT CALENDAR**

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

- A. Approval of disbursements for the month ending February 28, 2022:  
Claims: \$784,084.03; Payroll: \$186,641.90 for a total of \$970,725.93 ([attachment](#))  
➤ *February 2022 Monthly Financial Claims reviewed and approved by Director Muller*
- B. Acceptance of Financial Reports ([attachment](#))
- C. Approval of Minutes of February 8, 2022, Regular Board of Directors Meeting ([attachment](#))
- D. Approval of Minutes of February 8, 2022, Special Board of Directors Meeting ([attachment](#))
- E. Approval of Minutes of February 17, 2022, Special Board of Directors Meeting ([attachment](#))
- F. Installed Water Connection Capacity and Water Meters Report ([attachment](#))
- G. Total CCWD Production Report ([attachment](#))
- H. CCWD Monthly Sales by Category Report February 2022 ([attachment](#))
- I. Monthly Planned Plant or Tank Discharge and New Water Line Flushing Report ([attachment](#))
- J. Monthly Rainfall Reports ([attachment](#))
- K. SFPUC Hydrological Conditions Report – January 2022 ([attachment](#))

**6) MEETINGS ATTENDED / DIRECTOR COMMENTS**

**7) GENERAL BUSINESS**

- A. Review of Proposed Ordinance Declaring a Water Shortage Emergency and Implementing Mandatory Water Use Restrictions, and Confirm Date and Time of Public Hearing for the Proposed Ordinance. ([attachment](#))
- B. Consider Resolution 2022-05 Approving the Minimum Purchase Amendment to the Amended and Restated Water Supply Agreement between the City and County of San Francisco and Wholesale Customers in Alameda County, San Mateo County, and Santa Clara County. ([attachment](#))
- C. Consider Resolution 2022-06 Approving a Minimum Purchase Transfer from the City of Mountain View to the City of East Palo Alto. ([attachment](#))
- D. Waive the Procedural Requirements for Sealed Competitive Bids and Authorize the General Manager to Enter Into a Contractual Agreement with Half Moon Bay Paving and Grading Inc. for Denniston Road Storm Damage Repairs. ([attachment](#))
- E. Waive the Procedural Requirements in the District's Policies and Procedures for Award of Contracts and Authorize the General Manager to Enter into an

Agreement with Pump Repair Service Company for the Crystal Springs Pump 2 Replacement including Purchase of a New Spare Pump and 350 Hp Motor, Materials, Refurbishment of Old 350 Hp Motor, and Installation. ([attachment](#))

- F. Review Loan Terms with First Foundation Bank for the Financing of Capital Improvements to the Water System. ([attachment](#))
- G. Nunes Water Treatment Plant Upgrades Project Update #7. ([attachment](#))
- H. Consider Resolution 2022-07 Concurring In Nomination of John H. Weed of Alameda County Water District to the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority (“ACWA-JPIA”) ([attachment](#))
- I. Covid-19 and Reopening of District Office Update ([attachment](#))

**8) MONTHLY INFORMATIONAL REPORTS**

- A. General Manager’s Report ([attachment](#))
- B. Superintendent of Operations Report ([attachment](#))
- C. Water Resources Report ([attachment](#))
  - Water Shortage Advisory and Public Out Reach Update.

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

**10) ADJOURNMENT**

## **STAFF REPORT**

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

**From:** Mary Rogren, General Manager

**Agenda:** March 8, 2022

### **Report**

**Date:** March 4, 2022

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

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### **Recommendation:**

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

### **Background:**

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

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

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

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

**RESOLUTION NO. 2021-06**

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

**COASTSIDE COUNTY WATER DISTRICT**

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

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

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

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

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

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

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

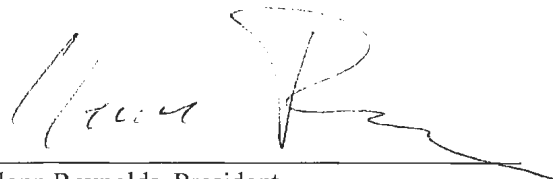
NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Coastside County Water District has considered the circumstances of the proclaimed State of Emergency, and finds that the State of Emergency continues to directly impact the ability of the members to meet safely in person, and state or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

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

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

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

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



Glenn Reynolds, President  
Board of Directors

ATTEST:



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Mary Rogren, General Manager  
Secretary of the Board of Directors

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

CHECKS				
CHECK DATE	CHECK NO.	VENDOR		AMOUNT
02/07/2022	30397	ADP, INC.	\$	773.60
02/07/2022	30398	BAY ALARM COMPANY	\$	2,745.00
02/07/2022	30399	COMCAST	\$	273.51
02/07/2022	30400	JAMES COZZOLINO, TRUSTEE	\$	200.00
02/07/2022	30401	MICHAEL DE MEO	\$	270.00
02/07/2022	30402	JAMES DERBIN	\$	84.14
02/07/2022	30403	GEO BLUE CONSULTING, INC.	\$	950.00
02/07/2022	30404	HUE & CRY, INC.	\$	24.00
02/07/2022	30405	MASS MUTUAL FINANCIAL GROUP	\$	1,829.19
02/07/2022	30406	REPUBLIC SERVICES	\$	571.76
02/07/2022	30407	STANDARD INSURANCE COMPANY	\$	547.17
02/07/2022	30408	STANDARD INSURANCE COMPANY	\$	547.17
02/07/2022	30409	TPX COMMUNICATIONS	\$	2,120.09
02/07/2022	30410	SUSAN TURGEON	\$	306.22
02/07/2022	30411	VALIC	\$	4,156.00
02/07/2022	30412	VERIZON CONNECT INC.	\$	258.30
02/07/2022	30413	US BANK NA	\$	2,659.99
02/11/2022	30414	AMERICAN PORTABLES	\$	862.00
02/11/2022	30415	HEALTH BENEFITS ACWA-JPIA	\$	37,318.02
02/11/2022	30416	BFI OF CALIFORNIA, INC.	\$	1,243.85
02/11/2022	30417	FEDAK & BROWN LLP	\$	2,167.00
02/11/2022	30418	COASTSIDE NEWS GROUP, INC.	\$	682.00
02/11/2022	30419	HANSONBRIDGETT. LLP	\$	15,824.50
02/11/2022	30420	HASSETT HARDWARE	\$	1,147.96
02/11/2022	30421	HDR ENGINEERING, INC	\$	32,626.20
02/11/2022	30422	MERCHANTS BANK OF COMMERCE	\$	28,750.00
02/11/2022	30423	PACIFIC GAS & ELECTRIC CO.	\$	32,273.14
02/11/2022	30424	PACIFIC GAS & ELECTRIC CO.	\$	45.45
02/11/2022	30425	RANGER PIPELINES, INC.	\$	258,750.00
02/11/2022	30426	SAN FRANCISCO WATER DEPT.	\$	34,464.18
02/11/2022	30427	SMDJ, LLC	\$	2,112.00
02/11/2022	30428	SMITH & ASSOCIATES, INC.	\$	5,500.00
02/11/2022	30429	TRI COUNTIES BANK	\$	6,988.84
02/11/2022	30430	UNIVAR SOLUTIONS USA INC.	\$	2,363.38
02/11/2022	30431	I MIKULA	\$	519.96
02/15/2022	30432	NORTH AMERICAN TITLE CO, INC	\$	6,250.00
02/15/2022	30433	SAN MATEO COUNTY	\$	2,427.46
02/24/2022	30434	A-A LOCK	\$	320.00
02/24/2022	30435	ADP, INC.	\$	196.50
02/24/2022	30436	AMERICAN PORTABLES	\$	862.00
02/24/2022	30437	ANALYTICAL ENVIRONMENTAL SERVICES	\$	2,090.00
02/24/2022	30438	ANDREINI BROS. INC.	\$	2,765.70
02/24/2022	30439	AT&T MOBILTY	\$	843.64
02/24/2022	30440	AT&T	\$	427.61
02/24/2022	30441	AT&T	\$	690.02
02/24/2022	30442	AZTECA SYSTEMS HOLDINGS LLC	\$	21,000.00
02/24/2022	30443	BADGER METER, INC.	\$	66.00
02/24/2022	30444	BAY AREA AIR QUALITY MGMT DIST	\$	512.00
02/24/2022	30445	BAY AREA WATER SUPPLY &	\$	3,830.00
02/24/2022	30446	BAY ALARM COMPANY	\$	1,833.46
02/24/2022	30447	BEHRENS MANUFACTURING LLC	\$	9,450.00
02/24/2022	30448	BIG CREEK LUMBER	\$	107.23
02/24/2022	30449	CALIFORNIA C.A.D. SOLUTIONS, INC	\$	1,800.00
02/24/2022	30450	PETTY CASH	\$	95.08
02/24/2022	30451	CORE & MAIN LP	\$	1,739.26
02/24/2022	30452	DATAPROSE, LLC	\$	79.01







# Monthly Budget Report

## Account Summary

For Fiscal: 2021-2022 Period Ending: 02/28/2022

	February Budget	February 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	808,125.00	998,265.93	190,140.93	23.53 %	8,731,162.00	8,435,952.35	-295,209.65	-3.38 %	13,387,000.00
	<b>Total RevType: 1 - Operating:</b>	<b>808,125.00</b>	<b>998,265.93</b>	<b>190,140.93</b>	<b>23.53 %</b>	<b>8,731,162.00</b>	<b>8,435,952.35</b>	<b>-295,209.65</b>	<b>-3.38 %</b>	<b>13,387,000.00</b>
<b>RevType: 2 - Non-Operating</b>										
<a href="#">1-4170-00</a>	Water Taken From Hydrants	4,333.00	4,307.01	-25.99	-0.60 %	34,664.00	39,744.66	5,080.66	14.66 %	52,000.00
<a href="#">1-4180-00</a>	Late Notice - 10% Penalty	6,000.00	0.00	-6,000.00	-100.00 %	26,000.00	0.00	-26,000.00	-100.00 %	50,000.00
<a href="#">1-4230-00</a>	Service Connections	833.00	3,882.37	3,049.37	366.07 %	6,666.00	11,910.31	5,244.31	78.67 %	10,000.00
<a href="#">1-4920-00</a>	Interest Earned	4,687.00	1,000.15	-3,686.85	-78.66 %	37,500.00	8,246.60	-29,253.40	-78.01 %	56,250.00
<a href="#">1-4930-00</a>	Tax Apportionments/County Checks	60,000.00	84,095.63	24,095.63	40.16 %	510,000.00	613,223.96	103,223.96	20.24 %	780,000.00
<a href="#">1-4950-00</a>	Miscellaneous Income	0.00	1,716.01	1,716.01	0.00 %	3,500.00	20,969.30	17,469.30	499.12 %	7,000.00
<a href="#">1-4955-00</a>	Cell Site Lease Income	15,300.00	8,469.10	-6,830.90	-44.65 %	122,400.00	118,039.73	-4,360.27	-3.56 %	184,000.00
<a href="#">1-4965-00</a>	ERAF Refund - County Taxes	0.00	0.00	0.00	0.00 %	400,000.00	676,163.84	276,163.84	69.04 %	400,000.00
	<b>Total RevType: 2 - Non-Operating:</b>	<b>91,153.00</b>	<b>103,470.27</b>	<b>12,317.27</b>	<b>13.51 %</b>	<b>1,140,730.00</b>	<b>1,488,298.40</b>	<b>347,568.40</b>	<b>30.47 %</b>	<b>1,539,250.00</b>
	<b>Total Revenue:</b>	<b>899,278.00</b>	<b>1,101,736.20</b>	<b>202,458.20</b>	<b>22.51 %</b>	<b>9,871,892.00</b>	<b>9,924,250.75</b>	<b>52,358.75</b>	<b>0.53 %</b>	<b>14,926,250.00</b>
<b>Expense</b>										
<b>ExpType: 1 - Operating</b>										
<a href="#">1-5130-00</a>	Water Purchased	18,935.00	37,045.18	-18,110.18	-95.64 %	1,800,381.00	1,459,307.63	341,073.37	18.94 %	2,321,721.00
<a href="#">1-5230-00</a>	Nunes T P Pump Expense	3,500.00	4,125.37	-625.37	-17.87 %	29,700.00	30,537.89	-837.89	-2.82 %	44,800.00
<a href="#">1-5231-00</a>	CSP Pump Station Pump Expense	5,000.00	13,890.41	-8,890.41	-177.81 %	251,000.00	243,304.01	7,695.99	3.07 %	342,000.00
<a href="#">1-5232-00</a>	Other Trans. & Dist Pump Expense	1,500.00	1,884.41	-384.41	-25.63 %	16,500.00	14,207.77	2,292.23	13.89 %	23,000.00
<a href="#">1-5233-00</a>	Pilarcitos Canyon Pump Expense	7,300.00	7,253.18	46.82	0.64 %	26,100.00	26,431.59	-331.59	-1.27 %	36,000.00
<a href="#">1-5234-00</a>	Denniston T P Pump Expense	9,500.00	5,374.04	4,125.96	43.43 %	33,000.00	34,863.74	-1,863.74	-5.65 %	64,000.00
<a href="#">1-5242-00</a>	CSP Pump Station Operations	1,000.00	1,328.78	-328.78	-32.88 %	11,100.00	4,848.99	6,251.01	56.32 %	17,000.00
<a href="#">1-5243-00</a>	CSP Pump Station Maintenance	3,000.00	1,953.28	1,046.72	34.89 %	25,200.00	16,483.42	8,716.58	34.59 %	38,000.00
<a href="#">1-5246-00</a>	Nunes T P Operations - General	7,500.00	4,133.68	3,366.32	44.88 %	61,500.00	42,269.36	19,230.64	31.27 %	92,500.00
<a href="#">1-5247-00</a>	Nunes T P Maintenance	10,700.00	8,920.59	1,779.41	16.63 %	85,600.00	41,007.39	44,592.61	52.09 %	128,400.00
<a href="#">1-5248-00</a>	Denniston T P Operations-General	5,500.00	266.98	5,233.02	95.15 %	34,500.00	16,565.41	17,934.59	51.98 %	56,500.00
<a href="#">1-5249-00</a>	Denniston T.P. Maintenance	7,000.00	19,224.90	-12,224.90	-174.64 %	105,600.00	142,533.77	-36,933.77	-34.98 %	135,600.00
<a href="#">1-5250-00</a>	Laboratory Expenses	5,500.00	4,076.00	1,424.00	25.89 %	46,750.00	31,798.92	14,951.08	31.98 %	77,000.00
<a href="#">1-5260-00</a>	Maintenance - General	26,000.00	31,859.85	-5,859.85	-22.54 %	221,000.00	288,920.77	-67,920.77	-30.73 %	358,000.00
<a href="#">1-5261-00</a>	Maintenance - Well Fields	1,000.00	-646.24	1,646.24	164.62 %	17,800.00	80,510.64	-62,710.64	-352.31 %	30,800.00
<a href="#">1-5263-00</a>	Uniforms	0.00	0.00	0.00	0.00 %	9,300.00	12,063.26	-2,763.26	-29.71 %	10,300.00
<a href="#">1-5318-00</a>	Studies/Surveys/Consulting	9,000.00	6,080.75	2,919.25	32.44 %	74,000.00	122,509.05	-48,509.05	-65.55 %	154,000.00
<a href="#">1-5321-00</a>	Water Resources	2,200.00	2,966.22	-766.22	-34.83 %	17,900.00	5,431.22	12,468.78	69.66 %	26,700.00

Monthly Budget Report

For Fiscal: 2021-2022 Period Ending: 02/28/2022

	February Budget	February 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	2,000.00	600.00	1,400.00	70.00 %	34,000.00	28,005.48	5,994.52	17.63 %	60,000.00
<a href="#">1-5325-00</a> Water Shortage Program	0.00	307.54	-307.54	0.00 %	0.00	5,330.22	-5,330.22	0.00 %	0.00
<a href="#">1-5381-00</a> Legal	8,333.00	12,124.00	-3,791.00	-45.49 %	66,664.00	77,258.00	-10,594.00	-15.89 %	100,000.00
<a href="#">1-5382-00</a> Engineering	5,650.00	4,377.18	1,272.82	22.53 %	45,200.00	57,060.87	-11,860.87	-26.24 %	67,800.00
<a href="#">1-5383-00</a> Financial Services	0.00	2,167.00	-2,167.00	0.00 %	14,000.00	12,731.00	1,269.00	9.06 %	22,600.00
<a href="#">1-5384-00</a> Computer Services	18,500.00	23,401.95	-4,901.95	-26.50 %	143,300.00	137,007.88	6,292.12	4.39 %	217,300.00
<a href="#">1-5410-00</a> Salaries/Wages-Administration	98,450.00	73,097.21	25,352.79	25.75 %	787,600.00	655,350.15	132,249.85	16.79 %	1,181,400.00
<a href="#">1-5411-00</a> Salaries & Wages - Field	140,000.00	125,028.00	14,972.00	10.69 %	1,106,000.00	1,039,859.33	66,140.67	5.98 %	1,666,000.00
<a href="#">1-5420-00</a> Payroll Tax Expense	18,400.00	15,444.61	2,955.39	16.06 %	133,100.00	119,536.15	13,563.85	10.19 %	206,700.00
<a href="#">1-5435-00</a> Employee Medical Insurance	46,350.00	33,985.61	12,364.39	26.68 %	356,700.00	320,065.39	36,634.61	10.27 %	542,100.00
<a href="#">1-5436-00</a> Retiree Medical Insurance	5,600.00	4,125.26	1,474.74	26.33 %	41,200.00	35,921.49	5,278.51	12.81 %	63,900.00
<a href="#">1-5440-00</a> Employees Retirement Plan	43,500.00	42,429.34	1,070.66	2.46 %	344,600.00	361,652.12	-17,052.12	-4.95 %	518,600.00
<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	6,425.00	4,658.06	1,766.94	27.50 %	51,400.00	45,471.78	5,928.22	11.53 %	77,100.00
<a href="#">1-5620-00</a> Office & Billing Expenses	25,100.00	36,659.63	-11,559.63	-46.05 %	220,100.00	246,144.29	-26,044.29	-11.83 %	328,500.00
<a href="#">1-5625-00</a> Meetings / Training / Seminars	2,750.00	797.76	1,952.24	70.99 %	22,000.00	6,920.71	15,079.29	68.54 %	33,000.00
<a href="#">1-5630-00</a> Insurance	13,700.00	12,024.08	1,675.92	12.23 %	108,400.00	94,391.41	14,008.59	12.92 %	163,300.00
<a href="#">1-5687-00</a> Membership, Dues, Subscript.	7,350.00	308.75	7,041.25	95.80 %	58,000.00	66,288.99	-8,288.99	-14.29 %	87,400.00
<a href="#">1-5688-00</a> Election Expenses	0.00	30,000.00	-30,000.00	0.00 %	0.00	30,000.00	-30,000.00	0.00 %	0.00
<a href="#">1-5689-00</a> Labor Relations	500.00	0.00	500.00	100.00 %	4,000.00	0.00	4,000.00	100.00 %	6,000.00
<a href="#">1-5700-00</a> San Mateo County Fees	2,100.00	6,000.00	-3,900.00	-185.71 %	21,500.00	14,509.60	6,990.40	32.51 %	25,700.00
<a href="#">1-5705-00</a> State Fees	0.00	512.00	-512.00	0.00 %	34,000.00	36,335.41	-2,335.41	-6.87 %	37,500.00
<b>Total ExpType: 1 - Operating:</b>	<b>568,843.00</b>	<b>577,785.36</b>	<b>-8,942.36</b>	<b>-1.57 %</b>	<b>6,458,695.00</b>	<b>6,003,435.10</b>	<b>455,259.90</b>	<b>7.05 %</b>	<b>9,396,221.00</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 %	335,825.00	335,668.71	156.29	0.05 %	335,825.00
<a href="#">1-5716-00</a> Debt Service/CIEDB 2016	0.00	0.00	0.00	0.00 %	322,895.00	322,894.97	0.03	0.00 %	322,895.00
<a href="#">1-5717-00</a> Chase Bank - 2018 Loan	0.00	0.00	0.00	0.00 %	376,657.00	376,657.43	-0.43	0.00 %	435,168.00
<b>Total ExpType: 4 - Capital Related:</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00 %</b>	<b>1,035,377.00</b>	<b>1,035,221.11</b>	<b>155.89</b>	<b>0.02 %</b>	<b>1,093,888.00</b>
<b>Total Expense:</b>	<b>568,843.00</b>	<b>577,785.36</b>	<b>-8,942.36</b>	<b>-1.57 %</b>	<b>7,494,072.00</b>	<b>7,038,656.21</b>	<b>455,415.79</b>	<b>6.08 %</b>	<b>10,490,109.00</b>
<b>Report Total:</b>	<b>330,435.00</b>	<b>523,950.84</b>	<b>193,515.84</b>		<b>2,377,820.00</b>	<b>2,885,594.54</b>	<b>507,774.54</b>		<b>4,436,141.00</b>

**COASTSIDE COUNTY WATER DISTRICT  
MONTHLY INVESTMENT REPORT  
February 28, 2022**

<b><u>RESERVE BALANCES</u></b>	<b>Current Year as of 02/28/2022</b>	<b>Prior Year as of 02/28/2021</b>
CAPITAL AND OPERATING RESERVE	\$10,860,907.58	\$9,327,768.65
RATE STABILIZATION RESERVE	\$250,000.00	\$250,000.00
<b>TOTAL DISTRICT RESERVES</b>	<b>\$11,110,907.58</b>	<b>\$9,577,768.65</b>

**ACCOUNT DETAIL**

ACCOUNTS WITH TRI COUNTIES BANK		
CHECKING ACCOUNT	\$5,765,892.73	\$4,160,514.57
CSP T & S ACCOUNT	\$48,113.71	\$136,646.71
MONEY MARKET GEN. FUND (Opened 7/20/17)	\$19,450.49	\$19,448.51
LOCAL AGENCY INVESTMENT FUND (LAIF) BALANCE	\$5,276,650.65	\$5,260,358.86
DISTRICT CASH ON HAND	\$800.00	\$800.00
<b>TOTAL ACCOUNT BALANCES</b>	<b>\$11,110,907.58</b>	<b>\$9,577,768.65</b>

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

COASTSIDE COUNTY WATER DISTRICT  
 CAPITAL IMPROVEMENT PROJECTS - STATUS REPORT  
 FISCAL YEAR 2021/2022

2/28/2022

\* Approved June 2020

Status	Approved* CIP Budget FY21/22	To Date FY21/22	Projected Year-End FY21/22	Variance vs. Budget	% Completed	Project Status/ Comments
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**Equipment Purchases & Replacement**

06-03	SCADA/Telemetry/Electrical Controls Replacement	ongoing	\$ 50,000	\$ 23,612	\$ 50,000	\$ -	47%	Solar upgrades in process (partially covered by grant)
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**Facilities & Maintenance**

09-09	Fire Hydrant Replacement	ongoing	\$ 140,000		\$ 40,000	\$ 100,000	0%	Will defer purchases to FY2022-23
99-01	Meter Change Program	ongoing	\$ 20,000		\$ 20,000	\$ -	0%	

**Pipeline Projects**

14-27/20-08	Grandview Pipeline Replacement Project	in design	\$ 1,650,000	\$ 26,311	\$ 300,000	\$ 1,350,000	0%	Spring-Summer 2022 construction (ap. Cost \$2M)
						\$ -		

**Pump Stations / Tanks / Wells**

08-14	Alves Tank Rehabilitation/Replacement Design	TBD	\$ 300,000			\$ 300,000	n/a	Not planned for FY2021/22
08-16	Cahill Tank Rehabilitation	TBD	\$ 125,000			\$ 125,000	n/a	Delayed to FY2022/23
20-16	Denniston Tank Rehabilitation	TBD	\$ 125,000			\$ 125,000	n/a	Delayed to FY2022/23
19-05	Tanks - THM Control	Ongoing	\$ 50,000	\$ 6,155	\$ 50,000	\$ -	0%	

**Water Supply Development**

14-25	Denniston/San Vicente Water Supply Development	ongoing	\$ 300,000	\$ 75,453	\$ 200,000	\$ 100,000	n/a	
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**Water Treatment Plants**

20-14	Nunes Water Treatment Plant Improvement Project	Construction	\$ 2,900,000	\$ 2,272,546	\$ 3,500,000	\$ (600,000)	22%	Construction started August 2021; To be completed August 2023
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**UNSCHEDULED/NEW CIP ITEMS FOR CURRENT FISCAL YEAR 2021/2022**

NN-00	Unscheduled CIP		\$ 100,000		\$ 100,000	\$ -	0%	
22-01	Miramontes Point Road Water Main Replacement	in design		76,297	150,000	\$ (150,000)		
66-3001	Green Slope Climber	Completed		105,216	105,216	\$ (105,216)	100%	
14-29	Purisima Way Water Main Replacement	construction		23,583	125,000	\$ (125,000)		originally planned for in future CIP
21-12	Nunes Fuel Tank Replacement	in process		10,208	185,000	\$ (185,000)		covered by Cal OES grant

**NEW FY2020/2021 CIP TOTAL \$ 5,760,000 \$ 2,619,380 \$ 4,825,216 \$ 934,784**

**FY2019/2020 CIP Carryover Projects**

20-07	District Office Improvements	in process	\$ 120,000	\$ 163,432	\$ 163,432	\$ (43,432)	60%	
14-01	Highway 92 - Replacement of Welded Steel Line-Phase 1	open	\$ 700,000	11,527	\$ 11,527	\$ 688,473	0%	Delayed to 2022/23
66-3001	Valve truck	Completed	\$ 75,361	\$ 75,361	\$ 75,361	\$ -	100%	Valve truck - Delivered in July 2021 - \$225K total price
22-05	Planning Software	open	\$ 60,000	\$ 1,395	\$ 60,000	\$ -	0%	Approved at August 2021 BOD meeting

COASTSIDE COUNTY WATER DISTRICT  
 CAPITAL IMPROVEMENT PROJECTS - STATUS REPORT  
 FISCAL YEAR 2021/2022

2/28/2022

\* Approved June 2020

		Status	Approved* CIP Budget FY21/22	To Date FY21/22	Projected Year-End FY21/22	Variance vs. Budget	% Completed	Project Status/ Comments
13-02	Pipeline Replacement Under Creek at Pilarcitos Ave (Strawflower)	in process	\$ 700,000	\$ 58,914	\$ 700,000	\$ -	D-100%	Bidding completed and easements in process; planned for late Spring 2022
14-01	Highway 92 - Replacement of Welded Steel Line-Design	in design	\$ 100,000	\$ 18,140	\$ 18,140	\$ 81,860	100%	for engineering design only
21-07	Carter Hill Tank Improvement Project	In design	\$ 580,000	\$ 185,987	\$ 580,000	\$ -	n/a	Design in process - will continue into Fiscal Year 2021/22
21-08	ESRI-Cityworks Implementation	Completed		\$ 25,000	\$ 25,000	\$ (25,000)	100%	
<b>FY2020/2021 CARRYOVER PROJECTS</b>			<b>\$ 2,335,361</b>	<b>\$ 539,756</b>	<b>\$ 1,633,460</b>	<b>\$ 701,901</b>		

Green = approved by the Board/in process

**TOTAL - FY 2021/2022 CIP + PRIOR YEAR CARRYOVER**      **\$ 8,095,361**    **\$ 3,159,137**    **\$ 6,458,676**    **\$ 1,636,685**

**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>Mar-21</b>	480		3,380	<b>3,860</b>	3,380
<b>Apr-21</b>	480			<b>480</b>	
<b>May-21</b>	480		169	<b>649</b>	169
<b>Jun-21</b>	480		1,352	<b>1,832</b>	1,352
<b>Jul-21</b>	480	896	3,042	<b>4,418</b>	3,042
<b>Aug-21</b>	480			<b>480</b>	3,042
<b>Sep-21</b>	480			<b>480</b>	
<b>Oct-21</b>	480			<b>480</b>	
<b>Nov-21</b>	987			<b>987</b>	
<b>Dec-21</b>	480		3,211	<b>3,691</b>	3,211
<b>Jan-22</b>	480	507	507	<b>1,494</b>	507
<b>Feb-22</b>	480	456		<b>936</b>	
<b>TOTAL</b>	<b>6,267</b>	<b>1,859</b>	<b>11,661</b>	<b>19,787</b>	<b>14,703</b>

**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>Feb-21</b>	7,733			589	355					<b>8,677</b>
<b>Mar-21</b>	17,385			180	1,662	407				<b>19,633</b>
<b>Apr-21</b>	11,122			1,609	1,319					<b>14,050</b>
<b>May-21</b>	10,870			709		407				<b>11,986</b>
<b>Jun-21</b>	7,659			752	588					<b>8,999</b>
<b>Jul-21</b>	3,323									<b>3,323</b>
<b>Aug-21</b>	4,701			442		2,901				<b>8,043</b>
<b>Sep-21</b>	10,969				814					<b>11,783</b>
<b>Oct-21</b>	18,804									<b>18,804</b>
<b>Nov-21</b>	9,818			943	1,739					<b>12,500</b>
<b>Dec-22</b>	5,582			755						<b>6,337</b>
<b>Jan-22</b>	13,699					1,375			751	<b>15,825</b>
<b>TOTAL</b>	<b>121,664</b>	<b>0</b>	<b>0</b>	<b>5,977</b>	<b>6,477</b>	<b>5,090</b>	<b>0</b>	<b>0</b>	<b>751</b>	<b>139,957</b>



**Calcon T&M Projects Tracking**

2/28/2022

Project No.	Name	Status	Proposal Date	Approved Date	Project Budget	Project Actual thru 6/30/21	Project Billings FY2021-2022
<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	EI 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>	
<b>FY 2021-2022 Open Projects:</b>							
	Crystal Springs Solar System Backup			12/20/2021	\$18,739.00	\$	11,540.00
	Nunes Tank Radio Solar Backup			12/20/2021	\$19,927.00	\$	11,965.00
<b>Open Projects - Subtotal</b>					<b>\$38,666.00</b>	<b>\$0.00</b>	<b>\$23,505.00</b>
<b>Other: Maintenance</b>							
	<b>Tanks</b>					\$	24,807.00
	<b>Crystal Springs Maintenance</b>					\$	3,529.94
	<b>Nunes Maintenance</b>					\$	50,326.46
	<b>Denniston Maintenance</b>					\$	42,389.33
	<b>Distribution System</b>					\$	64,664.72
	<b>Wells</b>						
	<b>Cellular Telemetry</b>					\$	3,879.78
<b>Subtotal Maintenance</b>							<b>\$ 189,597.23</b>
<b>FINAL TOTAL FY 2021/2022</b>							<b>\$213,102.23</b>

**EKI Environment & Water**  
**Engineering Services Billed Through February 28, 2022**

	Contract Date	Not to Exceed Budget	Status	FY 2018-2019	FY 2019-2020	FY2020-2021	FY2021-2022
<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				\$ 67,075.84	\$ 26,740.48
Fiscal Year 2021-2022 - Non-Complex Main line Extension Services	10.15.2021	\$ 25,000.00					\$ 1,716.00
Fiscal Year 2021-2022 - Drought Relief Grant Application	12.2021						\$ 21,074.82
<b>Sub Total - CIP Project Management Services</b>		<b>\$ 447,000.00</b>		<b>\$ 163,452.66</b>	<b>\$ 157,405.25</b>	<b>\$ 68,214.64</b>	<b>\$ 49,531.30</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	Complete	\$ 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	Complete		\$ 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	\$ 5,144.36	
<b>Grandview Crossing at Hwy 1</b>		2.9.2021	\$ 156,500.00	Open			\$ 73,285.99	\$ 25,819.11
<b>Pilarcitos Creek Crossing Water Main Replacement Preliminary Design</b>	<b>13-02</b>	8.27.2019	\$ 104,600.00	Complete		\$ 95,332.59	\$ 1,226.50	
<b>Pilarcitos Creek Crossing Water Main Replacement Design</b>	<b>13-02</b>	7.14.2020	\$ 82,900.00	Open			\$ 39,343.06	\$ 20,267.12
<b>Grandview/Silver/Terrace/Spindrift Under Hwy 1 PreDesign</b>	<b>20-08</b>	10.15.2019	\$ 59,600.00	Complete		\$ 18,217.30	\$ 40,597.27	
<b>Highway 92 Potable Water Pipeline Replacement Project Design</b>	<b>14-01</b>	7.2.2021	\$ 24,800.00	Open				\$ 18,139.94
<b>Miramontes Point Road Water Main Replacement</b>	<b>22-01</b>	7.14.2021	\$ 116,800.00	Open				\$ 76,297.02
<b>Purisima Way Water Main Replacement</b>	<b>14-29</b>	10.18.2021	\$ 20,400.00	Open				\$ 18,531.81
<b>Total - All Services</b>			<b>\$ 1,318,400.00</b>		<b>\$ 237,059.78</b>	<b>\$ 418,917.62</b>	<b>\$ 280,450.73</b>	<b>\$ 208,586.30</b>

*COASTSIDE COUNTY WATER DISTRICT*

*766 MAIN STREET*

*HALF MOON BAY, CA 94019*

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

**Tuesday, February 8, 2022**

Due to the Covid-19 pandemic, and in accordance with Assembly Bill 361, which modifies California Government Code Section 54953, the Boardroom was not open to the public for the February 8, 2022, Regular Meeting of the Board of Directors of the Coastside County Water District. The Regular Meeting was conducted remotely via teleconference.

