COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MEETING OF THE BOARD OF DIRECTORS

Tuesday, March 11, 2008 – 7:00 p.m.

AGENDA

The Coastside County Water District does not discriminate against persons with disabilities. Upon request, the agenda and agenda packet 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.

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 ANNOUNCEMENTS

Any person may address the Board of Directors at the commencement of the meeting on any matter within the jurisdiction of the Board that is not on the agenda for this meeting. Any person may address the Board on an agendized item when that item is called. The chair requests that each person addressing the Board limits their presentation to three minutes and complete and submit a Speaker Slip.

4) SPECIAL ORDER OF BUSINESS

Presentation of Coastside County Water District plaque from Board of Directors and Staff, expressing gratitude to Jim Larimer for his leadership and dedication to the goals and mission of the District during his term as President

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. Requesting the Board to review disbursements for the month Ending February 29, 2008 – Claims: $492,868.86; Payroll: $65,503.81 for a total of $558,372.67 (attachment)

B. Acceptance of Financial Reports (attachment)

C. Minutes of the February 12, 2008 Board of Directors Meeting (attachment)

D. Authorization to award contract, subject to District Counsel review and approval, for the Nunes Water Treatment Plant Filter 1 & 2 Media Replacement Project to ERS in the amount of $46,448.38 (attachment)

6) DIRECTOR COMMENTS / MEETINGS ATTENDED

7) GENERAL BUSINESS

A. El Granada Pipeline Phase 3 Construction Progress Update (attachment)

B. Approval of Change Order for Denniston Dredging CEQA Work by TRC (attachment)

C. Association of California Water Agencies (ACWA) – Opposition to State's Proposed Tax Revenue Take-Away (attachment)

D. Association of California Water Agencies (ACWA) - Support for California Comprehensive Water Package (attachment)
E. Discussion of Draft LAFCO Municipal Service Review (attachment)

8) MONTHLY INFORMATIONAL REPORTS

A. Installed Water Connection Capacity and Water Meters Report (attachment)
B. Total CCWD Production Report (attachment)
C. CCWD Monthly Sales by Category Report (attachment)
D. February 2008 Leak Report (attachment)
E. Rainfall Reports (attachment)
F. San Francisco Public Utilities Commission Hydrological Conditions Report for February 2008 (attachment)
G. Monthly Water Resources Report (attachment)
H. Water Shortage and Drought Contingency Plan Update Report (attachment)
I. Operations Report (attachment)
J. District Engineer Work Status Report (attachment)

9) ADJOURNMENT

Check Number	Vendor No	Vendor Name	Check Date	Void Amount	Check Amount
10566	ALV01	ALVES PETROLEUM, INC.	02/07/2008	0.00	2,279.59
10567	ASS01	ACWA SERVICES CORPORATION	02/07/2008	0.00	17,308.15
10568	COA 15	COASTSIDE NET, INC	02/07/2008	0.00	59.95
10569	DIC01	DAVID DICKSON	02/07/2008	0.00	2,459.40
10570	HAR03	HARTFORD LIFE INSURANCE CO.	02/07/2008	0.00	2,522.15
10571	KAI01	KAISER FOUNDATION HEALTH	02/07/2008	0.00	9,216.00
10572	PAC02	PACIFICA CREDIT UNION	02/07/2008	0.00	637.00
10573	PAT05	DONALD PATTERSON	02/07/2008	0.00	122.57
10574	PUB01	PUB. EMP. RETIRE SYSTEM	02/07/2008	0.00	16,061.55
10575	VAL01	VALIC	02/07/2008	0.00	1,455.00
10576	CIT 01	CITY OF HALF MOON BAY	02/12/2008	0.00	117.00
10577	HAL07	HALF MOON BAY POSTMASTER	02/13/2008	0.00	2,000.00
10578	HAR03	HARTFORD LIFE INSURANCE CO.	02/21/2008	0.00	2,522.15
10579	MET06	METLIFE SBC	02/21/2008	0.00	1,238.92
10580	PAC 01	PACIFIC GAS & ELECTRIC CO.	02/21/2008	0.00	19,432.06
10581	PAC02	PACIFICA CREDIT UNION	02/21/2008	0.00	637.00
10582	PUB01	PUB. EMP. RETIRE SYSTEM	02/21/2008	0.00	15,913.95
10583	STA 03	CA DHS DRINKING WATER PROGRAM	02/21/2008	0.00	45.00
10584	TWI01	STEVE TWITCHELL	02/21/2008	0.00	90.00
10585	VAL01	VALIC	02/21/2008	0.00	1,455.00
10586	CAL28	CA RWQCB	02/27/2008	0.00	1,032.00
10587	ADP01	ADP, INC.	02/28/2008	0.00	999.35
10588	AND01	ANDREINI BROS. INC.	02/28/2008	0.00	33,904.25
10589	ASC01	EVERETT ASCHER	02/28/2008	0.00	128.01
10590	ATC01	ATCHISON, BARISONE	02/28/2008	0.00	4,891.32
10591	AUG01	AUGUST SUPPLY INC.	02/28/2008	0.00	454.00
10592	AZT01	AZTEC GARDENS	02/28/2008	0.00	190.00
10593	BAS01	BASIC CHEMICAL SOLUTION, LLC	02/28/2008	0.00	5,499.46
10594	BAY10	BAY ALARM COMPANY	02/28/2008	0.00	687.00
10595	BIG02	BIG ED'S CRANE SERVICE, INC	02/28/2008	0.00	4,128.00
10596	CAL15	CALIFORNIA URBAN WATER	02/28/2008	0.00	133.56
10597	CAL31	ONTRAC	02/28/2008	0.00	610.76
10598	CAL33	CALIFORNIA SPECIAL DISTRICT	02/28/2008	0.00	20.00
10599	CAR02	CAROLYN'S CLEANING SERVICE	02/28/2008	0.00	425.00
10600	CAR04	CAROLLO ENGINEERS	02/28/2008	0.00	28,003.48
10601	CIN01	CINTAS FIRST AID & SAFETY	02/28/2008	0.00	1,171.21
10602	COA 14	COASTSIDE CARPET CLEANERS	02/28/2008	0.00	495.00
10603	COA19	COASTSIDE COUNTY WATER DIST.	02/28/2008	0.00	104.72
10604	COA25	COASTSIDE TECHNICAL SERVICES	02/28/2008	0.00	873.18
10605	COU 07	COUNTY OF SAN MATEO	02/28/2008	0.00	34,019.67
10606	CUS01	D/B/A CUSTOM TRUCK CUSTOM TOPS, INC.	02/28/2008	0.00	818.37
10607	DAT01	DATAPROSE	02/28/2008	0.00	1,510.99
10608	ECO01	ECO:LOGIC	02/28/2008	0.00	17,941.41
10609	EME 01	EMERGENCY VEHICLE SYSTEMS	02/28/2008	0.00	986.09
10610	ENR01	ENRIQUEZ MD, JOSEFINA	02/28/2008	0.00	125.00
10611	FIR06	FIRST NATIONAL BANK	02/28/2008	0.00	3,208.23
10612	GAR07	GARDINI ELECTRIC CO., INC.	02/28/2008	0.00	3,009.27
10613	GOL04	GOLDEN STATE FLOW MEASUREMENT	02/28/2008	0.00	12,777.50
10614	GRA 03	GRAINGER, INC.	02/28/2008	0.00	237.66
10615	GRA07	THE GRAPHIC WORKS	02/28/2008	0.00	433.10
10616	GSO01	GSOLUTIONZ, INC.	02/28/2008	0.00	1,108.31
10617	HAC01	HACH CO., INC.	02/28/2008	0.00	225.52
10618	HAL 01	HMB BLDG. & GARDEN INC.	02/28/2008	0.00	129.94
10619	HAL04	HALF MOON BAY REVIEW	02/28/2008	0.00	175.00
10620	HOL10	HOLMAN & ASSOCIATES	02/28/2008	0.00	1,772.50
10621	HOM02	HOME ENERGY	02/28/2008	0.00	1,015.20
10622	IED01	IEDA, INC.	02/28/2008	0.00	7,000.00
10623	INT04	INTELLIGENT TECHNOLOGIES	02/28/2008	0.00	544.00
10624	IRO01	IRON MOUNTAIN	02/28/2008	0.00	249.96
10625	IRV01	IRVINE, DAVID E.	02/28/2008	0.00	720.00
10626	JAC02	JACK HENRY & ASSOCIATES, INC.	02/28/2008	0.00	2,251.60
10627	JMT01	JM TURNER ENGINEERING, INC	02/28/2008	0.00	13,200.00

Check Number	Vendor No	Vendor Name		Check Date	Void Amount	Check Amount
10628	LAN04	RICOH AMERICAS CORPORATION		02/28/2008	0.00	784.35
10629	LEW01	LEWIS & TIBBITTS, INC		02/28/2008	0.00	94,036.50
10630	MAG03	MAGGIORA BROS. DRILLING, INC.		02/28/2008	0.00	3,365.25
10631	MCT01	MCTV6		02/28/2008	0.00	375.00
10632	MIS01	MISSION UNIFORM SERVICES INC.		02/28/2008	0.00	429.09
10633	MMB01	M & M BACKFLOW METER MAINT		02/28/2008	0.00	300.00
10634	MON07	MONTERY COUNTY LAB		02/28/2008	0.00	5,833.00
10635	OCE04	OCEAN SHORE CO.		02/28/2008	0.00	822.68
10636	OFF01	OFFICE DEPOT		02/28/2008	0.00	657.25
10637	PAU 01	PAULO'S AUTO CARE		02/28/2008	0.00	110.84
10638	PIT04	PITNEY BOWES		02/28/2008	0.00	154.00
10639	POL01	POLLARDWATER.COM		02/28/2008	0.00	2,841.85
10640	RAD 01	STRAWFLOWER ELECTRONICS		02/28/2008	0.00	363.94
10641	RAT01	RATHBORNE CONSULTING GROUP		02/28/2008	0.00	880.00
10642	ROB 01	ROBERTS & BRUNE CO.		02/28/2008	0.00	167.50
10643	ROG01	ROGUE WEB WORKS, LLC		02/28/2008	0.00	237.50
10644	SAN 03	SAN FRANCISCO WATER DEPT.		02/28/2008	0.00	68,847.90
10645	SBC02	AT&T		02/28/2008	0.00	932.56
10646	SBC03	AT&T LONG DISTANCE		02/28/2008	0.00	44.65
10647	SER03	SERVICE PRESS		02/28/2008	0.00	1,297.58
10648	SEW 01	SEWER AUTH. MID- COASTSIDE		02/28/2008	0.00	2,870.00
10649	SIE 02	SIERRA CHEMICAL CO.		02/28/2008	0.00	1,760.36
10650	SPR02	SPRINGBROOK SOFTWARE USER GRP		02/28/2008	0.00	50.00
10651	SPR04	SPRINGBROOK SOFTWARE, INC		02/28/2008	0.00	1,656.25
10652	STE02	JIM STEELE		02/28/2008	0.00	3,580.00
10653	TAI02	TAIT ENVIRONMENTAL SYSTEMS		02/28/2008	0.00	200.00
10654	TET 01	JAMES TETER		02/28/2008	0.00	15,585.95
10655	THO06	THOMSON-WEST/BARCLAYS		02/28/2008	0.00	346.00
10656	TUR04	SUSAN TURGEON		02/28/2008	0.00	328.21
10657	UB*00446	EDWARD VITOUSEK		02/28/2008	0.00	44.73
10658	UB*00447	W. DAVID KUBIAK		02/28/2008	0.00	53.85
10659	UB*00448	JUDY HALSEY	**VOID**	02/28/2008	112.84	0.00
10660	UB*00449	ELIZABETH VINGO		02/28/2008	0.00	75.00
10661	UB*00450	DENNISON SCOTT		02/28/2008	0.00	71.12
10662	UB*00451	GEORGE HATCH		02/28/2008	0.00	52.15
10663	UB*00452	PETER SHADDAY		02/28/2008	0.00	103.88
10664	UB*00453	ANNIE ERB ELIZABETH ELSEY		02/28/2008	0.00	28.10
10665	UB*00454	ERIC GRANTZ		02/28/2008	0.00	34.21
10666	UB*00455	ROBERT ZEILER		02/28/2008	0.00	68.36
10667	UB*00456	MANHATTEN REALTY GROUP		02/28/2008	0.00	62.19
10668	UNI 07	UNITED STATES POSTAL SERV.		02/28/2008	0.00	600.00
10669	VEL07	WENDY VELEZ		02/28/2008	0.00	35.00
				Report Total:	**112.84**	**492,868.86**

Account	Description	Current Actual	Current Budget	Variance	% Var	Year to Date Actual	8/12 YTD Budget	Variance	% Var
Fund Number: 1									
REVENUE									
1-0-4120-00	Water Revenue - All Areas	265,047.24	292,521.00	27,473.76	9.39	3,473,351.06	3,710,904.00	237,552.94	6.40
1-0-4170-00	Water Taken From Hydrants	989.76	2,083.33	1,093.57	52.49	20,601.46	16,666.64	-3,934.82	-23.61
1-0-4180-00	Late Notice - 10% Penalty	3,427.38	5,000.00	1,572.62	31.45	31,308.86	40,000.00	8,691.14	21.73
1-0-4230-00	Service Connections	1,463.84	500.00	-963.84	-192.77	6,235.13	4,000.00	-2,235.13	-55.88
1-0-4920-00	Interest Earned	.00	0.00	0.00	0.00	111,913.12	68,394.00	-43,519.12	-63.63
1-0-4925-00	Interest Revenue T&S Fees	.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1-0-4927-00	Inerest Revenue Bond Funds	.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1-0-4930-00	Tax Apportionments/Cnty Checks	26,227.32	15,000.00	-11,227.32	-74.85	372,379.56	358,000.00	-14,379.56	-4.02
1-0-4950-00	Miscellaneous Income	3,555.42	6,000.00	2,444.58	40.74	56,268.68	48,000.00	-8,268.68	-17.23
1-0-4960-00	CSP Assm. Dist. Processing Fee	.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1-0-4965-00	ERAF REFUND - County Taxes	.00	0.00	0.00	0.00	185,959.00	100,000.00	-85,959.00	-85.96
1-0-4235-00	CSP Connection T & S Fees	.00	0.00	0.00	0.00	20,910.00	0.00	-20,910.00	0.00
1-0-4970-00	Wavecrest Reserve Conn. Fees	.00	0.00	0.00	0.00	20,073.60	0.00	-20,073.60	0.00
	REVENUE Totals:	**300,710.96****	**321,104.33****	**20,393.37****	**6.35**	**4,299,000.47****	**4,345,964.64****	**46,964.17****	**1.08****
EXPENSES									
1-1-5000-00	Gen. Oper. Fund	.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1-1-5130-00	Water Purchased	68,847.90	82,257.00	13,409.10	16.30	833,971.40	854,352.00	20,380.60	2.39
1-1-5710-00	Deprec, Trucks, Tools, Equipt.	.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1-1-5230-00	Pump Exp, Nunes T P	1,485.14	734.00	-751.14	-102.34	10,025.67	8,781.00	-1,244.67	-14.17
1-1-5231-00	Pump Exp, CSP Pump Station	13,772.91	0.00	-13,772.91	0.00	223,142.39	202,041.00	-21,101.39	-10.44
1-1-5232-00	Pump Exp, Trans. & Dist.	1,705.08	1,414.00	-291.08	-20.59	13,899.34	16,542.00	2,642.66	15.98
1-1-5233-00	Pump Exp, Pilarcitos Can.	628.69	1,833.00	1,204.31	65.70	1,382.16	7,332.00	5,949.84	81.15
1-1-5234-00	Pump Exp. Denniston Proj.	1,305.37	4,795.00	3,489.63	72.78	29,995.36	47,391.00	17,395.64	36.71
1-1-5242-00	CSP Pump Station Operations	677.82	0.00	-677.82	0.00	5,105.41	8,376.00	3,270.59	39.05
1-1-5235-00	Denniston T.P. Operations	3,248.77	5,455.00	2,206.23	40.44	40,409.41	53,676.00	13,266.59	24.72
1-1-5236-00	Denniston T.P. Maintenance	292.80	2,750.00	2,457.20	89.35	7,336.21	22,000.00	14,663.79	66.65
1-1-5240-00	Nunes T P Operations	10,811.59	5,722.00	-5,089.59	-88.95	75,987.46	71,579.00	-4,408.46	-6.16
1-1-5241-00	Nunes T P Maintenance	1,131.70	4,033.00	2,901.30	71.94	14,663.06	32,264.00	17,600.94	54.55
1-1-5243-00	CSP Pump Station Maintenance	909.79	2,550.00	1,640.21	64.32	3,165.13	33,150.00	29,984.87	90.45
1-1-5245-00	Alves/Miramontes Maintenance	.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1-1-5400-00	Trans & Dist. Exp.	.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1-1-5318-00	Studies/Surveys/Consulting	25,821.41	2,222.22	-23,599.19	-1061.96	41,595.99	21,561.10	-20,034.89	-92.92
1-1-5321-00	Water Conservation	2,633.61	4,458.33	1,824.72	40.93	19,754.46	38,166.64	18,412.18	48.24
1-1-5322-00	Community Outreach	375.00	2,022.50	1,647.50	81.46	5,571.25	16,180.00	10,608.75	65.57
1-1-5500-00	General Expense	.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1-1-5620-00	Office Supplies & Expense	11,604.02	9,279.16	-2,324.86	-25.05	71,083.85	74,233.28	3,149.43	4.24
1-1-5621-00	Computer Services	3,108.02	2,364.16	-743.86	-31.46	26,556.99	23,113.28	-3,443.71	-14.90
1-1-5625-00	Meetings / Training / Seminars	5,093.01	2,333.33	-2,759.68	-118.27	16,984.24	18,666.64	1,682.40	9.01
1-1-5630-00	Insurance	33,147.31	32,844.41	-302.90	-0.92	296,598.40	311,505.28	14,906.88	4.79
1-1-5681-00	Legal	1,630.32	4,750.00	3,119.68	65.68	35,490.17	38,000.00	2,509.83	6.60
1-1-5682-00	Engineering	1,189.50	2,500.00	1,310.50	52.42	7,855.50	20,000.00	12,144.50	60.72
1-1-5683-00	Financial Services	.00	2,941.66	2,941.66	100.00	14,459.00	23,533.28	9,074.28	38.56
1-1-5685-00	Board Meeting Expense	.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1-1-5686-00	Miscellaneous Expense	.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1-1-5687-00	Membership, Dues, Subscript.	596.00	4,080.41	3,484.41	85.39	30,438.01	32,643.28	2,205.27	6.76
1-1-5688-00	Election Expenses	34,019.67	15,000.00	-19,019.67	-126.80	34,019.67	15,000.00	-19,019.67	-126.80