The Public was able to 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 Bob Feldman called the meeting to order at 7:02 p.m. Participating in roll call via Zoom Video Conference: Directors Ken Coverdell, Chris Mickelsen, Glenn Reynolds and Vice-President Muller.  
  
Also present: Mary Rogren, General Manager, Patrick Miyaki, Legal Counsel; James Derbin, Superintendent of Operations; Cathleen Brennan, Water Resource Analyst; Nancy Trujillo, Accounting Manager and Lisa Sulzinger, Customer Service Specialist.  
  
Also participating Joe Armenta, Redistricting Partners LLC; and James Wawrzyniak, Jones Hall; and Brant Smith, Backstrom McCarley Berry & Co.
- 2) **PLEDGE OF ALLEGIANCE**
- 3) **PUBLIC COMMENT** - There were no public comments
- 4) **Consider and Reaffirm Resolution 2021-06 "Making Findings Pursuant to Assembly Bill 361 That the Proclaimed State of Emergency Continues to Impact the Ability to Meet Safely in Person"**

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

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

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

<b>Director Coverdell</b>	<b>Aye</b>
<b>Director Mickelsen</b>	<b>Aye</b>
<b>Director Reynolds</b>	<b>Aye</b>
<b>Vice-President Muller</b>	<b>Aye</b>
<b>President Feldman</b>	<b>Aye</b>

**5) PUBLIC HEARING**

**A. Redistricting Based on 2020 Census Data and Second Public Hearing on the Proposal to Adjust the Boundaries of the Zones**

**a. Presentation of Draft Map of Five Electoral Zones For Election of Members of the Board of Directors by Staff and Redistricting Partners LLC**

Ms. Rogren provided background information regarding the redistricting process. At the February 11, 2020 Regular Board meeting, the Board adopted Ordinance No. 2020-01 approving the change from at-large to zone-based elections and adopting a map with five (5) zones derived from the 2010 census. The Election Code section 22000 et. seq. provides that following a decennial federal census, that the Board must adjust the zone boundaries should the deviation in population vary greater than 10% from the previous census. Because the deviation in population varied greater than 10% between the 2010 census and the 2020 census, the District must now adopt a new map.

Ms. Rogren also explained that the District held its first public hearing at a Special Meeting on Tuesday, January 25, at which three draft maps were presented. At the conclusion of the public hearing, the Board of Directors directed staff to post Draft Map A on the District’s website. Mr. Joe Armenta from Redistricting Partners LLC, the District’s demographer, provided an overview of redistricting principles and the Draft Map A.

**b. Open Public Hearing 7:14 p.m.**

- c. **Public Comments – There were no public comments.**
- d. **Close Public Hearing 7:15 p.m.**
- e. **Board Comments**

Vice-President Muller reiterated from Mr. Armenta’s presentation that the Draft Map A prepared by the District’s demographer with the adjusted boundaries satisfies the legal requirement of equal population among the zones and other accepted demographic principles and complies with both California and Federal Law.

**B. Consideration of Resolution 2022-02 Approving the Adjusted Zone-Based Boundary Map for Election of Members of the Board of Directors Based on 2020 Census Data for Redistricting.**

**ON MOTION BY Director Coverdell and seconded by Director Reynolds, the Board voted by roll call vote to adopt the Resolution 2022-02 Approving the Adjusted Zone-Based Boundary Map for Election of Members of the Board of Directors Based on 2020 Census Data for Redistricting.**

<b>Director Coverdell</b>	<b>Aye</b>
<b>Director Mickelsen</b>	<b>Aye</b>
<b>Director Reynolds</b>	<b>Aye</b>
<b>Vice-President Muller</b>	<b>Aye</b>
<b>President Feldman</b>	<b>Aye</b>

**6) CONSENT CALENDAR**

- A. Approval of disbursements for the month ending January 31, 2022:**  
 Claims: \$888,520.48; Payroll: \$190,880.90 for a total of \$1,079,401.38  
 ➤ *January 2022 Monthly Financial Claims reviewed and approved by Director Coverdell*
- B. Acceptance of Financial Reports**
- C. Approval of Minutes of January 11, 2022, Regular Board of Directors Meeting**
- D. Approval of Minutes of January 25, 2022, Special Board of Directors Meeting**
- E. Installed Water Connection Capacity and Water Meters Report**
- F. Total CCWD Production Report**
- G. CCWD Monthly Sales by Category Report January 2022**
- H. Monthly Planned Plant or Tank Discharge and New Water Line Flushing Report**
- I. Monthly Rainfall Reports**
- J. SFPUC Hydrological Conditions Report – December 2021**
- K. Notice of Acceptance – 226 Avenue Cabrillo Non-Complex Main Line Extension Project**

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

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

7) **MEETINGS ATTENDED / DIRECTOR COMMENTS**

Director Mickelsen attended a BAWSCA Board Meeting, and noted that Dennis Herrera, the new General Manager of the SFPUC presented at that meeting. Glenn Reynolds stated that he gave a presentation at a recent Coastside One Water meeting.

8) **GENERAL BUSINESS**

**A. Consider Resolution 2022-03 Authorizing the Financing of Capital Improvements to the Water System Via Entrance into a Loan Agreement, and Approving Related Documents and Actions**

Ms. Rogren reported that the District is in the process of pursuing \$7 Million in financing for the upgrades to the Nunes Water Treatment Plant. On January 28, 2022, the District’s Municipal Advisor, Backstrom McCarley Berry & Co (“Backstrom”) sent a request for proposals and that proposals were due on February 11, 2022. The resolution authorizes the General Manager to choose the Lender and execute and deliver the Loan Agreement and related agreements necessary to complete the financing and subject to the parameters on the maximum size and interest rate set forth in the Resolution. The Resolution also provides for 1) the approval of the Loan and Loan Agreement; 2) designation of the loan agreement as “bank qualified” for purposes of Section 265(b)(3) of the Tax Code; and 3) authorization/ratification of the designation of Backstrom as the District’s Placement Agent and Jones Hall as the District’s Bond Counsel.

Brant Smith from Backstrom and James Wawrzyniak from Jones Hall answered questions from the Board.

**ON MOTION BY Director Coverdell and seconded by Vice-President Muller, the Board voted by roll call vote to adopt Resolution 2022-03 Authorizing the Financing of Capital Improvements to the Water System Via Entrance into a Loan Agreement and Approving Related Documents and Actions.**

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

**B. Water Shortage Advisory and Public Outreach Update**

Ms. Brennan reported that SFPUC provided its initial water supply availability estimate for this year on January 31, 2022. Conditions remain mixed given the wet October and December, but January 2022 turned out to be the driest January on record at Hetch Hetchy. The key critical date will be April 1, 2022 when the snowpack report is released. SFPUC’s drought tracker shows that the Regional Water System fell short of meeting its goal of a 10% voluntary reduction in January 2022.

**C. Authorize the General Manager to Enter in a Subscription Service Agreement for the Hach Water Information Management Solution (WIMS) Software and to Enter into a Professional Services Agreement with Hach for Implementation Services.**

Mr. Derbin provided background regarding the need for the WIMS Software. Although the District’s Operations database developed by staff in Microsoft Access in 2014 has served the District well, given the District’s regulatory reporting and operational requirements, the District is in need of upgrading the Operations database to a fully supported, modern, centralized, and secure solution that integrates with SCADA and other District systems.

**ON MOTION BY Director Reynolds and seconded by Vice-President Muller, the Board voted by roll call vote to approve the General Manager to Enter in a Subscription Service Agreement for the Hach Water Information Management Solution (WIMS) Software and to Enter into a Professional Services Agreement with Hach for Implementation Services:**

<b>Director Coverdell</b>	<b>Aye</b>
<b>Director Mickelsen</b>	<b>Aye</b>
<b>Director Reynolds</b>	<b>Aye</b>
<b>Vice-President Muller</b>	<b>Aye</b>
<b>President Feldman</b>	<b>Aye</b>

**D. Consider Resolution 2022-04 Approving Placing in Nomination John Muller as a Member of the Association of California Water Agencies Region 5 Board of Directors**

The Region 5 Association of California Water Agencies (ACWA) Board of Directors is seeking candidates to fill one board vacancy for the 2022-23 term. Director Muller is interested in serving on the Region 5 ACWA Board and has placed his name in nomination.

**ON MOTION BY Director Coverdell and seconded by Director Mickelsen, the Board voted by roll call vote to approve Resolution 2022-04 Approving Placing in Nomination John Muller as a Member of the Association of California Water Agencies Region 5 Board of Directors:**

<b>Director Coverdell</b>	<b>Aye</b>
<b>Director Mickelsen</b>	<b>Aye</b>
<b>Director Reynolds</b>	<b>Aye</b>
<b>Vice-President Muller</b>	<b>Aye</b>
<b>President Feldman</b>	<b>Aye</b>

**E. Nunes Water Treatment Plant Upgrades Project Update #6**

Mr. Derbin gave an update of the progress made at the Nunes Water Treatment Plant during January 2022. Work continued on the sedimentation basis pouring concrete for the upper inlet and outlet channels; water tightness testing; soil backfill; and installation of storm drainage.

**9) MONTHLY INFORMATIONAL REPORTS**

**A. General Manager's Report**

Ms. Rogren announced that the District had recently received the ACWA-JPIA President's Special Recognition Awards for achieving a low loss claims ratio in each of its Liability, Property, and Worker's Compensation programs.

**B. Superintendent of Operations Report**

Mr. Derbin summarized operations highlights for the month of January 2022.

**C. Water Resources Report**

Ms. Brennan reported that the District received a letter from the California Department of Water Resources that affirms the District's 2020 Urban Water Management Plan is consistent with the statutory requirements.

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

None.



11) ADJOURNMENT - Meeting Adjourned at 8:06 p.m.

Respectfully submitted,

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Mary Rogren, General Manager  
Secretary to the District

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Robert Feldman, 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, February 8, 2022**

Due to the Covid-19 pandemic, and in accordance with Assembly Bill 361, which modifies California Government Code Section 54953, the Boardroom was not open to the public for the February 8, 2022, Special Meeting of the Board of Directors of the Coastside County Water District. The Special Meeting was conducted remotely via teleconference.

The Public was able to 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 Bob Feldman called the meeting to order at 6:15 p.m. Participating in roll call via Zoom Video Conference: Directors Ken Coverdell, Chris Mickelsen, Glenn Reynolds and Vice-President Muller (arrived at 6:20 p.m.).  
Also present: Mary Rogren, General Manager, Patrick Miyaki, Legal Counsel
- 2) **PUBLIC COMMENT** - There were no public comments.
- 3) **Potential Acquisition of Easements for a Water Pipeline replacement located at Strawflower Shopping Center, 50-80 Cabrillo Highway (APN 056-300-120, 140, 150) extending under Pilarcitos Creek through Oak Park to Pilarcitos Avenue in Half Moon Bay 94019 [APN 056-300-210 and 056-141-950, 960, 970] and Designation of District Real Property Negotiators**

Ms. Rogren summarized the pipeline replacement project and the need to acquire certain easements for the project. After a brief discussion about the project and easements, the Board determined that Ms. Rogren should be the real property negotiator for the acquisition of easements for a water pipeline replacement at Strawflower Shopping Center extending under Pilarcitos Creek through Oak Park to Pilarcitos Avenue in Half Moon Bay.

**ON MOTION BY Director Reynolds and seconded by Director Mickelsen, the Board voted by roll call vote to designate Ms. Rogren to be the real property negotiator for the potential acquisition of easements for a Water Pipeline replacement located at Strawflower Shopping**

**Center, 50-80 Cabrillo Highway extending under Pilarcitos Creek through Oak Park to Pilarcitos Avenue in Half Moon Bay:**

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

**4) CLOSED SESSION**

**A) Conference with Real Property Negotiators**

Pursuant to California Government Code Section 54956.8

1. Property: 50-80 Cabrillo Highway, Half Moon Bay, CA [APN 056-300-120, 140, 150]

Agency Negotiators: General Manager Mary Rogren

Negotiating Parties: HMB Musich, LLC

Under Negotiation: Price and Terms of Payment

2. Property: 461 Oak Avenue, Half Moon Bay, CA [APN 056-300-210 and 056-141-950, 960, 970]

Agency Negotiators: General Manager Mary Rogren

Negotiating Parties: City of Half Moon Bay

Under Negotiation: Price and Terms of Payment

**B) Conference with Labor Negotiators**

Pursuant to California Government Code Section 54957.6

Agency Designated Representative: General Manager Mary Rogren

Employee Organization: Teamsters Union, Local 856

**5) RECONVENE TO OPEN SESSION**

The meeting reconvened to open session at 6:52 p.m., with Mr. Miyaki reporting that the Board gave direction to the agency negotiator for items 4.A.1 and 4.A.2, and the Board gave direction to the agency designated representative for item 4.B.

**6) ADJOURNMENT - The Special Meeting was adjourned at 7:02 p.m.**

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Mary Rogren, General Manager  
Secretary to the District

---

Robert Feldman, President  
Board of Directors

**COASTSIDE COUNTY WATER DISTRICT**

**766 MAIN STREET**

**HALF MOON BAY, CA 94019**

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

**Thursday February 17, 2022**

Due to the Covid-19 pandemic, and in accordance with Assembly Bill 361, which modifies California Government Code Section 54953, the Boardroom was not open to the public for the February 17, 2022, Special Meeting of the Board of Directors of the Coastside County Water District. The Special 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 Feldman called the meeting to order at 1:30 p.m. participating in roll call via Zoom Video Conference: Directors Ken Coverdell, Chris Mickelsen, Vice-President Muller, and President Feldman. Director Reynolds was absent.

Also present: Mary Rogren, General Manager, Patrick Miyaki, Legal Counsel, Gina Brazil, Office Manager and Lisa Sulzinger, Administrative Analyst.

Brant Smith, Backstrom McCarley Berry & Co., LLC, identified as a participant in the meeting.

**2) PLEDGE OF ALLEGIANCE**

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

**4) Review Results of Request for Proposals for Financing of Capital Improvements to the Water System, and Confirm, as Authorized by Resolution 2022-03, Proceeding with First Foundation Bank as the Lender.**

Ms. Rogren introduced Brant Smith from Backstrom McCarley Berry & Co., LLC, who provided an overview of the eight loan proposals received for the Nunes Water Treatment Improvement Project financing. First Foundation Bank provided the best option for the \$7 Million, 20yr fixed rate loan with an “All In Cost” interest rate of 2.34%. Mr. Smith responded to questions from the Board.

**ON MOTION BY Vice-President Muller and seconded by Director Mickelsen to confirm as authorized by Resolution 2022-03, proceeding with First Foundation Bank as the lender.**

**Director Coverdell  
Director Mickelsen**

**Aye  
Aye**

**Director Reynolds  
Vice-President Muller  
President Feldman**

**Absent  
Aye  
Aye**

**5) ADJOURNMENT**-The Board Meeting was adjourned at 1:56 p.m.

Respectfully submitted,

---

Mary Rogren, General Manager  
Secretary to the District

---

Robert Feldman, President  
Board of Directors

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

**FY 2022 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				2									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								1					1
3/4" meter													
1" meter													
1 1/2" meter													
2" meter													
<b>County Non-Priority</b>													
0.5" capacity increase													
5/8" meter	2	3	1	1	1			1					9
3/4" meter													
1" meter													
<b>County Priority</b>													
5/8" meter													
3/4" meter													
1" meter													
1.5" meter													
<b>Totals</b>	2	3	1	3	1	0	0	2					12

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

<b>FY 2020 Capacity</b> (5/8" connection equivalents)	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Totals
HMB Non-Priority				2									2
HMB Priority								1					1
County Non-Priority	2	3	1	1	1			1					9
County Priority													
<b>Total</b>	2	3	1	3	1	0	0	2					12

**TOTAL CCWD PRODUCTION (MG) ALL SOURCES- FY 2022**

	CCWD Sources			SFPUC Sources		RAW WATER TOTAL	UNMETERED WATER	TREATED TOTAL
	DENNISTON WELLS	DENNISTON RESERVOIR	PILARCITOS WELLS	PILARCITOS LAKE	CRYSTAL SPRINGS RESERVOIR			
JUL	0.00	0.00	0.00	0.00	65.93	65.93	4.60	61.33
AUG	0.00	0.00	0.00	0.00	61.90	61.90	3.95	57.95
SEPT	0.00	0.00	0.00	0.00	59.74	59.74	4.45	55.29
OCT	0.53	1.57	0.00	3.69	44.32	50.11	3.92	46.19
NOV	1.62	17.20	9.78	0.00	7.87	36.47	3.58	32.89
DEC	0.69	5.75	21.2	0.00	10.80	38.44	4.94	33.50
JAN	0.00	7.62	24.44	0.00	3.16	35.22	2.66	32.56
FEB	0.00	14.10	21.88	0.00	3.63	39.61	3.13	36.48
MAR								0.00
APR								0.00
MAY								0.00
JUN								0.00
<b>TOTAL</b>	<b>2.84</b>	<b>46.24</b>	<b>77.30</b>	<b>3.69</b>	<b>257.35</b>	<b>387.42</b>	<b>31.23</b>	<b>356.19</b>
% MONTHLY TOTAL	0.0%	35.6%	55.2%	0.0%	9.2%	100.0%	7.9%	92.1%
% ANNUAL TO DATE TOTAL	0.7%	11.9%	20.0%	1.0%	66.4%	100.0%	8.1%	91.9%

CCWD vs SFPUC- month 90.8%

CCWD vs SFPUC- annual 32.6%

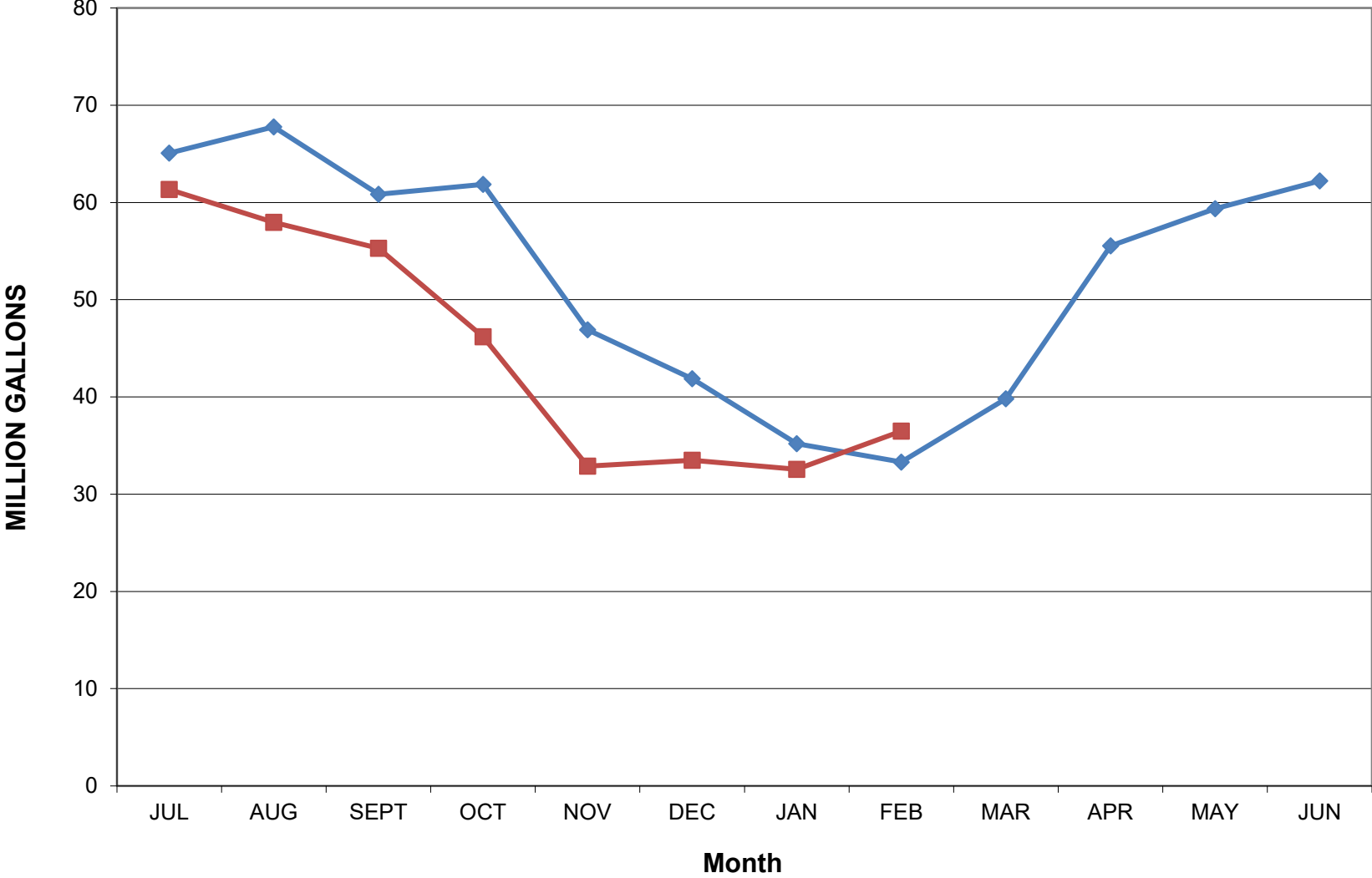
12 Month Running Treated Total **571.90**

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

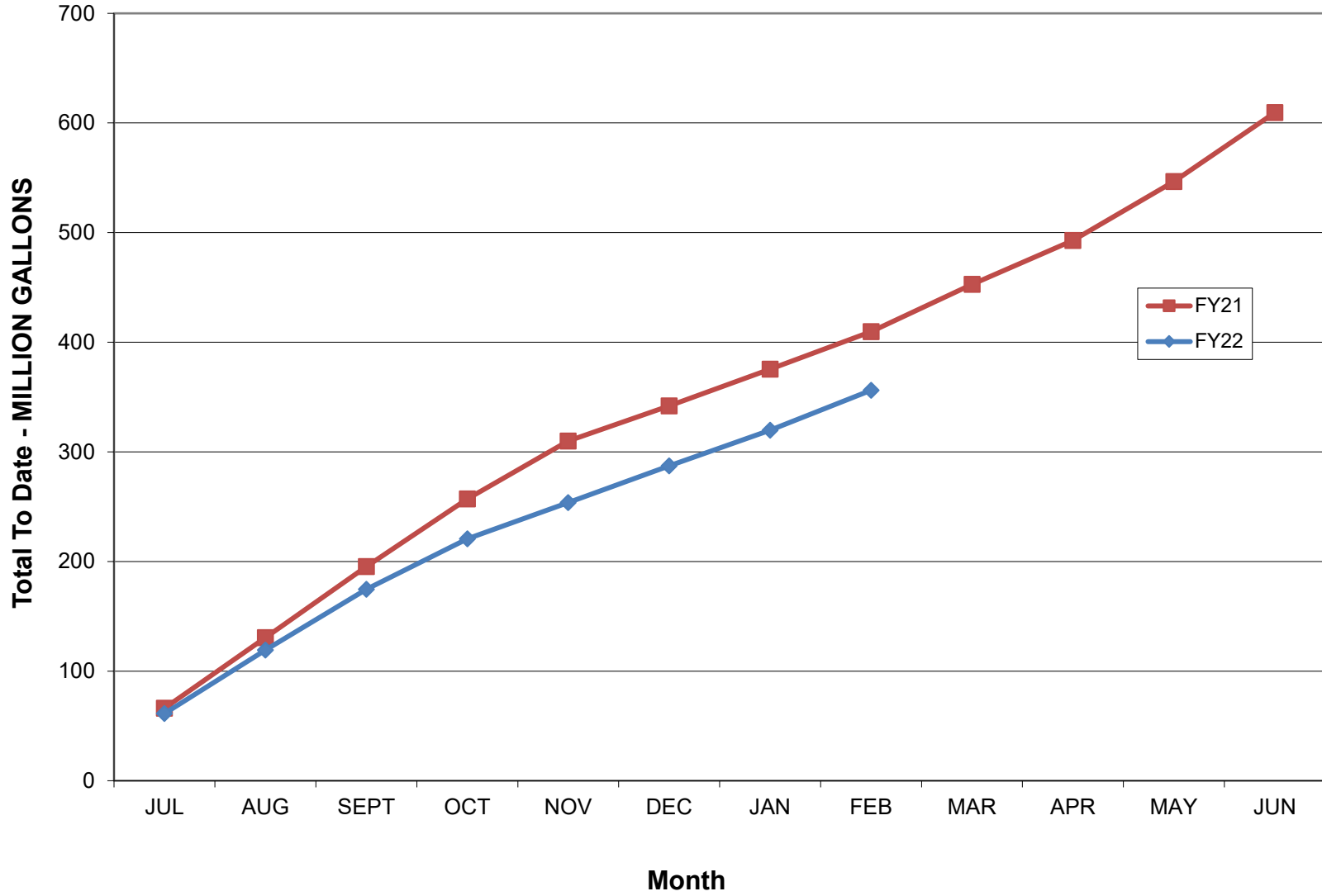
	CCWD Sources			SFPUC Sources		RAW WATER TOTAL	UNMETERED WATER	TREATED TOTAL
	DENNISTON WELLS	DENNISTON RESERVOIR	PILARCITOS WELLS	PILARCITOS LAKE	CRYSTAL SPRINGS RESERVOIR			
JUL	0.02	2.52	0.00	28.80	36.06	67.40	2.35	65.05
AUG	0.00	0.00	0.00	49.75	20.27	70.02	2.25	67.78
SEPT	0.00	0.00	0.00	1.31	60.84	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	10.43	11.17	14.25	4.16	42.27	2.67	39.60
JAN	1.73	11.31	11.06	1.99	10.86	36.95	3.50	33.45
FEB	0.78	15.73	10.87	0.00	9.60	36.98	4.45	32.53
MAR	1.98	15.13	10.47	0.00	13.08	40.66	2.82	37.84
APR	1.40	11.32	0.00	0.00	44.48	57.20	3.06	54.14
MAY	0.88	3.02	0.00	0.00	60.44	64.34	5.87	58.47
JUN	0.00	0.00	0.00	0.00	64.08	64.08	1.86	62.22
<b>TOTAL</b>	<b>9.05</b>	<b>69.46</b>	<b>47.48</b>	<b>110.49</b>	<b>417.36</b>	<b>653.84</b>	<b>33.17</b>	<b>620.66</b>
% TOTAL	1.4%	10.6%	7.3%	16.9%	63.8%	100.0%	5.07%	0.0%



Monthly Production FY 21 vs FY 22



**Cumulative Production FY21 vs FY22**





MONTH Feb-22						
Coastside County Water District Monthly Discharge Report						
EMERGENCY MAIN AND SERVICE REPAIRS						
	Date Reported Discovered	Date Repaired	Location	Pipe Class	Pipe Size & Type	Estimated Water Loss (MG)
1	2/2/2022	2/2/2022	279 Coronado Ave	Main	6" CI	0.0100
2	2/7/2022	2/7/2022	160 Poplar St	S e r v i c e	3/4" Copper	0.0006
3						
4						
5						
6						
7						
8						
<b>Totals</b>						<b>0.011</b>

OTHER DISCHARGES	
Total Volumes (MG)	
Flushing Program	0.013
Reservoir Cleaning	
Automatic Blowoffs	0.171
Dewatering Operations	
Other (includes flow testing)	0.000
DISCHARGES GRAND TOTAL (MG)	
<b>0.184</b>	

Coastside County Water District  
 766 Main Street  
 July 2021 - June 2022

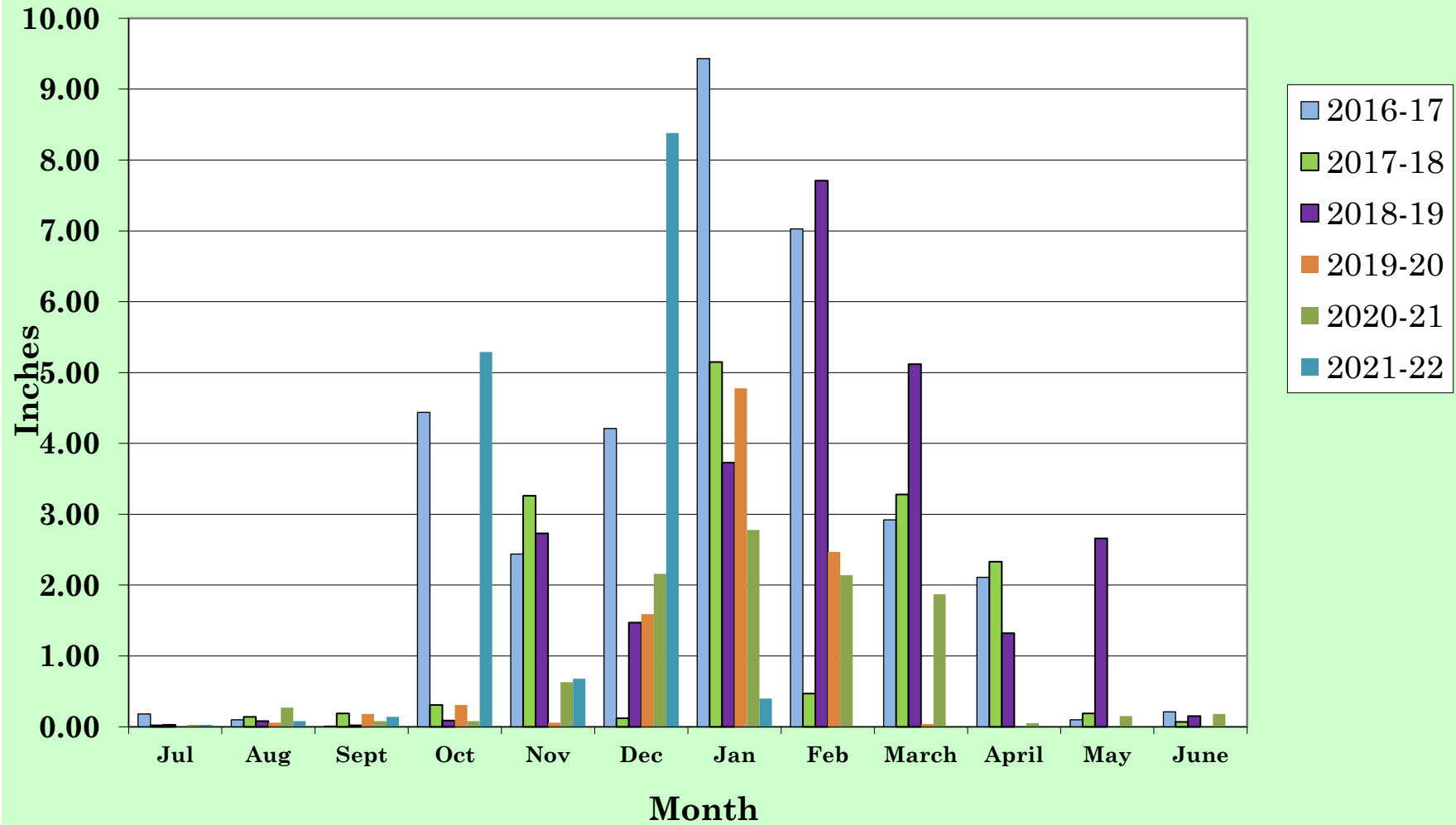
Nunes  
 Rainfall in Inches

	2021						2022					
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
1	0	0	0	0	0.27	0	0	0				
2	0	0	0	0	0.01	0	0	0				
3	0	0	0	0	0.11	0	0.18	0				
4	0	0.02	0	0	0.01	0	0.15	0				
5	0	0.02	0	0	0	0	0	0				
6	0	0	0	0	0	0.02	0.01	0				
7	0	0.02	0	0.01	0	0.07	0	0				
8	0	0.01	0	0	0.17	0.05	0	0				
9	0	0	0	0	0.06	0.03	0	0				
10	0	0	0	0	0	0	0	0				
11	0	0	0	0	0	0	0	0				
12	0	0	0	0	0	0.44	0	0				
13	0	0	0	0	0	4.23	0	0				
14	0	0	0	0	0	0.09	0	0				
15	0	0	0	0	0	0.31	0	0				
16	0	0	0	0	0	0.31	0	0				
17	0	0	0	0	0	0	0	0				
18	0	0	0.04	0.05	0	0	0	0				
19	0	0	0.01	0	0.04	0	0	0				
20	0.01	0	0	0.03	0	0	0	0				
21	0	0	0	1.08	0.01	0.34	0	0				
22	0	0	0	1.07	0	0.27	0	0				
23	0.02	0	0	0	0	0.67	0	0				
24	0	0	0.01	0.94	0	0.21	0	0				
25	0	0	0	2.08	0	0.31	0	0				
26	0	0	0.01	0.01	0	0.16	0	0				
27	0	0	0.06	0	0	0.3	0	0				
28	0	0	0.01	0	0	0.02	0	0				
29	0	0.01	0	0	0	0.55	0					
30	0	0	0	0	0	0	0					
31	0	0		0.02		0	0					
Mon.Total	0.03	0.08	0.14	5.29	0.68	8.38	0.4	0.00				
Year Total	0.03	0.11	0.25	5.54	6.22	14.60	15.00	15.00				