Account	Description	Current Actual	Current Budget	Variance	% Var	Year to Date Actual	8/12 YTD Budget	Variance	% Var
1-1-5690-00	Interest Expense	.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1-1-5700-00	San Mateo County Fees	.00	250.00	250.00	100.00	7,269.36	8,200.00	930.64	11.35
1-1-5701-00	Property Taxes	.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1-1-5705-00	State Fees	.00	0.00	0.00	0.00	7,362.65	32,000.00	24,637.35	76.99
1-1-5711-00	Debt Srvc/Existing Bonds 1998A	.00	0.00	0.00	0.00	235,350.61	235,485.00	134.39	0.06
1-1-5712-00	Debt Srvc/Existing Bonds 2006B	.00	0.00	0.00	0.00	323,662.87	322,974.00	-688.87	-0.21
1-1-5713-00	Contribution to CIP & Reserves	34,310.75	34,310.75	0.00	0.00	274,486.00	274,486.00	0.00	0.00
1-1-5714-00	Transfer of Conn Fees to CSP	.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1-1-5725-00	Debt Issuance Amorization Exp.	.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1-1-5743-00	CSP Assm. Dist. Processing Fee	.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1-1-5744-00	Capital Replacement Contri.	.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1-1-5411-00	Salaries & Wages - Field	61,502.95	62,134.54	631.59	1.02	540,492.96	528,143.56	-12,349.40	-2.34
1-1-5610-00	Salaries/Wages-Administration	43,165.33	43,630.84	465.51	1.07	348,569.03	370,862.15	22,293.12	6.01
1-1-5640-00	Employees Retirement Plan	31,020.18	27,298.00	-3,722.18	-13.64	240,634.28	232,033.00	-8,601.28	-3.71
1-1-5684-00	Payroll Tax Expense	8,053.26	7,660.46	-392.80	-5.13	65,611.89	65,113.91	-497.98	-0.76
1-1-5412-00	Maintenance - General	22,980.70	12,048.00	-10,932.70	-90.74	104,248.77	96,384.00	-7,864.77	-8.16
1-1-5414-00	Motor Vehicle Expense	4,365.22	4,208.33	-156.89	-3.73	35,203.61	33,666.64	-1,536.97	-4.57
1-1-5415-00	Maintenance - Well Fields	21,194.47	2,753.00	-18,441.47	-669.87	21,610.71	16,516.00	-5,094.71	-30.85
1-1-5745-00	CSP Connect. Reserve Contribu.	.00	0.00	0.00	0.00	20,910.00	0.00	-20,910.00	0.00
1-1-5746-00	Wavecrest CSP Connt. Reserve	.00	0.00	0.00	0.00	20,073.60	0.00	-20,073.60	0.00
	EXPENSES Totals:	**450,628.29****	**390,633.10****	**-59,995.19****	**-15.36**	**4,104,976.87****	**4,205,951.04****	**100,974.17****	**2.40****
Report Totals:									
	REVENUE Total	**300,710.96******	**321,104.33******	**20,393.37******	**6.35**	**4,299,000.47******	**4,345,964.64******	**46,964.17******	**1.08******
	EXPENSE Total	**450,628.29******	**390,633.10******	**-59,995.19******	**-15.36**	**4,104,976.87******	**4,205,951.04******	**100,974.17******	**2.40******
	INCOME Total	**-149,917.33******	**-69,528.77******			**194,023.60******	**140,013.60******		

COASTSIDE COUNTY WATER DISTRICT
INVESTMENT REPORT
February 29, 2008

		Restricted	*Restricted*	*Restricted for CSP CIP Projects*		
	CASH FLOW & OPERATING RESERVE	**EMERGENCY RESERVES**	**CAPITAL EXPENDITURES**	**DISTRICT CSP CONTRIBUTION**	**CSP T&S FEES**	**TOTAL**
DISTRICT BALANCES						
CASH IN FNB						
OPERATING ACCOUNT			$417,088.34			$417,088.34
CSP T&S ACCOUNT					$1,001,552.72	$1,001,552.72
TOTAL FIRST NATIONAL BANK	$0.00	$0.00	$417,088.34	$0.00	$1,001,552.72	$1,418,641.06
CASH WITH L.A.I.F	$297,900.00	$700,000.00	$1,803,533.21	$267,655.14	$2,845,345.69	$5,914,434.04
UNION BANK - Project Fund Balance			$4,635,585.37			$4,635,585.37
						$0.00
CASH ON HAND	$2,130.00					$2,130.00
TOTAL DISTRICT CASH BALANCES	$300,030.00	$700,000.00	$6,856,206.92	$267,655.14	$3,846,898.41	$11,970,790.47
ASSESSMENT DISTRICT BALANCES						
CASH IN FIRST NATIONAL BANK (FNB)						
REDEMPTION ACCOUNT		$ 68,090.39				
RESERVE ACCOUNT (Closed Account 8-4-04)		$ -				
TOTAL ASSESSMENT DISTRICT CASH		$ 68,090.39				

This report is in conformity with CCWD's Investment Policy and there are sufficient funds to meet CCWD's expenditure requirements for the next three months.

COASTSIDE COUNTY WATER DISTRICT
CRYSTAL SPRINGS PROJECT
CAPITAL PROJECTS FY 07/08

February 29, 2008

PROJECT	**Actual to date**	**FY 07/08 CIP Budget**	**% Completed**
El Granada Pipeline Phase 3			
1128-03	$154,612	$2,701,000	5.7%
Contingency		$100,000	
TOTALS	**$154,612**	**$2,801,000**	5.5%

	Actual - Ending	
Carryover from FY 06/07	*30-Jun-07*	*FY 06/07 Budget*
	$260,002	*$1,000,000*

COASTSIDE COUNTY WATER DISTRICT
NON-CRYSTAL SPRINGS CAPITAL IMPROVEMENT PROJECTS - FY 2007/2008

DATE: FEBRUARY 2008

DESCRIPTION	ACCT NO	CONTRACT AMOUNT	FY 07/08 ACTUAL TO DATE	FY 07/08 CIP BUDGET
PIPELINE PROJECTS				
Main Street/Hwy 92 Widening Project (Non-CSP Portion)	1120-93		$181,493	$650,000
WATER TREATMENT PLANTS				
Nunes Filter Media Replacement	1121-25		$7,162	$100,000
Nunes WTP- Filter BW Stations	1121-26		$6,392	$15,000
Nunes WTP -Raw Water Turbidimeter	1118-10		$4,588	$10,000
Nunes UST removal and replaced with AGST	1118-10		$332	$60,000
Nunes WTP -Plant Lighting	1118-10		$14,156	$15,000
Nunes WTP - Filter, BW, and SW Flow Meters Replacement	1118-10		$11,486	$12,000
Nunes WTP - Head Loss System Replacement	1118-10			$15,000
Denniston WTP- Alarm Annunciator Panel	1118-11			$3,000
Denniston WTP- Filter Valve Replacement	1118-11			$75,000
Denniston WTP- Honeywell Recorder	1118-11		$8,529	$7,000
Denniston WTP- Filter Flow Meters	1118-11			$6,000
FACILITIES & MAINTENANCE				
Denniston Restoration	1120-03		$8,073	$26,000
Meter Pilot Program	1121-41		$27,158	$40,000
Meter Change Program	1117-06		$8,488	$16,000
City & County Projects (resurfacing/raising boxes)	1120-86		$13,783	$31,000
Replace shop roof	1118-01		$4,169	$8,000

COASTSIDE COUNTY WATER DISTRICT
NON-CRYSTAL SPRINGS CAPITAL IMPROVEMENT PROJECTS - FY 2007/2008

EQUIPMENT PURCHASE & REPLACEMENT

Vehicle Replacement	1118-04		$17,904	$40,000
Computer System	1118-02		$9,723	$15,000
Office Equipment/Furniture	1118-02		$17,315	$20,000
SCADA/Telemetry	1121-82		$2,420	$125,000
New tapping machine	1118-03			$6,000
Front-end Loader with Scraper Box	1118-04		$61,296	$50,000
Portable trailer light stand	1118-03		$8,119	$12,000
Valve and vacuum trailer	1118-03		$46,073	$50,000

PUMP STATIONS / TANKS / WELLS

Replace tunnel air transport line	1118-12			$100,000
Sump Pump in main line vault at Crystal Springs	1118-12			$3,000
Crystal Springs Soft Starts P1 and P3	1118-12			$45,000
Well Rehabilitation	1121-38		$20,527	$80,000
Cahill Tank - Exterior paint and ladder replacement				$160,000
PRV Valves Replacement Project	1121-43		$7,232	$20,000
Wells- Flow Meter and Chart Recorders				$25,000
CSP Motor and Pump Rehabilitation	1121-30		$4,128	$50,000
El Granada Storage Tank Modification Project	1121-42		$95,635	

DENNISTON WTP (PRIORITY) IMPROVEMENTS

Denniston Short Term WTP Modifications - Subproject	1121-21		$60,700	$842,000
DENNISTON STORAGE TANK MODIFICATION PROJECT	1121-40		$240,302	$686,000

COASTSIDE COUNTY WATER DISTRICT
NON-CRYSTAL SPRINGS CAPITAL IMPROVEMENT PROJECTS - FY 2007/2008

NUNES WTP (PRIORITY) IMPROVEMENTS

Nunes WTP Short Term Modifications - Subproject	1121-21			$809,000
TP/PS - Short Term Improvement Project (work by District Engineer)	1121-21		$72,623	

NON-BUDGETED ITEMS (CAPITAL EXPEDITURES)

- SAMPLE STATION (8/07)	1118-03	$3,011	
- BOAT W/OARS (8/07)	1118-11	$2,152	
- Drilling/Tapping Machine (9/07)	1118-03	$4,171	
- Air Powered Cut Off Saw (9/07)	1118-03	$2,590	
- Walk behind Saw	1118-03	$2,566	
- Camera for Corp Yard / Alarm for Shop	1121-29	$3,500	
- Cahill Ridge - Tank Study	1120-47	$816	
- Highway One (South) Pipeline Replacment	1121-46	235.5	
TOTALS		$978,845	$4,227,000

Legal Cost Tracking Report
12 Months At-A-Glance

Acct. No.5681
ANTHONY CONDOTTI
Legal

Month	Admin (General Legal Fees)	CSP	Transfer Program	CIP	Personnel	Lawsuits 62% Reimbursable	Infrastructure Project Review (Reimbursable)	TOTAL
Mar-07	6,045	2,033		1,428	1,170			10,676
Apr-07	4,857	800	156	488	312			6,612
May-07	3,531	1,014	234	566	878		293	6,515
Jun-07	2,716	449	234	117	1,806			5,322
Jul-07	4,386	98	117	98	605	3		5,305
Aug-07	4,363	907	156	98	2,223			7,746
Sep-07	6,119	585			176			6,879
Oct-07	4,143	1,326		253	2,906			8,628
Nov-07	2,916	544	254	156	1,424			5,293
Dec-07	3,710			566	59			4,334
Jan-08	3,854	1,386						5,240
Feb-08	1,630	1,305		1,956				4,891
TOTAL	**48,270**	**10,445**	**1,151**	**5,724**	**11,556**	**3**	**293**	**77,441**

Engineer Cost Tracking Report
12 Months At-A-Glance

Acct. No. 5682
JAMES TETER
Engineer

Month	Admin & Retainer	Phase 3 EG Pipeline	CIP	Short Term WTP Imprv.	Studies & Projects	TOTAL	Reimburseable from Projects
Mar-07	2,095	867	532	13,605	1,286	**18,384**	533
Apr-07	3,623	530		11,127	1,961	**17,240**	152
May-07	1,228	13,388		3,965		**18,581**	
Jun-07	1,456	4,945		15,097		**21,498**	
Jul-07	2,507	15,158	659	2,175		**20,499**	
Aug-07	954	8,400		6,548		**15,901**	
Sep-07	954	4,033		16,982	157	**22,126**	157
Oct-07	954	6,380		9,120		**16,454**	
Nov-07	1,190	813		18,697		**20,700**	
Dec-07	1,347	1,279		5,269		**7,894**	
Jan-08	1,268	4,593		7,585	3,249	**16,696**	3,249
Feb-08	1,190	7,099	1,051	6,246		**15,586**	
TOTAL	**18,763**	**67,486**	**2,242**	**116,416**	**6,653**	**211,560**	**4,091**

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE SPECIAL CLOSED SESSION

Tuesday – February 12, 2008 – 6:15 p.m.

1) CLOSED SESSION

A. Conference with Labor Negotiators
(Gov. Code Section 54957.6)

Agency Designated Representatives: General Manager, IEDA

Employee Organization: Teamsters Union, Local 856

2) RECONVENE TO OPEN SESSION

The Closed Session convened at 6:15 p.m. with President Ascher and Directors Larimer, Mickelsen, Coverdell and Feldman, General Manager Dickson and Legal Counsel Condotti. The Closed Session concluded at approximately 7:00 p.m. immediately prior to the commencement of the regular meeting, at which time President Ascher announced that no reportable action had been taken.

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE BOARD OF DIRECTORS MEETING

Tuesday, February 12, 2008 – 7:00 p.m.

1) ROLL CALL: President Ascher called the meeting to order at 7:03 p.m. Present at roll call were Directors Ken Coverdell, Jim Larimer, Chris Mickelsen and Bob Feldman.

Also present were: David Dickson, General Manager; Tony Condotti, Legal Counsel; Joe Guistino, Superintendent of Operations; James Teter, District Engineer; Cathleen Brennan, Public Outreach/Program Development /Water Resources Analyst; JoAnne Whelen, Administrative Assistant/Recording Secretary and Gina Brazil, Office Manager.

2) PLEDGE OF ALLEGIANCE

3) PUBLIC ANNOUNCEMENTS - None

4) SPECIAL ORDER OF BUSINESS

A. Resolution 2008-02 – A Resolution of the Board of Directors of the Coastside County Water District expressing gratitude to Jim Larimer for his leadership and dedicated service to the community in his capacity as President of the CCWD Board of Directors

- **Presentation of Certificates of Recognition from local Government Officials**

President Ascher announced that it was his pleasure, on behalf of the Coastside County Water District and other community organizations and governmental bodies, to recognize the achievements and leaderships of Jim Larimer in his role of President of the Board over the past year. He proceeded to present Director Larimer with recognition and commendation certificates from the San Mateo County Board of Supervisors, the California Legislature, Assembly Member Gene Mullin, and a proclamation from the City of Half Moon Bay. He then presented the Resolution from the Coastside County Water District.

ON MOTION by Director Coverdell and seconded by Director Feldman, the Board voted as follows, by roll call vote, to adopt Resolution 2008-02 Expressing gratitude to Jim Larimer for his leadership and dedicated service to the community in the capacity as President of the CCWD Board of Directors:

Director Coverdell	**Aye**
Director Mickelsen	**Aye**
Director Larimer	**Abstain**
Director Feldman	**Aye**
President Ascher	**Aye**

Director Larimer stated that it had been a privilege to be elected to serve this agency and thanked his fellow citizens for electing him for several terms. He commented that it had been an honor and he had been fortunate to serve with four other citizens who have been devoted to managing the District and making it a model agency. He also stated that the core value of the District is in the fabulous staff and their professional performance and commitment to excellence. He concluded by thanking the staff for their spectacular efforts and stated that he hopes the community understands the devotion and commitment by the District's staff.

5) CONSENT CALENDAR

- **A.** Requesting the Board to review disbursements for the month Ending January 31, 2008– Claims: $619,045.44; Payroll: $65,021.98for a total of $684,067.42
- **B.** Acceptance of Financial Reports
- **C.** Minutes of the January 8, 2008 Board of Directors Meeting
- **D.** Authorization to purchase new fleet vehicle

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

ON MOTION by Director Coverdell and seconded by Director Mickelsen, the Board voted as follows to accept the Consent Calendar in its entirety:

Director Coverdell	**Aye**
Director Mickelsen	**Aye**
Director Larimer	**Aye**
Director Feldman	**Aye**
President Ascher	**Aye**

6) DIRECTOR COMMENTS / MEETINGS ATTENDED

Director Feldman requested a moment of silence, in memory of the Honorable Congressman Tom Lantos, to reflect on his accomplishments, devotion and commitment to San Mateo County, the United States and the world.

Director Mickelsen provided a brief report on his attendance at the recent meeting of the Bay Area Water Supply and Conservation Agency (BAWSCA).

Director Coverdell reported favorable results on his recent unofficial research on the snow-pack in the Sierras.

Director Feldman reported on the three recent meetings of the Pilarcitos Integrated Watershed Management Plan Workgroup Meetings, which have been attended by Mr. Dickson, Mr. Guistino, Director Mickelsen and Ms. Brennan.

President Ascher reported on his recent attendance at the Association of California Water Agencies (ACWA) Region 5 Board of Directors meeting. He advised that the organization had requested that he ask the Board to possibly consider having the Coastside County Water District host one of their future meetings. He asked that District staff follow up with ACWA Region 5 staff to inquire about the requirements and obligations that would be involved in hosting the meeting on the coastside and indicated that after the information had been received, he would bring the matter back for the Board's consideration at a future Board meeting.

President Ascher also reported on his attendance at a California Special District Association (CSDA) Board training session, and the CSDA Legislative meeting. He also reminded the Board that all Directors would be required to renew their Ethics Training this year and requested that staff start planning for the training session and indicated that he would like to continue the practice of extending an invitation to representatives of other local agencies and special districts to attend the District's training event.

President Ascher then announced that due to the number of speaker slips submitted, he would be re-ordering the agenda to discuss item 7B first.

7) GENERAL BUSINESS

B. Discussion and direction to staff regarding posting video of CCWD Board of Directors meetings on the Web

Constance Malach, President of Mid-Coast Television (MCTV) – 314 El Granada Blvd., El Granada, CA - Provided a brief history of MCTV and presented information regarding the services that MCTV could provide to the District, including web streaming and video-on-demand services, which would be available by April 1, 2008, for an additional cost of $150.00 per meeting.

Bert Barbosa, 965 Ronald Court, Half Moon Bay, CA - Discussed the MCTV programming he is involved with that serves the Portuguese community on the coastside.

Chris Madison and Emery Gorden, Wired Moon, El Granada, CA - Discussed their 20-year affiliation with MCTV, distributed a portfolio, and reviewed their experience and function of services that they provide, including front-end user analysis, data base development and software programming.