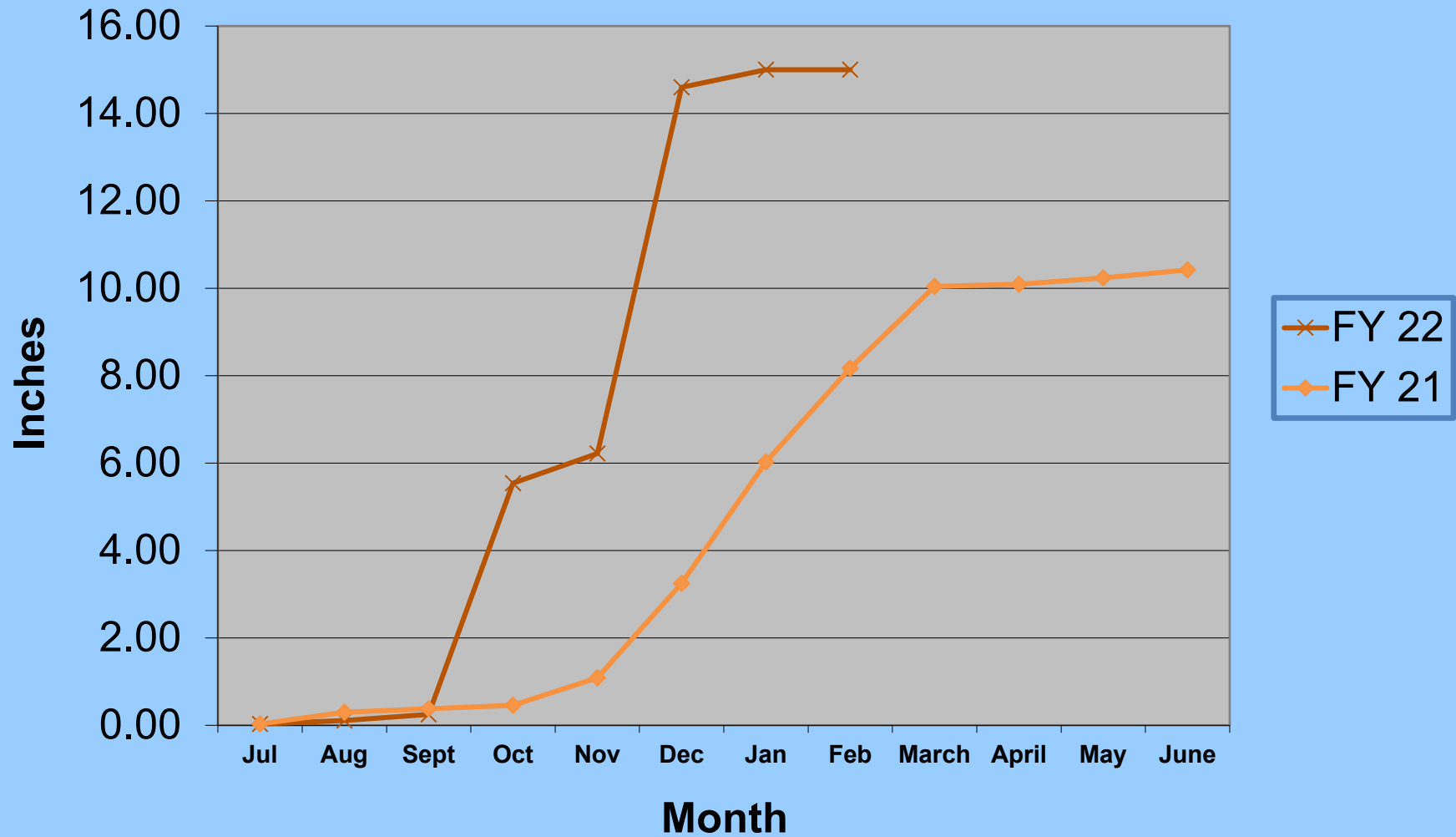
# Coastside County Water District

## Rainfall by Month

Fiscal Years 17 - 22

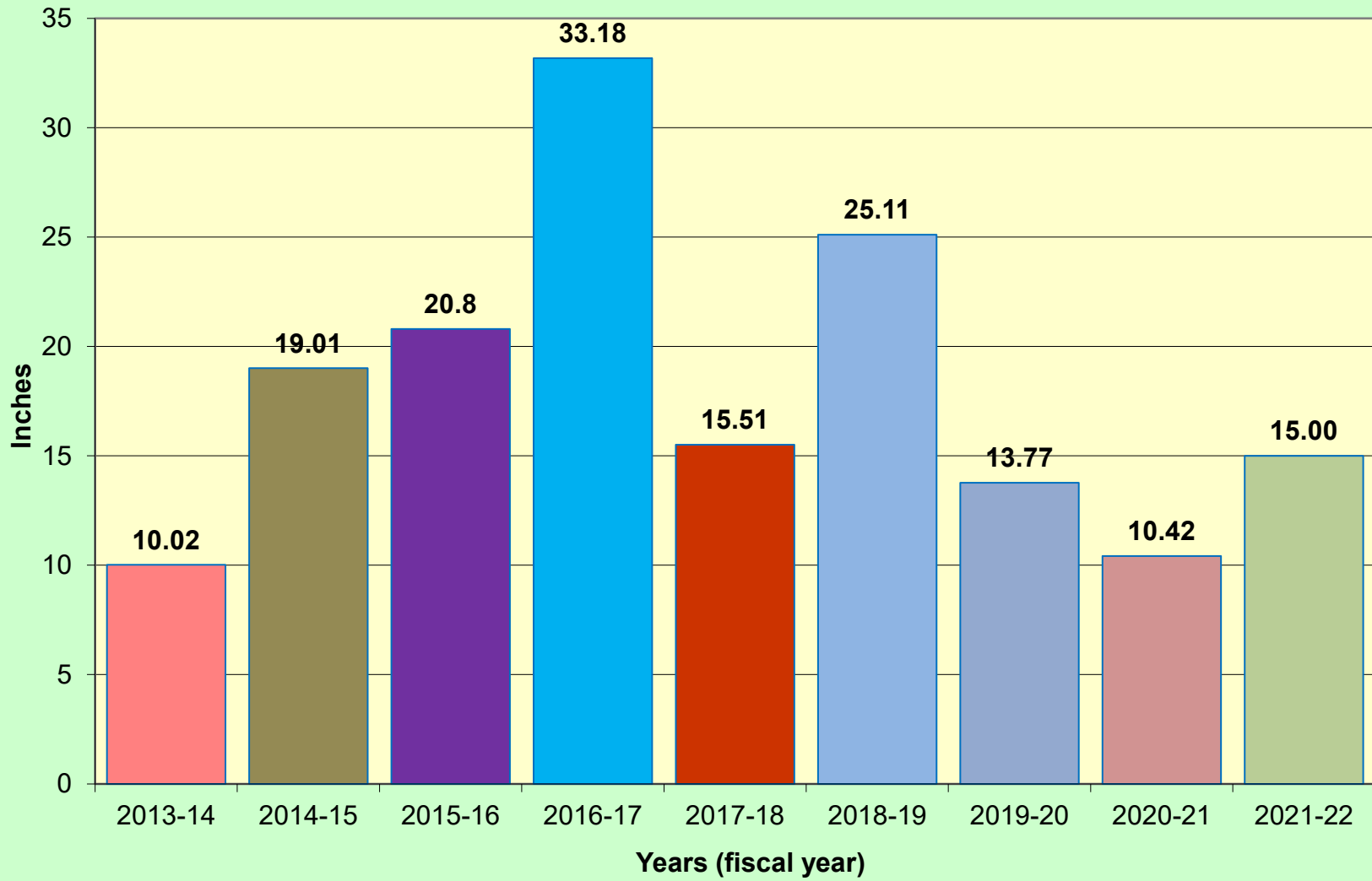


## Rainfall Total Comparison Fiscal Years 21-22



# Rain Totals

## Fiscal Years 14 - 22





# San Francisco Public Utilities Commission Hydrological Conditions Report January 2022

J. Chester, C. Graham, N. Waelty, February 10, 2022



Hetch Hetchy Water and Power (HHWP) crews and contractors have taken full advantage of the 2022 Mountain Tunnel winter shutdown. Projects include installing a drain valve on the Tuolumne River crossover at Early Intake (left picture), repairing the sleeve valve at Throttling Station 2 East (middle top), installing a removable spool piece on San Joaquin Pipeline (SJPL 1) near Tesla Portal (middle bottom), Foothill Tunnel mortar lining repair (middle right), repairing-recoating the line valve on SJPL 3 at Oakdale Portal (right photo), and Oakdale Portal area view (bottom).

## System Storage

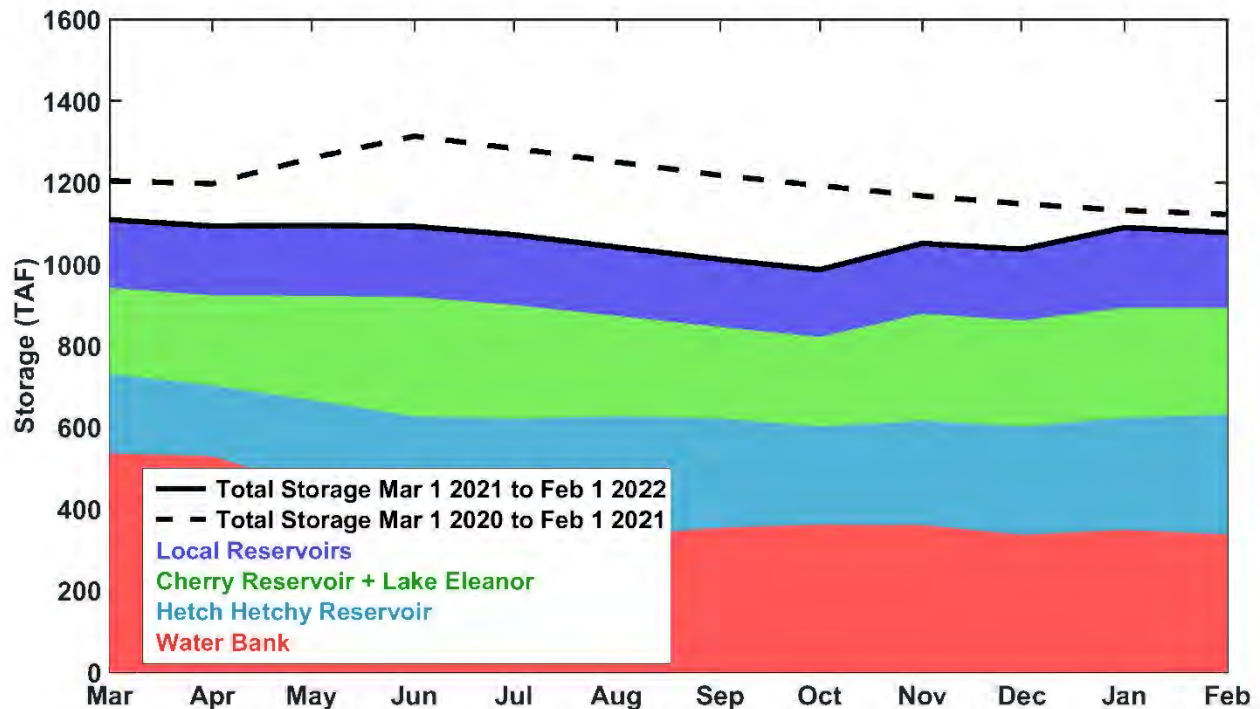
Current Tuolumne System and Local Bay Area storage conditions are summarized in Table 1.

Table 1 Current System Storage as of February 1, 2022							
	Current Storage		Maximum Storage		Available Capacity		Percentage of Maximum Storage
	acre-feet	millions of gallons	acre-feet	millions of gallons	acre-feet	millions of gallons	
<b>Tuolumne System</b>							
Hetch Hetchy Reservoir <sup>1</sup>	294,416		340,830		46,414		86%
Cherry Reservoir <sup>2</sup>	240,080		268,800		28,720		89%
Lake Eleanor <sup>3</sup>	21,588		21,495		0		100%
Water Bank	337,619		570,000		232,381		59%
Tuolumne Storage	893,703		1,201,125		307,422		74%
<b>Local Bay Area Storage</b>							
Calaveras Reservoir	67,166	21,886	96,824	31,550	29,658	9,664	69%
San Antonio Reservoir	46,459	15,139	52,506	17,109	6,047	1,970	89%
Crystal Springs Reservoir	51,086	16,646	58,377	19,022	7,291	2,376	88%
San Andreas Reservoir	16,086	5,242	18,996	6,190	2,911	948	85%
Pilarcitos Reservoir	3,026	986	2,995	976	0	0	100%
Total Local Storage	183,822	59,898	229,697	74,847	45,875	14,949	80%
<b>Total System</b>	<b>1,077,525</b>		<b>1,430,822</b>		<b>353,297</b>		<b>75%</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.

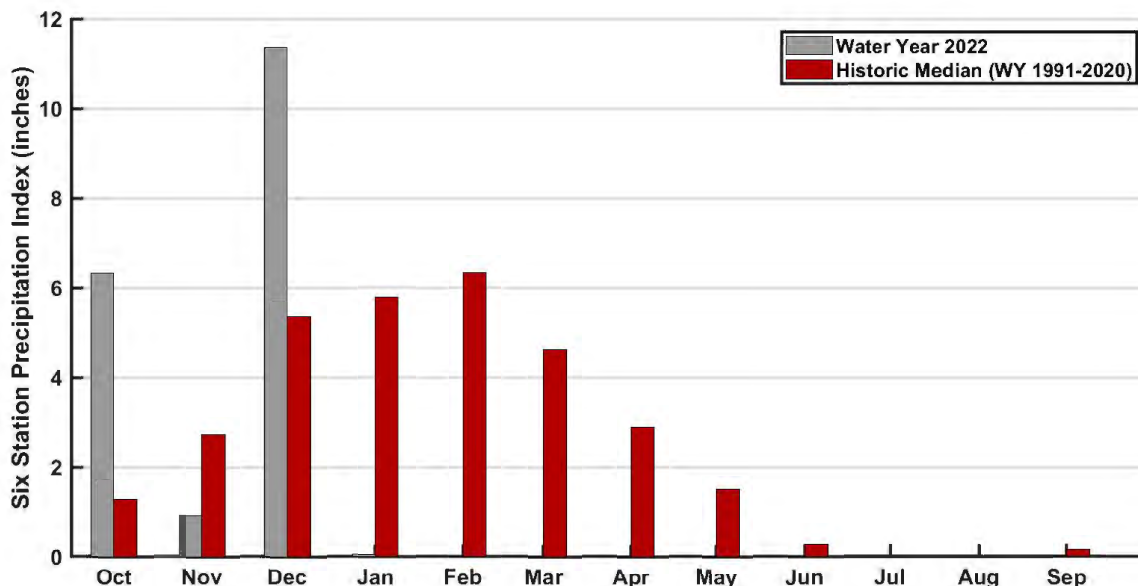


**Figure 1:** System storage for past 12 months in thousand acre-feet (TAF). Color bands show contributions to total system storage. Solid black line shows total system storage for the past 12 months. Dashed black line shows total system storage the previous 12 months.



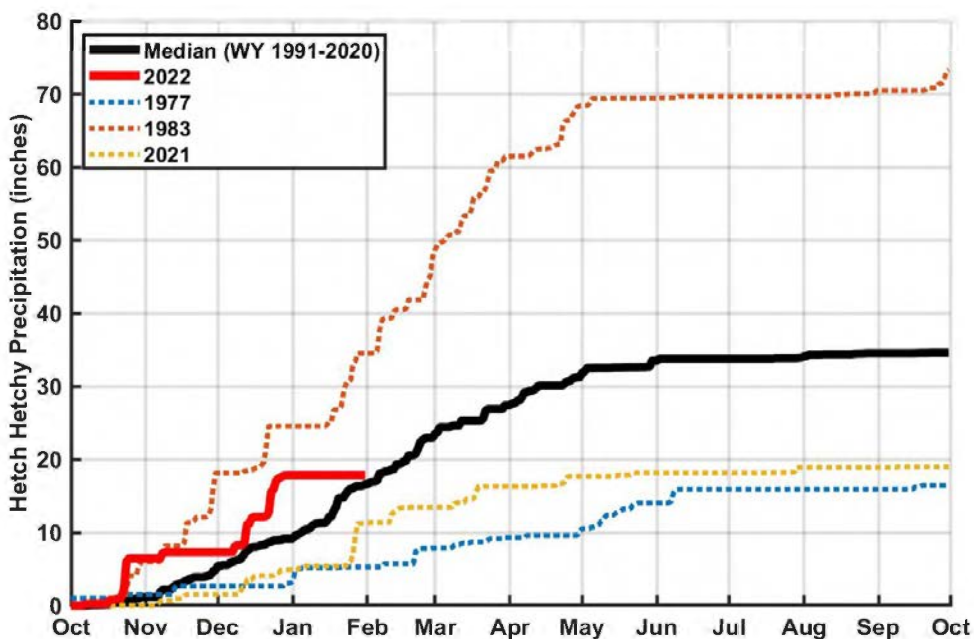
## Hetch Hetchy System Precipitation Index

*Current Month:* The January 2021 six-station precipitation index was 0.06 inches, or 1% of the average long-term index for the month. 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 February 1, the six-station precipitation index for Water Year (WY) 2022 was 18.66 inches, which is 60% of the median annual total and 101% of average to-date. The Hetch Hetchy Weather Station received no precipitation in January resulting in a total of 17.82 inches for WY 2022, or 101% of median to-date. The cumulative WY 2022 Hetch Hetchy precipitation is shown in Figure 3 in red.



**Figure 3:** Water Year 2022 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 2021 for comparison purposes.

## Tuolumne Basin Unimpaired Inflow

Unimpaired inflow to SFPUC reservoirs and the Tuolumne River at La Grange for January 2022 and the water year to date is summarized below in Table 2.

Table 2 Calculated Reservoir Inflows and Water Available to City								
* All flows are in acre-feet	January 2022				October 1, 2021 Through February 1, 2022			
	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	25,267	21,575	29,978	84%	121,843	50,739	66,135	184%
Inflow to Cherry Reservoir and Lake Eleanor	24,897	29,420	35,949	69%	133,886	67,321	83,834	160%
Tuolumne River at La Grange	76,921	94,090	157,807	49%	376,279	200,027	295,425	127%
Water Available to City	0	9,154	79,875	0%	126,537	41,905	122,120	104%

<sup>1</sup>Hydrologic Record: 1991-2020

### Hetch Hetchy System Operations

The 2022 Mountain Tunnel Hetch Hetchy Aqueduct shutdown began on January 4 and will continue until February 28<sup>th</sup>. During this time there are no Hetch Hetchy water deliveries.

Hetch Hetchy Reservoir stream releases during the month totaled 5,268 acre-feet. Hetch Hetchy Reservoir minimum instream release requirements for January were 50 cfs. Total precipitation for Water Year 2022, as of February 1, has resulted in a Water Year Type A for Hetch Hetchy Reservoir. Hetch Hetchy Reservoir instream releases increased from 50 cfs in January to 60 cfs for February.

Cherry Reservoir valve and power draft releases totaled 31,642 acre-feet for the month and were used to maintain seasonal target elevations. The required minimum instream release from Cherry Reservoir for January was 5 cfs and will stay at 5 cfs in February. Lake Eleanor required release for January was 5 cfs and will remain at 5 cfs for February.

### Regional System Treatment Plant Production

The Harry Tracy Water Treatment Plant average production rate for January was 58 MGD. The Sunol Valley Water Treatment Plant average production for the month was 81 MGD.

### Local System Water Delivery

The average January delivery rate was 146 MGD, which is a 1% increase above the December delivery rate of 144 MGD.

## Local Precipitation

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

Weather Station Location	January 2022		October 1, 2021 through February 1, 2022	
	Total (inches)	Percent of Mean for the Month	Total (inches)	Percent of Mean for the Year-To-Date
Pilarcitos Reservoir	2.60	42%	35.99	202%
Lower Crystal Springs Reservoir	0.98	23%	19.42	164%
Calaveras Reservoir	0.08	2%	12.64	136%

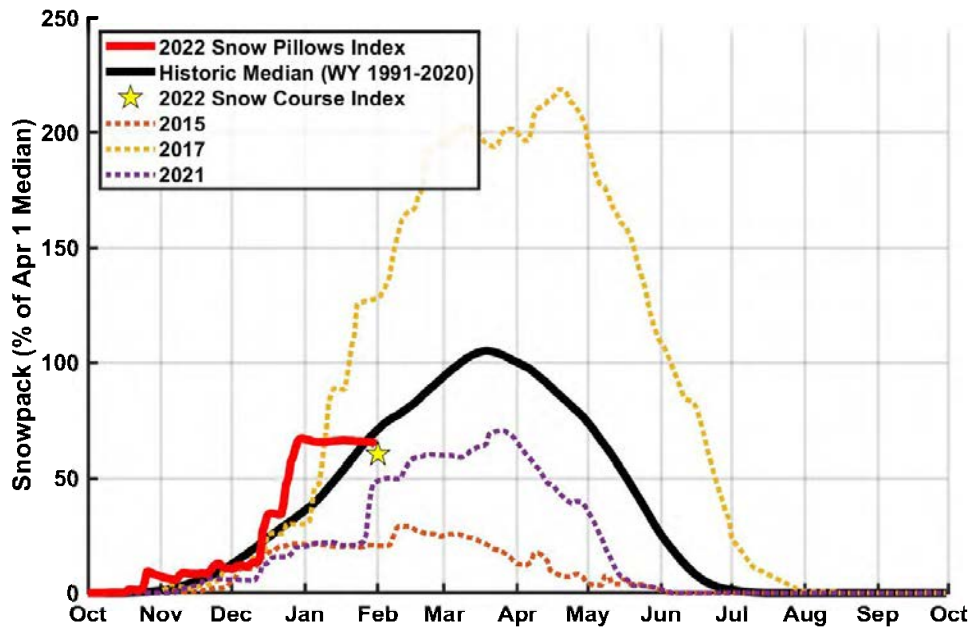
\* Hydrologic Record: 1991-2020

## Snowpack, Water Supply and Planned Water Supply Management

The atmospheric rivers in October and December generated significant snowpack and above average inflows into the upcountry reservoirs going into January. Due to a high-pressure ridge on the Pacific, there was effectively no precipitation for the entire month of January. Despite the driest January on record, year to date snowpack is near normal due to relatively cold weather since the cold, wet storms in December. Current snowpack is 66% of the median peak snowpack (Figure 5).

Inflow forecasts have hovered near median from October through January, driven by the large October and December storms, mitigated by dry November and January (Figure 7). The dry January has resulted in a significant decrease in the maximum and median forecasted inflows.

Hetch Hetchy Reservoir is drafting via instream releases. Cherry Reservoir storage is being managed at seasonal storage targets (220-235 TAF) via scheduled generation at Holm Powerhouse. Lake Eleanor is drafting with instream release. The Cherry-Eleanor Pumps are activated and transferring 160-200 cfs from Lake Eleanor into Cherry Reservoir. Water Bank has begun crediting as power generation and releases exceed reservoir inflows.



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

As of January 1<sup>st</sup>, there has been 126,537 acre-feet of water available to the city (Figure 6).

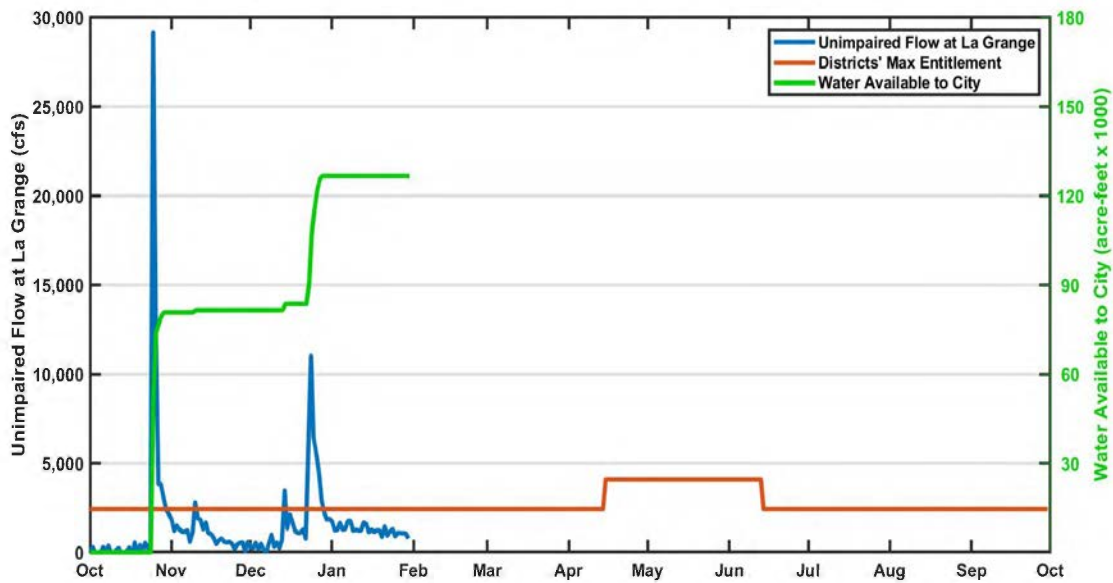


Figure 6: Calculated unimpaired flow at La Grange and the allocation of flows between the Districts and the City.

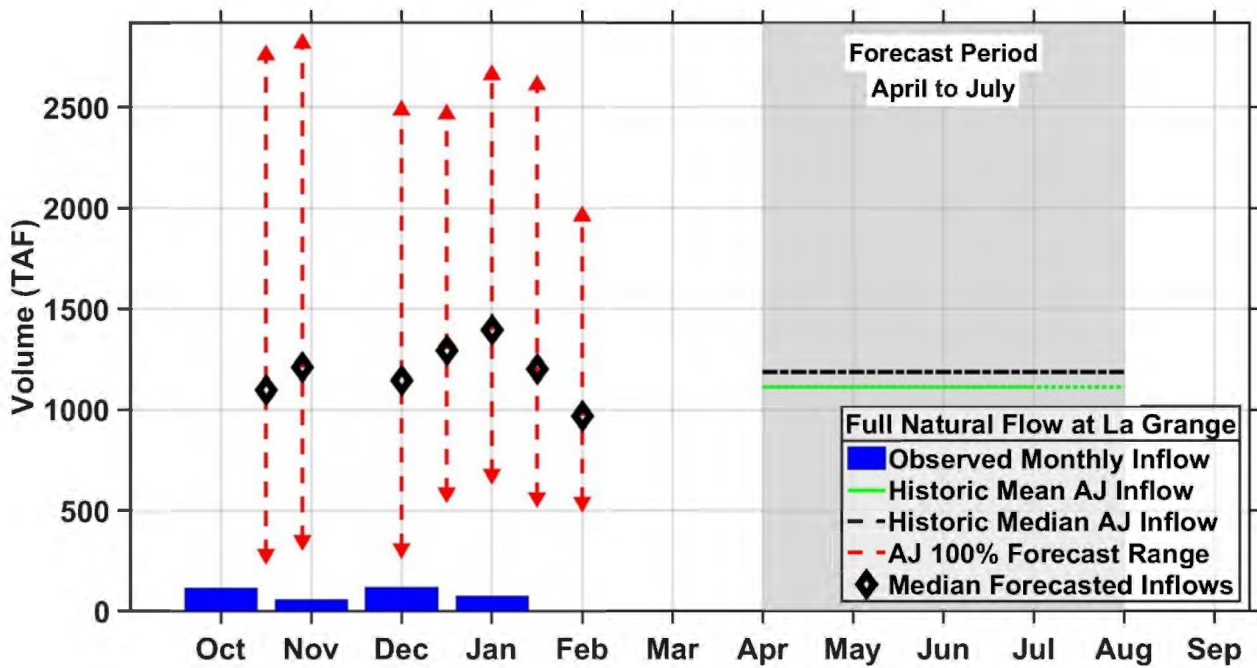


Figure 7: Water Supply Forecast Model of runoff (April to July) on the Tuolumne River at La Grange. This model is driven by precipitation from October to January, and by snow survey data from February through June. The forecast range decreases as time passes due to reduced potential future precipitation. A dry January has resulted in a decrease in median forecasted inflows.

## STAFF REPORT

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

**From:** Cathleen Brennan, Water Resources Analyst  
via Mary Rogren, General Manager

**Agenda:** March 8, 2022

**Report Date:** March 4, 2022

**Subject:** Review of Proposed Ordinance Declaring a Water Shortage Emergency and Implementing Mandatory Water Use Restrictions. Confirm Date and Time of Public Hearing for the Proposed Ordinance.

**Attachments:** Attachment A: Proposed Ordinance No. 2022-01  
Attachment B: State Water Resources Control Board Resolution No. 2022-0002  
Attachment C: Stage 2-Water Shortage Emergency Warning Description

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### Staff Recommendations

- Discussion of Proposed Ordinance Declaring a Water Shortage Emergency and Implementing Mandatory Water Use Restrictions and Prohibitions Under Stage 2-Water Shortage Emergency Warning of the District's Water Shortage Contingency Plan
  - Confirm March 24, 2022, at 7:00pm, as the Date and Time for a Public Hearing during a Special Board Meeting.
- 

### Background

California is experiencing a third consecutive year of drought conditions across the state, as of March 1, 2022. Drought conditions are impacting all the watersheds that the District relies on for water supplies. Governor Newsom has declared a statewide drought emergency, the State Water Resources Control Board (SWRCB) adopted emergency water conservation regulations to supplement voluntary water conservation, and the San Francisco Public Utilities Commission (SFPUC) has declared a water shortage emergency and allocated Coastside County Water District (District) an average of 0.9 million gallons per day (MGD) for calendar year 2022.