Michael Day, MCTV Vice President – 314 El Granada Blvd., El Granada, CA - Discussed MCTV's copyright policy on their programming and use of their materials, and stated that MCTV does not have an issue with CCWD posting their meeting video directly on the District's website from the DVD provided by MCTV.

Mr. Dickson then provided a brief background of this item and indicated that much of the information stated above by MCTV representatives had not been received at the date of the staff report and that staff was learning this information for the first time this evening.

Board discussion ensued, with Mr. Condotti addressing some of the proposed questions and issues. The consensus of the Board was to retain MCTV's services for providing meeting video on the Web, with the understanding that the services would be available for the April CCWD Board of Directors meeting. Direction was given to staff to satisfactorily resolve any rights/indemnification issues with MCTV.

A. Update on the status of Phase 3 El Granada Pipeline Replacement Project – Presentation by Carollo Engineers, Inc.

Mr. Dickson provided a brief update on the project, followed by an introduction of Mike Warriner and Camden O'Toole from Carollo Engineers, who provided a presentation on the project's progress, including scope of work, activity highlights, project map and calendar, and Progress Report Number 1.

C. Update on expiration of CCWD's commitment to reserve 72 non-priority water service connections for Wavecrest Village Project

Mr. Condotti provided a summary and the background of this item and addressed questions from the Board. Discussion ensued and staff was directed to start drafting proposed options and alternatives for addressing allocation of these non-priority water service connections in reserve. The Board also determined that discussion of these considerations, including the adoption of a policy is to be placed on a future CCWD Board meeting agenda.

8) GENERAL MANAGER'S REPORT

Mr. Dickson reviewed the discussion items in his report, including details of the Board Retreat scheduled for March 4, 2008. He also provided a brief discussion of recent events he has participated in regarding water supply reclamation projects. Additionally he provided an update on the progress of the Local Agency Formation Commission (LAFCO) Municipal Service Review.

9) MONTHLY INFORMATIONAL REPORTS

Items A through K – President Ascher referenced each of the items included in this monthly informational report section, inviting questions or comments from the Board, which were addressed by Mr. Dickson and Mr. Guistino.

Ms. Brennan reviewed the information contained in the Water Shortage and Drought Contingency Plan and the Monthly Water Resources Report.

Mr. Guistino briefly reviewed some of the items included in his monthly operations report, providing updates on the Automatic Meter Reading Pilot Program, the Preventative Maintenance Program, the Denniston Reservoir and the Department of Public Health annual inspection findings.

Mr. Teter reviewed the highlights of the District Engineer's report.

10) ADJOURNMENT

The meeting was adjourned at 9:25 p.m. The next meeting of the Coastside County Water District is scheduled for Tuesday, March 11, 2008.

Respectfully submitted,

_____
David Dickson, General Manager
Secretary of the Board

_____
Everett Ascher, President
Board of Directors
Coastside County Water District

STAFF REPORT

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

From: **David Dickson, General Manager**

Agenda: **March 11, 2008**

Report Date: March 6, 2008

Subject: **Award of Contract for Nunes Filter Media Replacement**

Recommendation:
Authorize the General Manager, subject to District Counsel review and approval, to award a contract for Nunes Filter Media Replacement to ERS for the bid price of $46,448.38.

Background:
The Board at its November 13, 2007 meeting authorized issuance of a request for bids for the Nunes Filter Media Replacement project. We received and opened two bids on March 4, 2008:

ERS	$46,448.38
Carbon Activated	$84,935.47

This project will replace media in two of the four filters at Nunes. We plan to replace media in the remaining filters in August 2008.

Fiscal Impact:
CIP budget for FY08 includes $100,000 for filter media replacement.

STAFF REPORT

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

From: **David Dickson, General Manager**

Agenda: **March 11, 2008**

Report Date: March 6, 2008

Subject: **El Granada Pipeline Phase 3 Construction Progress Update**

Recommendation:
No Board action required. Information only.

Background:
With the first sections of pipe laid on March 3, construction is underway on the Phase 3 El Granada Pipeline Replacement project.

Highlights of progress to date:

- JMB Construction has two pipeline crews working, one in Section 1 from the SAM access road south, the other in Section 2 from the Wave Avenue booster pump north.
- As of March 6, JMB had installed about 1,500 feet of pipe. Total length of pipe to be installed in this project is approximately 13,000 feet.
- The jack-and-bore subcontractor, Centerline Boring, mobilized on March 5 and will begin work on the Highway 1 crossing north of Main Street on about March 12. This crossing – first of three in Section 1 – will take approximately two weeks.
- Section 1, from Main Street to the SAM access road, should be complete by mid-April.
- In keeping with our permit conditions, we have full-time monitors for Native American resources, cultural/archaeological resources, and biological impacts.
- CCWD staff installed project signs on Highway 1.

Carollo Engineers, JMB Construction, and CCWD staff have been working with affected businesses along Highway 1, including BK Motors and Sea Horse Farms, to help manage the impact of construction on their operations. At Sea Horse Farms, a potential conflict between the new CCWD pipeline and the existing SAM sewer line will require relocating our pipe alignment and the jacking pit for the Frenchman's Creek crossing. In order to work in this area, we will need to relocate Sea Horse Farm's existing horse shelter and install temporary fencing between their facilities and the construction area.

STAFF REPORT

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

From: **David Dickson, General Manager**

Agenda: **March 11, 2008**

Report Date: March 6, 2008

Subject: **Approval of Change Order with TRC for CEQA Document Preparation for Denniston Reservoir Maintenance Dredging Project**

Recommendation:
Authorize execution of a change order to the District's existing contract with TRC to perform CEQA work required for the Denniston Reservoir maintenance dredging project, in an amount not to exceed $30,000.

Background:
In the District's pursuit of permits for dredging of Denniston Reservoir, we contracted with TRC to investigate possible restoration and permitting alternatives. TRC delivered an Initial Findings Report on December 12, 2006. Since then, the District has reduced the scope of the initially proposed project to maintenance dredging of about 400 cubic yards around the water intake.

In order to proceed with permitting of this project, we need to complete CEQA documents. We propose to issue a change order to TRC to perform this work, in accordance with the attached Contract Modification describing TRC's scope of services. The work is to be performed on a time-and-materials basis for an estimated cost of $30,000.

Fiscal Impact:
This project is included in the FY08 CIP budget.

STAFF REPORT

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

From: **David Dickson, General Manager**

Agenda: **March 11, 2008**

Report Date: March 6, 2008

Subject: **Opposition to State's Proposed Tax Revenue Take-Away**

Recommendation:
Authorize the Board President to send letters to state legislators on behalf of CCWD opposing the new ERAF-like Public Safety Realignment Account proposal.

Background:
The California Legislative Analyst's Office has recommended shifting $188 million per year from water and wastewater district property tax revenues to counties via a Public Safety Realignment Account (PSRA). This shift, comparable to ERAF, would significantly lower CCWD revenues and require the District to increase rates to offset the loss.

ACWA has urged its members to contact their legislators to oppose the PSRA shift.

See sample letter below provided by ACWA.

Fiscal Impact:
None.

SAMPLE LETTER PROVIDED BY ACWA

(Your agency's name here) is frankly outraged at the recent Legislative Analyst's Office (LAO) proposal on funding a criminal justice parole realignment plan on the backs of water and wastewater districts and their ratepayers throughout California to the tune of $188 million dollars annually.

Could the state be so desperate as to create another ERAF scheme to take local government dollars away from water districts to fund a parolee supervision plan that has no nexus with the critical responsibility of managing and delivering water to Californians?

Water districts have already paid millions of dollars into the ERAF fund since the last recession of the early 90s that they are still paying. Another additional 2-year ERAF shift just dumped approximately $600 million into ERAF since 2004. Does anyone other than the LAO think it's a good idea to create a new ERAF-like mechanism -- the Public Safety Realignment Account, or PSRA -- to take more revenues from special districts?

California is in the midst of a severe water crisis. Slashing property tax funding to water and wastewater districts throughout California would be reckless and have severe impacts to residents statewide. The LAO states that "this property tax shift, in turn, would put pressure on districts to increase service charges." Since water districts must adhere to Proposition 218's strict rules raising additional fees or taxes locally is extremely difficult at a time when ratepayers already face rising costs for energy and other essentials.

(Put concrete examples here of how your water district was financially impacted in the latest ERAF shift of 2004-05 and 2005-06 or the amount annually that your district continues to transfer into the ERAF fund. Include the actual projects that were delayed or shelved because of the ERAF shifts and how that impacted your ratepayers. Detail any roadblocks experienced with Prop. 218 to replace property tax funds with fees)

(Your water district's name here) stands with ACWA in opposing this LAO-proposed shift of $188 million in property taxed from water and wastewater special disticts into the PSRA fund annually and without end. We urge you to oppose this proposal when it is heard and voted upon this spring.

STAFF REPORT

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

From: **David Dickson, General Manager**

Agenda: **March 11, 2008**

Report Date: March 6, 2008

Subject: **Support for California Comprehensive Water Package**

Recommendation:
Authorize the Board President to send letters on behalf of CCWD to state legislators supporting the need for a comprehensive water package.

Background:
ACWA has urged its members to contact their legislators to support negotiation of a comprehensive bond package for water resource projects in California.

See sample letter below provided by ACWA.

Fiscal Impact:
None.

SAMPLE LETTER PROVIDED BY ACWA

(Your agency's name here) is writing to convey our strong support for continued negotiations in the Legislature on a comprehensive water package to address the Delta and improve the sustainability of California's water system.

As you know, the Delta is an ecological crisis that requires action. Every day that goes by without a solution is another day of lost water supply and further deterioration of the Delta ecosystem. We can?t afford further delays in addressing this crisis, which threatens not only the environment but the water supplies so critical to our economy.

It is vital that members of the Legislature and Governor Schwarzenegger continue working together to develop a comprehensive solution that has bipartisan support and that will put California on a sustainable path for the environment and our water supply reliability. The comprehensive solution must include investments in local water resources, including water use efficiency, recycling and local surface water and groundwater storage projects. It must also include investments in our statewide backbone water storage and conveyance infrastructure so we can restore the environment and protect the state's economic vitality.

(Your water district's name here) respectfully urges you to continue working on this issue. A legislative water package with broad-based support is in the best interest of all Californians. The time for action is now.

STAFF REPORT

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

From: **David Dickson, General Manager**

Agenda: **March 11, 2008**

Report Date: March 6, 2008

Subject: **Discussion of Draft LAFCO Municipal Services Review**

Recommendation:
None. Discussion only.

Background:
We received the Draft LAFCO Municipal Services Review on March 3, with a request that we provide comments on any factual errors by March 6. Staff did not find any material errors in the CCWD information presented.

According to Martha Poyatos of LAFCO, they plan to release a public review draft of the report during the week of March 10 and hold a public scoping session/workshop on the MSR in the Half Moon Bay Community Center on March 25, 7pm. The date for the workshop has not been confirmed.

The Board may wish to discuss the draft MSR and its recommendations.

1. ANALYSIS OF WATER, WASTEWATER, AND SOLID WASTE SYSTEMS

This chapter of the report provides a services overview for the local governments in the Midcoast area of San Mateo County involved in water, wastewater, and solid waste systems service delivery.

1. FIVE LOCAL GOVERNMENTS PROVIDE WATER, WASTEWATER AND SOLID WASTE SERVICES TO THE SAN MATEO COUNTY MIDCOAST AREA.

The following local governments provide water, wastewater and solid waste services to the communities within the San Mateo Midcoast area.

- **Sewer Authority Mid-Coastside (SAM)** is a public agency, operating under a joint powers agreement, that provides wastewater collection and wastewater treatment service to City of Half Moon Bay, the Granada Sanitary District and the Montara Water and Sanitary District.

- **Montara Water and Sanitary District (MWSD)** provides residents of Montara, Moss Beach, and adjacent areas located north of Half Moon Bay and south of Pacifica with water, wastewater and solid waste collection services. MWSD is a member of SAM.

- **Granada Sanitary District (GSD)** provides wastewater collection and treatment to customers in El Granada, Princeton, Princeton-By-Sea, Miramar, and the northern portion of the City of Half Moon Bay. GSD provides solid waste collection and recycling service to El Granada, Princeton, Princeton-By-Sea, and Miramar. The Granada Sanitary District is a member of SAM. It should be noted that the GSD provides sewer services to a portion of the City of Half Moon Bay.

- **Coastside County Water District (CCWD)** provides potable water service to customers located in the City of Half Moon Bay and the unincorporated coastal communities of El Granada, Miramar and Princeton.

- **Half Moon Bay**. Half Moon Bay (HMB) is a member of SAM, and owns the wastewater collection system within the City, and solid waste collection services through a franchise agreement with Allied Waste. The wastewater services are funded via a sewer enterprise fund.

An organizational description of these local governments is provided in the detailed Profile document. These local governments provide or receive services further defined as follows:

- **Service Provider (P)** – The agency is a direct provider of the relevant service and typically has staff dedicated to the appropriate core business function(s).
- **Service Deliverer (D)** – The agency provides the relevant service via a contract with a privatized entity or acts as a "pass-through" agency for another government organization, thereby providing administrative oversight for the service in question.
- **Service Recipient (R)** – The organization receives services from one of the four special district agencies.

Based on the information provided, the following matrix shows the service delivery inter-relationships for the four special district agencies noted, as well as their recipient communities. The coding within the matrix is consistent with the definitions provided above and further notated in the footnote.

Inter-relationships among Special Districts and Communities in the San Mateo County Urban Coastside Region[1]

Agency/Community	Wastewater Treatment	Wastewater Collection	Water Treatment	Water Distribution	Solid Waste Service
Sewer Authority Mid-Coastside (SAM)	P	P			
Coastside County Water District			P/D	P/D	
Montara Water & Sanitary District	R1/D1	R1/D1	P	P	D
Granada Sanitary District	R1/D1	R1/D1			D
City of Half Moon Bay	R1	R1	R2	R2	R4[2]
El Granada	R4	R4	R2	R2	R4
Mirimar	R4	R4	R2	R2	R4
Princeton	R4	R4	R2	R2	R4
Montara	R3	R3	R3	R3	R3
Moss Beach	R3	R3	R3	R3	R3
Unincorporated Co. N. of HMB	R3	R3	R3	R3	R3

[1] Coding: Service (P)rovider; Service (D)eliverer; Service (R)ecipient. The # reflects the relationship to one of the noted special districts. By example, R3 reflects services received by the Montara Water and Sanitary District. The "D" code without a number reflects a privatized or other entity involved with service delivery (e.g. SFPUC).

[2] Allied Waste (formerly BFI Inc.) is the franchised waste hauler for the City of Half Moon Bay and provides service for the residential and commercial sectors.

These functional relationships help drive important service delivery throughout the San Mateo County Urban Coastside Region and help frame information presented in the following sections.

2. A MUNICIPAL SERVICES REVIEW FOR THE FOUR SPECIAL DISTRICTS IS REQUIRED PER GOVERNMENT CODE SECTION 56430.

Per Government Code Section 56430, local agency formation commissions must perform a municipal service review at minimum once every five years. The municipal services review is designed to identify and address issues associated with nine areas of relevance associated with good governance. These nine areas include:

- Growth and population projections for the affected areas;
- Infrastructure needs or deficiencies;
- Financing constraints and opportunities;
- Cost avoidance opportunities;
- Opportunities for rate restructuring;
- Opportunities for shared facilities;
- Government structure options including advantages and disadvantages of consolidation or re-organization of service providers;
- Evaluation of management efficiencies; and
- Local accountability and governance.

It should be noted that while determinations on these nine areas may be used as a basis for an application for reorganization by an affected agency, property owner(s), voters or LAFCO, there is no enabling legislation mandating LAFCO to initiate a change of organization. These nine areas of relevance as it relates to the SAM, the Granada Sanitary District, MSWD, the Coastside County Water District, and as practical the City of Half Moon Bay, are discussed in the following sections.

3. POPULATION GROWTH PROJECTIONS.

Based on census data from the County Planning Department and the State Finance Department, the following table presents population data for the relevant midcoast areas.

Census Population for the Midcoast Area: 1990 and 2000

	1990	2000	% Change
Moss Beach CDP	3,002	1,953	-34.9%
Montara CDP	2,552	2,950	15.6%
El Granada CDP	4,426	5,724	29.3%
Half Moon Bay	8,886	11,842	33.3%

The following is noted regarding the current population data:

- Based on municipal and Census Designated Place (CDP) data, the Midcoast area experienced an increase in population of approximately 17% from 1990, to 2000.
- The City of Half Moon Bay has experienced the most significant estimated growth of 33.3% from 1990 to 2000.
- The Moss Beach CDP has experienced the most significant population decline from 1990 to 2000 at -34.9%.
- The El Granada and Montara Census Designated Places have also increased in population over the last seventeen years at 29.3% and 15.6%, respectively.

In addition to population growth since 1990 and population estimates to date, data related to residential dwelling unit build-out for the midcoast was acquired from the Midcoast Local Coastal Program (LCP) documentation and other sources. The following table presents data from calendar year 2000 with build-out estimates.

The Association of Bay Area Governments (ABAG), in their 2005 growth projections, projected that the population of Half Moon Bay would increase to 14,600 by the year 2025. This represents a growth of 23% in comparison to the 2000 census data for the City. ABAG also projected an increase in the population of the unincorporated

area of the Midcoast of 12,100 by 2025, or an increase of 14% in comparison to the 2000 census data.

4. INFRASTRUCTURE NEEDS OR DEFICIENCIES.

Infrastructure information is typically found in Master Plans, Capital Improvement Programs, and other associated documents and should be readily available at the appropriate special district agencies. The following table summarizes relevant infrastructure documentation and plans associated with the listed special district.

Plan Documentation by Agency

Agency	Wastewater	Water	Solid Waste
Sewer Authority Mid-Coastside (SAM)	No Sewer Master Plan 5-year Capital Asset Mgmnt. Improvement Schedule 2005 Water Reuse Feasibility Study	Not Applicable	Not Applicable
Coastside County Water District	Not Applicable	2005-2010 Urban Water Management Plan 2006 Water Supply Evaluation Report	Not Applicable
Montara Water & Sanitary District	See SAM Standard Sewer Specifications	2004 Water System Master Plan 2005 Water Rate Study	Privatized and Contracted to Seacoast Disposal
Granada Sanitary District	See SAM	Not Applicable	Privatized and Contracted to Seacoast Disposal
Half Moon Bay	No Sewer Master Plan	Not Applicable	Privatized and Contracted to Allied Waste

The following points are noted regarding the respective agencies and the Matrix Consulting Groups review of infrastructure needs or deficiencies.

(1) Infrastructure Overview of the Sewer Authority Mid-Coastside (SAM).

The following summarizes major infrastructure assets for SAM.

- Includes 3 main pumping stations, an eight-mile transmission line, the wastewater treatment plant, and 20” 1900-foot ocean outfall.
- 101.3 miles of sewer pipelines and 17 lift stations.
- Collection system has 1.9 miles of gravity pipeline and 5.8 miles of force main.

- The flows at the pump stations range from an average of approximately 0.198 MGD at the lowest flow station to an average of approximately 0.966 MGD at the highest flow station. Average plant capacity is 4.0 MGD with a current average dry weather discharge of 1.7 MGD and peak hourly wet weather flow at 15 MGD.

- The SAM plant provides secondary treatment with chlorine disinfection of effluent. Primary plant asset facilities include the following.

SAM Major Plant Assets – Treatment Processes

Major Asset	# of Assets
Headworks	2
Influent Pumps	8
Grit Removal Tanks	2
Primary Sedimentation Basins	3
Aeration Basins	4
Secondary Clarifiers	2
Chlorine Contact Basin	2
Effluent Pumps	3
Anaerobic Digesters	2

(1.1) The Sewer Authority Mid-Coastside (SAM) has a Five-Year Capital Improvement Program but no Updated Sewer Master Plan.

The SAM has incorporated into their annual Comprehensive Budget document continuously updating five-year Capital Asset Management Improvement Schedules. The following table reflects the most recent five-year budget based on fiscal year 2007-08 information.

SAM Five-Year Capital Asset Management Improvements – Estimated Costs

	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	5-year Total
Current Capital Budget Total	$142,000	$597,124	$1,565,845	$1,946,472	$207,934	$4,459,375
Continuing Capital Budget Total	$423,231	$413,103	$331,717	$286,141	$286,141	$1,740,333
Total Capital Requirement	**$565,231**	**$1,010,227**	**$1,897,562**	**$2,232,613**	**$494,075**	**$6,199,708**

The totals reflected above include sub-categories of capital purchases or improvements related to administrative services and treatment (current and continuing items); collections (current and continuing items); and IPS/Pump Stations (current and

continuing items). By example, the following table reflects project cost estimates for FY 07-08 Current Administrative Services and Treatment projects.

SAM FY 07-08 Current Administrative Services and Treatment Project Cost Estimate

Project Type	Estimated Cost
Fire System Sprinkler Pipe Replacement	$ 40,000
Purchase and Install Primary Pump No. 2	$35,000
Replace Admin Building Ventilator	$30,000
Replace Air Supply Fan, Digester Building	$25,000
Replace Air Supply Fan, Belt Press Room	$25,000
Replace Three Chemical Pumps	$ 20,000
Install Primary Pump No. 1	$15,000
Replace Cross Conveyor	$15,000
Data Gathering PLC for SCADA	$ 12,000
Replace Flights and Chain	n/a
Total Cost:	**$217,000**

It should be noted that the $217,000 total cost estimate should reconcile with the FY 07-08 Current Capital Budget Total amount of $142,000 in the prior table. Despite the fact the sub-total for these projects was noted in the SAM budget as $142,000, the actual summation of the estimates was 53% higher than published. These types of mathematical errors in any type of operating or capital budget should be identified and rectified prior to publication.

SAM further identifies infrastructure projects with project worksheets in the aforementioned in the aforementioned annual budget. By example, the Fire System Sprinkler Pipe Replacement in the above table's first entry is further detailed by SAM with a representative abstract shown below.

Fire System Sprinkler Pipe Replacement

Improvement Description: Replace Plant Fire System Sprinkler Pipe with stainless steel.

Improvement Justification: The existing system is 24 years old. Portions of the exterior fire sprinkler piping has oxidized to the point of eminent failure with one portion actually failing. The cause of the failure is rusting due to exposure to the coastal atmospheric elements. These areas will be replaced with stainless steel piping which will stand up to the elements. The costs for this expenditure are allocated to the member agencies based on OWNERSHIP.

Collateral impacts: *None*
Schedule
Board Approval - Improvement Jul-07
Board Approval - Bids
Purchase Aug-07
Complete Installation Aug-07
Board Acceptance

Improvement Cost Development Total
Design / Consulting
Equipment
Construction Management
Purchase $ 40,000
In-house labor
Inspection
Contingency (10%)

Total $ 40,000 FY 07-08

The previously mentioned fire system example is representative of a good infrastructure project overview for decision-makers. However, further review of various project worksheets insufficient information, in some instances, that detract from infrastructure project planning and accountability. For example, in one improvement justification section of a project worksheet, the following statement was made, “The existing unit has extensive… describe damage, wear, non-functionality.” Clearly this worksheet was incomplete and required additional data for justification. However, the data was apparently not provided before budget finalization. Adequate project information should be provided in the capital budget to ensure future infrastructure improvements are necessary and accountability is maintained. Further, there is no

formal risk assessment included in the project worksheets identifying the priority of the project based on such an assessment.

Although SAM has some detailed information regarding a five-year capital program embedded in the budget document, there is not a Sewer Master Plan upon which a CIP is based. As a consequence, it is unclear how the planning for such project was effectively arrived at. Based on research of SAM's public records, the last reference to a Master or General Plan was made in the mid-1980's. A Master Plan that provides strategic direction for a utility should be updated every seven to ten years.

(1.2) The Sewer Authority Mid-Coastside (SAM) is Addressing Treatment Plant and Pumping Infrastructure Needs.

Based on the review of available capital improvement project information, it appears SAM is generally rehabilitating or replacing Plant and Pump related capital assets in a reasonable manner. By example, one major project, the Wet Weather Capital Improvement – Phase II, is a successor project to a wet weather management initiative that began in 1996 and a major plant upgrade in 1999 expanding the plant to a capacity of four million gallons per day. The total estimated cost for this project represents nearly 73% of the entire five-year plan.

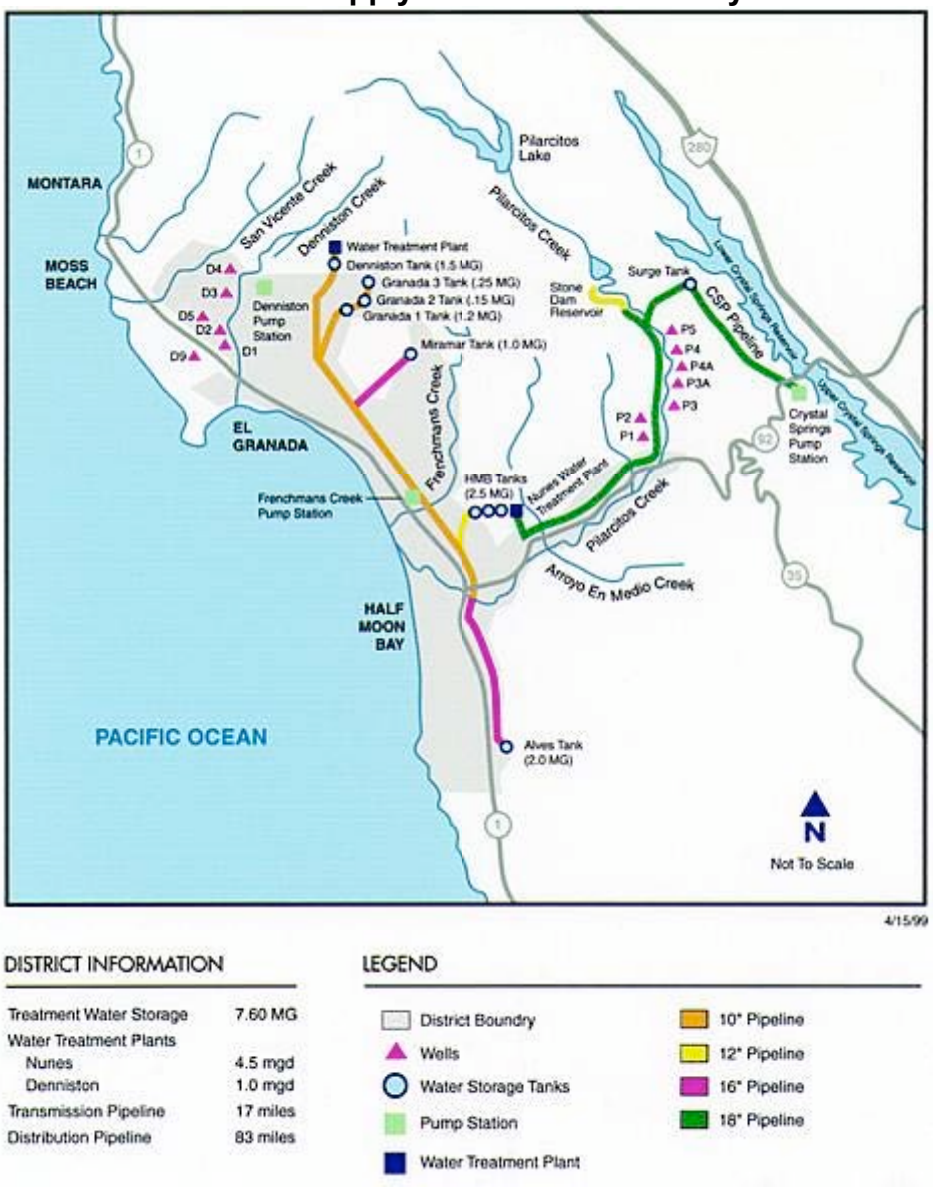
(2) Infrastructure Overview of the Coastside County Water District (CCWD).

The following summarizes major infrastructure assets for the Coastside County Water District (CCWD).

- Distribution system has 10 treated water storage tanks at a capacity of 8.1 million gallons.
- 3 pressure zones, five pump stations, 500 hydrants and 52 miles of water mains.
- Two Water Treatment Plants (Nunes-4.5 MGD, Denniston 1.0 MGD).
- There are 100 miles of transmission and distribution pipeline in the CCWD system: Transmission Pipeline 17 miles, Distribution Pipeline 83 miles.

- CCWD infrastructure is noted in the diagram below.

CCWD Water Supply and Transmission System



(2.1) CCWD has a Ten-Year Capital Improvement Plan and a Five-Year Urban Water Master Plan.

The CCWD has incorporated into their fiscal year budget documents a continuously updating ten-year Planned Capital Projects section. The following table reflects the most recent ten-year budget based on fiscal year 2007-08 information.

CCWD Ten-Year Planned Capital Projects – Estimated Costs

FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	
$4,227,000	$1,876,000	$1,951,000	$6,085,000	$1,879,000	
FY 12-13	**FY 13-14**	**FY 14-15**	**FY 15-16**	**FY 16-17**	**10-year Total**
$960,000	$1,151,000	$155,000	$159,000	$163,000	$18,606,000

The totals reflected above include sub-categories related to Pipeline Projects; Water Treatment Plants; Facilities & Maintenance; Equipment Purchase & Replacement; Pumps, Tanks & Wells; and Other (typically specialized) projects. By example, the following table reflects CIP project cost estimate documentation for FY 07-08 Pumps, Tanks & Wells abstracted from the CCWD budget.

CCWD FY 07-08 Planned Capital Projects Pumps/Tanks/Wells Estimated Costs

Project	Classification	Priority	Description	FY 07-08 Cost
Replace tunnel air transport line	Replacement/End of Life	Have To	Present conveyance as many holes and is deteriorating. This is required to convey air to personnel cleaning tunnel.	$ 100,000
Sump Pump in main line vault at Crystal Springs	Efficiency Improvement & Safety	Have To	Water accumulates in vaults, mixing with detritus (plant and animal remains) resulting in hazardous environment. Takes up to 2 hours to dewater, holding up work. Accumulated water is deteriorating transmission pipe and valve.	$ 3,000
Crystal Springs Soft Starts P1 and P3	Efficiency Improvement	Ought To	Greatly promotes life of pumps by reducing wear and tear on motors, pump and ancillary piping. Reduces water hammer. Great improvement when installed on P2.	$ 45,000
Cahil Tank - Exterior paint and ladder replacement	Replacement/End of Life	Ought To	Showing signs of rust after only 15 years. Primer showing in many spots. High wind area. Fiberglass ladder safety issue.	$ 160,000
PRV Valves Replacement Project	Replacement/End of Life	Want To	Replace one station per year for next 10 years.	$ 20,000
Wells - Flow Meter and Chart Recorders	Efficiency Improvement	Have To	Trend flows from individual wells.	$ 25,000

These costs are not sub-totaled by infrastructure category in the budget documentation and thus it is problematic to determine infrastructure CIP costs by categories. To allow for reconciliation of budgetary numbers, these costs should be sub-totaled and presented in the budget documentation.

Unlike SAM, that identifies infrastructure projects with project worksheets, CCWD includes project validation in the body of the capital budget as shown above. The Matrix Consulting Group believes that information provided should be expanded regarding the project justification and the reasons for prioritization. By example, the final entry in the table above indicates that wells require new flow meters and chart recorders, rated as a priority "have to." However, there is no description why these flow meters should be installed, how they would benefit efficiency, nor the urgency in installing the meters in the FY 07-08 fiscal year.

In addition to CCWD's Ten-Year Planned Capital Projects, there is a recent 2005-10 Five-Year Urban Water Master Plan. This 109-page plan is comprehensive, and provides an extremely important framework for future infrastructure development and asset management practices.

(2.2) The CCWD is Addressing Infrastructure Needs.

Based on the review of available capital improvement project information that includes budgetary data, the Urban Water Master Plan, the 2006 Water Supply Evaluation Report and other data, it appears CCWD is generally rehabilitating or replacing capital assets in a reasonable manner and there are no relevant deficiencies. By example:

- The District has an ongoing pipeline replacement program that continually removes sections of old inefficient pipeline and replaces it with new ductile iron pipeline that reduces leaks and reassures more water for firefighting purposes. In

2004 by example, approximately 7,465 feet of pipeline was replaced to reduce leaks.

- Within the 2005-10 Urban Water Master Plan, Section VII on Water Supply and Demand, several possible infrastructure projects are identified and "can provide sufficient supplies to satisfy build-out demands."

- According to the 2006 Water Supply Evaluation Report: In 2006, the CCWD completed the Avenue Balboa Project, the Nunes Treatment Plant Influent Flow Meter Project, the Nunes Influent Valve Project, The Denniston Backwash Return Project and the Carter Hill West Project. In progress (as of 2007) are the Nunes Backwash Flow Meter Project, the Nunes Filter Media Replacement Project, SCADA/Telemetry Upgrades, Office Equipment Upgrades, and the Nunes Filter Backwash Valves. Phase III of the El Granada pipeline replacement project is in progress and scheduled to be complete in spring of 2008.

For further clarity, information should be readily available regarding the state of present assets belonging to CCWD. Cradle-to-Grave tracking of infrastructure is best management practice. As practical, CCWD should implement detailed asset tracking mechanisms.

(3) Infrastructure Overview of the Montara Water and Sanitary District (MWSD).

The following summarizes major infrastructure assets for the Montara Water and Sanitary District (MWSD).

- MWSD is responsible for approximately 25 miles of sewer lines (1,800 connections) and 13 lift stations. These are maintained SAM under a contract with MWSD.

- Wastewater treatment facilities are provided by SAM as part of a joint powers agreement.

- MWSD is responsible for one water treatment plant, the Alta Vista Water Treatment Plant at 77,000 gallons and approximately three miles of Distribution Pipeline and approximately 28.6 miles of water system mains.

- The water system includes a surface water source, Montara Creek, which is diverted to the Alta Vista Water Treatment Plant and stored in Alta Vista storage tank.

- MWSD obtains groundwater from 10 wells: 1) Airport North (100 gpm); 2) Airport South (55 gpm); 3) Airport 3 (100 gpm); 4) Drake (35 gpm); 5) Park (23 gpm); 6)

Portola Estates (10 gpm); 7) Portola Estates II (10 gpm); 8) Portola Estates III (10 gpm); 9) Portola Estates IV (16 gpm); and 10) Wagner 3 (70 gpm).

- MWSD is responsible for three Storage Tanks: 1) Portola Estates (100,000 gallons); 2) Alta Vista (462,000 gallons); and 3) Schoolhouse (100,000 gallons) totaling approximately 0.7 MG of storage capacity.

- The MWSD acquired the water utility in 2002. The District filed a condemnation action to acquire the local water system. The District's filing came after the voters of Montara and Moss Beach, with 81% of the votes in favor, authorized the issue of up to $19 million in general obligation bonds to purchase and rehabilitate the water system.

  The District, in a special meeting held on May 29, 2003, approved a Settlement and Asset Purchase Agreement with the California-American Water Company (Cal-Am), which owned the water system serving Montara, Moss Beach, and adjacent areas. The Agreement was negotiated under the auspices of the San Mateo County Superior Court. The Agreement approved on May 29, 2003 authorized the District to take possession of Cal-Am's Montara water system and all its assets on August 1, 2003. In a document dated August 1, 2003, DHS approved the application for a permit amendment requested by the District.

(3.1) MWSD Completed A 2004 Water System Master Plan, a 2005 Addendum and Has A Five-Year Water and Sewer Capital Improvement Program.

The MWSD completed a 2004 Water System Master Plan that identified Capital Improvement Program needs for both near and long-term projects; an addendum was prepared in 2005. The following table provides a representative example of information abstracted from that plan:

MWSD Water Near-Term Capital Projects - New Facilities

Project Type	Est. Project Cost
Airport Wells Treatment Facility	$450,000
New Groundwater Well Development Program	$550,000
Emergency Intertie with CCWD or NCCWD	$150,000
School House Tank Replacement and Site Improvements	$500,000
Portola Tank Replacement and Site Improvements	$500,000
Alta Vista Tank No. 2 and Site Improvements	$750,000
Security Improvements (placeholder)	$100,000
TOTAL:	**$3,000,000**

The totals reflected above are representative of two major categories identified in the 2004 Water System Master Plan: Near-Term Projects and Long-Term Projects.

These were further divided into sub-categories including New Facilities; Renewal and Replacement; Studies; and Capital Project Permitting. The Plan identified over $10.4 million in capital needs in the short and long-term.