The base year chosen by SFPUC, and upon which the reductions are based, is fiscal year ending (FYE) in 2020. That is considered the most recent year without any requests for voluntary conservation measures.

The District is an urban water supplier, as defined in California Water Code, Section 10617, and must manage water supplies and water demand within its jurisdiction. The District's goal is to maintain public health, public safety, and minimize impacts on the local economy. Staff is communicating with SFPUC and the Bay Area Water Supply and Conservation Agency

(BAWSCA) regarding the District’s water allocation and the potential to acquire additional water supplies to avoid more stringent water use restrictions and prohibitions.

The District previously implemented a Stage 2 Water Shortage Emergency Warning in August of 2014 through April of 2017. The difference between the last water shortage and this current water shortage is that the SFPUC has declared a water shortage emergency and imposed allocations.

### **Proposed Ordinance No. 2022-01**

Staff is proposing the adoption of an ordinance that declares a water shortage emergency pursuant to California Water Code Sections 350 et seq. and 31026 et seq., and implements mandatory water use restrictions consistent with the SWRCB emergency regulations and the District’s Water Shortage Contingency Plan. The District’s goal is to reduce total water sales by 17 percent by eliminating water waste and reducing irrigation by 50 percent. The proposed ordinance is broken down into sections.



Section I lists the findings and determinations for the water shortage emergency and ordinance.



Section II provides definitions of key terms used in the ordinance.



Section III contains the District’s declaration of a water shortage emergency for the service area, so that the District may proceed with implementation of water use restrictions and prohibitions. The emergency is declared primarily based on SFPUC’s declaration of a water shortage emergency and implementation of water allocations.



Section IV contains the prohibitions found in the SWRCB emergency regulations (Title 23 Section 995) for wasteful and unreasonable water uses and the District’s water waste prohibitions. It also contains specific requirements for the use of portable meters, and the hospitality sector.

To give guidance to our residential customers, there is a **voluntary** request that residential customers do not exceed 50 gallons per day per person in total water usage. This is equivalent to 2 billing units (1,496 gallons) per month, per person.

To assist all customers with meeting the reductions in water use, there are mandatory restrictions on outdoor irrigation. Please note that agriculture and floriculture customers are not considered outdoor irrigation. The District would still ask the agriculture and floriculture customers, along with other non-residential customers, to **voluntarily** meet 15 percent reductions from FYE 2020.

During the months of March through September, spray irrigation would be allowed a maximum of two days a week and shall not exceed ten minutes per irrigation station. Spray irrigation is prohibited between 8:00am and 5:00pm. Spray irrigation is prohibited on Friday,



Saturday, and Sunday. Low volume irrigation, as defined in this ordinance, is exempt from the days of the week, time of the day, and length of time restrictions.

- Odd address allowed to irrigate on Tuesday and Thursday
- Even address allowed to irrigate on Monday and Wednesday
- No address allowed to irrigate on Tuesday and Thursday

The District's untreated water customer is limited to 50 percent of their FYE 2020 water purchases from the District. The District is restricting irrigation on ornamental landscaping at golf courses, but not on the playing greens. The District is requesting a **voluntary** 50 percent reduction in golf course water purchases for irrigation from their FYE 2020 water purchases.

Under the SWRCB emergency regulations, there are specific prohibitions for homeowners' associations and those prohibitions are included in this ordinance.



Sections V describes the enforcement measures available to the District for violations of the restrictions and prohibitions listed in the ordinance.



Section VI describes the appeal process available to customers.

The ordinance would become effective after it is published in a newspaper of general circulation and posted on the District's website. It shall remain in effect until the District rescinds the declaration of water shortage emergency.

### **Impacts to District Resources**

There are significant fiscal impacts in connection with declaring a water shortage emergency, imposing mandatory water use restrictions, and implementing stage 2 – Water Shortage Emergency Warning. Costs associated with these actions and implementing this stage of the Water Shortage Contingency Plan were not included in the FYE 2022 budget.

DRAFT

## PROPOSED ORDINANCE NO. 2022-01

AN ORDINANCE OF  
THE COASTSIDE COUNTY WATER DISTRICT**An ordinance declaring a water shortage emergency and implementing mandatory water use restrictions and prohibitions under Stage 2 - Water Shortage Emergency Warning - of the District's Water Shortage Contingency Plan**

Be it ordained by the Board of Directors of the Coastside County Water District (District) as follows:

**SECTION I: FINDINGS AND DETERMINATIONS**

This ordinance is adopted considering the following facts and circumstances, which are hereby found and declared by the Board of Directors.

**WHEREAS**, the District is an urban water supplier that has an Urban Water Management Plan that was adopted on June 8, 2021; and

**WHEREAS**, the District adopted an updated Water Shortage Contingency Plan on June 8, 2021; and

**WHEREAS**, In 2021, most of California experienced extreme or extraordinary drought conditions, including the watersheds the District relies on for water supplies; and

**WHEREAS**, the U. S. Department of Agriculture informed Governor Newsom in writing on March 5, 2021, that 50 California counties were being designated as primary disaster areas due to drought conditions and San Mateo County was listed as one of those counties; and

**WHEREAS**, the San Francisco Public Utilities Commission (SFPUC) requested 10 percent voluntary water use reduction in irrigation water use system-wide on April 15, 2021; and

**WHEREAS**, Governor Newsom declared a drought state of emergency on May 10, 2021, that included watersheds the District relies on for imported water; and

**WHEREAS**, the District implemented Stage 1 – Water Shortage Advisory of its Water Shortage Contingency Plan on May 11, 2021, with the Board of Directors

adopting Resolution 2021-02, informing the public of a possible water shortage and requesting voluntary water conservation; and

**WHEREAS**, on July 8, 2021, Governor Newsom issued an executive order (N-10-21) asking all Californians to voluntarily reduce their water use by 15 percent from their 2020 levels; and

**WHEREAS**, on July 8, 2021, Governor Newsom issued a Proclamation of a State of Emergency adding the County of San Mateo, among other counties, to the list of counties in a state of emergency due to drought; and

**WHEREAS**, on July 12, 2021, the SFPUC asked all their wholesale customers, including the District and all Bay Area Water Supply and Conservation Agency (BAWSCA) member agencies, to voluntarily reduce their water use by 15 percent; and

**WHEREAS**, on October 19, 2021, Governor Newsom issued a Proclamation of a State of Emergency encouraging Californians to re-double their efforts to voluntarily reduce their water use by 15 percent from their 2020 levels, directing local water suppliers to execute their Urban Water Shortage Contingency Plans at a level appropriate to local conditions that take into account the possibility of a third consecutive dry year, and authorizing the State Water Resources Control Board to adopt emergency regulations as it deems necessary to supplement voluntary conservation by prohibiting certain wasteful water practices;

**WHEREAS**, the Coastside has experienced two consecutive years of extreme drought conditions and there is a strong possibility of a third year of dry conditions; and

**WHEREAS**, the State Water Resources Control Board implemented curtailments on the Tuolumne River diversions that went into effect on August 20, 2021 and those curtailments impact SFPUC's available water supplies; and

**WHEREAS**, the SFPUC declared a water supply emergency on November 23, 2021, with a request for voluntary reductions in water purchases from its wholesale customers based on FYE 2020; and

**WHEREAS**, the Tier 1 and the Tier 2 Agreements between SFPUC and among BAWSCA member agencies, became effective once SFPUC declared a water shortage emergency; and

**WHEREAS**, the Tier 2 Agreement allocates the available water among BAWSCA agencies; and

**WHEREAS**, the District received their final allocation of water supply for calendar year 2022 (342 MG | 457,235 ccf | 0.9 MGD) on January 3, 2022, from SFPUC; and

**WHEREAS**, the District obtains a significant amount of its water supply from the SFPUC and the median amount the District purchases annually is about 1.65 MGD; and

**WHEREAS**, the District will maximize its use of local water sources to the greatest extent possible; and

**WHEREAS**, the District's average water demand in FYE June 30, 2021, was 1.82 MGD; and

**WHEREAS**, the State Water Resources Control Board adopted Resolution No. 2022-0002 on January 4, 2022, to adopt emergency regulations to supplement voluntary water conservation; and

**WHEREAS**, as of February 2022, most of California improved to severe drought conditions due to greater than normal precipitation in December 2021; and

**WHEREAS**, the District's goal is to achieve an overall 17 percent reduction in water (consumption) use from FYE 2020 by targeting outdoor water use; and

**WHEREAS**, Stage 2 – Water Shortage Emergency Warning of the District's Water Shortage Contingency Plan describes a menu of options including mandatory restrictions and prohibitions on outdoor water use; and

**WHEREAS**, the District's Board of Directors may declare a water shortage emergency pursuant to California Water Code sections 350, et seq, and 31026, et seq; and

**WHEREAS**, Article X Section 2 of the California Constitution declares that the general welfare requires that water resources be put to beneficial use to the fullest extent of which they are capable and that waste, unreasonable use or unreasonable method of use of water be prevented, and that conservation of

such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and the public welfare; and

**WHEREAS**, pursuant to Water Code section 353, when the District's Board of Directors declares a water shortage emergency within its service area, it shall adopt such regulations and restrictions on the delivery of water and the consumption within said area of water supplied for public use as will in the sound discretion of such governing body conserve the water supply for the greatest public benefit with particular regard to domestic use, sanitation and fire protection; and

**WHEREAS**, pursuant to Water Code sections 365 et seq., during periods when the Governor has issued a proclamation of a state of emergency based on statewide drought conditions and local drought conditions, urban water retail providers like the District shall establish a method to discourage excessive water use, which can include establishing an excessive use ordinance; and

**WHEREAS**, the actions taken hereinafter are exempt from the provisions of Section 21000 et seq. of the Public Resources Code as a project undertaken as immediate action necessary to prevent or mitigate an emergency pursuant to Title 14, California Code of Regulations Section 15269 and as a project undertaken to assure the maintenance, restoration, or enhancement of a natural resource pursuant to Title 14, California Code of Regulations Section 15307.

## SECTION II: DEFINITIONS

**Account:** Water service assigned to a property and a customer.

**Customer:** Any person, whether within or without the geographical boundaries of the District, who uses water supplied by the District.

**Decorative Water Feature:** Above ground or below-grade outdoor structure that contains water and is used for decoration or noise abatement.

**District:** Coastside County Water District.

**General Manager:** The General Manager of Coastside County Water District or the General Manager's designee.

**Incidental Runoff:** Any unintended amounts (volume) of runoff, such as unintended, minimal overspray from sprinklers that escapes the area of intended use. Water leaving an intended use area is not considered incidental if it is part of the facility design or system design, if it is due to excessive application, if it is due to intentional overflow or application, or if it is due to negligence.

**Low volume irrigation systems:** Any irrigation system that applies irrigation water at low pressure through a system of tubing or lateral lines and low volume emitters such as drip, driplines, microspray and bubblers with a very low flow rate (<2 gallons per hour [gph]) measured in gallons per hour, and that is designed to apply small volumes of water very slowly at or near the root zone of the plants. This includes but is not limited to properly functioning and designed drip irrigation systems, subsurface drip irrigation, and soaker hoses.

**Measurable rainfall:** Climatological conditions that result in  $\geq 0.25$  (greater than or equal to one quarter of one inch) inches of precipitation in any continuous 4 (four) hour period.

**Ornamental landscape:** Any landscaping where the primary function is maintaining aesthetic or decorative value. An ornamental landscape may serve other purposes but the primary purpose is decorative.

**Person:** Any customer, tenant, property owner, governmental entity, firm, association, organization, company, or business using water.

**Pool:** Any structure intended for swimming, exercise, or recreational bathing that contains water over 18 inches deep. Pools include in-ground and above ground structures, and includes but is not limited to hot tubs, spas, and nonportable wading pools.

**Special Landscapes:** Any landscape that can be shown to provide food, such as a community garden, or has a primary benefit other than decorative, and includes landscapes that serves a purpose related to public recreation for the community, such as (sports) playing fields and golf courses.

**SFPUC:** The San Francisco Public Utilities Commission and San Francisco Water

**Turf:** Grasses grown for ornamental or recreational use which are mowed regularly. It is also referred to as lawn.

**Water:** Any water delivered by or originating from Coastside County Water District's transmission and distribution system.

**SECTION III: DECLARATION OF WATER SHORTAGE EMERGENCY**

Pursuant to Water Code sections 350 et seq., 365 et seq., and 31026 et seq, the District hereby declares a water shortage emergency to exist within the District because the ordinary demands and requirements of water consumers cannot be satisfied without depleting the water supply of the District to the extent that there would be insufficient water for human consumption, sanitation, and fire protection. The purpose of this ordinance is to conserve the water supply of the District for the greatest public benefit with particular regard to public health, fire protection, and domestic use, and to conserve water by reducing and restricting nonessential water use that if continued would constitute waste.

In addition, the District hereby implements Stage 2 of the District’s Water Shortage Contingency Plan.

**SECTION IV: REQUIREMENTS, PROHIBITIONS, AND RESTRICTED ACTIVITIES IN PROMOTION OF WATER CONSERVATION AND TO PREVENT THE UNREASONABLE USE OF WATER**

- A: To promote water conservation, each of the following actions is prohibited for all customers, except where necessary to address an immediate health and safety need or to comply with a term or condition in a permit issued by a state or federal agency (Title 23, Division 3, Chapter 3.5, Article 2, Section 995):
1. The application of water to outdoor landscapes in a manner that causes more than incidental runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures;
  2. The use of a hose that dispenses water to wash a motor vehicle, except where the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use;
  3. The use of water for washing sidewalks, driveways, buildings, structures, patios, parking lots, or other hard surfaced areas;
  4. The use of water for street cleaning or construction site preparation purposes unless no other method can be used or as needed to protect the health and safety of the public;
  5. The use of water for decorative (decorative water feature) fountains or the filling or topping-off of decorative lakes or ponds, with exceptions for those decorative fountains, lakes, or ponds that use pumps to



recirculate water and only require refilling to replace evaporative losses:

6. The application of water to irrigate turf and ornamental landscapes during and within 48 hours after measurable rainfall of at least one fourth of one inch of rain. In determining whether measurable rainfall of at least one fourth of one inch of rain occurred in a given area, enforcement may be based on records of the National Weather Service, the closest CIMIS station to the parcel, or any other reliable source of rainfall data available to the District.
  7. The use of water for irrigation of ornamental turf on public street medians.
- B: To prevent the waste and unreasonable use of water and to further promote water conservation, each of the following actions is prohibited for all customers:
1. The use of water that causes flooding or pooling due to super-saturation of the ground or soil.
  2. The use of water when the customer has been given written notice by the District to repair broken or defective plumbing, equipment, appliances, sprinklers, watering, or irrigation systems, and has failed to complete such repairs within 24 hours after delivery of the notice.
  3. The indiscriminate running of water or washing with water that causes runoff.
  4. The use of water for single pass through cooling systems. The use of potable water ice making machines and other mechanical equipment that utilizes a single-pass cooling system to remove and discharge heat to the sewer, including swamp coolers. Water used for all cooling purposes shall be recycled or re-circulated.
  5. Filling pools and replacing evaporated water in pools, except when a cover is being used when the pool is not in use, to limit water loss through evaporation.
- C. Specific end-user requirements and prohibitions in promotion of water conservation
1. Portable Meters: The use of water from any fire hydrant unless specifically authorized in writing by the District except for the following:

- a. regularly constituted fire protection agencies (e.g., Coastside Fire Protection District) for fire suppression purposes; or
  - b. other uses specifically authorized by the District, including water distribution system flushing, District capital improvement projects, fire flow testing, and filling of District approved vehicles for sewer system flushing and street sweeping purposes.
2. The serving of drinking water other than upon request in eating or drinking or other public places where food or drink are served or purchased.
  3. The operators of hotels, motels, inns, and bed and breakfast establishments shall provide guests with the option of choosing not to have towels and linens laundered daily. The operator shall prominently display notice of this option in each guestroom using clear and easily understood language.
  4. All residential customers shall make every effort to voluntarily achieve a maximum of 50 gallons per day per person or 2 billing units of water, per person, per month. This includes all indoor and outdoor water uses.
- D. Mandatory restrictions on outdoor Irrigation of ornamental landscapes, turf, and special landscapes to achieve a 50 percent reduction in Irrigation in promotion of water conservation. This section does not apply to agriculture or floriculture operations.
1. No person shall use or cause to be used any water for irrigation between the hours of 8:00 a.m. and 5:00 pm. Properly functioning low volume irrigation systems are exempt from this restriction.
  2. No person shall use or cause to be used any water for irrigation that exceeds 10 minutes per irrigation station (valve) during the designated day and times allowed for irrigation. Properly functioning low volume irrigation systems are exempt from the 10 minutes per irrigation station restriction.
  3. Days of the week restrictions. No person shall use or cause to be used any water for irrigation on Friday, Saturday, and Sunday.
  4. Irrigation is allowed only on the following days:
    - a. odd address and no address:

1. October through February
    - i. Thursday
    - ii. irrigation should be avoided except for extended dry periods.
  2. March through September
    - i. Tuesday and Thursday
- b. even address:
1. October through February
    - i. Monday
    - ii. irrigation should be avoided except for extended dry periods.
  2. March through September
    - i. Monday and Wednesday
- c. The address used to determine irrigation days is as it appears under "service address" in the utility billing database under account information.
- d. Section IV.D.1,2,3,4a,4b, and c. shall not apply to the following categories of water used for irrigation:
1. The use of a hand-held bucket or similar container
  2. The use of a hand-held hose with a positive shut-off valve or similar device
  3. The use of a properly functioning low volume irrigation system
  4. The use of bubblers for trees
  5. The use, for very short periods of time (<5 minutes), for the express purpose of adjusting or repairing an irrigation system
  6. The use of a legal greywater system
- e. Golf Course Greens

1. Days of week, length of time, and time of day restrictions (Section IV.D.1,2,3, 4a,4b, and c.) do not apply to golf course greens because of the large amount of area irrigated and the use of water impoundments.
2. Days of the week, length of time, and time of day restrictions do apply to ornamental landscape around the greens on a golf course.
3. Golf courses shall make every effort to decrease their use of irrigation water purchased from the District by at least 50 percent from FYE 2020.

f. Untreated Water Customer

Days of week, length of time, and time of day restrictions do not apply to the untreated water customer because of the large amount of area irrigated and the use of water impoundments.

During this water shortage emergency, the District does not have enough surplus water to meet the irrigation demand of the District's single untreated water customer. The untreated water customer shall be limited to 50 percent of its FYE 2020 total water demand until a determination has been made that there is surplus water supplies or water supply conditions worsen.

- E. Specific prohibitions for any homeowners' association, any community service organization, or any similar entity to prevent the unreasonable use of water and to promote water conservation (Title 23, Division 3, Chapter 3.5, Article 2, Section 995)
1. Taking or threatening to take any action to enforce any provision of the governing documents or architectural or landscaping guidelines or policies of a common interest development where that provision is void or unenforceable under section 4735, subdivisions (a) and (b) of the civil code;
  2. Imposing or threatening to impose a fine, assessment, or other monetary penalty against any owner of a separate interest for reducing or eliminating the water of vegetation or lawns during a declared drought emergency, as described in section 4735, subdivision (c) of the Civil code; or
  3. Requiring an owner of a separate interest upon which water-efficient landscaping measures have been installed in response to a declared

drought emergency, as described in section 4735, subdivisions (c) and (d) of the Civil code, to reserve or remove the water-efficient landscaping measures upon the conclusion of the state of emergency.

## **SECTION V: ENFORCEMENT**

### **A. Written Notice**

If the District believes that water has been or is being used in violation of the above restrictions, the District will send a written notice to the customer specifying the nature of the violation and the date and time of occurrence and request that the customer cease the violation and take remedial action. The District will provide the customer with a copy of the ordinance and inform the customer that failure to comply may result in termination of water service and payment of costs to enforce this ordinance.

### **B. On-Site Notification**

If a further violation(s) is observed by District, after the original written notice, the District will make reasonable efforts to notify the customer of the violation and post a notice on the front door or other point of entry onto the property requiring the customer to cease the violation and take remedial action within 48 hours of the on-site notification. Failure to comply after the on-site notification may result in the temporary termination of water service.

### **C. Termination of Water Service**

1. If a further violation(s) is observed by District personnel 48 or more hours after the on-site notification, it will be deemed a willful violation of the mandatory restrictions on water use and the District may temporarily discontinue water service.
2. The customer shall pay all outstanding fees, charges and costs incurred by the District to enforce this ordinance, including issuing notices and terminating and restoring water service. The customer's account must be in good standing, for the District to proceed with the reconnection of water service after it has been temporarily terminated under this ordinance.

- D. Misdemeanor – Pursuant to Water Code section 31029, after the publication and posting of this ordinance as set forth below, willful violation of this ordinance is a misdemeanor punishable by imprisonment in the county jail for not more than 30 days or by fine of not more than \$600, or by both imprisonment and fine.

- E. Violations of prohibited actions under Title 23, Division 3, Chapter 3.5, Article 2, Section 995 (Sections IV.A and IV.E of this Ordinance) is an infraction punishable by a fine of up to five hundred dollars (\$500) for each day in which the violation occurs. The fine for the infraction is in addition to, and does not supersede or limit, any other remedies, civil or criminal.

## **SECTION VI: APPEALS**

Any customer, who disputes a staff determination of a violation of the above restrictions, may appeal in writing to the General Manager. The decision of the General Manager shall be final.

### **A. Written Appeal**

The written appeal must be addressed to the General Manager and include: (1) the customer's name; (2) the mailing address and site address, if different; (3) the water account number; (4) a description of the violation(s); (5) the enforcement action taken; and (6) a detailed explanation of the basis of the appeal.

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

### **B. Criteria for Appeal**

The General Manager will evaluate each written appeal based on the following criteria: (1) public health; (2) public safety; and (3) regulatory requirements of a state or federal agency.

## **SECTION VII: EFFECTIVE DATE**

Pursuant to California Water Code 31027, this ordinance shall be effective on the day of its adoption. Within ten (10) days of its adoption, this ordinance, or a summary hereof, shall be published in the Half Moon Bay Review and posted at the District and on the District's website

All provisions of this ordinance shall remain in effect until the District cancels implementation of Stage 2 – Water Shortage Emergency Warning of the District's Water Shortage Contingency Plan.

## SECTION VIII: SEVERABILITY

If any provision of this ordinance is held to be invalid, or unenforceable in particular circumstances, such invalidity shall not affect the remainder of the ordinance which shall continue to be in full force and effect and the Board declares this ordinance to be severable for that purpose.

## SECTION IX: PUBLICATION

The public hearing was noticed at least 7 days prior to the public hearing in a newspaper (Half Moon Bay Review) of general circulation in the District's service area. [3/16/2022 and 3/23/2022]

The public hearing notice was posted on the District's website at least 7 days prior to the public hearing ([www.coastsidewater.org](http://www.coastsidewater.org)). [3/11/2022]

The public hearing notice was posted at the District's headquarters at least 14 days prior to the public hearing. [3/11/2022]

The full text of the draft ordinance was published in a newspaper (Half Moon Bay Review) of general circulation in the District's service area at least 5 days prior to the public hearing. [3/16/2022 and 3/23/2022]

The full text of the draft ordinance was posted on the District's website ([www.coastsidewater.org](http://www.coastsidewater.org)) at least 5 days prior to the public hearing. [3/16/2022]

The secretary is hereby directed to arrange for the final adopted and signed ordinance to be published in a newspaper (Half Moon Bay Review) of general circulation in the District's service area and to be posted on the District's website ([www.coastsidewater.org](http://www.coastsidewater.org)) within 10 days of adoption. [3/30/2022]

**PASSED AND ADOPTED** at a **special meeting** of the Board of Directors of the Coastside County Water District held on this **24th day of March 2022** by the following vote:

AYES:

NOES:

ABSENT:

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Robert Feldman, President  
Board of Directors

ATTEST:

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Mary Rogren, General Manager  
Secretary of the District



**STATE WATER RESOURCES CONTROL BOARD  
RESOLUTION NO. 2022-0002**

**TO ADOPT AN EMERGENCY REGULATION  
TO SUPPLEMENT VOLUNTARY WATER CONSERVATION**

WHEREAS:

1. On April 21, May 10, and July 8, 2021, Governor Newsom issued proclamations that a state of emergency exists in a total of 50 counties due to severe drought conditions and directed state agencies to take immediate action to preserve critical water supplies and mitigate the effects of drought and ensure the protection of health, safety, and the environment.
2. On October 19, 2021, Governor Newsom signed a proclamation extending the drought emergency statewide and further urging Californians to reduce their water use.
3. There is no guarantee that winter precipitation will alleviate the current drought conditions.
4. Many Californians have taken bold steps over the years to reduce water use; nevertheless, the severity of the current drought and uncertainty about Water Year 2022 require additional conservation actions from residents and businesses.
5. Water conservation is the easiest, most efficient, and most cost-effective way to quickly reduce water demand and extend supplies into the next year, providing flexibility for all California communities. Water saved is water available next year, giving water suppliers the flexibility to manage their systems efficiently. The more water that is conserved now, the less likely it is that a community will experience such dire circumstances or that water rationing will be required.
6. Most Californians use more water outdoors than indoors. In many areas, 50 percent or more of daily water use is for lawns and outdoor landscaping. Outdoor water use is generally discretionary, and many irrigated landscapes would not suffer greatly from receiving a decreased amount of water.

7. Public information and awareness are critical to achieving conservation goals, and the Save Our Water campaign ([SaveOurWater.com](http://SaveOurWater.com)), run jointly by the Department of Water Resources (DWR) and the Association of California Water Agencies, is an excellent resource for conservation information and messaging that is integral to effective drought response.
8. [SaveWater.CA.Gov](http://SaveWater.CA.Gov) is an online tool designed to help save water in communities. This website lets anyone easily report water waste from their phone, tablet, or computer by simply selecting the type of water waste they see, typing in the address where the waste is occurring, and clicking send. These reports are filed directly with the State Water Resources Control Board (State Water Board or Board) and relevant local water supplier.
9. Enforcement against water waste is a key tool in conservation programs. When conservation becomes a social norm in a community, the need for enforcement is reduced or eliminated.
10. On October 19, 2021, the Governor suspended the environmental review required by the California Environmental Quality Act to allow State Water Board-adopted drought conservation emergency regulations and other actions to take place quickly to respond to emergency conditions.
11. Water Code section 1058.5 grants the State Water Board the authority to adopt emergency regulations in certain drought years in order to: “prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote water recycling or water conservation, to require curtailment of diversions when water is not available under the diverter’s priority of right, or in furtherance of any of the foregoing, to require reporting of diversion or use or the preparation of monitoring reports.”
12. On November 30, 2021, the State Water Board issued public notice that the State Water Board would consider the adoption of the regulation at the Board’s regularly scheduled January 4, 2022 public meeting, in accordance with applicable State laws and regulations. The State Water Board also distributed for public review and comment a Finding of Emergency that complies with State laws and regulations.
13. The emergency regulation sets a minimum standard that many communities are already doing more but not everyone is taking these low-cost, easy to implement actions that can save significant amounts of water during a drought emergency.

14. Disadvantaged communities may require assistance in increasing water conservation, and state and local agencies should look for opportunities to provide assistance in promoting water conservation, including but not limited to translation of regulation text and dissemination of water conservation announcements into languages spoken by at least 10 percent of the people who reside in a water supplier's service area, such as in newspaper advertisements, bill inserts, website homepage, social media, and notices in public libraries.
15. The Board directs staff to consider the following in pursuing any enforcement of section 995, subdivision (b)(1)(A)-(F): before imposing monetary penalties, staff shall provide one or more warnings; monetary penalties must be based on an ability to pay determination, consider allowing a payment plan of at least 12 months, and shall not result in a tax lien; and Board enforcement shall not result in shutoff.
16. The Board encourages entities other than Board staff that consider any enforcement of this regulation to apply these same factors identified in resolved paragraph 15. Nothing in the regulation or in the enforcement provisions of the regulation precludes a local agency from exercising its authority to adopt more stringent conservation measures. Moreover, the Water Code does not impose a mandatory penalty for violations of the regulation adopted by this resolution, and local agencies retain their enforcement discretion in enforcing the regulation, to the extent authorized, and may develop their own progressive enforcement practices to encourage conservation.

THEREFORE BE IT RESOLVED THAT:

1. The State Water Board adopts California Code of Regulations, title 23, section 995, as appended to this resolution as an emergency regulation.
2. State Water Board staff will submit the regulation to the Office of Administrative Law (OAL) for final approval.
3. If, during the approval process, State Water Board staff, the State Water Board, or OAL determines that minor corrections to the language of the regulation or supporting documentation are needed for clarity or consistency, the State Water Board Executive Director or designee may make such changes.

4. This regulation shall remain in effect for one year after filing with the Secretary of State unless the State Water Board determines that it is no longer necessary due to changed conditions or unless the State Water Board renews the regulation due to continued drought conditions, as described in Water Code section 1058.5.
5. The State Water Board directs State Water Board staff to work with the Department of Water Resources and the Save Our Water campaign to disseminate information regarding the emergency regulations.
6. Nothing in the regulation or in the enforcement provisions of the regulation precludes a local agency from exercising its authority to adopt more stringent conservation measures. Local agencies are encouraged to develop their own progressive enforcement practices to promote conservation.

### **CERTIFICATION**

The undersigned Clerk to the Board does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on January 4, 2022.

AYE: Vice Chair Dorene D'Adamo  
Board Member Sean Maguire  
Board Member Laurel Firestone  
Board Member Nichole Morgan

NAY: None

ABSENT: Chair E. Joaquin Esquivel

ABSTAIN: None

  
\_\_\_\_\_  
Jeanine Townsend  
Clerk to the Board

## ADOPTED TEXT OF EMERGENCY REGULATION

### Title 23. Waters

#### Division 3. State Water Resources Control Board and Regional Water Quality Control Boards

#### Chapter 3.5. Urban Water Use Efficiency and Conservation

#### Article 2. Prevention of Drought Wasteful Water Uses

#### § 995. Wasteful and Unreasonable Water Uses.

(a) As used in this section:

(1) "Turf" has the same meaning as in section 491.

(2) "Incidental runoff" means unintended amounts (volume) of runoff, such as unintended, minimal overspray from sprinklers that escapes the area of intended use. Water leaving an intended use area is not considered incidental if it is part of the facility or system design, if it is due to excessive application, if it is due to intentional overflow or application, or if it is due to negligence.

(b)(1) To prevent the unreasonable use of water and to promote water conservation, the use of water is prohibited as identified in this subdivision for the following actions:

(A) The application of potable water to outdoor landscapes in a manner that causes more than incidental runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures;

(B) The use of a hose that dispenses water to wash a motor vehicle, except where the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use;

(C) The use of potable water for washing sidewalks, driveways, buildings, structures, patios, parking lots, or other hard surfaced areas, except in cases where health and safety are at risk;

(D) The use of potable water for street cleaning or construction site preparation purposes, unless no other method can be used or as needed to protect the health and safety of the public;

(E) The use of potable water for decorative fountains or the filling or topping-off of decorative lakes or ponds, with exceptions for those decorative fountains, lakes, or ponds that use pumps to recirculate water and only require refilling to replace evaporative losses;

(F) The application of water to irrigate turf and ornamental landscapes during and within 48 hours after measurable rainfall of at least one fourth of one inch of rain. In determining whether measurable rainfall of at least fourth of one inch of rain occurred in a given area, enforcement may be based on records of the National Weather Service, the closest CIMIS station to the parcel, or any other reliable source of rainfall data available to the entity undertaking enforcement of this subdivision; and

(G) The use of potable water for irrigation of ornamental turf on public street medians.

(2) Notwithstanding subdivision (b)(1), the use of water is not prohibited by this section to the extent necessary to address an immediate health and safety need. This may include, but is not limited to, the use of potable water in a fountain or water feature when required to be potable because human contact is expected to occur.

(c)(1) To prevent the unreasonable use of water and to promote water conservation, any homeowners' association or community service organization or similar entity is prohibited from:

(A) Taking or threatening to take any action to enforce any provision of the governing documents or architectural or landscaping guidelines or policies of a common interest development where that provision is void or unenforceable under section 4735, subdivisions (a) and (b) of the Civil Code;

(B) Imposing or threatening to impose a fine, assessment, or other monetary penalty against any owner of a separate interest for reducing or eliminating the watering of vegetation or lawns during a declared drought emergency, as described in section 4735, subdivision (c) of the Civil Code; or

(C) Requiring an owner of a separate interest upon which water-efficient landscaping measures have been installed in response to a declared drought emergency, as described in section 4735, subdivisions (c) and (d) of the Civil Code, to reverse or remove the water-efficient landscaping measures upon the conclusion of the state of emergency.

(2) As used in this subdivision:

(A) "Architectural or landscaping guidelines or policies" includes any formal or informal rules other than the governing documents of a common interest development.

(B) "Homeowners' association" means an "association" as defined in section 4080 of the Civil Code.

(C) "Common interest development" has the same meaning as in section 4100 of the Civil Code.

(D) "Community service organization or similar entity" has the same meaning as in section 4110 of the Civil Code.

(E) "Governing documents" has the same meaning as in section 4150 of the Civil Code.

(F) "Separate interest" has the same meaning as in section 4185 of the Civil Code.

(3) If a disciplinary proceeding or other proceeding to enforce a rule in violation of subdivision (c)(1) is initiated, each day the proceeding remains pending shall constitute a separate violation of this regulation.

(d) To prevent the unreasonable use of water and to promote water conservation, any city, county, or city and county is prohibited from imposing a fine under any local maintenance ordinance or other relevant ordinance as prohibited by section 8627.7 of the Government Code.

(e) The taking of any action prohibited in subdivision (b), (c) or (d) is an infraction punishable by a fine of up to five hundred dollars (\$500) for each day in which the violation occurs. The fine for the infraction is in addition to, and does not supersede or limit, any other remedies, civil or criminal.

(f) A decision or order issued under this section by the Board or an officer or employee of the Board is subject to reconsideration under article 2 (commencing with section 1122) of chapter 4 of part 1 of division 2 of the Water Code.

Authority: Section 1058.5, Water Code.

References: Article X, Section 2, California Constitution; Sections 4080, 4100, 4110, 4150, 4185, and 4735, Civil Code; Section 8627.7, Government Code; Sections 102, 104, 105, 275, 350, 491, and 1122, Water Code; *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463; *Stanford Vina Ranch Irrigation Co. v. State of California* (2020) 50 Cal.App.5th 976.

## Communication Protocol

### Stage 2 – Water Shortage Emergency Warning

“Water supply conditions have worsened and it is now necessary to impose mandatory restrictions on water use. The District encourages customers to conserve water and to help the District achieve a 17 percent reduction in water consumption. Conserving water now will help maintain an adequate water supply to meet the public health and safety needs of the community.”

#### Stage 2: Water Shortage Emergency Warning

If water supply conditions worsen, this stage would begin to implement **mandatory** restrictions on water use. This stage would be a transitional stage to prepare customers and the District for a Water Shortage Emergency.

At Stage 2, the District should consider the following actions:

- Continuing with actions from Stage 1
- Escalating the public information campaign
- Implementing restrictions on decorative water features
- Encouraging the use of WaterSmart by customers to track water usage
- Performing outreach to major customers, regarding water supply status
- Designating days, times, and duration that irrigation is allowed when voluntary measures are not meeting goals
- Raw water customer is at zero allocation (there is no surplus water)
- Studying the impacts to revenue and developing a budget strategy for mitigating decreases in revenue
- Informing the City of Half Moon Bay and the County of San Mateo of water supply status
- Informing the Coastside Fire Protection District of water supply status and request cooperation in reducing training exercises that use water
- Prohibiting the cleaning of certain exterior surfaces with potable water
- Prohibiting the cleaning of driveways and sidewalks with potable water
- Suspend or significantly reduce routine flushing of water mains
- Emphasizing leak detection and repair for the District’s transmission and distribution system
- Establishing and advertising a hotline to respond to questions and reports of water waste, if needed
- Prohibit water runoff from landscape irrigation
- Prohibiting the installation of new plants, trees, and turf
- Prohibiting the installation of new water features
- Prohibiting the installation of new swimming pools



## **STAFF REPORT**

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

**From:** Mary Rogren, General Manager

**Agenda:** March 8, 2022

### **Report**

**Date:** March 4, 2022

**Subject:** Consider Resolution No. 2022-05 Approving the Minimum Purchase Amendment to the Amended and Restated Water Supply Agreement between the City and County of San Francisco and Wholesale Customers in Alameda County, San Mateo County and Santa Clara County

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### **Recommendation:**

Adopt Resolution No. 2022-05 approving the minimum purchase amendment to the Amended and Restated Water Supply Agreement Between the City and County of San Francisco Wholesale Customers in Alameda County, San Mateo County, and Santa Clara County" and authorize the General Manager to execute such Agreement when final execution copies are prepared and distributed by BAWSCA.

### **Background:**

In June 2009, the Coastside County Water District (CCWD), entered into a Water Supply Agreement with the City and County of San Francisco (San Francisco) and Wholesale Customers in Alameda County, San Mateo County and Santa Clara County (WSA). The WSA establishes the terms by which the twenty-six Wholesale Customers purchase water from the San Francisco Regional Water System. The WSA builds upon the 1984 "Settlement Agreement and Master Water Sales Contract between the City and County of San Francisco and Certain Suburban Purchasers in San Mateo County, Santa Clara County and Alameda County."

In September 2017, the Bay Area Water Supply and Conservation Agency (BAWSCA) and the Water Management Representatives (WMRs) of the BAWSCA member agencies began reviewing the issue of Minimum Purchase Quantities, as described in Section 3.07.C of the WSA, and discussing the creation of a process to transfer Minimum Purchase Quantities. Throughout 2017 and 2018, the WMRs held multiple meetings during which the agencies currently subject to Minimum Purchase Quantity requirements and the other Wholesale Customers shared their interests and concerns regarding changes to the Minimum Purchase Quantity requirements and allowing transfers of Minimum Purchase Quantities.

On January 8, 2019, this Board of Directors, by Resolution No. 2019-01 approved the Amended and Restated WSA, at which time the Wholesale

Customers expressed a collective interest in working together to develop a process for the expedited and permanent transfer of Minimum Purchase Quantities.

Under Article 3 of the Amended and Restated WSA, the San Francisco Public Utilities Commission (SFPUC) agrees to deliver water to the Wholesale Customers up to the amount of 184 million gallons per day (MGD), referred to as the "Supply Assurance," and the Wholesale Customers have allocated shares of the Supply Assurance among themselves, referred to as Individual Supply Guarantees (ISG).

Section 3.04 of the Amended and Restated WSA enables a Wholesale Customer that has an ISG to transfer a portion of its ISG to one or more other Wholesale Customers, subject to several conditions.

Section 3.07 of the Amended and Restated WSA provides that four Wholesale Customers (Alameda County Water District and the Cities of Milpitas, Mountain View, and Sunnyvale, collectively, the "Minimum Purchase Customers") may purchase water from sources other than the SFPUC, but they are each obligated to purchase a specific minimum annual quantity of water from the SFPUC, referred to as a "Minimum Purchase requirement." If a Minimum Purchase Customer does not meet its minimum purchase requirement in a particular fiscal year, it must pay the SFPUC for the difference between its metered water purchases during the fiscal year and its minimum annual purchase quantity set forth in Attachment E of the Amended and Restated WSA. The Amended and Restated WSA does not currently allow a Minimum Purchase Customer to transfer a portion of its minimum purchase requirement and the associated financial obligation to another Wholesale Customer.

In 2019, the Wholesale Customers directed BAWSCA to draft a proposed amendment to the Amended and Restated WSA to provide a procedure for expedited and permanent transfers of Minimum Purchase Quantities that safeguards the financial and water supply interests of Wholesale Customers not participating in such transfers.

### **Proposed Amendment**

The proposed amendment shown in Attachment B allows Wholesale Customers with ISGs to permanently transfer a portion of Minimum Purchase Quantity through an expedited procedure. The proposed amendment offers the following benefits:

1. Procedural safeguards built into the process by which a Wholesale Customer transfers a portion of its Minimum Purchase Quantity and ISG ensure that such transfers will not result in new or different risks to the water supply and financial interests of Wholesale Customers not participating in a transfer.

2. A Minimum Purchase Customer may transfer a portion of its Minimum Purchase Quantity within its respective ISG to reduce its financial obligation to pay for imputed sales for Minimum Purchase water that it did not use.
3. Intra-system water transfers are one potential solution to long term water reliability needs among the Wholesale Customers. This expedited, permanent transfer procedure will allow intra-system water transfers of Minimum Purchase Quantity to occur without a contract amendment approved by the Wholesale Customers, thus removing administrative obstacles to such transfers.
4. Expedited permanent intra-system transfers of portions of Minimum Purchase Quantity and ISG will facilitate the development of new water supplies by the SFPUC that are necessary to support the Cities of San Jose and Santa Clara becoming permanent Wholesale Customers.
5. The Wholesale Customers may increase the 6 MGD cap on the total aggregate amount of Minimum Purchase Quantity that may be transferred by all of the Minimum Purchase Customers over the course of one or multiple transfers if demand for Minimum Purchase Quantity transfers exceeds 6 MGD in the future.

San Francisco, acting by and through the SFPUC, approved the 2021 Amended and Restated Water Supply Agreement, as negotiated by BAWSCA, on January 26, 2021, pending approval by the requisite number of the Wholesale Customers.

A Fact sheet about the Proposed Contract Amendment is included as attachment C.

**Fiscal Impact:** No Fiscal Impact is anticipated from this amendment.

**Attachments**

- A. Resolution No. 2022-05 Approving the Minimum Purchase Amendment to the Amended and Restated Water Supply Agreement between the City and County of San Francisco and Wholesale Customers in Alameda County, San Mateo County, and Santa Clara County.
- B. Redline Comparing 2018 Amended and Restated Water Supply Agreement to Minimum Purchase Amendment: Sections 3.04, 3.07, and 2.03
- C. Fact Sheet on Proposed Contract Amendment Regarding the Minimum Annual Purchase Quantity

## Attachment A

### RESOLUTION NO. 2022-05 OF THE BOARD OF DIRECTORS OF THE COASTSIDE COUNTY WATER DISTRICT

#### APPROVING THE MINIMUM PURCHASE AMENDMENT TO THE AMENDED AND RESTATED WATER SUPPLY AGREEMENT BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO AND WHOLESALE CUSTOMERS IN ALAMEDA COUNTY, SAN MATEO COUNTY, AND SANTA CLARA COUNTY

WHEREAS, water supply agencies in Alameda, San Mateo, and Santa Clara Counties have purchased water from the City and County of San Francisco (San Francisco) for many years; and

WHEREAS, the San Francisco Public Utilities Commission (SFPUC or Commission) operates the Regional Water System, which delivers water to communities in Alameda, San Mateo, and Santa Clara Counties, as well as to customers within San Francisco (collectively, “the Parties”); and

WHEREAS, the Parties entered into the “Settlement Agreement and Master Water Sales Contract between the City and County of San Francisco and Certain Suburban Purchasers in San Mateo County, Santa Clara County and Alameda County” in 1984 (1984 Settlement Agreement and Master Water Sales Contract); and

WHEREAS, in April 2003, water supply agencies in Alameda, San Mateo and Santa Clara Counties (collectively referred to as the "Wholesale Customers" or "BAWSCA member agencies") established the Bay Area Water Supply and Conservation Agency (BAWSCA), as authorized by Water Code Section 81300 *et seq.*; and

WHEREAS, upon expiration of the 1984 Settlement Agreement and Master Water Sales Contract, the Parties entered into the “Water Supply Agreement between San Francisco and Wholesale Customers in Alameda County, San Mateo County, and Santa Clara County” (Water Supply Agreement or WSA) on July 1, 2009, authorized by SFPUC Resolution No. 09-0069, dated April 28, 2009; and

WHEREAS, in 2017, the Wholesale Customers directed BAWSCA to act as its authorized representative in discussions and negotiations with San Francisco to amend the Water Supply Agreement to address a number of substantive issues and these negotiations resulted in the Parties' adoption of the Amended and Restated Water Supply Agreement (Amended and Restated Water Supply Agreement) in 2018, authorized by SFPUC Resolution No. 18-0212, dated December 11, 2018; and

WHEREAS, on January 8, 2019 the Coastside County Water District Board of Directors, by Resolution No. 2019-01 approved the Amended and Restated Water Supply Agreement; and

WHEREAS, under Article 3 of the Amended and Restated Water Supply Agreement, the SFPUC agrees to deliver water to the Wholesale Customers up to the amount of 184 million gallons per day (MGD), referred to as the "Supply Assurance," and the Wholesale Customers have allocated shares of the Supply Assurance among themselves, referred to as Individual Supply Guarantees ("ISG"); and

WHEREAS, Section 3.04 of the Amended and Restated Water Supply Agreement enables a Wholesale Customer that has an ISG to transfer a portion of its ISG to one or more other Wholesale Customers, subject to several conditions; and

WHEREAS, under Section 3.07 of the Amended and Restated Water Supply Agreement, four Wholesale Customers (Alameda County Water District and the Cities of Milpitas, Mountain View, and Sunnyvale, collectively, the "Minimum Purchase Customers") may purchase water from sources other than the SFPUC, but they are each obligated to purchase a specific minimum annual quantity of water from the SFPUC, referred to as a "Minimum Purchase requirement"; and

WHEREAS, if a Minimum Purchase Customer does not meet its Minimum Purchase requirement in a particular fiscal year, it must pay the SFPUC for the difference between its metered water purchases during the fiscal year and its minimum annual purchase quantity set forth in Attachment E of the Amended and Restated Water Supply Agreement; and

WHEREAS, the Amended and Restated Water Supply Agreement does not currently allow a Minimum Purchase Customer to transfer a portion of its Minimum Purchase requirement and the associated financial obligation to another Wholesale Customer; and

WHEREAS, in September 2017, BAWSCA and the Water Management Representatives (WMRs) of the BAWSCA member agencies began reviewing the issue of Minimum Purchase Quantities, as described in Section 3.07.C of the Water Supply Agreement, and discussing the creation of a process to transfer Minimum Purchase Quantities; and

WHEREAS, throughout 2017 and 2018, the WMRs held multiple meetings during which the agencies currently subject to Minimum Purchase Quantity requirements and the other Wholesale Customers shared their interests and concerns regarding changes to the Minimum Purchase Quantity requirements and allowing transfers of Minimum Purchase Quantities; and

WHEREAS, at the time the Amended and Restated Water Supply Agreement was approved, the Parties expressed a collective interest in working together to develop a process for the expedited and permanent transfer of Minimum Purchase Quantities; and

WHEREAS, in 2019, the Wholesale Customers directed BAWSCA to draft a proposed amendment to the Amended and Restated Water Supply Agreement to provide a procedure for expedited and permanent transfers of Minimum Purchase Quantities that safeguards the financial and water supply interests of Wholesale Customers not participating in such transfers; and

WHEREAS, the Parties recognize that, both before and after the most recent statewide drought, after meeting drought-related conservation mandates, several BAWSCA member agencies were unable to meet their respective Minimum Purchase requirements described in Article 3.07 of the Amended and Restated Water Supply Agreement, which requires payment for water up to the required Minimum Purchase level even if such water is not delivered and used; and

WHEREAS, several of the Wholesale Customers with Minimum Purchase requirements might be interested in transferring a portion of their Minimum Purchase Quantity within their respective ISGs to reduce the financial obligation to pay for imputed sales for Minimum Purchase water that is not used; and

WHEREAS, with its Alternative Water Supply Program, the SFPUC is in the early stages of planning for fourteen projects to support the Wholesale and Retail Customers' ability to respond to climate change and address future water supply challenges and vulnerabilities, such as regulatory changes, earthquakes, disasters, emergencies, and increases in population and employment; and

WHEREAS, the City of San Jose (San Jose) and the City of Santa Clara (Santa Clara) are temporary, interruptible Wholesale Customers of the SFPUC Regional Water System and both cities wish to become permanent Wholesale Customers; and

WHEREAS, pursuant to Section 4.06 of the Amended and Restated Water Supply Agreement, by December 31, 2028, San Francisco must complete any necessary California Environmental Quality Act (CEQA) review and must decide whether or not to make San Jose and Santa Clara permanent Wholesale Customers of the Regional Water System with a combined Individual Supply Guarantee (ISG) of 9 million gallons per day (MGD) allocated equally between the two cities, as well as how much water in excess of 9 MGD it will supply to San Jose and Santa Clara; and

WHEREAS, Section 4.06 of the Amended and Restated Water Supply Agreement provides: "San Francisco will make San Jose and Santa Clara permanent customers only if, and to the extent that, San Francisco determines that Regional Water System long term water supplies are available;" and

WHEREAS, according to SFPUC's December 2021 Alternative Water Supply Planning Quarterly Update (Quarterly Update), "[f]or San Jose and Santa Clara to become permanent customers of the SFPUC, an additional 9 MGD of new, year-round supplies would be needed to meet historic demand levels and up to 15.5 MGD would be needed to meet planned demand through 2045;" and

WHEREAS, according to its December Quarterly Update, SFPUC is planning with the "intention to be able to make San Jose and Santa Clara permanent customers," but is prioritizing instream flow obligations to meet existing permanent customer demands, including drought supplies; and

WHEREAS, SFPUC has budgeted \$298.3 million over the next ten years to fund water supply projects; and

WHEREAS, SFPUC, San Jose, Santa Clara, and BAWSCA are actively working together to consider water supply projects that may offer potential sources of supply to support San Jose and Santa Clara as permanent Wholesale Customers; and

WHEREAS, BAWSCA and SFPUC have identified intra-system water transfers as one potential solution to long term water reliability needs among the Wholesale Customers; and

WHEREAS, a Minimum Purchase Customer might be more inclined to transfer a portion of its ISG to another Wholesale Customer under Section 3.04 of the Amended and Restated Water Supply Agreement if it was able to include a simultaneous transfer of a portion of its Minimum Purchase requirement and the associated financial obligation; and

WHEREAS, allowing simplified permanent intra-system transfers of portions of Minimum Purchase Quantity and ISG will facilitate the development of new water supplies by SFPUC that are necessary to support San Jose and Santa Clara as permanent Wholesale Customers; and

WHEREAS, the Parties have developed a process to allow for the transfer of a Wholesale Customer's Minimum Purchase Quantity in conjunction with an ISG transfer pursuant to Section 3.04, which ensures that such transfers will not result in new or different risks to the water supply and financial interests of Wholesale Customers not participating in a transfer; and

WHEREAS, the Parties agree that the total aggregate amount of Minimum Purchase Quantity that may be transferred by all of the Wholesale Customers subject to Minimum Purchase requirements as first specified in Attachment E of the Amended and Restated Water Supply Agreement, over the course of one or multiple transfers, is limited to 6 MGD; and

WHEREAS, if demand for Minimum Purchase Quantity transfers exceeds 6 MGD in the future, the Parties agree to consider further amending Section 3.04 of the Amended and Restated Water Supply Agreement to increase the total aggregate cap on the amount of Minimum Purchase Quantity that may be transferred; and



WHEREAS, a proposed transfer that does not meet the requirements of Section 3.04 of the Amended and Restated Water Supply Agreement, as amended by this Resolution, may be presented as an amendment to the Amended and Restated Water Supply Agreement pursuant to Section 2.03 of the Amended and Restated Water Supply Agreement; and

WHEREAS, the Parties agree to consider a proposal by the City of Mountain View (Mountain View) and the City of East Palo Alto (East Palo Alto) to amend the Amended and Restated Water Supply Agreement to allow for the conversion of Mountain View's 2017 sale of 1 MGD of ISG to East Palo Alto into a transfer of 1 MGD of Mountain View's ISG that includes Minimum Purchase Quantity to East Palo Alto, over a period of time, and in a manner that protects the other Wholesale Customers' financial and water supply interests; and

WHEREAS, if such a conversion is approved by the Parties, the 1 MGD of Mountain View's Minimum Purchase Quantity would be counted towards the total aggregate 6 MGD cap on Minimum Purchase Quantity transfers; and

WHEREAS, the Parties now desire to adopt an amendment to the Amended and Restated Water Supply Agreement to permit Wholesale Customers with an ISG to transfer, or accept a transfer, of both a portion of a Wholesale Customer's ISG and its Minimum Purchase Quantity; and

WHEREAS, an updated Amended and Restated Water Supply Agreement, reflecting this amendment, in the form negotiated by BAWSCA (2021 Amended and Restated Water Supply Agreement), was presented to and approved by SFPUC on January 26, 2021 pursuant to SFPUC Resolution No. 21-0009; and

WHEREAS, the amendment considered now is not a "project" for the purposes of CEQA as it involves an administrative activity that does not result in a direct change to the environment (see 14 CCR Section 15378(b)(5)), and would not result in a direct or reasonably foreseeable indirect physical change in the environment (see 14 CCR Section 15060(c)(2));

NOW, THEREFORE, BE IT RESOLVED by the Coastside County Water District Board of Directors as follows:

1. The Board of Directors approves the modifications included in the attached "2021 Amended and Restated Water Supply Agreement Between the City and County of San Francisco Wholesale Customers in Alameda County, San Mateo County, and Santa Clara County" dated January 2021 (2021 Amended and Restated Water Supply Agreement).

2. The General Manager is authorized and directed to sign the 2021 Amended and Restated Water Supply Agreement, in the form previously approved by the San Francisco Public Utilities Commission and attached hereto.

I hereby certify that the foregoing Resolution No. 2022-05 was duly and regularly adopted at a regular meeting of the Coastside County Water District Board of Directors on March 8, 2022, by the following vote:

AYES:

NOES:

ABSENT:

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Robert Feldman, President  
Board of Directors

ATTEST:

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Mary Rogren, General Manager  
Secretary of the District

**REDLINE COMPARING 2018 AMENDED AND RESTATED WATER SUPPLY AGREEMENT  
TO MINIMUM PURCHASE AMENDMENT: SECTIONS 3.04, 3.07, AND 2.03**

**3.04 Permanent Transfers of Individual Supply Guarantees and Minimum Annual Purchase Quantities**

A. A Wholesale Customer that has an Individual Supply Guarantee may transfer a portion of it to one or more other Wholesale Customers, as provided in this section.

B. Transfers of a portion of an Individual Supply Guarantee must be permanent, as opposed to temporary or time-limited. Notwithstanding the previous sentence, a portion of an Individual Supply Guarantee that has been transferred under this section may be included in another transfer under this section at a later date. The minimum quantity that may be transferred is 1/10th of a MGD.

C. Transfers of a portion of a Minimum Annual Purchase Quantity may be included in transfers of a portion of an Individual Supply Guarantee and are subject to the same requirements for Individual Supply Guarantee transfers in this section as well as the following conditions:

1. Transferor of Minimum Annual Purchase Quantity. A Wholesale Customer subject to the minimum annual purchase requirements of Section 3.07.C may transfer both a portion of its Individual Supply Guarantee and a portion of its Minimum Annual Purchase Quantity to one or more Wholesale Customers that have an Individual Supply Guarantee. The process by which such a transfer may be proposed and approved is set forth in subparts D and E of this section. A Wholesale Customer that had a Minimum Annual Purchase Quantity at the start of the Term of this Agreement may not cumulatively transfer, over the course of one or multiple transfers, more than half (50%) of its Minimum Annual Purchase Quantity as first specified in Attachment E at the start of the Term of this Agreement. Wholesale Customers that had a Minimum Annual Purchase Quantity at the start of the Term of this Agreement may not cumulatively transfer, over the course of one or multiple transfers, more than 6 MGD of the total aggregate Minimum Annual Purchase Quantity specified in Attachment E at the start of the Term of this Agreement. A Wholesale Customer that received a Minimum Annual Purchase Quantity through a transfer under this section may cumulatively transfer, over the course of one or multiple transfers, a portion of or all of the Minimum Annual Purchase Quantity it received pursuant to this section. The effect of such a transfer will be a reduction in the transferor's Individual Supply Guarantee, specified in Attachment C, and a reduction in the transferor's

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Minimum Annual Purchase Quantity, specified in Attachment E. The SFPUC and BAWSCA will update Attachments C and E to reflect such changes, pursuant to Section 3.04.F. The reduction in the transferor's permanent Minimum Annual Purchase Quantity shall become effective in the same fiscal year in which the transfer becomes effective.

2. Transferee of Minimum Annual Purchase Quantity. A Wholesale Customer that has an Individual Supply Guarantee may be the recipient, or transferee, of both a portion of Individual Supply Guarantee and a portion of Minimum Annual Purchase Quantity from another Wholesale Customer that has an Individual Supply Guarantee, whether or not the transferee is already subject to the minimum annual purchase requirements of Section 3.07.C. When such a transfer is approved and effective, the transferee will initially have a revised Individual Supply Guarantee and a Temporary Modified Minimum Annual Purchase Quantity, which will be reflected on Attachments C and E-1, respectively, pursuant to Section 3.04.F. A Temporary Modified Minimum Annual Purchase Quantity will become effective in the same fiscal year in which the transfer becomes effective. The transferee's Temporary Modified Minimum Annual Purchase Quantity will ultimately be replaced by a permanent Minimum Annual Purchase Quantity, as described in this sub-section, which will be reflected on Attachment E pursuant to Section 3.04.F.

3. Calculation of Temporary Modified Minimum Annual Purchase Quantity. The Temporary Modified Minimum Annual Purchase Quantity that a transferee receives from a transfer under this sub-section is the sum of (1) the average annual (fiscal year) quantity of water purchased by the transferee from the SFPUC (plus Imputed Sales, if applicable) in the most recent five previous non-drought fiscal years, plus (2) the relevant reduction in the transferor's Minimum Annual Purchase Quantity. For this calculation, the five previous non-drought fiscal years need not be consecutive. Notwithstanding the preceding sentences in this paragraph, if a transferee has an existing Temporary Modified Minimum Annual Purchase Quantity at the time of a new transfer under this sub-section, the transferee's new Temporary Modified Minimum Annual Purchase Quantity under the new transfer will be the sum of (1) the transferee's existing Temporary Modified Minimum Annual Purchase Quantity, plus (2) the relevant reduction in the transferor's Minimum Annual Purchase Quantity. Attachment E-2 contains sample calculations of the Temporary Modified Minimum Annual Purchase Quantity for transferees who are subject to, or not yet subject to, the minimum annual purchase requirements of Section 3.07.C.

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4. Duration and Expiration of Temporary Modified Minimum Annual Purchase Quantity.

a. Once a transfer under this sub-section is approved and effective, the transferee is required to purchase from the SFPUC its Temporary Modified Minimum Annual Purchase Quantity until the quantity of water delivered annually to the transferee by the SFPUC meets or exceeds the Temporary Modified Minimum Annual Purchase Quantity for three consecutive fiscal years. It may take many years for the quantity of water delivered to meet or exceed this amount. The transferee's Temporary Modified Minimum Annual Purchase Quantity is subject to waiver by the SFPUC as described in Section 3.07.C. However, even in the event of such a waiver, a fiscal year in which the transferee still purchases from the SFPUC an amount of water that meets or exceeds its Temporary Modified Minimum Annual Purchase Quantity will count as a fiscal year in which the transferee has met or exceeded its Temporary Modified Minimum Annual Purchase Quantity for the purposes of this paragraph.

b. Once the quantity of water delivered to the transferee by the SFPUC reaches the milestone described in the preceding paragraph, the transferee will no longer be subject to the Temporary Modified Minimum Annual Purchase Quantity. Instead, the transferee will have a new permanent Minimum Annual Purchase Quantity, which will equal the sum of (1) its previous Minimum Annual Purchase Quantity, if applicable, plus (2) the relevant reduction in the transferor's Minimum Annual Purchase Quantity. The transferee's new permanent Minimum Annual Purchase Quantity will be reflected on Attachment E, and its expired Temporary Modified Minimum Annual Purchase Quantity will be removed from Attachment E-1, pursuant to Section 3.04.F. Any other Temporary Modified Minimum Annual Purchase Quantities of the transferee will remain in effect on Attachment E-1.

D. Transfers of portions of Individual Supply Guarantees, including transfers of portions of Minimum Annual Purchase Quantities, are subject to approval by the SFPUC.

SFPUC review is limited to determining (1) whether a proposed transfer complies with the Act, and (2) whether the affected facilities in the Regional Water System have sufficient capacity to accommodate delivery of the increased amount of water to the proposed transferee.

E. The participants in a proposed transfer shall provide written notice to the SFPUC and BAWSCA specifying (1) the amount of the Individual Supply Guarantee proposed to be transferred, (2) the proposed effective date of the transfer, which shall not be less than 60 days

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after the notice is submitted to the SFPUC, and (3) the Individual Supply Guarantees of both participants resulting from the transfer. [If a proposed transfer includes the transfer of a portion of Minimum Annual Purchase Quantity, then the participants will provide additional written notice specifying \(4\) the amount of the Minimum Annual Purchase Quantity proposed to be transferred, \(5\) transferee's Temporary Modified Minimum Annual Purchase Quantity and permanent Minimum Annual Purchase Quantity under the transfer, and \(6\) the transferor's new Minimum Annual Purchase Quantity under the transfer.](#) The SFPUC may require that the participants in any proposed transfer provide additional information reasonably necessary to evaluate the operational impacts of the ~~transfer.~~proposed transfer and any additional information that will assist the SFPUC in its review of the proposed transfer. The SFPUC will not unreasonably withhold or delay its approval of a proposed transfer; if the SFPUC does not act on the written notice provided by the participants within 60 days, the transfer will be deemed to have been approved. An approved transfer becomes effective on the proposed effective date set forth in the written notice of the proposed transfer provided to the SFPUC and BAWSCA.

F. Within 30 days after the transfer has become effective, both the transferor and the transferee will provide written notice to the SFPUC and BAWSCA. By September 30 of each year during the Term, the SFPUC and BAWSCA will prepare an updated Attachment C, and updated Attachments E and E-1 where applicable, to reflect the effects of transfers occurring during the immediately preceding fiscal year. By September 30 of each year during the Term, the Individual Water Sales Contracts between San Francisco and any Wholesale Customers who are participants in a transfer under this Section will be amended with the written concurrence of San Francisco and those Wholesale Customers to reflect the effects of transfers occurring during the immediately preceding fiscal year, as necessary.

G. Amounts transferred will remain subject to pro rata reduction under the circumstances described in Section 3.02.C and according to the formula set forth in Attachment D.

H. A proposed transfer that does not satisfy the requirements of this section may be presented as an amendment to this Agreement pursuant to Section 2.03.

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**3.07 Restrictions on Purchases of Water from Others; Minimum Annual Purchases**

A. Each Wholesale Customer (except for Alameda County Water District and the cities of Milpitas, Mountain View and Sunnyvale) agrees that it will not contract for, purchase or receive, with or without compensation, directly or indirectly, from any person, corporation, governmental agency or other entity, any water for delivery or use within its service area without the prior written consent of San Francisco.

B. The prohibition in subsection A does not apply to:

1. recycled water;
2. water necessary on an emergency and temporary basis, provided that the Wholesale Customer promptly gives San Francisco notice of the nature of the emergency, the amount of water that has been or is to be purchased, and the expected duration of the emergency; or
3. water in excess of a Wholesale Customer's Individual Supply Guarantee.