These planned costs are presented in the five-year Water CIP noted in the following table:

MWSD FY 07-11 Planned Capital Projects – Water

PROJECT	FY06/07	FY07/08	FY08/09	FY09/10	FY10/11
Mechanical System Repairs & Replacements	$10,000	$10,000	$10,000	$10,000	$10,000
Emergency/Contingency/Spot Repairs	$10,000	$10,000	$10,000	$10,000	$10,000
Centralized Water Treatment at Airport	$167,000	$0			
Replace Fire Hydrants	$2,000	$2,000	$2,000	$2,000	$2,000
Well Rehabilitation		$50,000	$50,000	$50,000	$50,000
Vehicle Replacement Fund	$25,000	$25,000	$25,000	$25,000	$25,000
Water Main Replacements		$103,000	$103,000	$103,000	$103,000
Install Alta Vista Well	$227,000				
Renovate Alta Vista Reservoir Roof with Solar	$100,000				
Add new well to SCADA, improve remainder	$120,000				
Renovate Maintenance Building	$261,000				
Retrofit all well pumps with variable speed	$220,000				
Replace all water meters with automated meters	$856,000				
Install new 1 million gal tank at Alta Vista		$0			
Replace School House Tank with 200k tank		$0			
Desalination Feasibility study	$250,000	$250,000			
Drill Test Wells for New Water Sources	$25,000	$75,000			
TOTAL ANNUAL COST	**$2,273,000**	**$525,000**	**$200,000**	**$200,000**	**$200,000**

Additionally, MWSD has a five-year CIP related to sewer (collection system improvements) as shown on the following page.

MWSD FY 08-12 Planned Capital Projects – Sewer

PROJECT	FY07/08	FY08/09	FY09/10	FY10/11	FY11/12
Mechanical System Repairs & Replacements	$10,000	$10,000	$20,000	$25,000	$25,000
Inflow & Infiltration Testing	$5,000	$5,000	$25,000	$25,000	$25,000
Emergency/Contingency/Spot Repairs	$10,000	$25,000	$50,000	$45,000	$45,000
Replace Pump Station Pumps		$20,000	$20,000	$50,000	$50,000
Replace Seal Cove Pump Station Covers	$40,000				
Vallemar Pump Station Generator	$90,000				
Automatic Transfer Switch for Pump Stations	$10,000	$10,000	$10,000	$10,000	
Replace Date Harte Generator		$40,000			
Replace Airport Pump Station Generator		$40,000			
Update Date Harte Pump Station		$30,000	$25,000	$25,000	
Seal Cove Grinder Pump Replacements	$20,000				
Replace Line on Farallone south of 8th Street	$48,000				
Replace Line on Main Street at Fourth Street	$78,000				
Replace Line on Main St. north of 9th Street	$11,000				
Replace Line on Cabrillo Hwy at 7th Street	$12,000				
Replace Line on 6th Street btw Farallone & East	$75,000				
Replace Line on 8th Street at East Avenue	$79,000				
Replace Line on Cedar btw George & Harte Sts.	$104,000				
Replace Medium High Priority Sewer Mains		$230,000	$230,000	$300,000	$300,000
TOTAL ANNUAL COST	**$592,000**	**$410,000**	**$380,000**	**$480,000**	**$445,000**

MWSD delayed significant CIP planning for water related to the resolution of legal action with the County that was resolved on December 19, 2007. As a consequence of this, the Water CIP, as shown in the prior table, was not updated for the fifth year in FY 2011-12.

Although it is noteworthy that MWSD has a Water System Master Plan developed in 2004, the CIP plans developed have no reasonable justifications (e.g. project worksheets) or risk assessments. Although some descriptors are embedded in a spreadsheet "pop-up," the Matrix Consulting Group believes that information provided could be expanded, as it is unclear why the project is needed or been selected over other projects based on documentation readily accessible.

(3.2) MWSD Has A Number of Infrastructure Needs.

Despite the Capital Improvement Programs, the aforementioned Water System Master Plan identified several shortcomings in the MWSD infrastructure. The following is abstracted in entirely from that document.

"The implementation plan proposed in this section is structured to address the following key issues for the Water System: 1) Existing water supply and reliability deficiencies to ensure adequate daily service and fire protection for District customers; 2) System seismic reliability and emergency response deficiencies; 3) Provide a plan for lifting the moratorium on new water connections; and 4) Provide a plan for addressing the demands at build-out.

"The implementation plan presented below is based on the potential improvements identified in the water system analysis work. The implementation plan is designed to provide MWSD with a reliable water supply in the near term and the capability of meeting the water needs of the build-out population in 20+ years. A number of analyses, assessments, and investigations will be required before the design and construction of improvement projects, to better define system needs and generate adequate data to select cost-effective solutions. These studies or pre-design tasks are critical to the planning effort and should have the highest priority. The implementation of the reliability improvements selected through these studies is anticipated to occur in a 5-year planning horizon. Implementation of improvements required to supply the build-out population may be expected in 20 years.

"The District faces water quality, supply, storage, and distribution system challenges. The projects and actions described below would allow the District to fulfill its mission and meet regulatory requirements. The feasibility of the long-term improvements has to be verified over the next three years.[3]"

Based on the review of available information, the MWSD water infrastructure is currently inadequate to meet future needs. This is summarized by the following observation noted in the Water System Master Plan.

"The identification of supplemental water sources has been a central issue in the Montara/Moss Beach area since 1986, when the California Public Utilities Commission (PUC) as the agency having jurisdiction over the water system under the previous ownership, established a moratorium on new water connections based on the finding that water supplies were inadequate to meet demands on the system. The moratorium was fully supported by DHS and remains in place in January 2004 (and to date).[4]"

[3] 2004 Water Systems Master Plan; Olivia Chen Consultants, Inc; page 6-2.
[4] 2004 Water Systems Master Plan; Olivia Chen Consultants, Inc; page 1-4.

MWSD must strive to address these water demand needs and perform an aggressive Capital Improvement Program over the near-term years. Funding has not been consistent to meet the MWSD Near-Term Capital Projects identified in the Master Plan.

Based on available information, collection system replacement is scheduled on a 40-year interval (2.5% per year). This is an appropriate cycle. Based on estimated funding, however, there appears to be potential revenue issues beyond the 2011-2012 fiscal year as ending capital fund balance data estimates provided decrease from $136,350 in FY 2007-08 to $25,910 in FY 2011-12. MWSD should solicit the services of a consultant to develop a sewer collection Master Plan.

(3.3) MWSD Contracts For Solid Waste and Is Not Directly Responsible For Landfill Infrastructure Considerations.

MWSD currently contracts for solid waste services with Seacoast Disposal, Inc. A review of contract and recent contract amendment language indicates that Seacoast is directly responsible for waste stream diversion and consequently MWSD does not currently have to consider issues related to landfill or other solid waste infrastructure. As identified in the contract:

"Whereas Contractor hereby agrees to provide for the Collection and Disposal of all Solid Waste within the District's Service Area, and acknowledges that District does not, *and shall not*, (emphasis added) hereby instruct Contractor how to collect, process and dispose of Solid Waste, Recyclable Materials and Yard Waste."

Given these terms and conditions, MWSD is effectively abrogated from considering solid waste infrastructure issues such as those related to landfill use, monitoring, etc.

(4) Infrastructure Overview of the Granada Sanitary District

The following summarizes major infrastructure assets for the Granada Sanitary District.

- The collection system has 33 miles of sewer line.
- Wastewater treatment facilities and collection systems maintenance and repair are provided by SAM as part of JPA agreement.

(4.1) The Granada Sanitary District has a Basic Five-Year Capital Improvement Program.

The Granada Sanitary District has a five-year Capital Improvement Program that was prepared by Kennedy/Jenks Consultants. The plan, which was not updated for fiscal year 2007-08, categorizes projects into three areas: Major CIP Projects; Regulatory Compliance; and General Upgrades and Condition Assessments. The Five-year CIP is duplicated, in its entirety, in the table below. The Matrix Consulting Group added the final column to indicate total estimated costs for the fiscal year, based on available data.

Granada Sanitary District FY 07-11 Capital Projects

Fiscal Year	Major CIP Projects	Regulatory Compliance	General Upgrades & Condition Assessment	Total Est.
FY 06/07	Permitting, CEQA, Easement, Survey & Soils ($300K)	Raise Low and Buried Manhole Rims ($300K)	Replace Known Problem Sewers; CCTV1 Suspected Problem Sewers ($340K)	$ 940,000
FY 07/08	Design/Bid/Award Construction contract for Medio Creek/Naples Beach, Phase I ($900K)	Survey Collection System & Inventory Manhole Condition; Prepare GIS Maps of sewers; Coordinate with SAM preparing Sewer System Master Plan.	Identify and prioritize sewer upgrade projects from CCTV1. Design/Bid/Award construction contract Priority 1 projects.	$ 900,000
FY 08/09	Evaluate Benefit/Cost of Phase 2, diverting remaining 16 EDUs (3,500 gpd). Permitting, CEQA, Easement, Survey & Soils, as necessary ($60K)	Complete SSMP including capacity analysis.	Design/Bid/Award construction contract Priority 2 projects. CCTV2 sewers not TV'd previously or in 2002.	$ 60,000
FY 09/10	Tentative Phase 2 Design/Bid/Award construction contract for Medio Creek/Naples Beach, Phase 2 ($450K)	N / A	Identify and prioritize sewer upgrade projects from CCTV2.	$ 450,000
FY 10/11	Tentative removal of Medio Creek Sewer Crossing ($20K)	N / A	Design/Bid/Award construction contract Priority 1 projects.	$ 20,000

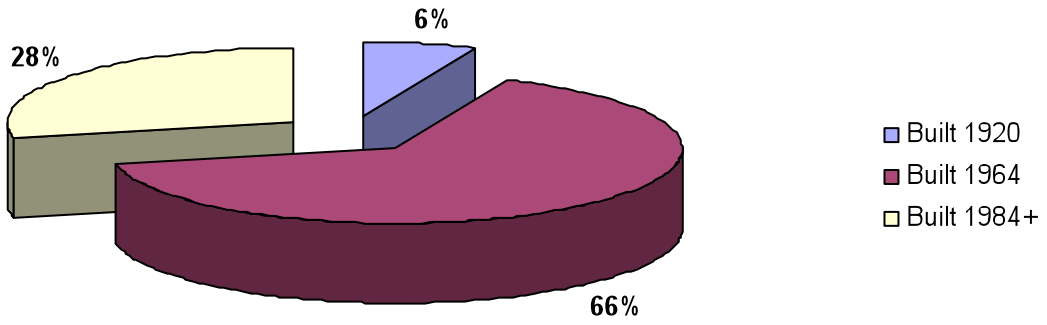
The CIP developed by the Granada Sanitary District lacks sufficient information in some areas. This includes detailed justifications (e.g. project worksheets) or risk assessments. Budget estimates are not provided for most projects in the General Upgrade category and project development details are missing (allegedly pending CCTV information). A total estimated cost for capital projects was not provided for each fiscal year (the column above was added by our Matrix Consulting Group for comparative purposes). The Matrix Consulting Group believes that information provided could be expanded, as it is largely unclear what projects should be undertaken and for those projects listed, why the project is needed or been selected.

Difficulties developing a comprehensive CIP can be related to lack of strategic planning. There is no independent Sewer Master Plan upon which the CIP is based; indeed, a Sewer System Master Plan (SSMP) is scheduled for this fiscal year. A best management practice for an agency is to base future programmatic decisions on a Master or General Plan that provides strategic direction, with such Plans being updated every five to seven years.

(4.2) The Granada Sanitary District Faces A Number of Infrastructure Replacement Needs.

Despite the limited Capital Improvement Program information, the Granada Sanitary District was able to provide a relatively detailed asset inventory of their collection system. Based on the information provided, the following chart reflects the age of the 33 miles of collection system inventory:

Proportion of Granda Sewer System Built in Listed Year



The data reflects that just over one-quarter of the collection system assets are less than 25 years old. Nearly two-thirds of the assets are over forty years old with a small percentage, 6%, built in 1920. Collection system replacement cycles should be based on a 40-50 year cycle with an on-going capital improvement funding of 2-2.5% of

the assessed valuation. Clearly, based on the age of the collection system inventory, infrastructure is aged and likely approaching, if not already exceeding, deficiency in large measure.

(4.3) The Granada Sanitary District Contracts for Solid Waste and Is Not Directly Responsible for Landfill Infrastructure Considerations.

Similar to MWSD, the Granada Sanitary District currently contracts for solid waste services with Seacoast Disposal, Inc. As a consequence, Seacoast is directly responsible for waste stream diversion and consequently the Granada Sanitary District does not currently have to consider issues related to landfill or other solid waste infrastructure.

(5) The City of Half Moon Bay Wastewater Collection System Is Maintained by SAM.

The following summarizes major infrastructure assets for Half Moon Bay.

- The collection system has __ miles of sewer line.
- Wastewater treatment facilities and collection systems maintenance and repair are provided by SAM as part of a joint powers agreement.

(5.1) HMB has a Basic Five-Year Capital Improvement Program For Its Sewer Collection System.

Half Moon Bay has a five-year Capital Improvement Program (CIP) for its sewer collection system. The five-year CIP is duplicated for this system, in its entirety, in the table below. The Matrix Consulting Group added the final column to indicate total estimated costs for each project.

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	TOTAL
Update Infrastructure Standards	$2,500	$2,500	$-	$-	$-	$5,000
Sewer Map Update	$7,979	$8,000	$7,958	$-	$-	$23,937
Sewer Fee Study	$50,000	$50,000	$-	$-	$-	$100,000
Sewer and Lift Station Improvements	$70,000	$250,000	$250,000	$250,000	$250,000	$1,070,000
Sewer Rehab Phase III-Study	$5,000	$5,000	$15,357	$-	$-	$25,357
Sanitary Sewer Rehab-Phase III Construction	$88,485	$-	$-	$-	$-	$88,485
Bell Moon Lift Station	$384,572	$-	$-	$-	$-	$384,572
Pelican Point Lift Station	$223,460	$140,000	$-	$-	$-	$363,460
Ocean Colony Force Main	$350,000	$470,000	$-	$-	$-	$820,000
Sewer Trench Repairs	$150,000	$150,000	$150,000	$150,000	$150,000	$750,000
TOTAL	**$1,331,996**	**$1,075,500**	**$423,315**	**$400,000**	**$400,000**	**$3,630,811**

The CIP developed by the Half Moon Bay lacks sufficient information in some areas including detailed justifications (e.g. project worksheets) or risk assessments.

Half Moon Bay does not have a sewer system master plan. As a consequence, it is difficult to evaluate the infrastructure needs of the sewer collection system in the City.

(5.2) HMB Contracts For Solid Waste and Is Not Directly Responsible For Landfill Infrastructure Considerations.

HMB currently contracts for solid waste services with Allied Waste. A review of contract and recent contract amendment language indicates that Allied Waste is directly responsible for waste stream diversion and consequently HMB does not currently have to consider issues related to landfill or other solid waste infrastructure. Given these terms and conditions, HMB is effectively abrogated from considering solid waste infrastructure issues such as those related to landfill use, monitoring, etc.

5. FINANCING CONSTRAINTS AND OPPORTUNITIES.

The following information provides our Matrix Consulting Group's review of financing constraints and opportunities associated with the agencies in this chapter.

(1) Financial Overview of the Sewer Authority Mid-Coastside (SAM).

The tables below reflect fiscal year 2007/08 budgetary allocation and other information. Revenue sources for SAM are related to two sources:

- Non-Domestic Waste Source Control Program (NDWSCP) which is fully self-funded with monies provided by commercial users for point-source control purposes.
- Member agency "fees for service" from Half Moon Bay, Montara Water and Sanitary District and Granada Sanitary District.

SAM FY 2006/07 and 2007/08 Budget Comparison

	Approved 2006/07	Proposed 2007/08
Operating Budgets		
General	$2,564,286	$2,739,760
Collection	$637,668	$649,052
IPS/Pump Station	$0	$0
Total Operating Budgets	**$3,201,954**	**$3,388,812**
Capital Budgets		
General	$281,244	$465,122
Collection	$76,236	$68,123
IPS/Pump Stations	$130,823	$0
Total Capital Budgets	**$488,303**	**$533,245**
Subtotal All Budgets	**$3,690,257**	**$3,922,057**
Non-Domestic Waste Source Control Program		
Operating Budget	$14,137	$20,865
Capital Budget	$0	$0
Total NDWSCP	$14,137	$20,865
Total All Budgets	**$3,704,394**	**$3,942,922**

SAM FY 2007/08 Cost Allocation to Member Agencies

	Half Moon Bay	Granada Sanitary District	Montara Water and Sanitary District	TOTAL
General Operating	$1,405,773	$804,293	$529,694	**$2,739,760**
General Capital	$234,886	$137,211	$93,024	**$465,121**
Collections Operating	$185,030	$226,063	$237,959	**$649,052**
Collections Capital	$20,120	$24,177	$23,826	**$68,123**
IPS / Pump Stations Operating	$-	$-	$-	**$-**
IPS / Pump Stations Capital	$-	$-	$-	**$-**
NDWSCP Operating	$-	$-	$-	**$-**
NDWSCP Capital	$-	$-	$-	**$-**
TOTAL	**$1,845,809**	**$1,191,744**	**$884,503**	**$3,922,056**
% OF TOTAL	**47.1%**	**30.4%**	**22.6%**	**100.0%**

Based on details within the Joint Powers Agreement creating SAM among the three user-agencies, "The total expenses operation and maintenance of all of the components of the Present Project shall be shared in a manner based on flows into the single consolidated treatment plant facility." In sum, the revenue stream of SAM is based upon flow rates from the respective agencies. These flows are metered at various junctions to ensure accurate cost allocation. As demonstrated in budgetary information provided previously, the City of Half Moon Bay, GSD and MWSD contribute a proportionally different amount to SAM based on their constituents' use as shown in the pie chart below. Half Moon Bay contributes 47%, MWSD 23% and GSD 30%.

(2) Financial Overview of the Montara Water and Sanitary District (MWSD).

The charts below reflect fiscal year 2007/08 budgetary allocation and other relevant information. The following is noted:

- Sewer Service Charges, Connection Fees (and connection fee-remodels), and tax revenue represent 90% of MWSD's estimated sewer revenue stream of nearly $2.06 million in FY 2007/08.
- The 10% balance for sewer revenue is associated with prior year carry-forwards, solid waste franchise fee, interest income, and other minor sources.

- A small franchise fee is paid by Seacoast Disposal for rights to manage solid waste in the MWSD service area.

- Water sales, Connection Fees, and tax revenue represent 97% of MWSD's estimated water revenue stream of nearly $1.63 million in FY 2007/08.

- The remaining small balance for water revenue is associated with private fire protection deposits, property rents and interest income.

The following tables show more detailed revenue and expenditure information for the prior two years.