C. Alameda County Water District and the cities of Milpitas, Mountain View and Sunnyvale may purchase water from sources other than San Francisco, provided that San Francisco shall require that each purchase a minimum annual quantity of water from San Francisco. ~~These minimum quantities~~ Minimum Annual Purchase Quantities are set out in Attachment E and shall also be included in the Individual Water Sales Contracts between San Francisco and each of these four Wholesale Customers. ~~The minimum purchase requirement in these Individual Water Sales Contracts~~ Pursuant to Section 3.04, certain Wholesale Customers may also be required to purchase Temporary Modified Minimum Annual Purchase Quantities, set out in Attachment E-1, from San Francisco. Attachment E will be updated pursuant to Section 3.04 to reflect any reduction in existing Minimum Annual Purchase Quantities and any addition of new Minimum Annual Purchase Quantities when Temporary Modified Minimum Annual Purchase Quantities expire and are removed from Attachment E-1; Individual Water Sales Contracts between San Francisco and any Wholesale Customers who are participants in a transfer under Section 3.04 will similarly be amended, as necessary. After the end of each fiscal year, the SFPUC will send a written notice to each Wholesale Customer that is subject to the minimum annual purchase requirements of this section with a copy to BAWSCA. The notice will include: (1) the quantity of water delivered to the Wholesale Customer during the previous fiscal year; (2) whether or not the Wholesale Customer met its minimum annual purchase

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requirement under this section; (3) any Imputed Sales charged to the Wholesale Customer; and (4) the status of any Temporary Modified Minimum Annual Purchase Quantity of the Wholesale Customer, if applicable. The minimum annual purchase requirements set out in Attachments E and E-1 will be waived during a Drought or other period of water shortage if the water San Francisco makes available to these Wholesale Customers is less than its ~~minimum purchase quantity~~-Minimum Annual Purchase Quantity, and may be waived during a state of emergency declared by the Governor of California that impacts water supply use or deliveries from the Regional Water System.



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**2.03 Amendments**

...

**C. Amendments to Attachments.** The following attachments may be amended with the written concurrence of San Francisco and BAWSCA on behalf of the Wholesale Customers:

<u>Attachment</u>	<u>Name</u>
<u>C</u>	<u>Individual Supply Guarantees (amendments reflecting section 3.04 transfers only)</u>
<u>E</u>	<u>Minimum Annual Purchase Quantities (amendments reflecting section 3.04 transfers only)</u>
<u>E-1</u>	<u>Temporary Modified Minimum Annual Purchase Quantities</u>
G	Water Quality Notification and Communications Plan (2019 Update of 2017 Plan, Rev. 6)
J	Water Use Measurement and Tabulation
L-1	Identification of WSIP Projects as Regional/Retail
N-1	Balancing Account/Rate Setting Calculation Table
N-2	Wholesale Revenue Requirement Schedules
N-3	Schedule of Projected Water Sales, Wholesale Revenue Requirement and Wholesale Rates
P	Management Representation Letter
R	Classification of Existing System Assets (Subject to Section 5.11)

Amendments to these attachments shall be approved on behalf of San Francisco by the Commission and on behalf of BAWSCA by its Board of Directors, unless the Commission by resolution delegates such authority to the General Manager of the SFPUC or the Board of Directors by resolution delegates such authority to the General Manager/CEO of BAWSCA.



## PROPOSED CONTRACT AMENDMENT Regarding the Minimum Annual Purchase Quantity

DECEMBER 2021

### KEY AMENDMENT BENEFITS

- ✓ Provides an Expedited Process for Certain Types of Transfers
- ✓ Removes a Barrier to Maximizing Local Supplies
- ✓ Allows for Increased Purchases of RWS Supplies Resulting in a Reduced Unit Cost of Water to All Wholesale Customers
- ✓ Overcomes a Hurdle for Greater Use of Existing RWS Supply
- ✓ Protects the Financial and Water Supply Interests of All Wholesale Customers

### MINIMUM ANNUAL PURCHASE QUANTITY (MGD):

ACWD	7.648
Milpitas	5.341
Mountain View	8.930
<u>Sunnyvale</u>	<u>8.930</u>
Total:	30.849

### What Contract is Being Amended and Who Are the Parties?

The 2018 Amended and Restated Water Supply Agreement between the City and County of San Francisco and the Wholesale Customers in Alameda, San Mateo, and Santa Clara Counties (WSA).

**What Does the WSA Govern?** The WSA governs the supply of 184 million gallons of water per day (MGD), on an annual average basis, from the San Francisco Regional Water System (RWS) to the Wholesale Customers. The WSA also establishes rules and requirements for water purchases and transfers between the Wholesale Customers.

**Why is This Amendment Proposed?** In 2019, the Wholesale Customers directed BAWSCA to draft a proposed WSA amendment to provide a procedure for expedited and permanent transfers of Minimum Annual Purchase Quantity (Minimum Purchase) requirements, while safeguarding the financial and water supply interests of Wholesale Customers not participating in such transfers.

**What is a Minimum Purchase Requirement?** When the WSA was developed, four agencies with access to sources of supply not available to either San Francisco or the other Wholesale Customers at the time were required to purchase a “minimum annual quantity of water” from the RWS. Those four multi-source agencies are Alameda County Water District (ACWD), Milpitas, Mountain View, and Sunnyvale (Minimum Purchase Agencies).

These four Minimum Purchase Agencies are subject to a “take or pay” Minimum Purchase requirement, which guarantees an ongoing financial stake in the RWS and ensures financial stability for all Wholesale Customers as well as San Francisco retail customers that rely on the RWS. The total Minimum Purchase requirement is 30.849 MGD. Any change to the Minimum Purchase requirement necessitates an amendment to the WSA.

**Why Amend the Minimum Purchase Requirement?** The Wholesale Customers desire to remove obstacles to water transfers between individual member agencies. One such obstacle is the Minimum Purchase requirements. Establishing a means by which a Minimum Purchase requirement could be linked to a proposed water transfer would effectively remove that obstacle.

**What Does the Proposed Minimum Purchase Amendment Do?** The proposed amendment provides a contractual vehicle for Wholesale Customers with an Individual Supply Guarantee (ISG) to participate in a paired, expedited, and permanent transfer of a portion of ISG and Minimum Purchase.

**Is There a Limit to the Quantity of Minimum Purchase That Can Be Transferred?** Only 6 MGD of the total Minimum Purchase requirement may be transferred pursuant to this “pre-approved” pathway.

Additionally, Minimum Purchase Agencies may transfer no more than 50% of their total Minimum Purchase requirement. A future WSA amendment may increase these caps if demand for additional transfers exceeds these limits.

**What Are the Benefits of the Minimum Purchase Amendment?** The proposed amendment offers several benefits and solutions for the Wholesale Customers:

- ✓ Removes an existing barrier for a Minimum Purchase Agency to reduce the financial liability associated with the cost of imputed sales for Minimum Purchase water that is not use.
- ✓ Overcomes a hurdle for greater use of current RWS supply by enabling additional transfers between eligible Wholesale Customers.
- ✓ Increased purchases from the RWS result in reduced unit costs for all Wholesale Customers.
- ✓ Water transfers between Wholesale Customers offer potential water supply to meet needs for new developments within the BAWSCA service area.
- ✓ As indicated by the San Francisco Public Utilities Commission (SFPUC), maximizing the use of existing supplies through transfers facilitates the development of new supplies necessary to support San Jose and Santa Clara as permanent customers.

**Will the Proposed Amendment Result in New or Increased Risks to the Wholesale Customers?**

No. The proposed amendment protects the financial and water supply interests of Wholesale Customers not participating in transfers.

- ✓ The total Minimum Purchase remains the same regardless of transfers.
- ✓ Transferees must pay imputed sales for any transferred Minimum Purchase that is unused once the transfer becomes effective.
- ✓ Transferees must prove long-term demand for the transferred Minimum Purchase, beyond their average use over the five years prior to the transfer, for a period of three consecutive years before taking on a permanent Minimum Purchase requirement.
- ✓ Absent unchecked unlawful conduct, there is no new or different water supply reliability risk to non-participating agencies given (1) existing water use and (2) legal and contractual obligations.
- ✓ Absent unchecked unlawful conduct, there is no new or different financial risk as a result of this proposed amendment in the event of significant economic downturn based on (1) available transfer market and water use patterns and (2) current risks based on existing contract provisions that will remain unchanged by the proposed amendment.

**What Are the Risks of Not Approving the Minimum Purchase Amendment?** Neglecting to adopt the proposed amendment may hinder SFPUC's ability to implement new water supply projects necessary to (1) support San Jose and Santa Clara as permanent customers and (2) offset Bay Delta Plan/Tuolumne River Voluntary Agreement implementation. The development of new water supplies will be subject to CEQA. Showing that existing water available in the RWS is underutilized could hinder environmental approvals.

Without this proposed amendment, any transfer of a portion of Minimum Purchase among Wholesale Customers would require a new amendment to the WSA adopted by each Wholesale Customer's governing body in a separate action. This significant barrier to implementing transfers may prevent Minimum Purchase Agencies from pursuing these more challenging water transfers, reduce opportunities to provide cost-effective water supplies to new developments within the service area, and discourage maximum use of local supplies and conservation.

## **STAFF REPORT**

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

**From:** Mary Rogren, General Manager

**Agenda:** March 8, 2022

### **Report**

**Date:** March 2, 2022

**Subject:** Consider Resolution No. 2022-06 Approving a Minimum Purchase Transfer from the City of Mountain View to the City of East Palo Alto

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### **Recommendation:**

Adopt Resolution No. 2022-06 approving a minimum purchase transfer from the City of Mountain View to the City of East Palo Alto.

### **Background:**

In June 2009, Coastside County Water District (CCWD), entered into a Water Supply Agreement with the City and County of San Francisco (San Francisco) and Wholesale Customers in Alameda County, San Mateo County and Santa Clara County (WSA). The WSA establishes the terms by which the twenty-six Wholesale Customers purchase water from the San Francisco Regional Water System. The WSA builds upon the 1984 "Settlement Agreement and Master Water Sales Contract between the City and County of San Francisco and Certain Suburban Purchasers in San Mateo County, Santa Clara County and Alameda County."

In September 2017, the Bay Area Water Supply and Conservation Agency (BAWSCA) and the Water Management Representatives (WMRs) of the BAWSCA member agencies began reviewing the issue of Minimum Purchase Quantities, as described in Section 3.07.C of the WSA, and discussing the creation of a process to transfer Minimum Purchase Quantities. Throughout 2017 and 2018, the WMRs held multiple meetings during which the agencies currently subject to Minimum Purchase Quantity requirements and the other Wholesale Customers shared their interests and concerns regarding changes to the Minimum Purchase Quantity requirements and allowing transfers of Minimum Purchase Quantities.

in 2017, the City of Mountain View ("Mountain View") and the City of East Palo Alto ("East Palo Alto") were interested in transferring 1.0 million gallons per day ("MGD") of Mountain View's Minimum Annual Purchase Quantity ("Minimum Purchase") to East Palo Alto, however, at the time, there was no procedure in the WSA to effectuate such a transfer without amending the WSA. Therefore, the parties executed a water rights transfer agreement in which East Palo Alto agreed to pay Mountain View \$5 Million for the permanent transfer of all

rights, title, interest to 1.0 MGD of Mountain View's Individual Supply Guarantee (ISG) to East Palo Alto.

On January 8, 2019, this Board, by Resolution No. 2019-01, approved the Amended and Restated WSA, at which time the Wholesale Customers expressed a collective interest in working together to develop a process for the expedited and permanent transfer of Minimum Purchase Quantities. The Amended and Restated WSA does not currently allow a Minimum Purchase Customer to transfer a portion of its minimum purchase requirement and the associated financial obligation to another Wholesale Customer.

In 2019, the Wholesale Customers directed BAWSCA to draft a proposed amendment to the Amended and Restated WSA to provide a procedure for expedited and permanent transfers of Minimum Purchase Quantities that safeguards the financial and water supply interests of Wholesale Customers not participating in such transfers. In 2020, Mountain View and East Palo Alto began discussing a possible future transfer of a portion of Mountain View's Minimum Purchase Quantity to East Palo Alto.

The Councils of East Palo Alto and Mountain View each approved the conversion of the 1.0 MGD of Mountain View's ISG sold to East Palo Alto in 2017 into a transfer of up to 1.0 MGD of Mountain View's Minimum Purchase Quantity to East Palo Alto, in increments of 0.25 MGD, subject to the City Councils' approval of an agreement for each incremental transfer and the approval of the Wholesale Customers and San Francisco. East Palo Alto and Mountain View are authorized and prepared to execute a negotiated agreement memorializing a 0.25 MGD transfer of Mountain View's Minimum Purchase Quantity to East Palo Alto.

At this meeting, the Board considered and approved the "2021 Amended and Restated Water Supply Agreement Between the City and County of San Francisco and Wholesale Customers in Alameda County, San Mateo County, and Santa Clara County" ("2021 WSA") as amended to allow Wholesale Customers with ISGs to permanently transfer a portion of Minimum Purchase Quantity through an expedited procedure. In conjunction with consideration of the 2021 WSA, East Palo Alto and Mountain View propose the Wholesale Customers and San Francisco approve, in advance, the terms and conditions for converting up to 1.0 MGD of Mountain View's ISG purchased by East Palo Alto in 2017 into at transfer of 1.0 MGD of Mountain View's Minimum Purchase Quantity to East Palo Alto, in 0.25 MGD increments, if Mountain View and East Palo Alto mutually agree to such incremental transfers in the future and provided the conditions outlined below are met. Because the 2017 Mountain View/East Palo Alto ISG transfer predates the Minimum Purchase Amendment, the Mountain View/East Palo Alto Minimum Purchase Transfer must be accomplished separately from the adoption of the Minimum Purchase Amendment.

### Proposed Amendment

The proposed amendment would provide advance approval for the conversion of up to 1.0 MGD of Mountain View's ISG, sold to East Palo Alto in 2017 into a transfer of up to 1.0 MGD of Mountain View's ISG plus up to 1.0 MGD of Mountain View's Minimum Purchase Quantity to East Palo Alto, in 0.25 MGD increments, if all of the following terms and conditions are satisfied:

- a. Mountain View will transfer up to 1.0 MGD of its Minimum Purchase Quantity to East Palo Alto, in increments of 0.25 MGD, subject to the Mountain View City Council's and the East Palo Alto City Council's approval of an agreement for each incremental transfer.
- b. For each incremental transfer, a Temporary Modified Minimum Annual Purchase Quantity will be calculated for East Palo Alto that is equal to the City's five-year average water use from the SFPUC for the most recent non-drought years prior to the 2017 ISG purchase, plus the incremental transfer amount(s).
- c. For each incremental transfer, Mountain View will maintain, and be responsible for paying any imputed sales for, its current Minimum Purchase requirement in effect at that time, as set forth in Attachment E of the WSA, including up to 1.0 MGD ISG transfer to East Palo Alto, until East Palo Alto's water use meets the Temporary Modified Minimum Annual Purchase Quantity for three consecutive years.
- d. East Palo Alto will not be required to pay imputed sales associated with the Temporary Modified Minimum Annual Purchase Quantity for any incremental transfer of the 1.0 MGD of Mountain View's Minimum Purchase requirement.
- e. For each incremental transfer, once East Palo Alto has met the Temporary Modified Minimum Annual Purchase Quantity for three consecutive years, the incremental portion of Mountain View's Minimum Purchase Quantity transferred to East Palo Alto will become East Palo Alto's Minimum Purchase Quantity, and Mountain View's Minimum Purchase Quantity will be reduced by an equivalent amount. East Palo Alto's new Minimum Purchase Quantity will be included in Attachment E and both cities' Individual Water Sales Contracts will be updated to reflect this transfer.
- f. With exception of the incremental transfers that are the subject of this resolution and the agreement between East Palo Alto and Mountain View described herein, any additional transfers of Minimum Purchase Quantity, either from another Wholesale Customer or from Mountain View in excess of the 1.0 MGD, are subject to Section 3.04 of the 2021 WSA.

**STAFF REPORT**

**Agenda: March 8, 2022**

**Subject: Resolution Approving the Minimum Purchase Transfer**

**Page 4**

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**FISCAL IMPACT**

No Fiscal Impact is anticipated from this action.

**Attachments:**

A: Resolution No. 2022-06 Approving a Minimum Purchase Transfer from the City of Mountain View to the City of East Palo Alto.

Attachment A

RESOLUTION NO. 2022-06

OF THE BOARD OF DIRECTORS OF COASTSIDE COUNTY WATER DISTRICT  
APPROVING A  
MINIMUM PURCHASE TRANSFER FROM  
THE CITY OF MOUNTAIN VIEW TO THE CITY OF EAST PALO ALTO

WHEREAS, the City and County of San Francisco ("San Francisco") Public Utilities Commission ("SFPUC" or "Commission") operates the Regional Water System, which delivers water to water supply agencies in Alameda, San Mateo, and Santa Clara Counties (collectively, "the Parties"); and

WHEREAS, in April 2003, water supply agencies in Alameda, San Mateo and Santa Clara Counties (collectively, the "Wholesale Customers") established the Bay Area Water Supply and Conservation Agency ("BAWSCA"), as authorized by Water Code Section 81300 *et seq.*; and

WHEREAS, in November of 2018, San Francisco and the Wholesale Customers (the "Parties") entered into the Amended and Restated Water Supply Agreement ("WSA"); and

WHEREAS, the Parties have identified intra-system water transfers as one potential solution to long-term water reliability needs among the Wholesale Customers; and

WHEREAS, in 2017, the City of Mountain View ("Mountain View") and the City of East Palo Alto ("East Palo Alto") were interested in transferring 1.0 million gallons per day ("MGD") of Mountain View's Minimum Annual Purchase Quantity ("Minimum Purchase") to East Palo Alto, however, at the time, there was no procedure in the WSA to effectuate such a transfer without amending the WSA; and

WHEREAS, in 2017, Mountain View and East Palo Alto executed a water rights transfer agreement in which East Palo Alto agreed to pay Mountain View \$5 Million for the permanent transfer of all rights, title, interest to 1.0 MGD of Mountain View's Individual Supply Guarantee (ISG) to East Palo Alto; and



WHEREAS, in August 2018, BAWSCA and San Francisco provided the Wholesale Customers a revised Attachment C to the Water Supply Agreement reflecting the updated ISG amounts for Mountain View and East Palo Alto, as a result of the 1.0 MGD transfer of ISG from Mountain View to East Palo Alto; and

WHEREAS, Mountain View continues to be subject to a Minimum Purchase of 8.93 MGD and the financial obligation of paying for imputed sales for the portion of Minimum Purchase that it does not use; and

WHEREAS, in 2020, Mountain View and East Palo Alto began discussing a possible future transfer of a portion of Mountain View's Minimum Purchase to East Palo Alto; and

WHEREAS, on January 26, 2021, the SFPUC adopted the 2021 Amended and Restated Water Supply Agreement ("2021 WSA"), which includes a new procedure by which Wholesale Customers with ISGs may participate in permanent expedited transfers of a portion of Minimum Purchase and ISG, without creating new or different risks to the water supply and financial interests of Wholesale Customers not participating in such transfers; and

WHEREAS, the 2021 WSA has been or will be presented to the governing body of each Wholesale Customer, and if approved, will permit Wholesale Customers with an ISG to transfer and accept a portion of another Wholesale Customer's Minimum Purchase, if certain requirements are satisfied; and

WHEREAS, on April 20, 2021, East Palo Alto approved the conversion of the 1.0 MGD of Mountain View's ISG sold to East Palo Alto in 2017 into a transfer of up to 1.0 MGD of Mountain View's Minimum Purchase to East Palo Alto, in increments of 0.25 MGD or other amount, subject to the City Council's approval of an agreement for each incremental transfer and the approval of the Wholesale Customers and San Francisco; and

WHEREAS, on June 8, 2021, Mountain View approved the conversion of the 1.0 MGD of Mountain View's ISG sold to East Palo Alto in 2017 into a transfer of up to 1.0 MGD of Mountain View's Minimum Purchase to East Palo Alto, in increments of 0.25 MGD, subject to the City Council's approval of an agreement for each incremental transfer and the approval of the Wholesale Customers and San Francisco; and

WHEREAS, East Palo Alto and Mountain View are authorized and prepared to execute a negotiated agreement memorializing the terms and conditions of a 0.25 MGD transfer of Mountain View's Minimum Purchase to East Palo Alto; and

WHEREAS, as noted below, one of the conditions of the negotiated agreement between Mountain View and East Palo Alto is that, in exchange for the 0.25 MGD of Minimum Purchase transfer, Mountain View will provide East Palo Alto with an immediate Right-of-First Refusal for drought water transfers at the same volume as the Minimum Purchase transfer, pursuant to Appendix H of the 2021 WSA; and

WHEREAS, in conjunction with consideration of the 2021 WSA, East Palo Alto and Mountain View propose the Wholesale Customers and San Francisco approve, in advance, the terms and conditions for converting up to 1.0 MGD of Mountain View's ISG purchased by East Palo Alto in 2017 into a transfer of 1.0 MGD of Mountain View's Minimum Purchase to East Palo Alto, in 0.25 MGD increments, if Mountain View and East Palo Alto mutually agree to such incremental transfers in the future and provided the conditions outlined below are met; and

WHEREAS, if up to 1.0 MGD of Mountain View's ISG purchased by East Palo Alto in 2017 is converted into a transfer of up to 1.0 MGD of Mountain View's Minimum Purchase to East Palo Alto, up to 1.0 MGD of Minimum Purchase, in 0.25 MGD increments, will be counted towards the total Minimum Purchase that may be transferred pursuant to Section 3.04.C.1 of the 2021 WSA; and

WHEREAS, this parallel action continues to require the calculation of a Temporary Modified Minimum Annual Purchase Quantity, set out in Attachment E-1 in the 2021 WSA; however, the transferor, Mountain View, is responsible for the imputed sales associated with transfers to East Palo Alto up to 1.0 MGD, until the terms and conditions outlined below are satisfied; and

WHEREAS, in accordance with the water transfer provisions of the 2021 WSA, Mountain View and East Palo Alto will coordinate with San Francisco and BAWSCA to document Temporary Modified Minimum Annual Purchase Quantities to be included on Attachment E-1, transferred Minimum Annual Purchase Quantities to be included on Attachment

E, when timely, and amendments to each cities' Individual Water Sales Contract with San Francisco.

NOW, THEREFORE, BE IT RESOLVED that the Coastside County Water District Board of Directors finds as follows:

1. The Coastside County Water District Board of Directors approves, in advance, the conversion of up to 1.0 MGD of Mountain View's ISG, sold to East Palo Alto in 2017 into a transfer of 1.0 MGD of Mountain View's ISG plus up to 1.0 MGD of Mountain View's Minimum Purchase to East Palo Alto, in 0.25 MGD increments, if all of the following terms and conditions are satisfied:
  - a. Mountain View will transfer up to 1.0 MGD of its Minimum Purchase to East Palo Alto, in increments of 0.25 MGD, subject to the Mountain View City Council's and the East Palo Alto City Council's approval of an agreement for each incremental transfer.
  - b. For each incremental transfer, a Temporary Modified Minimum Annual Purchase Quantity will be calculated for East Palo Alto that is equal to the City's five-year average water use from the SFPUC for the most recent non-drought years prior to the 2017 ISG purchase, plus the incremental transfer amount(s).
  - c. For each incremental transfer, Mountain View will maintain, and be responsible for paying any imputed sales for, its Minimum Purchase requirement in effect at that time, as set forth in Attachment E of the WSA, including up to 1.0 MGD ISG transfer to East Palo Alto, until East Palo Alto's water use meets the Temporary Modified Minimum Annual Purchase Quantity for three consecutive years.
  - d. East Palo Alto will not be required to pay imputed sales associated with the Temporary Modified Minimum Annual Purchase Quantity for any incremental transfer of the 1.0 MGD of Mountain View's Minimum Purchase requirement.

- e. For each incremental transfer, once East Palo Alto has met the Temporary Modified Minimum Annual Purchase Quantity for three consecutive years, the incremental portion of Mountain View's Minimum Purchase transferred to East Palo Alto will become East Palo Alto's Minimum Purchase, and Mountain View's Minimum Purchase will be reduced by an equivalent amount. East Palo Alto's new Minimum Purchase will be included in Attachment E and both cities' Individual Water Sales Contracts will be updated to reflect this transfer.
  
- f. With exception of the incremental transfers that are the subject of this resolution and the agreement between East Palo Alto and Mountain View described herein, any additional transfers of Minimum Purchase, either from another Wholesale Customer or from Mountain View in excess of the 1.0 MGD, are subject to Section 3.04 of the 2021 WSA.

I hereby certify that the foregoing Resolution No. 2022-06 was duly and regularly adopted at a regular meeting of the Coastside County Water District Board of Directors on March 8, 2022, by the following vote:

AYES:

NOES:

ABSENT:

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Robert Feldman, President  
Board of Directors

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Mary Rogren, General Manager  
Secretary of the District

**STAFF REPORT**

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

**From: Mary Rogren, General Manager**

**Agenda: March 8, 2022**

**Date: March 3, 2022**

**Subject: Waive the Procedural Requirements for Sealed Competitive Bids and Authorize the General Manager to Enter Into a Contractual Agreement with Half Moon Bay Paving and Grading Inc. for Denniston Road Storm Damage Repairs**

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**Recommendation:**

Waive the procedural requirements for sealed competitive bids and authorize the General Manager to enter into a contractual agreement with Half Moon Bay Paving and Grading Inc. for \$83,913 to repair the storm damaged lower portion of Denniston Road.

**Background:** The intense storms of October and December 2021 caused higher than normal creek flows in Denniston canyon. These high flow events caused the creek to migrate across the access road, wash out a portion of the surface and exposed a shallow drainage pipe. These flows ran across roughly a ~900' portion of the unpaved road just above the Denniston reservoir. This water continued to flow over the road for several months after the rain stopped.

Once the road was dry enough, staff evaluated the situation and placed some temporary rock in the damaged portion of the road. After consulting with our wildlife biologist, Jim Steele, staff developed a simple specification to raise the road elevation by 30" along where the creek flow tends to migrate to the opposite side of the road. This will be achieved by harvesting local soil from the adjacent farm roads that need grading, some fill from the dredging spoils area and importing rock. No work will take place in the streambed.

Due to the urgency of the need to fix Denniston Road to access the District's facilities and the need to complete the work before the next heavy rainstorm, staff solicited informal bids from three local contractors. All quantities requested were found to be accurate in the three responsive bids. Half Moon Bay Paving and Grading Inc. submitted the lowest bid. See Attachment A.

**Bid Results**

Half Moon Bay Paving and Grading	\$83,913
Golden Bay Construction	\$114,335
Andreini Bros	\$137,564

This project includes: 900 linear feet of road prep, local dirt used for fill, install V ditch, DI and culvert, install rip rap, install 6" of class II base.

**Fiscal Impact:**

Funding for this project will be funded by the Fiscal Year 2021/2022 Unscheduled CIP which is budgeted for \$100,000.

Attachment A - Half Moon Bay Grading & Paving Inc.



## Half Moon Bay Grading & Paving Inc.

1780 Higgins Canyon Road  
 Half Moon Bay, Ca 94019-2522  
 CA Lic. 400482 Union/SBE/DBE Contractor  
 Ph: 650-726-3588 Fax: 650-726-3582  
 DIR 1000002698 hmbpave@sbcglobal.net

## Proposal

Date	Proposal #
2/24/2022	4550

### Customer

Coastside County Water District\*  
 766 Main Street  
 Half Moon Bay, Ca. 94019  
 Ph: 726-4405 Fax: 726-5245

Item	Location/Description	Total
Contract	<p>Denniston Creek Road per quantities provided by Darin Sturdivan***</p> <p>(1) Road work is approximately 900 LF            Remove 3" X 5" rock to be placed on creek side. Remove existing culvert before fill is placed.</p> <p>(2) All fill dirt is to be placed on road for approximate 900 LF and compacted, an estimated 200 to 300 yards to come from stock pile in the back of CCWD and placed on road.</p> <p>(3) Ranch Road dirt to be cut 3" to 4", approximately 600 yards + or - and placed on Denniston Creek Road. Regrade existing Ranch Road after dirt removal.</p> <p>(4) Cut V ditch on topside to new 3 X 3 box. I box with HDPE 20' X 18" culvert.</p> <p>(5) Place Rip Rap on the low side of the road at culvert area, approximately 20 tons of 2' X 2'.</p> <p>(6) Place A/B class two rock on road way 6" of compacted rock is from Langley Hill Quarry. ( This rock is not recycled )</p> <p>Exclusions; Permits, bonds, SWPPP, erosion control, staking, surveying or testing of any type or related fees. Export of materials from site, concrete work, asphalt or any other work not listed above for items 1-6***</p>	83,913.00
For your review and response...	<b>Total</b>	\$83,913.00

## **STAFF REPORT**

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

**From:** Mary Rogren, General Manager

**Agenda:** March 8, 2022

**Date:** March 4, 2022

**Subject:** Waive the Procedural Requirements in the District's Policies and Procedures for Award of Contracts, and Authorize the General Manager to Enter into an Agreement with Pump Repair Service Company for the Crystal Springs Pump 2 Replacement including Purchase of a New Spare Pump and 350 Hp Motor, Materials, Refurbishment of Old 350 Hp Motor, and Installation

---

### **Recommendation:**

Waive the procedural requirements in the District's Policies and Procedures for Award of Contracts and authorize the General Manager to enter into an agreement with Pump Repair Service Company for the Crystal Springs Pump #2 replacement including purchase of a new spare pump and 350 HP motor, materials, refurbishment of the old 350 Hp motor and installation in the not to exceed amount of \$246,618.

### **Background:**

Crystal Springs Pump Station (CSP) #2 Pump (P2) currently has ~19,000 hours of runtime on it and is ~13 years old and is approaching the end of its service life.

Granted Crystal Springs is the primary water source for the District during the Summer and Fall, staff recommends that the District proactively replace P2, the motor, refurbish the old motor and purchase a spare pump. Staff is concerned that significant equipment and material supply chain issues may cause long delays in obtaining the necessary materials to replace P2. The new motor will be installed with the spare pump as soon as the motor and materials are delivered. The old motor will be refurbished and stored as an emergency spare. The new pump will also be stored as spare that can be installed in either the P1 or P2 positions if needed. The replacement spare pump will take ~14 weeks to build and deliver. The new motor is expected to take ~10 weeks, material for installation is ~2-3 weeks out.



**STAFF REPORT**

**Agenda: March 8, 2022**

**Subject: CSP P2 Replacement**

**Page 2**

Cost Breakdown:

<b>Item</b>	<b>Amount</b>	<b>Attachment A</b>
New Pump	\$79,875.47	Pg. 1
New 350 Hp Motor	\$57,367.19	Pg. 2
Materials (Tube, Shaft, Bearings, Seal, Hardware)	\$81,792.50	Pg. 3
Refurbish Old 350 Hp Motor	\$ 8,036.88	Pg. 4
Labor to Pull/Install Pump/Motor	\$19,545.00	Pg. 5
<b>Total</b>	<b>\$246,617.04</b>	

Determination of Waiving Competitive Bidding Requirements:

Staff is requesting to replace the spare pump and motor in the total amount of \$246,617.04 (Attachment A), and to waive the competitive bidding requirements of Resolution 2016-09 in order to sole source the purchase and installation from Pump Repair Services Company (PRS.).

District staff recommends the replacement pump for CSP P2 be Floway only in order to precisely match the original high head design point of these pumps and in order minimize the need to stock, or have available, various brands of spare parts for different pumps at one station. Standardizing the components of this critical water supply pump station as much as possible better prepares District staff for swift response to equipment failures and emergencies.

PRS is the exclusive distributor of Floway pumps and is the most familiar service provider with this critical infrastructure. If the District requested pump bids from other vendors those vendors would have to acquire the pump from PRS.

PRS has been in business in the San Francisco Bay Area since 1941 and servicing the Districts pumping needs since 1980. Due to the criticality of this water supply pump station and PRS's excellent track record with the District, staff is strongly recommending we stick with Floway Pumps and PRS for this work.

**Fiscal Impact:**

Cost for the P2 replacement and the purchase of a spare pump and motor and refurbishing the existing motor is \$246,617.04 and is an addition to the Capital Improvement Program (CIP).



February 24, 2022

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

Attn: Darin Sturdivan

**SUBJECT: CRYSTAL SPRINGS PUMPING STATION: NO. 2 PUMP**

Dear Darin,

1 – **Weir Floway Model 12DKH**, 16 stages  
vertical bowl assembly with SS strainer  
to duplicate S/N 91-02239-40 ..... \$71,029.00  
**Design Conditions: 1325 GPM @ 830' TDH**

Factory freight (estimated)..... 2,000.00  
Sales tax 9 3/8%..... 6,846.47  
**Total..... \$79,875.47**  
Delivery ..... 14 Weeks

Price good for 60 days.

If you have any questions on the above pricing, please give me a call.