MWSD FY 2006/07 and 2007/08 Sewer Budget Comparison

	Budget 2006/07	Budget 2007/08
Revenue		
Revenue-Operating	$1,618,231	$1,891,261
Revenue-Non Operating	$152,500	$166,600
Revenue -Restricted		
Total Revenue	**$1,770,731**	**$2,057,861**
Expenses		
Total Internal Expenses	256,150	259,250
Total Professional Services	188,200	197,200
Total Insurance Expenses	3,700	6,500
Total Projects Expenses	463,350	463,350
Total SAM Assessment	859,331	1,012,061
Total Operating Expenses	1,770,731	1,938,361
Total Non-Operating Expenses/Other		119,500
Total Expenses-Unrestricted Funds	1,770,731	2,057,861
Total Expenses-Restricted Funds		
Total Expenses	**$1,770,731**	**$2,057,861**

MWSD FY 2006/07 and 2007/08 Water Budget Comparison

	Budget 2006/07	Budget 2007/08
Revenue		
Income	1,550,500	1,625,500
Total Revenue	**$1,550,500**	**$1,625,500**
Expenses		
Total Internal Expenses	51,150	79,650
Total Operating Expense - Water	552,050	642,300
Total Payroll	473,100	471,350
Total Professional Services	235,000	317,000
Total Insurance Expenses	25,200	25,200
Total Projects Expenses	0	90,000
Total Expenses	**$1,336,500**	**$1,625,500**

An enterprise district operates as a business to account for revenues received for goods or services provided to the general public on a continuing basis and primarily financed through user charges. Three criteria used to determine if an operation should be an enterprise fund include:

- A legal ability to generate independent revenues;
- An entity that provides goods or services to the general public on a consistent basis; and
- An organization that can operate as a stand-alone entity.

The MWSD operates consistent with the three criteria noted and consequently is an independent "enterprise fund organization." MWSD can generate revenue through a variety of user fees to fully fund its operations. Consequently, the use of tax revenues to augment operations runs counter to best management practices. MWSD budgeted $237,500[5] in tax revenue in fiscal year 2007/08. The water and sewer rates of the MWSD would need to be raised by 7.7% if the property tax revenue was not available.

Since implementation of Proposition 13, many enterprise districts in the State receive a share of the 1% property tax in addition to enterprise revenues from user fees. This is based on taxes levied by the agency prior to Prop. 13. Shares of the property tax revenues of other water districts in San Mateo County range from 1% to 9% of the 1%.

In essence, Proposition 13 changed special district funding in that enterprise districts lost the ability to raise revenue through property tax. Government Code Section 16270 states: "The Legislature finds and declares that many special districts have the ability to raise revenue through user charges and fees and that their ability to raise revenue directly from the property tax for district operations has been eliminated by Article XIIIA of the California Constitution. It is the intent of the Legislature that such

districts rely on user fees and charges for raising revenue due to the lack of the availability of property tax revenues after the 1978-79 fiscal year. Such districts are encouraged to begin the transition to user fees and charges during the 1978-79 fiscal year. "

(3) Financial Overview of the Granada Sanitary District (GSD).

The pie chart and table on the following pages reflects fiscal year 2007/08 budgetary allocation and other relevant information. The following is noted:

- Sewer Service Charges, Connection Fees, and tax revenue represent 85% of GSD's estimated sewer revenue stream of over $1.82 million in FY 2007/08.
- The 15% balance for sewer revenue is largely associated with interest income, with a small proportion associated with a solid waste franchise fee payment and other minor revenue sources.
- A small franchise fee is paid by Seacoast Disposal for rights to manage solid waste in the GSD service area.

The following table shows more detailed revenue and expenditure information for this fiscal year.

GSD FY 2007/08 Sewer Budget Information

Revenues	
Connection Fees	$118,000
Interest on Reserves	$232,000
Property Tax Allocation	$450,000
Annual Sewer Service Chargers	$988,000
Reim. From Assessment District-Salary and Overhead	$8,000
Seacoast Disposal Franchise Fee	$18,000
Miscellaneous	$10,000
Total Revenues	**$1,824,000**
Expenditures	
Operating Expenditures	$1,125,356
Administration Expenditures	$356,500
Total Expenditures	**$1,481,856**
Net to Reserves	**$342,144**
Total Capital Improvement Projects	$1,107,012
Total Reserve at End of Fiscal Year	**$4,279,413**

[5] $125,000 for sewer, $112,500 for water.

As discussed previously in the MWSD section, the GSD operates consistent with the three criteria noted and consequently is an independent enterprise district. As stipulated, the use of tax revenues to augment operations violates best management practices. This is particularly evident in an organization with a 189% reserve fund level compared to Total Expenditures. Further, an enterprise district with taxes representing 25% of the revenue base ($450,000 budgeted in FY 2007/08) and 13% interest income is problematic, especially in light of reserve levels. The sewer rates of the GSD would need to be raised by 32.8% if the property tax revenue was not available.

Since implementation of Proposition 13, many enterprise districts in the State receive a share of the 1% property tax in addition to enterprise revenues from user fees. This is based on taxes levied by the agency prior to Prop. 13. Shares of the property tax revenues of other water districts in San Mateo County range from 1% to 9% of the 1%.

In essence, Proposition 13 changed special district funding in that enterprise districts lost the ability to raise revenue through property tax. Government Code Section 16270 states: “The Legislature finds and declares that many special districts have the ability to raise revenue through user charges and fees and that their ability to raise revenue directly from the property tax for district operations has been eliminated by Article XIIIA of the California Constitution. It is the intent of the Legislature that such districts rely on user fees and charges for raising revenue due to the lack of the availability of property tax revenues after the 1978-79 fiscal year. Such districts are encouraged to begin the transition to user fees and charges during the 1978-79 fiscal year. “

(4) Financial Overview of the Coastside County Water District (CCWD).

The portrayals below reflect fiscal year 2007/08 budgetary allocation and other relevant information. The following is noted.

- Water sales and tax revenue represent 95% of CCWD's estimated water revenue stream of nearly $6.26 million in FY 2007/08. Whereas connection fee revenue represented $236,000 in FY 06/07, it only represents $6,000 this fiscal year.
- The remaining small balance for water revenue is associated with an ERA Refund, interest income, hydrant sales, and other miscellaneous income.

The following table shows more detailed revenue and expenditure information for the prior two years.

CCWD FY 2006/07 and 2007/08 Water Budget Comparison

	Approved FY 06/07	Proposed FY 07/08
Revenues		
Water Sales	$4,777,257	$5,302,221
Hydrant Sales	$30,000	$25,000
Late Penalty	$50,000	$60,000
Service Connections	$236,000	$6,000
Interest Earned	$66,086	$91,192
Property Taxes	$450,000	$600,000
Miscellaneous	$72,000	$72,000
ERAF Refund	$173,000	$100,000
Total Revenue	**$5,854,343**	**$6,256,413**
Expenses		
Water Purchased	$1,089,879	$1,344,656
Electrical Expenses	$154,864	$205,118
Nunes WTP Operations	$98,273	$107,960
Salaries-Field	$792,401	$807,749
Maintenance Expenses	$117,560	$144,586
Salaries, Admin.	$539,991	$567,201
Office Expenses	$108,130	$111,350
Insurance	$458,250	$522,133
Employee Retirement	$375,340	$354,874
Total Operating Expenses	$4,571,844	$5,090,442
Total Capital Accounts	$1,282,500	$1,165,972
Total Expenses	**$5,854,344**	**$6,256,413**

The CCWD receives property tax revenues, yet the CCWD is an enterprise district that should operate on a 100% user fee approach. Water rates would need to be increased by 8.3% if the property tax revenue were not available.

Since implementation of Proposition 13, many enterprise districts in the State receive a share of the 1% property tax in addition to enterprise revenues from user fees. This is based on taxes levied by the agency prior to Prop. 13. Shares of the property tax revenues of other water districts in San Mateo County range from 1% to 9% of the 1%.

In essence, Proposition 13 changed special district funding in that enterprise districts lost the ability to raise revenue through property tax. Government Code Section 16270 states: "The Legislature finds and declares that many special districts have the ability to raise revenue through user charges and fees and that their ability to raise revenue directly from the property tax for district operations has been eliminated by Article XIIIA of the California Constitution. It is the intent of the Legislature that such districts rely on user fees and charges for raising revenue due to the lack of the availability of property tax revenues after the 1978-79 fiscal year. Such districts are encouraged to begin the transition to user fees and charges during the 1978-79 fiscal year. "

(5) Financial Overview of Sewer Utility Services for Half Moon Bay.

While Seacoast Disposal provides solid waste service to impacted residents through the Granada Sanitary District and Montara Water and Sanitary District, Half Moon Bay is provided solid waste services, through contract, by Allied Waste Services.

The operating and capital budget for the sewer services for Half Moon Bay are presented below. The operating fund largely consists of the City's proportionate contribution to SAM. The capital expenditures largely consist of repair and rehabilitation expenditures for the sewer collection system.

	2006-07 Projected	2007-08 Adopted
	Sewer Operating Fund	
Revenue		
Interest Revenue	$-	$-
Sewer Service Charges	$2,141,600	$2,150,000
Miscellaneous	$-	$-
Total Revenue	**$2,141,600**	**$2,150,000**
Expenditures		
Salary and Benefits	$143,010	$151,300
Material & Supplies	$21,540	$25,040
Contract Services	$2,072,927	$2,096,349
Total Expenditures	**$2,237,477**	**$2,272,689**
	Sewer Capital Fund	
Revenue		
Interest	$90,000	$80,000
Sewer Connection Fees	$71,763	$77,500
Miscellaneous	$-	$-
Total Revenue	**$161,763**	**$157,500**
Expenditures		
Operations and Maintenance	$445,000	$517,000
Capital Projects	$305,110	$1,025,500
Total Expenditures	**$750,110**	**$1,542,500**

It is important to note that both of these HMB funds are entirely reliant on user fees, and, unlike GSD and MWSD, HMB does not receive nor allocate property tax revenue for operation of the sewer utility.

(6) The Special Districts are Subject to Proposition 218 Limitations Relative to Sewer and Water Rate Increases.

A recent California Supreme Court case involving Proposition 218 requires local governments to notify property owners of certain proposed rate increases, including water rates and sewer service charges. Districts must notify, in writing, property owners of proposed rate increases. If written protests are submitted against the proposed fees or against a particular fee by the owners of a majority of the parcels identified by the District, the fees or fee will not become effective. If a majority of property owners do not submit written protests against the fees or a fee, upon adoption of an ordinance enacting the fees or fee, they will become effective. From a practical standpoint, it is

unlikely that a majority of property owners would undertake the effort to file written protests, and thus it is unlikely that any proposed rate increase would be halted based on Proposition 218 conditions. It is, however, a necessity to inform parcel owners of each rate increase and consequently the administrative costs of such Proposition 218 notification can become burdensome.

6. COST AVOIDANCE OPPORTUNITIES.

Cost avoidance opportunities could be identified in a variety of areas, from potential operational savings through use of technology, to revised staffing levels, to modification in operational protocols that could change such apparently minor practices such as chemical feed rates or purchasing in bulk. Identification of such specific cost avoidance opportunities requires an in-depth audit and analyses of each agency's operation which goes well beyond the scope of this engagement. As a result, only broad indicators and generalized operational philosophies can be evaluated to make a determination as to potential "macro-level" cost avoidance opportunities.

The Matrix Consulting Group has identified various practices which have resulted in cost avoidance. These include:

- The creation of SAM through the partnership of the City of Half Moon Bay, the Montara Water and Sanitary District and the Granada Sanitary District is reflective of a best management practice taking advantage of cost avoidance and enhanced service level opportunities as a result of serving common constituents and taking advantage of economies of scale.

- The contracting of solid waste management by the various agencies is an example of cost avoidance through privatization. Typically smaller agencies, particular those serving geographically large and diverse areas, cannot develop an in-house operation that can effectively compete with a privatized regional service provider. As a result, the current privatization of solid waste management by the City of Half Moon Bay, MWSD and GSD is a best management practice.

- Implementation of conservation programs is indicative of cost avoidance strategies. By example the Montara Water and Sanitary District has

implemented rebates for low flow toilets and high-efficiency washing machines which ultimately reduce consumption and save costs. Further, MWSD has implemented a WaterWiser drip calculator on their website to show the costs and cost avoidance opportunities associated with leaks. Other examples include CCWD became a signatory to the California Urban Water Conservation Council, which implements Best Management Practices for urban water conservation. Since becoming a signatory, CCWD has increased its water use efficiency programs and outreach efforts and has a detailed website identifying conservation and cost avoidance opportunities.

These examples are representative of major cost avoidance opportunities that have been implemented by the respective agencies. However, in regard to further macro-level cost avoidance opportunities, the philosophies previously adopted by the agencies may be expanded. This includes:

- Similar to the creation of SAM, further agency consolidation could likely benefit through economies of scale[6] resulting in cost avoidance opportunities. By example, of the nine (9) city water providers, eleven (11) special water districts, and one (1) major private (water) utility company operating in San Mateo County, both MWSD and CCWD are among the smaller service providers. GSD, with the exception of solid waste contractual management services, is generally a "pass-through" organization as sewer service is provided by SAM.

- Further cost avoidance opportunities may be available by jointly contracting with the same solid waste service provider to serve the entire region. As stated previously, two different contractors currently serve the City of Half Moon Bay, MWSD and GSD. Collective negotiations among all these agencies for solid waste services with one privatized service provider could result in reduced fees for service for all participating agencies.

These types of cost avoidance examples should be explored by the collective agencies as part of efforts to reduce overall service delivery costs while maintaining or exceeding existing levels of service. Consolidation issues could benefit the region beyond cost avoidance opportunities as described later in this chapter.

[6] **Economies of scale** characterizes a production process in which an increase in the scale of the organization causes a decrease in the long run average cost of each "unit of service" produced.

7. OPPORTUNITIES FOR RATE RESTRUCTURING.

The following information provides our Matrix Consulting Group's review of rate restructuring opportunities associated with the local governments in this chapter.

(1) Water Service Rates are Different for the Various Utility Agencies in the San Mateo County Midcoast Area.

The following sub-sections indicate the water utility agencies noted in this chapter have different approaches, and attendant results, to charging for service delivery.

(1.1) The Coastside County Water District (CCWD) Charges Fees Are Based on Bi-Monthly Hundred Cubic Feet of Water Used and Water Meter Size.

The CCWD charges constituents on a bi-monthly basis based a flat fee based on the water meter size plus a usage fee based on Hundred Cubic Feet (HFC) of water used in the period. CCWD has a tiered rate structure meaning higher water users pay an increasing fee based on a graduated scale of water usage. This is a best management practice.

(1.2) The Montara Water and Sanitary District (MWSD) Charges Fees Based on Monthly Hundred Cubic Feet of Water Used and Water Meter Size.

The MMWD charges constituents on a monthly basis based a flat fee based on the water meter size plus a usage fee based on Hundred Cubic Feet (HFC) of water used in the period. CCWD also has a tiered rate structure and as a consequence has implemented a best management practice.

(1.3) Water Fees for Service are Dramatically Different between MWSD and CCWD.

An examination of data from both MWSD and CCWD indicates a significantly different philosophy relative to charging customers based upon both meter size and water usage. Although MWSD and CCWD calculate fees based on monthly and

bimonthly methods, respectively, the following information is calculated based upon an "equivalent standard" for comparative purposes.

"Monthly" Charges Based on Meter Size

Meter Size	MWSD	CCWD	% Dif. MWSD vs. CCWD
5/8 x 3/4–inch meter:	$30.76	$ 9.85	212%
¾-inch meter:	$36.69	$ 14.81	148%
1-inch meter:	$49.94	$ 24.69	102%
1 ½-inch meter:	$66.71	$ 47.67	40%
2-inch meter:	$90.13	$ 79.01	14%
3-inch meter:	$166.72	$ 172.84	-4%
4-inch meter:	$226.77	$ 592.66	-62%

"Bi-Monthly" Charges Based on Hundred Cubic Feet (HCF) Used

Bi-Monthly HCF Used[7]	MWSD	CCWD	% Dif. MWSD vs. CCWD
0-8	$ 4.73	$ 3.22	47%
9-25	$ 4.73	$ 3.55	33%
26-40	$ 4.73	$ 4.61	3%
41+	$ 6.29	$ 5.70	10%

The following is noted:

- Both MWSD's monthly meter fees and Hundred Cubic Feet of water usage charges exceed in most instance, at times dramatically, CCWD's fees.

- MWSD's water sources are local including treated surface water (Montara Creek treated at the Alta Vista Water Treatment Plant) and local groundwater wells. This is opposed to CCWD's approximate 80% of water provided by the SFPUC at wholesale rates with remaining sources from local surface and groundwater. Clearly the different water sources impact cost of production and end-user fees; however, typically local water sources are preferred and designed to be cheaper than regional water sources (e.g. Hetch-Hetchy) and consequently the significantly more expensive "local water" of MWSD is somewhat atypical compared to CCWD's rates. Despite this, given water sales represent approximately 85% of both agencies revenue, combined with the fact that tax income is within a 7% to 10% range for both agencies, the existing rates appear applicable and appropriate for both agencies.

- As noted previously, whereas CCWD's current capital improvement programming is appropriate, MWSD has important infrastructure deficiencies to overcome. As a result, higher rates for MWSD are likely appropriate. There is presently no

[7] MWSD only has a monthly two-tiered system with rates for 0-19 HCF and 20+ HCF per month. These were modified and displayed on a bi-monthly schedule for comparative purposes.

MWSD financial reserves related to water, and according to the General Manager, all water income is used to cover the cost of operations and for capital improvements.

In sum, despite relatively dramatic differences in water rates between agencies in the San Mateo County urban coastside region, these rates are developed based on appropriate practices and are accurate from the perspective of service level needs.

(2) Sewer Service Rates are Different for the City of Half Moon Bay, MWSD and GSD.

The following sub-sections indicate the sewer utility agencies noted in this chapter have different approaches, and attendant results, to charging for service delivery. As noted previously, many of these charges go to paying SAM for treatment of wastewater and disposal of effluent and biosolids.

(2.1) With Little Exception, all Agencies Charge Sewer Fees Based on a Derivative of Hundred Cubic Feet of Water Used and Influent "Strength Factor."

The City of Half Moon Bay, MWSD and GSD all charge customers a sewer fee based on Hundred Cubic Feet (HCF) of water used. Additionally, dependent upon the facility-type (e.g. residential versus restaurant), a different fee is charged empirically or philosophically based on the "strength factor" of the wastewater influent. There is a caveat for GSD which charges all residential customers a flat fee of $314 per annum for sewer usage. Additionally, any non-residential facility's sewer charge is based on HCF for GSD; however, the minimum annual payment is also $314. This charging methodology, based on water usage and strength factor, is consistent with best management practices.