Sincerely,

Wayne Archer

WA/dm



# PUMP REPAIR SERVICE CO.

February 24, 2022

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

Attn: Darin Sturdivan

**SUBJECT: CRYSTAL SPRINGS PUMPING STATION MOTOR #2**

Dear Darin,

We are pleased to provide you with a quote to replace the following motor:

1 –G.E. 350 HP, 1800 RPM, 460 volts, Frame 449, premium  
 efficiency WP-1, Type VSS, motor per existing motor ..... \$49,450.00

**Includes adders:**

Thrust 3 stacked bearings  
 120 volts space heaters  
 Set of 6 100 OHM platinum resist temperature detectors  
 100 OHM platinum bearing temperature detectors in thrust end  
 440d-r PMC beta vibration switch

Factory Freight (estimated) .....	3,000.00
Sales tax 9 3/8%.....	4,917.19
<b>Total.....</b>	<b>\$57,367.19</b>
Estimated Delivery.....	10 to 12 weeks

**Notes:**

- Price is good for 60 days

If you have any questions on the above, please give me a call.

Sincerely,



Wayne Archer

WA/dm



# PUMP REPAIR SERVICE CO.

February 24, 2022

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

Attn: Darin Sturdivan

**SUBJECT: CRYSTAL SPRINGS PUMPING STATION: PUMP #2**

Dear Darin,

We are pleased to provide you with pricing on the following materials for the Floway model 12 DKH 16 stage pump.

13 – 12" x 10' Schedule 40 column pipes T&C	
@ \$1,670.00 each .....	\$21,710.00
2 – 12" x 5' Schedule 40 column pipes T&C	
@ \$914.00 each .....	1,828.00
1 – 12" x 3' Schedule 40 column pipe .....	720.00
13 – 1 15/16 x 10' 316 SS shafts with 304 SS shaft sleeves	
and 304 SS couplings @ \$1,745.00 each .....	22,685.00
2 – 1 15/16 x 5' 316 SS shafts with 304 SS shaft sleeves	
and 304 SS couplings @ \$1,155.00 each .....	2,310.00
1 – 1 15/16 x 6' 316 SS head shaft .....	1,432.00
16 – 12" x 2 1/8 bronze column spider bearings	
@ \$340.00 each .....	5,440.00
1 – Stuffing box bushing .....	380.00
1 – <b>John Crane</b> 2.625 type 1B cartridge mechanical	
Seal .....	7,151.00
6 – 2" x 4" x 24" zinc anodes @ \$290.00	
each .....	1,740.00
Misc. hardware .....	400.00
Material Total .....	65,796.00
Factory freight (estimated) .....	3,500.00
Sales tax 9 3/8% .....	6,496.50
Weld on anodes onto column pipe .....	1,680.00
Shop labor .....	4,320.00
<b>Estimated Total .....</b>	<b>\$81,792.50</b>
Delivery on material .....	2 to 3 Weeks
Price good for 60 days	

If you have any questions on the above estimate, please give me a call.

Sincerely,



Wayne Archer

WA/dm

 **PUMP REPAIR SERVICE CO.**

February 24, 2022

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

Attn: Darin Sturdivan

**SUBJECT: CRYSTAL SPRING PUMPING STATION: NO. 2 MOTOR**

Dear Darin,

We are pleased to provide you with an estimate to repair the 350 HP GE VSS motor.

1 – Set of bearings.....	\$2,940.00
Turbo oil and oil sight glass.....	<u>280.00</u>
Materials .....	3,220.00
Sales tax 9 3/8% .....	301.88
Balance motor rotor.....	725.00
Clean, dip and bake 350 HP stator .....	550.00
Shop labor.....	<u>3,240.00</u>
<b>Estimated Total .....</b>	<b>\$8,036.88</b>
Turnaround .....	2 Weeks
Price good for 60 days.	

If you have any questions on the above, please give me a call.

Sincerely,



Wayne Archer

WA/dm

 **PUMP REPAIR SERVICE CO.**

February 24, 2022

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

Attn: Darin Sturdivan

**SUBJECT: CRYSTAL SPRING PUMPING STATION: NO. 2 PUMP**

Dear Darin,

We are pleased to provide an estimate on the following work. We will remove the existing 350 HP Floway deep well vertical turbine pump and motor for inspection. We will prepare and reinstall the spare bowl assembly.

Estimated field labor to remove existing pumping equipment (3 days) .....	\$6,750.00
Service truck .....	225.00
Prepare to install customer's spare equipment (2 days boom truck).....	2,820.00
Estimated field labor to reinstall customer's spare pumping equipment (4 days) ...	9,450.00
Service truck .....	<u>300.00</u>
<b>Estimated Total .....</b>	<b>\$19,545.00</b>

If you have any questions on the above estimate, please give me a call.

Sincerely,



Wayne Archer

WA/dm

## **STAFF REPORT**

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

**From:** Mary Rogren, General Manager

**Agenda:** March 8, 2022

### **Report**

**Date:** March 4, 2022

**Subject:** Review Loan Terms with First Foundation Bank for the Financing of Capital Improvements to the Water System.

---

### **Recommendation:**

For discussion only.

### **Background:**

The Board has previously authorized the General Manager to commence the process to raise funds needed for significant and comprehensive upgrades to the District's Nunes Water Treatment Plant. The General Manager reviewed the District's Financing Model with the Financing team and recommended applying for \$7M in funding for this important Capital Improvement Project.

The District selected Backstrom McCarley Berry & Co., LLC (BMcB), to serve as municipal advisor to the District on the financing, and Jones Hall, A Professional Law Corporation, to serve as the District's Bond Counsel. Both firms assisted the District with its last private placement financing, back in 2018.

At the February 8, 2022 Board of Directors Meeting, the Board approved Resolution 2022-03. This resolution accomplished the following:

1. Approval of the Loan and the Loan Agreement.
2. Designation of the Loan Agreement as "bank qualified" for purposes of Section 265(b)(3) of the Tax Code.
3. Authorization/Ratification of the designation of Backstrom McCarley Berry & Co. as the District's Placement Agent and Jones Hall as the District's Bond Counsel.
4. Authorization of the General Manager to choose the Lender and execute and deliver the Loan Agreement and related certificates, consents, and agreements necessary to complete the financing.

On January 28, 2022, BMcB sent a request for proposals to qualified lenders that may be interested in financing the District's capital improvement projects. Eight lenders responded and First Foundation Bank provided the best option for the District offering a \$7M 20-year fixed rate loan with an "All in Cost" interest rate of

**STAFF REPORT**

**Agenda: March 8, 2022**

**Subject: Review Loan Terms with First Foundation Bank**

**Page Two**

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2.34%. At a Special Board Meeting on February 17, 2022, the Board reviewed the results of the request for proposals with Brant Smith, the District's Municipal Advisor from BMcB, and confirmed, as authorized by Resolution 2022-03 proceeding with the First Foundation Bank as the lender.

The loan process is on track to close on March 11. Details of the terms of the loan are included in Attachment A.

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# Coastside County Water District

## 2022 Tax-Exempt Water Revenue Loan - CALENDAR

JANUARY 2022						
S	M	T	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

FEBRUARY 2022						
S	M	T	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28					

MARCH 2022						
S	M	T	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

← CONGRATULATIONS !!

2/11/22 10yr Tsy 1.92%  
 First Foundation Bank 2.23%

### JANUARY

January 27th      Bank Loan RFP Distributed       District Loan RFP sent out to multiple Banks and Lenders

### FEBRUARY

- February 8th 7:00 PM      February Board Meeting       Staff Report, Reso Authorizing Debt Issuance, any required legal docs  
*(\*above drafts due February 2nd - Board Agenda Deadline)*
- February 11th      Bank Loan RFP Due       Receive responses to Bank Loan RFP from multiple Banks and Lenders
- Week of February 14th      Bank/Lender Selected       Provide Analysis of Lender Responses. District/GM chooses Lender - **RATE LOCKED**
- Week of February 21st      Loan Math Verified       Finalize Math & Cash Flow Analysis on Loan - Confirm & correspond with Lender Term Sheet
- Week of February 28th (March 3rd)      Legal & Loan Docs Finalized       **Final Closing Docs Finalized.** Wiring Instructions & Closing Memo Prepared  
*Docs will be sent and signed week of March 7th*

### MARCH

- March 8th 7:00 PM      March Board Meeting       Post-financing summary available for GM and Board
- March 11th      **CLOSING \$\$**       Funds Wired to District



## Coastside County Water District - *Lender Response Analysis* 2022 Water Revenue Loan

Bank / Lender	Term	Amount	Interest Rate	Rate Guaranty	Prepayment Provisions	Fees	AIC	Total Debt Service	Total Interest
1 First Foundation Bank	20yr	\$7,074,275	2.23%	3/11/2022	7yr @ 100	\$10,000	2.34%	\$8,850,074	\$1,775,799
2 Webster Bank (Sterling)	20yr	\$7,064,275	2.59%	3/11/2022	3yr @ 102; DTP 10yr	\$0	2.686%	\$9,143,847	\$2,079,572
3 Truist Bank	20yr	\$7,069,275	2.72%	3/25/2022	10yr @ 100	\$5,000	2.825%	\$9,262,311	\$2,193,036
4 Capital One Public Finance	20yr	\$7,064,275	2.83%	3/11/2022	10yr @ 100	\$0	2.928%	\$9,350,994	\$2,286,719
5 CoBank	20yr	\$7,074,275	3.10% / 3.40%	3/11/2022	MH / 7yr @ 100	\$10,000	3.214%	\$9,600,389	\$2,526,114
6 Muni Finance Corp.	20yr	\$7,071,775	3.15%	3/11/2022	7yr @ 100	\$7,500	3.260%	\$9,641,034	\$2,569,259
7 Western Alliance Bank	20yr	\$7,074,275	3.59%	3/11/2022	7yr @ 100	\$10,000	3.707%	\$10,036,374	\$2,962,099
8 California Bank & Trust	15yr	\$7,066,775	2.28%	3/11/2022	Anytime @ 100	\$2,500			

vs. \$79k expenses and 2.85% in 2018 (14yrs)



January 28, 2022



**Coastside County Water District**

**Direct Placement – 2022 Water Revenue Loan Agreement**

**Request for Proposals – due Friday, February 11th, 2022, 3:00 p.m. PT**

Coastside County Water District (the “District”) is requesting proposals for a fixed-rate financing that will provide the District with up to \$7,100,000. The funds will be used to finance significant and comprehensive upgrades to the District’s Nunes Water Treatment Plant, and to pay for the associated costs of issuance.

Coastside County Water District is located in San Mateo County along the coast of the Pacific Ocean, approximately 25 miles south of San Francisco. The District provides water service to the City of Half Moon Bay and surrounding unincorporated areas including the communities of El Granada, Miramar and Princeton by the Sea. The District serves an estimated population of 18,000 through 7,438 accounts. The District’s water supply is derived from water purchased from the San Francisco Public Utilities Commission (SFPUC), groundwater and local surface water. The District currently maintains 2 water treatment plants, five infiltration wells, 8 ground water wells, and 11 treated water storage tanks with a total storage capacity of 8.1 million gallons.

The Nunes Water Treatment Plant is a key facility for the District. Seventy-five percent of the District’s drinking water is produced through this facility.

If you would be interested in financing this project, please submit a proposal outlining all your anticipated costs and clarifying all material terms and conditions as requested below. Please review the following for additional information.

**Financing Team**

Municipal Advisor: Backstrom McCarley Berry & Co., LLC  
Bond Counsel: Jones Hall

**2022 Water Revenue Loan Agreement Financing Terms**

Purpose: Proceeds will be used to finance significant and comprehensive upgrades to the District’s Nunes Water Treatment Plant.  
Estimated Par Amount: \$7,100,000 (subject to adjustment)  
Term/Structure: 20-year financing – final maturity October 1, 2042  
Interest Payments: Semi-annual interest payments on April 1 & October 1, commencing October 1, 2022.  
Principal Payments: Annually, commencing October 1, 2022.  
Interest Rate: Fixed for the term of the financing.



Security for Repayment:	Net Revenues pledge of the District's water system, on parity with three prior obligations of the District (2011 Installment Sale Agreement with IBank, 2016 Installment Sale Agreement with IBank, and 2018 Loan Agreement with JPMorgan Chase Bank), copies of which are available upon request.
Optional Prepayment:	All prepayment options will be considered. The District prefers flexibility and the ability to prepay the obligation without penalty.
Loan Drawdown:	Please indicate if the bank is willing to provide the borrower with the ability for loan proceed drawdowns over an extended period. If allowable, please indicate credit line facility fee prior to each drawdown, the maximum period for the final draw, and any key conditions to each draw.
Bank Qualified:	Yes
Tax Treatment:	Interest will be tax-exempt for both federal and California state income tax purposes.
Documentation & Legal:	The District has engaged Jones Hall to produce legal documents, provide a validity opinion with respect to the loan agreement, and tax opinion on the treatment described above.
Rating:	Non-rated.
Reserve Fund:	The District does not anticipate funding a DSRF.
Closing Date:	Friday, March 11, 2022. Rate must remain locked until closing.

### **Information to be Submitted by Proposer**

1. Proposed interest rate and ability to lock rate until closing
2. Prepayment provisions
3. Any documents required apart from standard documentation
4. Any financial reporting requirements and debt service coverage requirements
5. Proposer's costs for reimbursement by District (i.e. bank counsel, up-front fees, etc.)
7. Timeframe for final credit approval and sign off
8. Representation that present intent is to hold its interest in the loan agreement to maturity or early redemption (MSRB G34)

The District will evaluate all proposals and select the proposal providing the best overall value for the District. The District reserves the right to exercise its own discretion in making the award or to reject all bids.



The loan will not have a CUSIP number associated with it. Backstrom McCarley Berry & Co., LLC is serving the District as municipal advisor and represents the interests of the District, not the lender.

**Proposal Procedures**

Proposals should be submitted in the form of a term sheet.

Interested firms may submit proposals via email in PDF format to the addresses below:

Brant Smith: bsmith@bmcbbc.com    Jesse Ortega: jortega@bmcbbc.com

**All proposals are due by 3:00 PM PT on Friday, February 11, 2022.** Late delivery of proposals may result in disqualification from consideration. Inquiries regarding the RFP should be submitted via email to Brant Smith, bsmith@bmcbbc.com. Responses to inquiries will be provided to any firm upon request. If modifications or clarifications to the RFP are necessary, a written addendum will be issued to each recipient of the original RFP.

Illustrative principal schedule below:

Date	Principal
10/1/2022	334,802
10/1/2023	257,476
10/1/2024	264,556
10/1/2025	271,832
10/1/2026	279,307
10/1/2027	286,988
10/1/2028	294,880
10/1/2029	302,990
10/1/2030	311,322
10/1/2031	319,883
10/1/2032	328,680
10/1/2033	337,719
10/1/2034	347,006
10/1/2035	356,548
10/1/2036	366,354
10/1/2037	376,428
10/1/2038	386,780
10/1/2039	397,416
10/1/2040	408,345
10/1/2041	419,575
10/1/2042	431,113
<b>Total</b>	<b>7,080,000</b>

20 Year Term  
Avg. Life 11.41 yrs



February 11, 2022

RE: **Coastside County Water District  
2022 Revenue Financing**

Based upon your request and preliminary review of the information provided to-date, First Foundation Public Finance (“FFPF”) would like express its interest in underwriting and obtaining credit approval for the following Credit Facility to the Coastside County Water District, CA (“Borrower”) based on the terms outlined below. This Letter is provided by First Foundation Public Finance for discussion purposes only. *It is not intended to be binding, does not create any obligation on the part of First Foundation Public Finance to Sponsor or any third party, and is not a commitment to lend or agreement of any kind. No obligation whatsoever on the part of First Foundation Public Finance shall arise until execution and delivery of a formal commitment or loan documentation by a duly authorized officer of First Foundation Public Finance, which obligation shall be subject to all of the conditions contained therein.*

The proposed loan conditions are:

**STRUCTURE:** Term

**PURPOSE:** Finance improvements to the District’s Nunes Water Treatment Plant

**MAX. LOAN AMT:** \$7,250,000

**INTEREST RATE:** Tax-exempt BQ: 2.23% (3.10% taxable equivalent)

**RATE LOCK:** The Rate will be locked for 60-days. If the Credit Facility fails to close within this period, FFPF reserves the right to adjust the rate.

**TERM:** 20-years

**REPAYMENT:** Semi-annual interest, annual principal payments

**AVERAGE LIFE:** 11.41-years

**PRE-PAYMENT:** Repayable at 103% in years 1-2, declining to 102% in years 3-4, and 101% in years 5-6. Redeemable at par beginning in year 7 and thereafter.

**COLLATERAL:** Net revenue pledge

**COVENANTS:** 1.20x annual debt service coverage

**ADDITIONAL TERMS:** Documents to be prepared by the Borrower’s Bond Counsel for review by FFPF’s counsel Nixon Peabody, LLP. Legal fees and expenses of Nixon Peabody, LLP should not exceed \$10,000. All other filing fees and related fees shall be paid by the Borrower in connection with the issuance (including applicable CDIA fees).

Periodic financial and collateral reporting by the Borrower, as well as representations and warranties of the Borrower regarding its status and ability to repay, taxability gross-up and covenants and conditions that are appropriate for a Credit Facility of the scope and nature proposed above will be determined as part of FFPF’s underwriting and credit approval process.

PDF’s of all executed and other documents listed on the Closing Index shall be provided to FFPF no later than 24 hours before the time of the requested wire; provided, that if any documents can only be signed after receipt of the wire, those documents shall be provided immediately after receipt of the wire.

In an event of default, a default rate equal to the Interest Rate + 3.00% will be required.

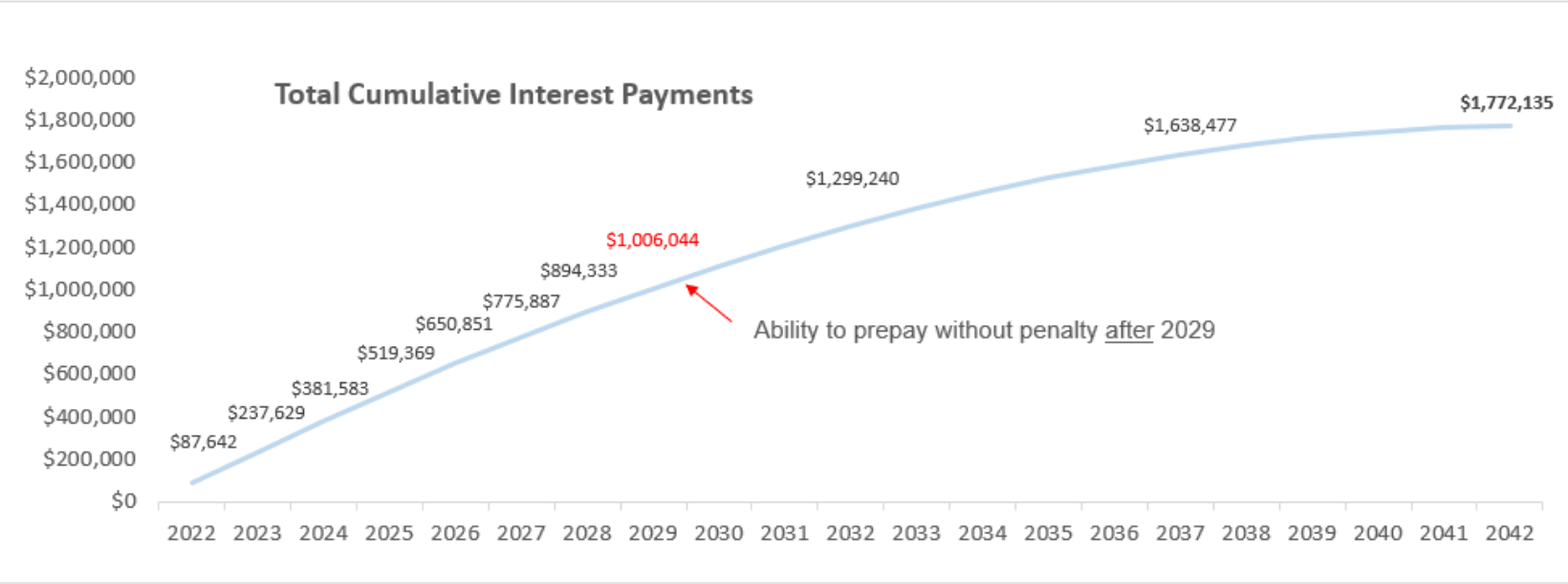
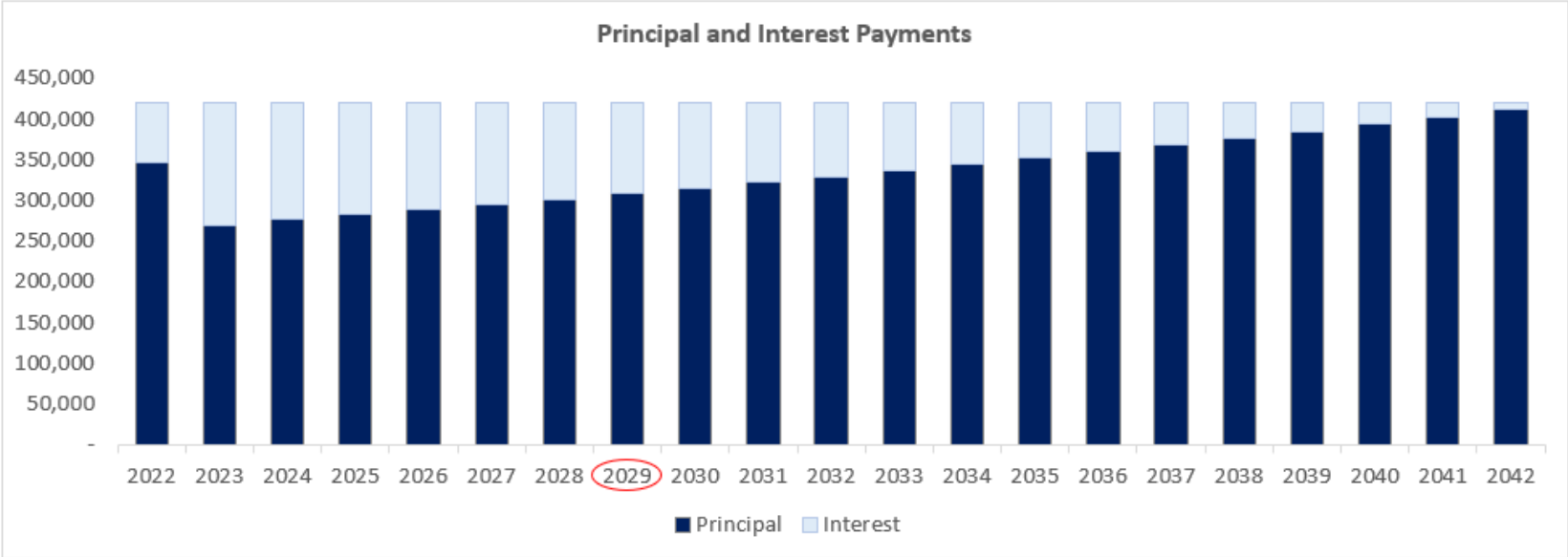
Notice: The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant’s income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is the Federal Deposit Insurance Corporation, Consumer Response Center, 1100 Walnut Street, Box #11, Kansas City, MO 64106.



<b>First Foundation Bank</b>		<b>20yr Loan</b>
Sources of Funds		
Loan Amount		\$7,071,903
Reoffering Premium		
Uses of Funds		
Costs of Issuance		71,903
<b>Deposit to Project Account</b>		<b>7,000,000</b>
Total Uses of Funds (loan amount)		\$7,071,903
Bond Statistics		
Maturity Structure		2022-2042
Interest Rate (TIC)		2.23%
Average Annual Debt Service		\$420,518
Total Interest		\$1,758,964
<b>Total Debt Service</b>		<b>\$8,830,867</b>

Date	Principal	Coupon	Interest	Total P+I
09/01/2022	346,046	2.230%	74,471.07	420,517.07
09/01/2023	270,531	2.230%	149,986.62	420,517.62
09/01/2024	276,564	2.230%	143,953.76	420,517.76
09/01/2025	282,731	2.230%	137,786.40	420,517.40
09/01/2026	289,036	2.230%	131,481.50	420,517.50
09/01/2027	295,482	2.230%	125,035.98	420,517.98
09/01/2028	302,071	2.230%	118,446.74	420,517.74
09/01/2029	308,807	2.230%	111,710.56	420,517.56
09/01/2030	315,693	2.230%	104,824.16	420,517.16
09/01/2031	322,733	2.230%	97,784.20	420,517.20
09/01/2032	329,930	2.230%	90,587.26	420,517.26
09/01/2033	337,288	2.230%	83,229.82	420,517.82
09/01/2034	344,809	2.230%	75,708.30	420,517.30
09/01/2035	352,498	2.230%	68,019.06	420,517.06
09/01/2036	360,359	2.230%	60,158.36	420,517.36
09/01/2037	368,395	2.230%	52,122.34	420,517.34
09/01/2038	376,610	2.230%	43,907.14	420,517.14
09/01/2039	385,009	2.230%	35,508.74	420,517.74
09/01/2040	393,594	2.230%	26,923.04	420,517.04
09/01/2041	402,372	2.230%	18,145.88	420,517.88
09/01/2042	411,345	2.230%	9,173.00	420,518.00
<b>Total</b>	<b>7,071,903</b>		<b>\$1,758,963.93</b>	<b>8,830,866.93</b>

Date	Principal	Coupon	Interest	Total P+I
3/1/2022	-	-	-	-
9/1/2022	346,046.00	2.230%	74,471.07	420,517.07
3/1/2023	-	-	74,993.31	74,993.31
9/1/2023	270,531.00	2.230%	74,993.31	345,524.31
3/1/2024	-	-	71,976.88	71,976.88
9/1/2024	276,564.00	2.230%	71,976.88	348,540.88
3/1/2025	-	-	68,893.20	68,893.20
9/1/2025	282,731.00	2.230%	68,893.20	351,624.20
3/1/2026	-	-	65,740.75	65,740.75
9/1/2026	289,036.00	2.230%	65,740.75	354,776.75
3/1/2027	-	-	62,517.99	62,517.99
9/1/2027	295,482.00	2.230%	62,517.99	357,999.99
3/1/2028	-	-	59,223.37	59,223.37
9/1/2028	302,071.00	2.230%	59,223.37	361,294.37
3/1/2029	-	-	55,855.28	55,855.28
9/1/2029	308,807.00	2.230%	55,855.28	364,662.28
3/1/2030	-	-	52,412.08	52,412.08
9/1/2030	315,693.00	2.230%	52,412.08	368,105.08
3/1/2031	-	-	48,892.10	48,892.10
9/1/2031	322,733.00	2.230%	48,892.10	371,625.10
3/1/2032	-	-	45,293.63	45,293.63
9/1/2032	329,930.00	2.230%	45,293.63	375,223.63
3/1/2033	-	-	41,614.91	41,614.91
9/1/2033	337,288.00	2.230%	41,614.91	378,902.91
3/1/2034	-	-	37,854.15	37,854.15
9/1/2034	344,809.00	2.230%	37,854.15	382,663.15
3/1/2035	-	-	34,009.53	34,009.53
9/1/2035	352,498.00	2.230%	34,009.53	386,507.53
3/1/2036	-	-	30,079.18	30,079.18
9/1/2036	360,359.00	2.230%	30,079.18	390,438.18
3/1/2037	-	-	26,061.17	26,061.17
9/1/2037	368,395.00	2.230%	26,061.17	394,456.17
3/1/2038	-	-	21,953.57	21,953.57
9/1/2038	376,610.00	2.230%	21,953.57	398,563.57
3/1/2039	-	-	17,754.37	17,754.37
9/1/2039	385,009.00	2.230%	17,754.37	402,763.37
3/1/2040	-	-	13,461.52	13,461.52
9/1/2040	393,594.00	2.230%	13,461.52	407,055.52
3/1/2041	-	-	9,072.94	9,072.94
9/1/2041	402,372.00	2.230%	9,072.94	411,444.94
3/1/2042	-	-	4,586.50	4,586.50
9/1/2042	411,345.00	2.230%	4,586.50	415,931.50
<b>Total</b>	<b>\$7,071,903.00</b>		<b>\$1,758,963.93</b>	<b>8,830,866.93</b>





**STAFF REPORT**

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

**From: James Derbin, Superintendent of Operations**

**Agenda: March 8, 2022**

**Date: March 4, 2022**

**Subject: Nunes Water Treatment Plant Upgrades Project Update #7**

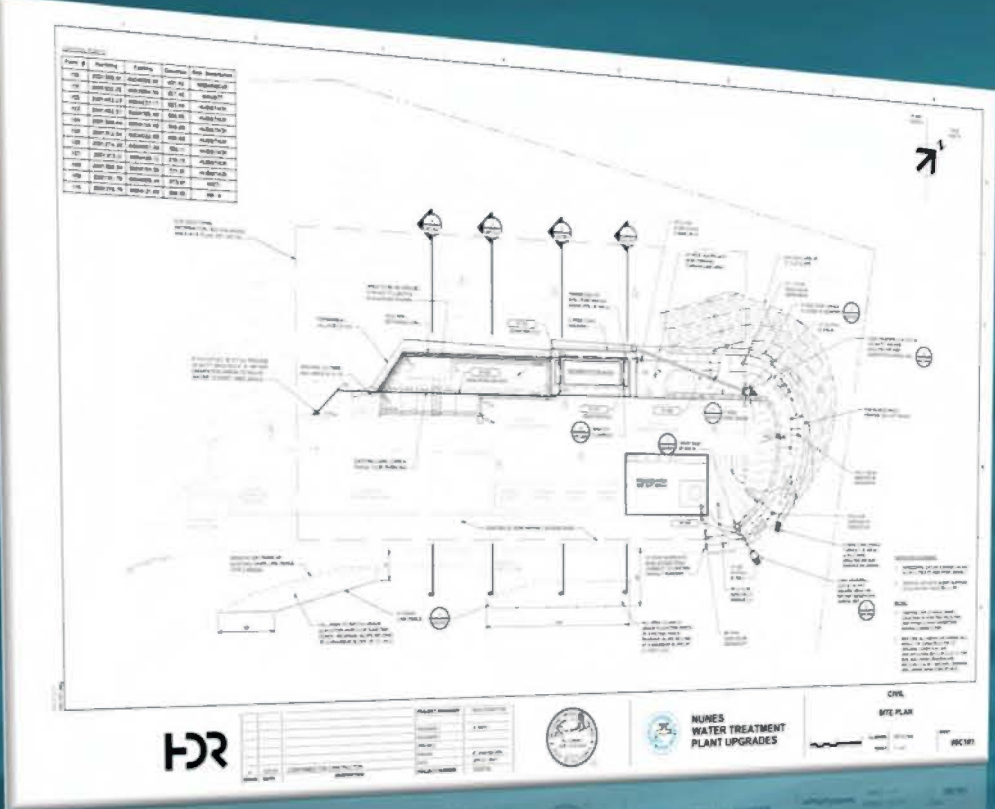
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**Informational Item**

The Nunes Water Treatment Plant Upgrade Project official contractual start date was August 16, 2021. This monthly project update is the seventh of several updates staff plans to present to the Board on progress of this important project.

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

# Attachment A



Coastside County Water District

# Nunes Water Treatment Plant Upgrades March 8, 2022 Board Meeting

# Contract Data as of Board Meeting Date

Contract Time (Calendar Days)		Contract Value	
Base Contract Duration	720	Base Contract	\$8,339,915.00
<i>Approved Change Order Days Added</i>	0	Approved Change Order Added	\$0
<i>Approved Change Order Days Subtracted</i>	0	Approved Change Order %	0%
Total Contract Duration	720	Total Contract Approved	\$8,339,915.00
Elapsed (Start Date 8/16/2021)	204	Billed to Date <sup>1</sup>	\$1,745,400.00
Remaining Days	516	Remaining Value	\$6,594,515.00

<sup>1</sup> Billed to date value is the contract work complete including the 10% retention that will be paid to Contractor upon project completion.



# Construction Progress Update #7

## Progress since Previous Board Meeting:

- Construction of drainage v-ditches (subgrade, formwork, rebar, and concrete placement).
- Access road construction (placement/compaction of soil, aggregate base, and stabilization fabric).
- Grading and excavation of caustic soda process area.
- Electrical conduit installation for caustic process area.
- Formwork, rebar, and concrete placement for the caustic area equipment pads.
- Installation of 18-inch settled water piping.
- Successful pressure testing of 18-inch piping.
- Ongoing Contractor Submittals, engineering reviews, ordering materials.
- Ongoing Contractor Requests for Information (RFIs) and team responses.

# Construction Progress Update #7

## Three-Week Look Ahead Schedule:

Major items of work anticipated over next 3-4 weeks are as follows:

- Soil nail wall construction.
- Concrete coating of sedimentation basin.
- Installation of 8-inch filter-to-waste piping above process area.
- Installation of underground 12-inch filter-to-waste piping to pumps.
- Construction of additional drainage system (catch basin and v-ditch) at caustic soda area.

## Overall Project Schedule:

- Overall project schedule is currently being assessed. Supply-chain issues are affecting delivery of the project's valves, which may delay the end-date of the project.
- Estimated completion date may be December 2023 but is still being determined.





Construction Photos



## **STAFF REPORT**

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

**From:** Mary Rogren, General Manager

**Agenda:** March 8, 2022

### **Report**

**Date:** March 4, 2022

**Subject:** Consider Resolution 2022-07 Concurring In Nomination of John H. Weed of Alameda County Water District to the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority ("ACWA-JPIA")

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### **Recommendation:**

Adopt resolution 2022-07 concurring in nomination of John H. Weed of Alameda County Water District to the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority ("ACWA-JPIA").

### **Background:**

ACWA-JPIA has invited member agencies to submit nominations to fill a vacancy on the ACWA-JPIA Executive Committee. John H. Weed, President of the Board of Directors of Alameda County Water District, has requested Coastside County Water District's support of his nomination by submitting a concurring resolution.

### **Attachments:**

- A. Resolution 2022-07
- B. Correspondence from John H. Weed and Biography

ATTACHMENT A

RESOLUTION NO. 2022-07

OF THE BOARD OF DIRECTORS OF THE COASTSIDE COUNTY WATER DISTRICT  
CONCURRING IN NOMINATION TO THE EXECUTIVE COMMITTEE  
OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES  
JOINT POWERS INSURANCE AUTHORITY ("JPIA")

**WHEREAS**, this district is a member district of the JPIA; and

**WHEREAS**, the Bylaws of the JPIA provide that in order for a nomination to be made to JPIA's **Executive Committee**, three member districts must concur with the nominating district, and

**WHEREAS**, another JPIA member district, the Alameda County Water District has requested that this district concur in its nomination of its member of the JPIA Board of Directors to the **Executive Committee** of the JPIA;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Coastsides County Water District that this district concur with the nomination of John H. Weed of Alameda County Water District to the **Executive Committee** of the JPIA.

**BE IT FURTHER RESOLVED** that the District Secretary is hereby directed to transmit a certified copy of this resolution to the JPIA at P.O. Box 619082, Roseville, CA 95661-9082, forthwith.

**ADOPTED** this 8th day of March 2022.

AYES:

NOES:

ABSENT:

---

Robert Feldman, President  
Board of Directors

ATTEST:

---

Mary Rogren, General Manager  
Secretary of the District



BOARD MEMBERS

43885 SOUTH GRIMMER BOULEVARD • FREMONT, CALIFORNIA 94538  
(510) 668-4200 • www.acwd.org

MANAGEMENT

AZIZ AKBARI  
JAMES G. GUNTHER  
JUDY C. HUANG  
PAUL SETHY  
JOHN H. WEED

ED STEVENSON  
General Manager  
KURT ARENDS  
Operations and Maintenance  
GIRUM AWOKE  
Engineering and Technology  
LAURA J. HIDAS  
Water Resources  
JONATHAN WUNDERLICH  
Finance and Administration

March 3, 2022

VIA ELECTRONIC MAIL

Mary Rogren (mrogren@coastsidewater.org)  
General Manager  
Coastside County Water District  
766 Main Street  
Half Moon Bay, CA 94019-1925

Dear Ms. Rogren:

Subject: Request for Concurring Resolution Nominating John H. Weed to ACWA-JPIA Executive Committee

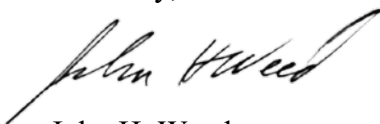
I write to respectfully request your agency's consideration of a concurring resolution in support of my nomination to the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA-JPIA).

As you may know, ACWA-JPIA has invited member agencies to submit nominations to fill a vacancy on the ACWA-JPIA Executive Committee. As an active member of the ACWA-JPIA Board of Directors since 2012, I have represented the interests of member agencies such as yours in the direction and activities of the ACWA-JPIA which provides significant value and resources to its members.

I was elected to the ACWD Board of Directors in 1995 and I currently serve as President of the Board. I also serve as Chair of the ACWD Finance Committee and serve on the ACWA Federal Affairs Committee. The attached biography further outlines my qualifications.

Thank you in advance for your consideration. I respectfully request your support. Please do not hesitate to contact me with any questions or for more information at [john.weed@acwd.com](mailto:john.weed@acwd.com) or (510) 651-1885.

Sincerely,



John H. Weed  
President, ACWD Board of Directors

Enclosures

## **John H. Weed**

### **Biography**

**Mr. John H. Weed** is the current Board President of the Alameda County Water District (ACWD) and has served on the ACWD Board since 1995. He is an attorney, member of California Bar, and also works in property development as President of Niles Properties, Inc. He has military experience as a Civil Engineer and water utility consultant with the United States Air Force on installations worldwide. He retired as a Colonel with the U.S. Air Force Reserves in 2000. He was previously employed as an Engineer Technician with the Santa Clara Valley Water District and was the Special Assistant to the Division Manager of Ordnance Engineering at FMC Corporation. Mr. Weed formerly served as an elected Trustee of the Ohlone Community College District from 1977 to 2010.

He currently serves on the Board of Directors of the Bay Area Water Supply and Conservation Agency and is an appointed member of the Alameda County Assessment Appeals Board. Mr. Weed also serves on the Federal Affairs Committee of the Association of California Water Agencies (ACWA) and is past Chair of the ACWA Region 5 Council. He serves as Alternate Director on the Board of the California Delta Conveyance Design and Construction Authority, a member of the Risk Management Committee of Joint Power Insurance Authority of ACWA, President of the Washington Township Historical Society, and member of the Newark Rotary Club.

Mr. Weed has a Bachelor of Science degree in Civil Engineering, and Juris Doctor degree from the University of Santa Clara. He has a Master of Business Administration degree in Finance from Eastern New Mexico University. He conducted doctoral-level graduate studies in Water Resource Administration, and Graduate Research Associate in Agricultural Economics at the University of Arizona.

**STAFF REPORT**

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

**From:** Mary Rogren, General Manager

**Agenda:** March 8, 2022

**Report**

**Date:** March 4, 2022

**Subject:** Covid-19 and Reopening of District Office Update

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**Recommendation:**

No action required. For discussion only.

**Background:**

Staff will provide a current update regarding COVID-19 precautions and plans for reopening the District office to the public.

## **STAFF REPORT**

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

**From:** Mary Rogren, General Manager

**Agenda:** March 8, 2022

**Report**

**Date:** March 4, 2022

**Subject:** General Manager's Report

---

### **Recommendation:**

Information Only.

### **SFPUC Proposed Rate Increase**

At the SFPUC Annual Meeting for Wholesale Customers and BAWSCA held on February 17, 2022, SFPUC announced a proposed FY2022-2023 wholesale rate increase of 15.9%. (See Attachment A.)

### **"Oppose Unless Amended" Letter on Proposed Trailer Bill Regarding Insufficient Educational Revenue Augmentation Fund (ERAF) Backfills**

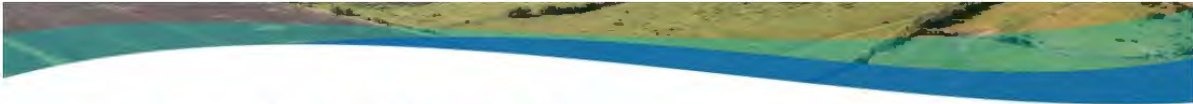
At the encouragement of the County of San Mateo's lobbying team, staff sent an "Oppose Unless Amended" letter to legislators on the Proposed Trailer Bill impacting ERAF disbursements. If the bill passes, the District could lose \$111,000 per year in ERAF funds that would be transferred to the State of California. (See Attachment B.)

### **Meeting with the City of Half Moon Bay**

On March 3, at the request of the City, President Feldman, Director Coverdell, Mary Rogren, and Cathleen Brennan from the District met with the Mayor, Vice-Mayor, the City Manager and Director of Public Works. Topics included a drought update, the 2020 Urban Water Management Plan and Water Reuse.

### **Coastside County Water District's 75<sup>th</sup> Anniversary**

District staff has finalized logo designs for the District's 75<sup>th</sup> anniversary (coming up in July 2022.) Staff have started using the 75<sup>th</sup> logo on e-mail signatures, stationary, banners, the District's website, and promotional materials.



### Serving the Coastside Since 1947

The Coastside County Water District was formed in 1947 and provides treated water to the City of Half Moon Bay and to the unincorporated communities of Princeton, Miramar and El Granada.

[LEARN MORE](#)



# Water Enterprise Financial Plan

(\$M)	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027
<b>Beginning Fund Balance</b>	\$ 231.3	\$ 174.4	\$ 163.5	\$ 139.6	\$ 118.8
<b>Sources</b>					
Retail Water Sales	326.3	353.8	361.7	383.2	397.3
Wholesale Water Sales	265.1	294.6	318.4	342.4	343.1
Other Miscellaneous Income	59.8	59.8	60.2	60.2	60.4
<b>Total Sources</b>	\$ 651.3	\$ 708.2	\$ 740.3	\$ 785.9	\$ 800.8
<b>Uses</b>					
Operations & Maintenance	276.6	282.7	293.1	301.8	310.1
Hetchy Transfer	49.5	49.1	52.6	54.2	55.8
Debt Service	335.0	339.2	339.9	367.1	366.8
Revenue-Funded Capital	47.1	48.1	78.6	83.6	65.1
<b>Total Uses</b>	\$ 708.2	\$ 719.1	\$ 764.3	\$ 806.7	\$ 797.9
<b>Net Revenues</b>	\$ (56.9)	\$ (10.9)	\$ (24.0)	\$ (20.8)	\$ 2.9
<b>Ending Fund Balance</b>	\$ 174.4	\$ 163.5	\$ 139.6	\$ 118.8	\$ 121.7
<b>Rate Increase - Retail</b>	0.0%	5.0%	5.0%	4.0%	4.0%
<b>Rate Increase - Wholesale</b>	15.9%	10.9%	0.0%	0.0%	0.2%
<b>Fund Balance as % of Operating Expenses</b>	53%	49%	40%	33%	33%
<b>Debt Service Coverage (Current)</b>	1.17	1.12	1.17	1.18	1.20
<b>Debt Service Coverage (Indenture)</b>	1.57	1.64	1.65	1.56	1.52
<b>Water Sales - Retail (MGD)</b>	54.0	55.9	57.0	58.3	58.1
<b>Water Sales - Wholesale (MGD)</b>	113.7	113.4	122.1	131.5	131.5

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## Wholesale Revenue Requirement and Balancing Account

(\$M)	Actual		Projected				
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027
<b>Wholesale Revenue Requirement (WRR)</b>							
Operating Costs	116.6	128.4	131.9	134.2	139.9	144.0	148.0
Debt Service	118.3	146.8	157.5	157.3	160.3	173.4	173.4
Revenue-Funded Capital	11.3	13.7	16.8	16.6	16.9	17.1	17.1
<b>Subtotal WRR</b>	\$246.3	\$288.9	\$306.2	\$308.2	\$317.0	\$334.6	\$338.6
Adjustments & Payments	4.4	0.0	0.0	0.0	0.0	0.0	0.0
Balancing Account Deferred/(Applied)	21.9	(44.9)	(42.4)	1.4	14.1	12.6	7.2
Debt Service Coverage	1.7	2.1	2.7	(0.3)	0.5	3.1	(0.3)
<b>Total Wholesale Revenue Requirement</b>	\$274.3	\$246.2	\$266.5	\$309.3	\$331.6	\$350.3	\$345.5
<b>Wholesale Rate Increase</b>	0.0%	0.0%	15.9%	11.2%	0.0%	0.0%	0.8%
Rate (\$/CCF)	\$4.10	\$4.10	\$4.75	\$5.28	\$5.28	\$5.28	\$5.32
Usage Basis (MGD)	135.5	120.9	113.7	113.4	122.1	131.5	131.5
<b>Total Wholesale Revenues</b>	\$275.1	\$246.2	\$265.1	\$295.2	\$319.0	\$343.1	\$345.6
<b>Balancing Account Due (To)/From Wholesale Customers</b>							
Beginning Balancing Account	(63.4)	(86.6)	(42.2)	1.4	14.1	12.6	7.2
Revenue Under/(Over) Collection	(23.2)	44.4	43.6	12.6	(1.5)	(5.4)	(7.3)
<b>Ending Balancing Account</b>	(86.6)	(42.2)	1.4	14.1	12.6	7.2	(0.1)

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February 25, 2022



The Honorable Sydney Kamlager  
Chair, Senate Budget Subcommittee #4 on State Administration and General Government  
1021 O Street, Suite 6510  
Sacramento, CA 95814

The Honorable Wendy Carrillo  
Chair, Assembly Budget Subcommittee #4 on State Administration  
1021 O Street, Suite 5730  
Sacramento, CA 95814

**Re: Proposed Trailer Bill Regarding Insufficient Educational Revenue Augmentation Fund (ERAF)  
Backfills--OPPOSE UNLESS AMENDED**

Dear Chair Kamlager & Chair Carrillo:

On behalf of the Coastside County Water District, I write to convey our unanimous opposition to the proposed trailer bill currently titled "Insufficient Educational Revenue Augmentation Fund Backfills," unless amended. The proposed trailer bill would change the current VLF statute in a way that significantly harms counties and cities by using their own local tax revenues to pay the State's in-lieu Vehicle License Fee (VLF) obligation. Specifically, the proposal would take local agencies own "excess" or "returned" educational revenue augmentation fund (ERAF) dollars that are currently required to be returned to local agencies after all school districts have been fully funded and would use the local agencies' funds to pay the State's VLF obligation. This proposal ultimately will result in San Mateo County and its cities losing hundreds of millions of dollars every year when all schools in the County turn basic aid. These funds are already budgeted by many municipalities for important local public services.

The VLF "Swap" was an integral part of the 2004 Budget compromise in which counties and cities gave up significant revenue to address the State's budget deficit. Under the terms of that compromise, the State permanently reduced annual VLF revenues, which were a significant funding source for counties and cities, by 67.5% and, for two fiscal years, the State also shifted an additional \$1.3 billion in local property taxes away from all counties, cities, and special districts to pay the State's school funding obligations. In exchange, the State guaranteed counties and cities an annual in-lieu VLF payment (adjusted annually for property tax growth) to compensate for the loss of the prior VLF revenues. The resulting VLF law, which codified this compromise and remains in effect, explicitly provides that counties and cities' excess ERAF monies would not be available to pay the State's VLF obligation. Further, the State Legislature agreed to place Proposition 1A on the ballot that, as approved by the voters, amended the Constitution to ensure that future "shifts" of local agency funds would not be used to cover State obligations.

The VLF Swap legislation identified two direct sources of funding to pay the State's in-lieu VLF obligation to counties and cities: (a) ERAF distributions to non-basic aid schools; and (b) property tax revenues of non-basic aid schools. The State backfills the non-basic aid school districts for these amounts so schools



do not suffer any financial loss from the in-lieu VLF obligation. The Legislature did not anticipate the identified funding sources would ever be insufficient to fulfill the State's VLF obligation. In recent years, however, VLF revenue shortfalls have occurred and, as a result, cities and counties have been required to make special appropriation requests to receive their full amount of VLF in arrears.

Because of the importance of the State's required in-lieu VLF payments as an annual funding source for local agencies, in 2021, the counties of San Mateo and Napa proposed a statutory fix that would streamline the timing and process for reimbursement of VLF shortfalls. Under the proposal, elements of which are reflected in the proposed trailer bill, counties would alert the Department of Finance of anticipated VLF shortfalls in time for the State to budget and allocate payment during the fiscal year in which the shortfall occurs, as opposed to the current process wherein the State pays its VLF obligation approximately 14 months in arrears. This would prevent disruption to necessary local public services or reductions in staffing at the County or its cities.

Rather than solve this issue, the Department of Finance's proposed Budget Trailer Bill includes an amendment to Revenue & Taxation Code § 97.70(f)(1) which fundamentally changes the source of funds to pay the State's VLF obligation to counties and cities. This change does not solve the VLF shortfall problem but actually harms local agencies by using their own local tax revenues to pay the State's VLF obligation. A county with all -- or nearly all -- basic aid school districts will be financially harmed -- severely and permanently -- if this proposed trailer bill is enacted in its current form.

Indeed, for Coastside County Water District located in Half Moon Bay on the San Mateo Coast, returned ERAF monies of over \$111,000 for the current period and for future periods will significantly impact the District's operating budget and may impact infrastructure spending in our small community, particularly as we are seeing reduced revenues due to drought and increased spending due to regulatory compliance with many of the State Water Resources Control Board new and upcoming regulations. The loss of this funding will have a devastating impact on our District's budget and ability to continue providing needed local services.

As such, the Board of Directors urges the following amendments to Revenue and Taxation Code § 97.70(f)(1) of the draft trailer bill. These amendments will return the section to current law:

(f) This section shall not be construed to do any of the following: (1) Reduce any allocations of excess, additional, or remaining funds that would otherwise have been allocated to county superintendents of schools, ***cities, counties, and city and counties, and Special Districts*** pursuant to clause (i) of subparagraph (B) of paragraph (4) of subdivision (d) of Sections 97.2 and 97.3 or Article 4 (commencing with Section 98) had this section not been enacted. The allocations required by this section shall be adjusted to comply with this paragraph. ~~*For the 2022-23 fiscal year and each fiscal year thereafter, funds allocated to a city, county, or a city and county pursuant to subclause (III) of clause (i) of subparagraph (B) of paragraph (4) of subdivision (d) of Sections 97.2 and/or 97.3, shall be counted by the auditor toward satisfying the city's, county's, or city's and county's vehicle license fee adjustment amount.*~~

In sum, Coastside County Water District strongly opposes the current draft of the proposed trailer bill, absent the critical changes proposed in this letter. Without these changes, the current trailer bill reneges on commitments that the State previously enacted into law regarding the source of VLF funding, violates Prop 1A and the terms of the 2004 budget compromise between the State and local agencies, and



ultimately takes hundreds of millions of dollars from local agencies' budgets, their employees, and the critical public safety and health services provided by local agencies.

Sincerely,



Mary Rogren  
General Manager  
Coastside County Water District

CC: Senator Josh Becker  
Senator Scott Weiner  
Assembly Member Kevin Mullin  
Assembly Member Marc Berman  
Assembly Member Phil Ting  
San Mateo County Board of Supervisors  
San Mateo County, County Manager Mike Callagy

## **MONTHLY REPORT**

**To:** Mary Rogren, General Manager  
**From:** James Derbin, Superintendent of Operations  
**Agenda:** March 8, 2022  
**Report Date:** March 3, 2022

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### **Monthly Highlights**

- Denniston Water Treatment Plant online at 400-600 gpm
- Pilarcitos wells @ ~550 gpm

**February Sources:** Pilarcitos Wells, Denniston Reservoir, Crystal Springs

### **Projects**

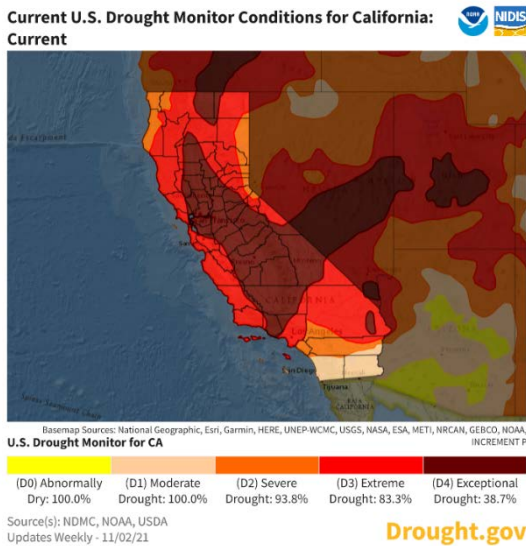
- CalOES PSPS Grant
  - Contractor drafting schedule, fuel tank is ready to ship, permitting from County and BAAQMD is complete. Working on scheduling pre-construction meeting. Grant funding completion deadline has been extended to end of 2022. Staff is also adding solar backups for the CSP and Carter Hill sites.
- Nunes Water Treatment Plant Improvement Project
  - Ranger mobilized on 8/16/21. Sedimentation basin poured, the influent and effluent channels/pipes set, settled water pipe in, storm drainage system installation continues, conduit for caustic area in pad poured.
- EKI
  - Grandview/Hwy 1 crossing design, 100% complete. Cal Trans Encroachment Permit (EP) arrived, applying for EP with the City of HMB, response letter sent recently
  - Pilarcitos Crossing - Bid opening 2/23/22, Golden Bay Construction apparent low bid at \$341K, Engineers estimate was \$372K
  - Miramontes Point Road - Design expected mid 2022
- HDR
  - Half Moon Bay Tank replacement project - HDR engineering a design to replace HMB tanks 1&2 first. 60% design expected early March 2022.

# STAFF REPORT

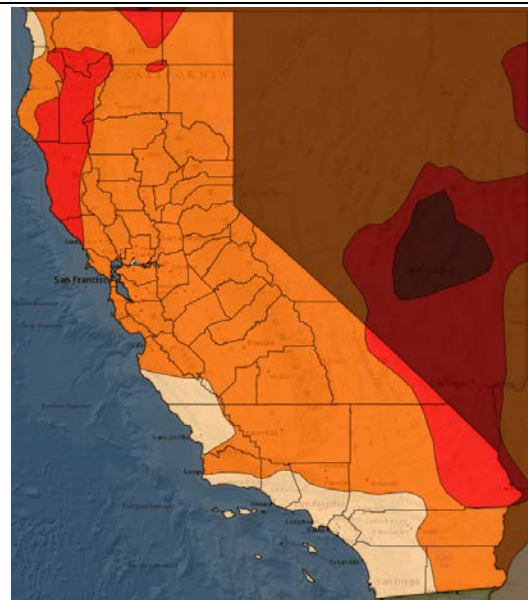
**To:** Board of Directors  
**From:** Cathleen Brennan, Water Resources Analyst  
**Agenda:** March 8, 2022  
**Report:** March 4, 2022  
**Subject:** Water Shortage Advisory and Public Outreach Update

## Background

As of January 1, 2022, the SFPUC implemented water allocations, also known as water budgets, for their wholesale customers. The District’s annual (calendar year 2022) water budget for water purchased from SFPUC is 457,235 hundred cubic feet or 342 million gallons. Governor Newsom’s July 8<sup>th</sup> Executive (N-10-21) Order calls on all Californians to voluntarily reduce their water use by 15 percent from calendar year 2020. There are mandatory prohibitions on water use adopted on January 4, 2022, by the State Water Resources Control Board (SWRCB). Drought conditions are improving but California is still in a severe drought, which is impacting water supplies statewide.



Status of drought conditions across California in October 2021.



Current drought conditions across California in March of 2022

The table below provides a timeline of milestones.

<b>Milestones</b>	
4/21/2021	Governor Newsom issued proclamation of state of emergency for the counties impacted the most severely by drought conditions, after two years of below normal precipitation. San Mateo County was not included on this initial proclamation.
4/15/2021	SFPUC requests voluntary 10 percent reduction in irrigation (outdoor) water use starting July 1, 2021. Goal is not to exceed 2019 summer water demand.
5/10/2021	Governor Newsom expanded on the 4/21/2021 proclamation and included more counties.
5/11/2021	The BOD approved Coastside CWD implementing Stage 1 of the District's WSCP - Water Shortage Advisory
7/8/2021	Governor Newsom's Executive Order N-10-21 includes San Mateo County and Santa Clara County in the declaration of a drought emergency. Alameda County was already included in the drought emergency. "I call on all Californians to voluntarily reduce their ( <i>total</i> ) water use by 15 percent from their ( <i>CY</i> ) 2020 levels."
7/12/2021	SFPUC revises their request to align with Governor Newsom's request that total water use be voluntarily reduced by 15 percent from 2020 water usage levels.
8/19/2021	Curtailment order for the Delta Watershed (including the San Joaquin River watersheds) authorized by the State Water Resources Control Board and approved by the Office of Administrative Law on August 19, 2021. <a href="https://www.waterboards.ca.gov/drought/delta/">https://www.waterboards.ca.gov/drought/delta/</a>
9/26/2021	Warning from BAWSCA of elevated water rationing status from SFPUC. Mandatory rationing request by SFPUC of at least 10 percent as early as late October due to curtailment orders on the SF Bay-Delta tributaries.
11/23/2021	SFPUC declared a water shortage emergency with voluntary measures to meet a 10 percent reduction for wholesale customers, which triggers Tier 1 and Tier 2 allocation agreements. SFPUC retail customers will voluntarily reduce 5 percent.
1/1/2022	Coastside County Water District's allocation/water budget from SFPUC was implemented as of the first of January 2022.
1/3/2022	SFPUC staff sent the wholesale customers their final monthly allocations for calendar year 2022.
1/4/2022	The SWRCB adopted emergency regulations regarding water conservation to title 23 of the California Code of Regulations.
1/31/2022	Initial Water Supply Availability Estimate received from SFPUC. January turned out to be the driest January on record for precipitation in the Hetch Hetchy Watershed.
2/16/2022	Coastside CWD received its first report on the status of compliance with SFPUC's water allocation/water budget.
2/17/2022	SFPUC provide an update on water supply conditions.
3/1/2022	SFPUC provided an update on water supply conditions.
3/8/2022	Staff will present a water shortage emergency ordinance to the Board of Directors.
3/24/2022	A public hearing will be conducted regarding the proposed water shortage emergency ordinance
4/15/2022	SPUC should have a better understanding of their water supply conditions for the upcoming fiscal year of 2022-2023.

## Report

The table below lists the snow water equivalents by region and statewide. It is predicted that California would need 150% of normal snowpack on April 1<sup>st</sup> to fill all the critical water supply reservoirs in California.

Statewide Snow Water Content Update		
Region	Percent Normal for March 1 2022	Percent Average for April 1
Stateside Summary	63%	55%
Northern	59%	53%
Central	66%	58%
Southern	63%	54%
Data provided by <a href="http://cdec.water.ca.gov/reportapp/javareports?name=DLYSWEQ">http://cdec.water.ca.gov/reportapp/javareports?name=DLYSWEQ</a>		

## SFPUC Update

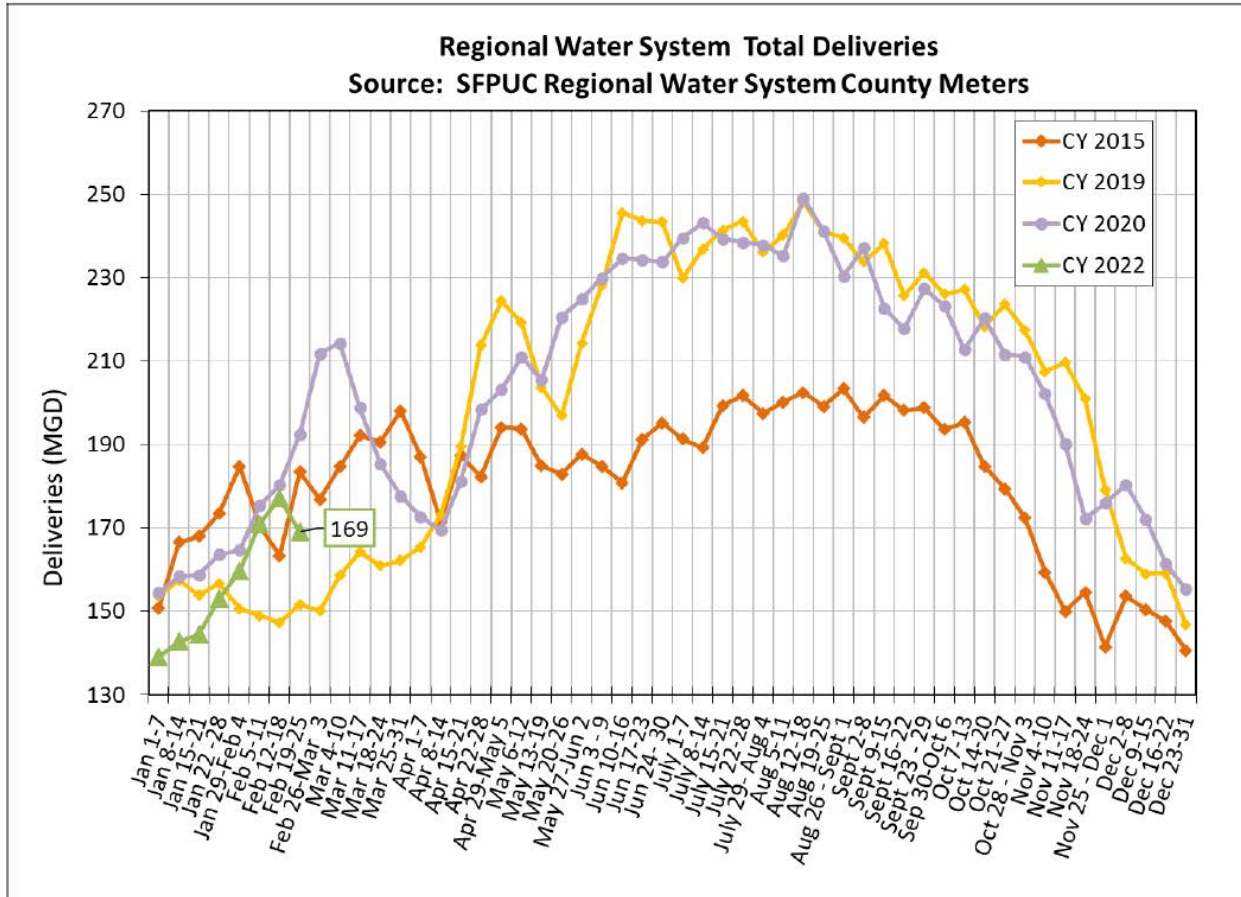
The State's curtailment orders on the Tuolumne River (Delta Watersheds) continue to impact SFPUC's ability to manage storage and access the water bank, according to SFPUC. The curtailments are in place due to water quality issues in the San Francisco Bay Delta.

The drought tracking table below was provided by SFPUC. It does show that the Regional Water System (RWS) is reducing water demand compared to FY2019-2020, but in total the RWS has not reached the goal of a 10 percent voluntary reduction.

For the Period July 1, 2021 - February 25, 2022			
CUSTOMER GROUPS	FY2019/2020 AVG. MGD	FY2021/2022 AVG. MGD	% REDUCTION
San Francisco Customers	64.0	54.8	14.5%
Wholesale Customers	135.1	127.9	5.3%
TOTAL	199.2	182.7	8.3%

For the Period January 1, 2022 - February 25, 2022			
CUSTOMER GROUPS	FY2019/2020 AVG. MGD	FY2021/2022 AVG. MGD	% REDUCTION
San Francisco Customers	61.2	53.3	12.9%
Wholesale Customers	102.0	103.7	-1.7%
TOTAL	163.2	157.0	3.8%

Total demand was 169 MGD during the last week of the month of February for the RWS.



**Outreach Update**

In February, the District notified about one hundred residential customers that were identified through WaterSmart as having active irrigation. District staff was interviewed by the Coastside News Group for a newspaper article on the drought.