(2.2) Despite Similar Sewer Fee Charge Approaches, Rates are Significantly Different.

As with the water rates noted previously, sewer rates for the three involved agencies are also significantly different. This is demonstrated in the table below showing rates by facility type.

Sewer Rates by Facility-Type/Agency Based on Hundred Cubic Feet (HCF) Used

Facility-Type	HMB	GSD	MWSD
Residential	$ 14.45	$ 10.83[8]	$ 27.44
Restaurants	$ 26.01	$ 5.82	$ 49.78
Motels/Hotels	$ 17.75	$ 4.62	$ 29.50
Offices	$ 8.67	$ 2.59	$ 24.26
General Commercial	$ 12.39	$ 3.03	$ 26.29
All Other Commercial	n/a	n/a	$ 28.59
Schools	$ 9.50	$ 2.63	$ 24.70
Hospitals/Convalescent	$ 14.45	$ 2.79	$ 27.60

The following is noted.

- The table generally reflects the use of "strength factor" in sewer fee calculations whereby restaurants (concentrated influent) have the highest HCF factor. The exception to this is GSD which, based on estimated calculations, charges residents the highest sewer service fee per HCF with restaurants being second highest.

- MWSD sewer fees are the highest, on average approximately double Half Moon Bay rates and significantly higher than GSD's very moderate rates.

- Based on available data provided elsewhere in this chapter, GSD's sewer rates may be artificially low, being subsidized by tax income representing 25% of the annual budget as well as interest income representing 13% of the annual budget. Only residential sewer fees are "reasonably competitive" with adjoining sewer agencies.

- As with water rates, MWSD sewer fees are set to incorporate infrastructure improvement needs. As shown in a prior table, over the next five years approximately half-million dollars will be spent annually on collections system and pump improvements.

[8] Residential rate based on HCF of water is calculated from $314 flat per annum divided by the average "class usage" figure of 2,900 cubic feet of water used/year by the "average residence."

In sum, based on available information, MWSD and Half Moon Bay sewer rates appear appropriate given need; however GSD sewer rates are subsidized at too high a rate given tax and income interest collected.

(3) Solid Waste Rates are Linked to Privatized, Contracted Vendors for Service Recipients in the San Mateo Urban Coastside Sub-region.

As noted elsewhere, solid waste service is provided to the sub-region by two privatized contractors—Allied Waste Services and Seacoast Disposal, Inc. Both companies pay moderate franchise fees to the respective oversight agencies. Equivalent comparisons between these contracted rates are difficult as the two companies take advantage of different collection processes. By example, Allied generally collects commercial waste in yard bins whereas Seacoast Disposal will collect in cans or commercial containers with the resultant varying fees. Half Moon Bay, by example, has its solid waste fees augmented by 10% for the franchise fee and 6% for AB 939 requirements.

Overall, fees are largely influenced by the contractors' costs and negotiated profit margins. Thus, solid waste rate savings are largely only possible through economies of scale. As noted previously, collective negotiations among Half Moon Bay, GSD and MWSD for solid waste services provided by only one agency could result in reduced fees for service for all participating agencies.

8. OPPORTUNITIES FOR SHARED FACILITIES.

Our review of the various facilities and infrastructure of the respective agencies indicates that the sub-region has accomplished important sharing of facilities, as practical. Of important note, SAM's collection and treatment facilities is an excellent example of the City of Half Moon Bay, GSD and MWSD constructing and sharing the costs associated with joint facilities.

Regarding water services, MWSD has within their 2004 Water System Master Plan an intertie[9] between MWSD and CCWD. This "facility sharing project" has not yet been accomplished. The infrastructure and end-user benefits of such an intertie include:

- In the event of a severe drought that affects MWSD's local surface and groundwater sources, but not Hetch Hetchy, CCWD could attempt to get an emergency exception from the SFPUC to allow transfer of some water to MWSD customers. The costs of this transfer would require reimbursement to the water supplier/purveyor.
- If the Hetch Hetchy system failed due to an earthquake or prolonged drought, MWSD might have a sufficient local water surplus to provide restricted water supplies to CCWD and MWSD during the water shortage period.
- In the event of a major fire event in either the CCWD or MWSD service areas, the combined water storage capacities of the agencies' two systems could be utilized to perform fire suppression services.

The Matrix Consulting Group noted that a proposed intertie project was reviewed at length with an opportunity to bring a "CCWD pipeline" via Moss Beach that would have been largely capitalized by a proposed developer. However, this project was not completed due a number of challenges including potential growth inducing impacts and regulatory constraints of SFPUC and the Local Coastal Program (LCP). Regardless of these impediments, an intertie project as proposed in MWSD's Water Master Plan would prove beneficial to both agencies, and should be further explored.

9. GOVERNMENT STRUCTURE OPTIONS.

There is no doubt that there are multiple government structure options that can be applied to any governmental entity. According to California Association of LAFCo's (CALAFCO), one of the fundamental objectives of LAFCo's is *To Encourage the Orderly Formation of Local Governmental Agencies.* To wit:

[9] An intertie is pipeline constructed to link two independent water infrastructures.

> "LAFCos review proposals for the formation of new local governmental agencies and for changes in the organization of existing agencies. There are 58 LAFCos working with nearly 3,500 governmental agencies (400+ cities, and 3,000+ special districts). Agency boundaries are often unrelated to one another and sometimes overlap at random, often leading to higher service costs to the taxpayer and general confusion regarding service area boundaries. LAFCo decisions strive to balance the competing needs in California for efficient services, affordable housing, economic opportunity, and conservation of natural resources."

Consistent with California Association of LAFCo's (CALAFCO) objective statement, the Matrix Consulting Group is philosophically grounded in the efficient and effective use of local government resources. As a result, although we understand the significant and important impact political and special interest groups play on organizational outputs and outcomes, and the critical role they play in framing or developing policy decisions ultimately leading to service delivery, government structure options provided herein are based on a few fundamental precepts:

- Governmental structures can benefit from economies of scale characterized by an organization in which an increase in the scale of the organization causes a decrease in the long run average cost of government operations.

- Governmental structures must be designed such that constituent interests are appropriately represented by a policy-making body.

.

- There are significant benefits to regionalism and regional governments. The impact of localism resulting from autonomous local governments directing policy can result in an insular perspective causing fragmentation that results in decision-making that is good at the local level but less optimal, potentially costly, and/or detrimental at the regional level.

- Smaller governmental entities generally have less resources—fiscal, personnel and intellectual diversity—and consequently reduced capacity to deal with various issues.

- To facilitate simplification of government structure, legislation specific to governmental reorganization allows for consolidation of special districts that are formed under different enabling legislation.

Based on these guiding principles, the following options are offered.

(1) Option 1: Fully Consolidate Utility Services into A Community Services District.

This option ostensibly eliminates SAM, MWSD, GSD, HMB sanitary sewer service, and CCWD and consolidates water and sanitary system service delivery under a community services district. These agencies have already demonstrated effective cooperative efforts as noted by the following:

- SAM is composed of the City of Half Moon Bay, Granada Sanitary District, and Montara Water and Sanitary District and is overseen by six Board members—two from each entity—providing policy direction.

- The Coastside County Water District and Montara Water and Sanitary District have formed the CCWD/MWSD Mutual Interest Committee. This cooperative committee has or will explore the potential for mutual funding and grant writing; the potential uses of wastewater on the coastside; leveraging the advantages of geographic and customer-based commonalities; the possibilities of an integrated regional water management plan; and exploring other options in the best interest of both agencies through working together to try to take advantage of some of the available opportunities.

Clearly, the four agencies have a history of working together that is an important precursor to exploring possibilities of a regional agency resulting from consolidation.

A community services district for the Midcoast area could deliver a full range of services including parks and recreation, utilities, etc. There is ample precedent for community service districts in California. Two examples of these community service districts are presented below.

- **Consumnes Community Services District**. This district, founded in 1985 and located in Elk Grove, provides fire protection services to the cities of Elk Grove and Galt, as well as unincorporated areas in the region. Additionally, the district provides parks and recreation services to the Elk Grove community. The District encompasses roughly 157 square miles and an estimated population of 169,100 people – 136,000 in the Elk Grove area and 33,100 in the Galt region. The District has a FY 2008 budget of $98.5 million; 39% of the revenue consists of property tax revenue, and 19% of in lieu / State Aid.

- **Cambria Community Services District**. The Cambria Community Services District was initially formed in 1967 to provide sewer services to the community. In 1976, other small services districts in Cambria were consolidated under this

district. This facilitated the expansion of the district services to include water, wastewater, fire protection, lighting, refuse, and parks, recreation, and open space. The district compasses close to 3,200 acres and five square miles. Currently, the district serves a population of approximately 6,400 with a substantial tourist and secondary home population. The district employs approximately 33 full-time administrative and technical staff to manage its wide range of community services. The District has a FY 2008 budget of approximately $8.4 million; 24% of the revenues consist of property tax revenue.

There is clear and ample precedence for the formation of a community services district that for the unincorporated portion of the San Mateo County Midcoast area, with a locally elected board, that could deliver the full range of services including parks and recreation and utilities.

There are innumerable potential advantages and disadvantages to such a consolidation; however they can be categorized and summarized by the issue areas presented on the following page.

. **(2) Option 2: SAM should be the Sole Sewer Agency in the Region, Responsible for all Wastewater Treatment, Collection and Disposal Services and Infrastructure Thereby Eliminating the Need for GSD and the Sewer Component of MWSD.**

With the exception of the funding of rehabilitation and replacement of local sewer infrastructure (e.g. collection system, pumps, lift stations), both the Granada Sanitary District and the sewer responsibilities of the Montara Water and Sanitary District are extremely limited. These two utilities do not have staff that is dedicated to the maintenance and repair of their sewer systems; the districts contract with SAM for those services or outsource replacement. In effect, excluding the funding of capital improvement needs, both GSD and MWSD are “pass-through” agencies, moving funds from end-users to the SAM based on aforementioned formulae.

Advantages and Disadvantages Matrix

Issue Area	Advantage	Disadvantage
Operational Costs	Overall cost of service would decline, at minimum as a result of staffing decreases associated with the consolidation of executive and administrative staff and probable reduction in the costs associated with currently independent Board operations. By example, 3.25 "General Manager" positions provide oversight to the four agencies and each has reasonable legal representation costs. Some constituents may pay less for services as a result of "rate smoothing" among all existing agencies. Application of property tax to non-enterprise activities would enhance ability of local government to provide other services such as park and recreation	Operational Costs associated with consolidation could be significant, including legal; Proposition 218 requirements as a result of revised rate setting; further feasibility and other studies resulting from consolidation initiatives; public relations costs (e.g. focus groups, surveying); etc. Some constituents would pay more for services as a result of "rate smoothing" among all existing agencies.
Infrastructure Value and Costs	Regional strategic and master planning of water and sewer infrastructure could help identify the most critical needs for rehabilitation and replacement. The region would benefit from implementation of advanced asset management practices and pooling of capital monies for CIP expenditures would help expedite effective lifecycle management.	Ensuring equity among agencies as it relates to the true value/cost and lifecycle status of existing infrastructure would be problematic and potentially costly. Devising a cost allocation formula to ensure appropriate parity among the varied constituents who "own infrastructure assets" would be difficult.
Service Provision	Consolidation of services would result in a "one stop shop" for regional constituents as it relates to these service areas. A consolidated agency could be able to offer more and / or better services as it relates to solid waste disposal options, frequency of sewer preventive maintenance, short and long-term planning, etc.	Given the size of existing agencies, and the probable manageable size of a consolidated agency, there is the opportunity, but appears to be minimal risk, for further bureaucratization thereby resulting in reduced service levels.

Issue Area	Advantage	Disadvantage
Political Representation	A consolidated Board membership could be devised with appropriate representation for the region and be elected and/or appointed "at large" or by specific representation area. The linkage between water and sewer services, and representatives dealing with common issues related thereto, would likely benefit both short and long-term planning related to these service areas.	There may be both a perception and fact of loss of local control due to consolidated services. Local constituents may not believe their best interests would be served relative to their particular issue areas (e.g. focus on water, sewer and/or solid waste). HMB as land use authority would not have authority of sewer connections
Implementation and Transitional Impacts	Consolidation can result in re-evaluating all agency operational protocols, resulting in future benefits if "best management practices" are adopted. Consolidated implementation and transitioning provides an opportunity to re-visit strategic planning, and adopt appropriate goals and objectives to move the organization forward efficiently and effectively.	Implementation and transitional impacts are likely the greatest impediment to a consolidated organization. Effectively implementing a transition from four agencies to one consolidated agency can administratively and politically be overwhelming, and would require significant grass-roots and political support, as well as consistent championing, to successfully effectuate.

By example, neither agency has dedicated full-time staff to the sewer function, instead relying on SAM or consultant services related to maintenance, engineering, etc. In effect, both GSD and MWSD's sewer component are "overhead costs" that could be effectively performed by SAM and the political oversight provided by the SAM Board.

Major obstacles to implementation would be collection system infrastructure assets would have to be legally transferred to SAM, and solid waste management conducted by GSD would have to be managed in a different fashion, perhaps by MWSD or Half Moon Bay. Benefits and disadvantages would mirror those previously noted in the Regional Utility Agency section, though the order of magnitude related to benefits and detriments would, in large part, be reduced. Similar to the aforementioned advantages and disadvantages, implementation and transition impacts could prove problematic.

(3) Option 3: Consolidate the CCWD with the Montara Water Operation.

This option would be predicated on the aforementioned intertie project to bring two independent water systems into a co-utilization status. Given full-time staffing patterns at MWSD dedicated to water services, water consolidation would result in little need for MWSD to exist as a sewer or solid waste agency, triggering a need for further consolidation as identified in Option 1 or 2. In sum, consolidation of the CCWD and Montara Water operation would, by nature, be an interim or phasing step for further consolidation opportunities associated with the local governments.

MWSD would continue to operate as a sewer service agency, however. As a consequence, there would not be any benefits from the standpoint of the reduction of the number of special districts.

(4) Option 4 Consolidate MWSD and GSD

Given that HMB exists with distinct governance and land use policies, another option for government restructuring would be the consolidation of MWSD and GSD into a single entity for delivery of sewer, garbage and water (outside of CCWD boundaries or by detaching from CCWD). This alternative would place all of the unincorporated area under a single governing body for utilities, and would provide an opportunity for savings and rate restructuring that does not rely on property tax.

10. EVALUATION OF MANAGEMENT EFFICIENCIES.

Both the GSD and the MWSD are small utility providers from the standpoint of customers served. MWSD provides water service to approximately 5,000 residents and has about 1,800 sewer connections. The GSD also serves a comparatively small number of customers. However, MWSD is authorized three administrative staff (a General Manager, an Account Specialist, and a District Clerk), while the GSD is authorized two part-time staff (the General Manager, a contract position, and an Administrative Assistant) and a full-time District Administrator. Given the small number of customers served by these two utilities, this represents a significant amount of administrative support staff that could be reduced with the options for government structure presented in the previous section.

The Matrix Consulting Group's review of the various providers indicates there is not a performance measurement management program in place. To that end, several additional steps can be taken to improve the tracking of performance, linking goals to objectives and ultimately to outcomes, and overall enhancing "performance management."

The agencies profiled in this chapter are not atypical compared to many government entities in regard to its sophistication in measuring performance, linking production to not only outputs but outcomes, etc. Similar to many jurisdictions, various types of "performance reports or correspondence" are generated, distributed, reviewed, and filed, but little more is done with the contents. The most advanced performance measurement systems are generally found in the private sector. Yet the value of performance measurement cannot be underestimated, particular since performance measurement is a core business practice and fundamental to many successful companies. An often repeated phrase is, "You cannot manage what you can't measure." The belief in this sentiment is the cornerstone of the performance measurement philosophy.

The agencies should adopt what is termed the SMART philosophy of performance measurement and performance goals and objectives development. SMART is an acronym for (S)pecific, (M)easureable, (A)chievable, Ielevant, and (T)ime-bound. Specifically:

Specific	Objectives must express the action and results required so that the reviewer of the objective can see clearly whether or not the objective has been achieved.
Measurable	When setting objectives, there must be some way of measuring and validating whether the objective has or has not been achieved and to what level of success or failure.
Achievable	Although objectives should be challenging and encourage continuous improvement, they must be reasonable and achievable.
Relevant	The objectives must be pertinent to the organization's core business practices and measure performance that reflects critical operations fundamental to the success of the work unit's mission.
Time bound	Objectives need to have clear time frames attached to them such that success or failure can be analyzed within an established period.

Using this model as a framework, the agencies should develop annual work plans that reflect effective performance measures that meet the SMART criteria. Ideally,

performance *metrics* or *indicators* should be minimized. A metric is essentially a counting of an occurrence linked to some type of task a work unit performs. For example, the number of pump inspections made in a month or the number of sewer miles jetted. An indicator, often called a Key Performance Indicator (KPI), is a somewhat more sophisticated form of a metric that provides additional information that reflects the organization's goals, that is quantifiable (measurable), and that is a key to business success. It differs from a performance measure in that it only possesses three of the five SMART characteristics (Specific, Measurable, and Relevant). For example, the proportion of sewer line televised in a specific service area is a KPI. A performance measure is the *output* of a performance objective that leads to a desired *outcome;* these measures should be adopted by the agencies to help ensure management efficiency.

11. LOCAL ACCOUNTABILITY AND GOVERNANCE.

A review of the various agency websites and provided data indicate that SAM, GSD, MWSD, and CCWD are governed consistent with appropriate practice and thus are accountable to the various constituents. Boards are subject to the Brown Act, hold regular meetings, agendas are prepared, minutes are published, annual budgets are adopted, and documentation is readily available to local constituents either on websites or based upon request. In sum, there are no noted issues specifically related to current local accountability and governance.

Having said that, in regard to governance, a resident of Half Moon Bay that resides in the portion of the City served by Granada Sanitary District votes for San Mateo County Supervisors, the Half Moon Bay City Council and governing boards of Granada Sanitary District, Coastside Fire Protection District and Coastside County

Water District in addition to other regional bodies and a school district, each with separate meetings and budgets.

COASTSIDE COUNTY WATER DISTRICT

Installed Water Connection Capacity & Water Meters

2008

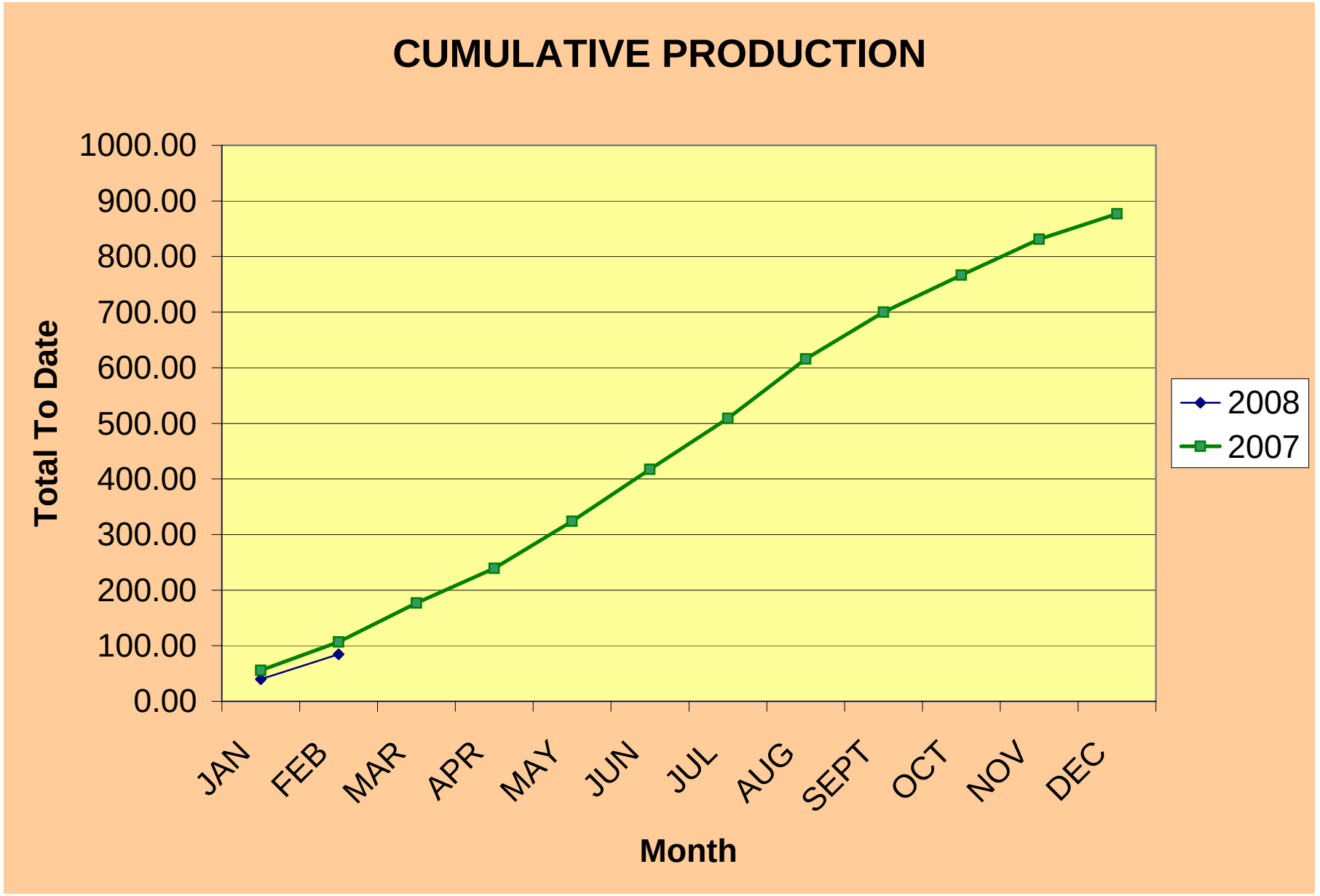
Installed Water Connection Capacity	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Total
HMB Non-Priority													
5/8" meter	1	1											**2**
3/4" meter		1											**1**
HMB Priority													
5/8" meter		1											**1**
3/4" meter													**0**
1" meter													**0**
County Non-Priority													
5/8" meter													**0**
3/4" meter													**0**
1" meter													**0**
County Priority													
5/8" meter													**0**
3/4" meter		1											**1**
1" meter													**0**
Monthly Total	**1**	**4**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**5**

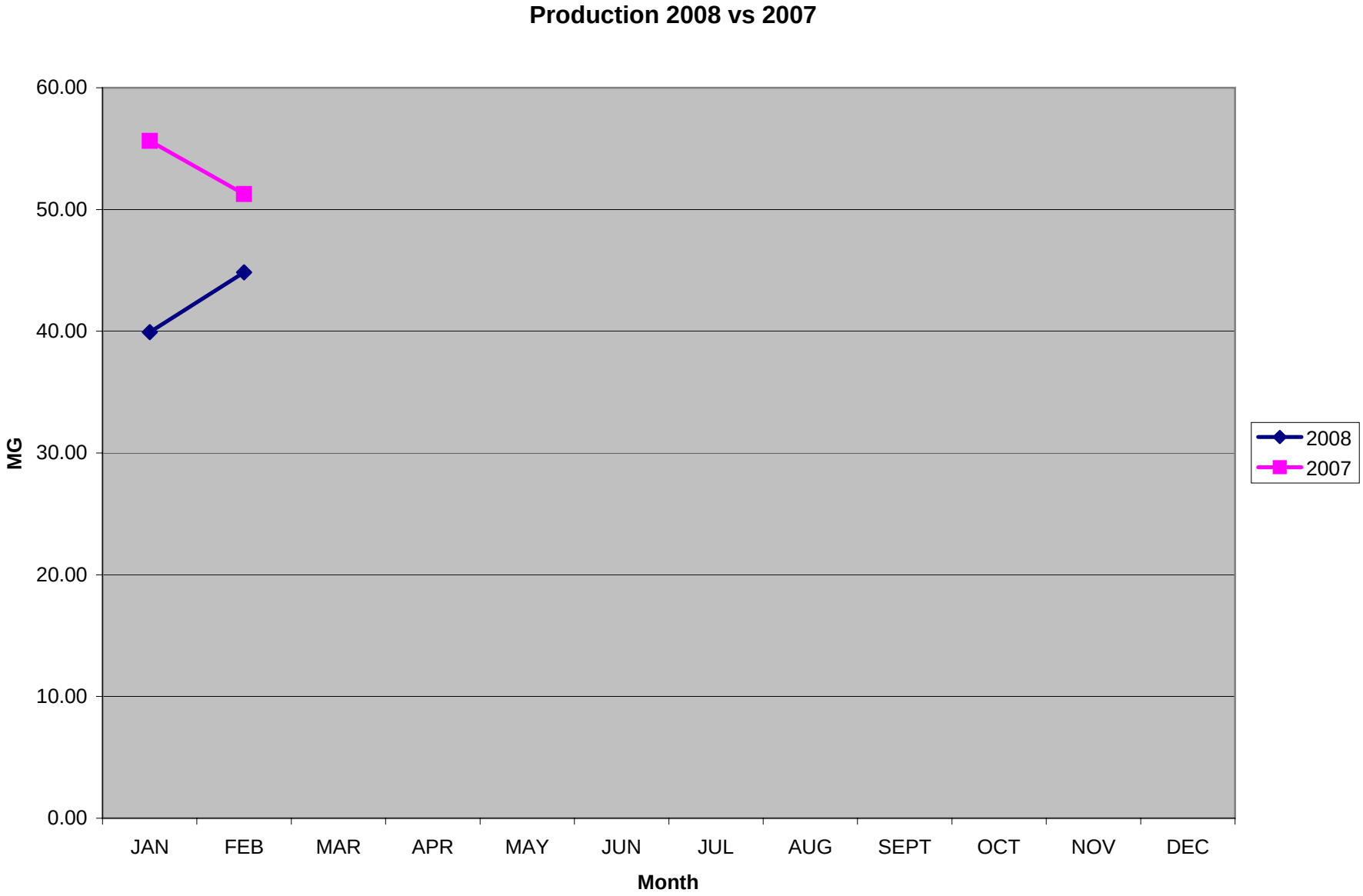
5/8" meter = 1 connection
3/4" meter = 1.5 connections
1" meter = 2.5 connections

Installed Water Meters	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Totals
HMB Non-Priority	**1**	2.5											**3.5**
HMB Priority		1											**1**
County Non-Priority													**0**
County Priority		1.5											**1.5**
Monthly Total	**1**	**5**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**6**

TOTAL CCWD PRODUCTION (MG) ALL SOURCES-2008

	PILARCITOS		DENNISTON		CRYSTAL SPRINGS	SAN VIN.	RAW WATER	UNMETERED	TREATED
	WELLS	LAKE	WELLS	RESERVOIR	RESERVOIR	RESERVOIR	TOTAL	USAGE	TOTAL
JAN	6.69	29.20	0.00	0.00	7.03	0.00	42.92	2.99	39.93
FEB	9.39	38.24	0.00	0.00	0.00	0.00	47.63	2.78	44.85
MAR							0.00		
APR							0.00		
MAY							0.00		
JUN							0.00		
JUL							0.00		
AUG							0.00		
SEPT							0.00		
OCT							0.00		
NOV							0.00		
DEC							0.00		
TOTAL MG	16.08	67.44	0.00	0.00	7.03	0.00	90.55	5.773	**84.78**
% TOTAL	17.8%	74.5%	0.0%	0.0%	7.8%	0.0%	100.0%	6.4%	93.6%


CUMULATIVE PRODUCTION
Total To Date
1000.00
900.00
800.00
700.00
600.00
500.00
400.00
300.00
200.00
100.00
0.00
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEPT
OCT
NOV
DEC
Month
2008
2007


Production 2008 vs 2007
60.00
50.00
40.00
30.00
20.00
10.00
0.00
MG
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEPT
OCT
NOV
DEC
Month
2008
2007

COMPARISON OF SFPUC METERS WITH NUNES INFLUENT METER

		Nunes Meter	BW Return	Wells	Difference	SFPUC Pilarcitos meter	SFPUC CSP meter	Skylawn 1	SFPUC Total	SFPUC - Nunes	% difference
2006	**Jun**	68.76	3.3	0	65.46	45.54	20.3	0.00	65.84	0.38	0.58
2006	**Jul**	75.97	3.4	0	72.57	0	91.78	13.80	77.98	5.41	6.94
2006	**Aug**	71.56	3.42	0	68.14	0	76.55	0.00	76.55	8.41	10.99
2006	**Sep**	65.09	3.23	0	61.86	0	77.88	13.13	64.75	2.89	4.46
2006	**Oct**	57.6	3.1	0	54.50	0	64.98	0.00	64.98	10.48	16.13
2006	**Nov**	50.7	2.96	7.17	40.57	17.2	30.34	9.25	38.29	-2.28	-5.95
2007	**Dec**	49.94	3.74	7.6	38.60	45.17	0	0.00	45.17	6.57	14.55
2007	**Jan**	51.29	2.78	5.93	42.58	42.51	0	0.00	42.51	-0.07	-0.17
2007	**Feb**	48.57	2.56	5.96	40.05	47.08	0	0.00	47.08	7.03	14.93
2007	**Mar**	54.47	2.99	8.41	43.07	56.11	0	0.00	56.11	13.04	23.24
2007	**Apr**	50.28	2.49	0	47.79	51.49	0	0.00	51.49	3.70	7.19
2007	**May**	59	2.5	0	56.50	66.93	4.51	2.50	68.94	12.44	18.04
2007	**Jun**	70.71	2.64	0	68.07	15.21	63.74	0	78.95	10.88	13.78
2007	**Jul**	74.67	2.85	0	71.82	0	82.66	15.12	67.54	-4.28	-6.34
2007	**Aug**	74.46	2.86	0	71.60	0	96.74	2.4	94.34	22.74	24.10
2007	**Sep**	71.2	2.74	0	68.46	0	73.44	15.34	58.10	-10.36	-17.83
2007	**Oct**	56.455	2.61	0	53.85	0.03	60.7	0	60.73	6.89	11.34
2007	**Nov**	51.59	2.463	0	49.13	0	59.937	2.698	57.24	8.11	14.17
2007	**Dec**	47.84	3.25	1.62	42.97	0	46.11	0.326	45.78	2.81	6.15
2008	**Jan**	47.75	2.67	6.69	38.39	29.2	7.03	3.02	33.21	-5.18	-15.60
2008	**Feb**	46.03	2.71	9.39	33.93	38.24	0	0	38.24	4.31	11.27
TOTAL		**1243.94**	**61.26**	**52.77**	**1129.90**	**454.71**	**856.70**	**77.59**	**1233.82**	**103.92**	**8.42**
AVERAGE		59.24	2.92	2.51	53.80	21.65	40.80	3.69	58.75	4.95	

All results in MG.

confluence upstream of meter - subtracted from Nunes

also subtracted from Nunes meter

sent to Skylawn as raw water. Subtracted from SFPUC sum

Total

Coastside County Water District Monthly Sales By Category (MG)
2008

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	MG to Date
RESIDENTIAL	21.17	31.05											52.22
COMMERCIAL	5.38	1.1											6.48
RESTAURANT	1.96	0.04											2.00
HOTELS/MOTELS	4.48	0.24											4.72
SCHOOLS	0.93	0.07											1.00
MULTI DWELL	4.51	6.08											10.59
BEACHES/PARKS	0.38	0.01											0.39
FLORAL	17.55	0.21											17.76
RECREATIONAL	0.07	0.16											0.23
MARINE	1.15	0											1.15
IRRIGATION	3.12	0.48											3.60
Portable Meters	0	0.33											0.33
MG	60.70	39.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.47

Coastside County Water District Monthly Sales By Category (MG)
2007

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	MG to Date
RESIDENTIAL	21.27	34.33											55.60
COMMERCIAL	6.32	1.38											7.70
RESTAURANT	2.29	0.00											2.29
HOTELS/MOTELS	4.66	0.13											4.79
SCHOOLS	0.53	0.13											0.66
MULTI DWELL	5.37	6.38											11.75
BEACHES/PARKS	0.29	0.02											0.31
FLORAL	14.73	0.24											14.97
RECREATIONAL	0.08	0.18											0.25
MARINE	1.35	0.00											1.35
IRRIGATION	0.30	0.69											0.99
PORTABLE METERS	0.00	0.30											0.30
MG	57.18	43.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.96

Coastside County Water District
Monthly Leak Report
February 2008

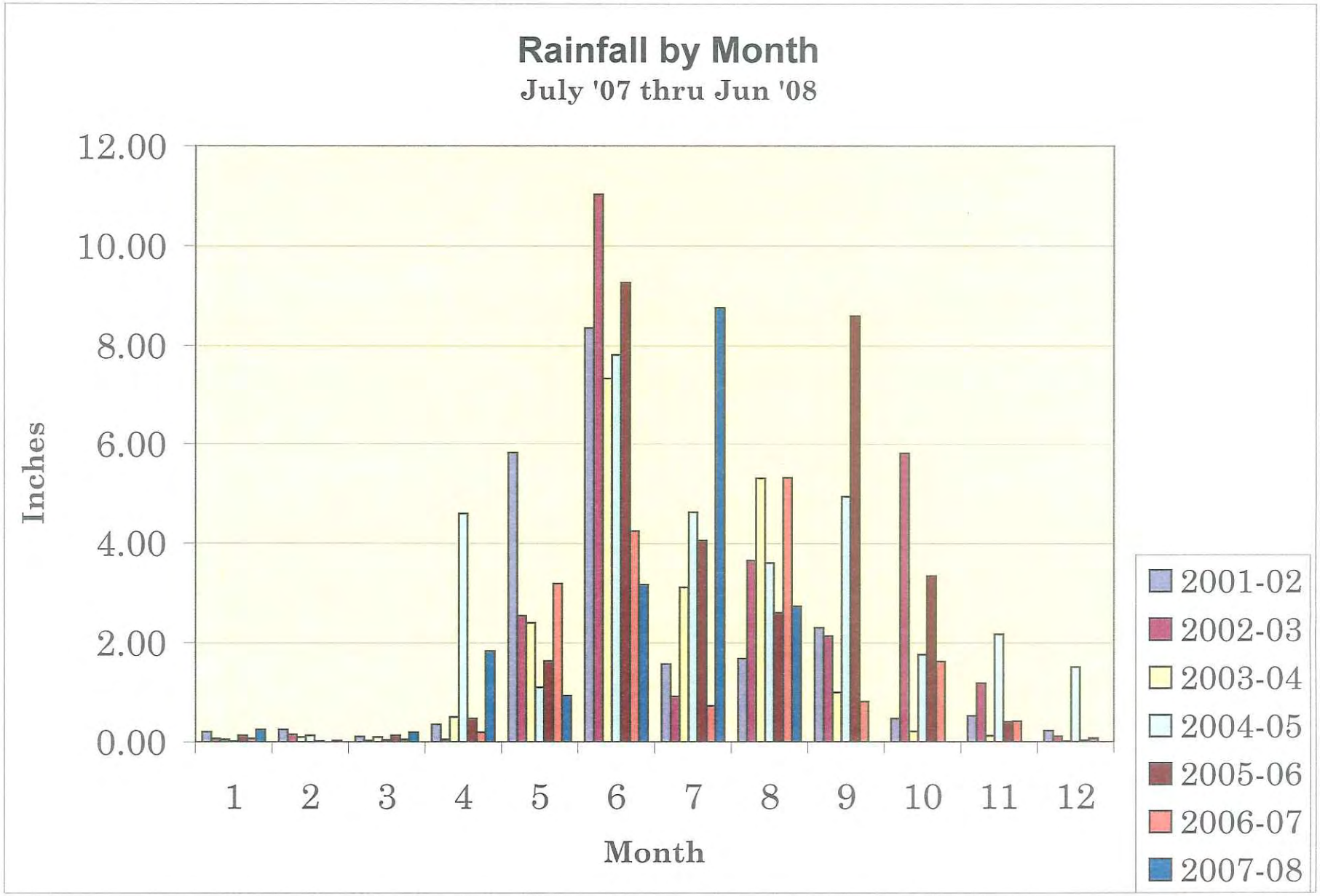
Date	Location	City	Pipe Type/Size	Repair Material	Estimated Water Loss (gallons)	Estimated Cost of Repair (dollars)
04-Feb-08	Columbus St.	EG	3/4" plastic service	10' - 3/4" copper 2- 3/4 copxcop	800	$650
04-Feb-08	Solano Ave.	EG	3/4" plastic service	15' - 3/4" copper	1,000	$800
06-Feb-08	Avenue Alhambra	EG	1" plastic service	1"x1" copper 2 - 1" couplings	5,000	$600
08-Feb-08	214 Ave Granada	EG	3/4" service	1- 3/4" comp coup 1 - 3/4" comp nut 3' - 3/4" copper	1,000	$1,100
15-Feb-08	Grandview	HMB	2" plastic main	2" half circle clamp	5,500	$1,100
				TOTAL	**13,300**	**$4,250**

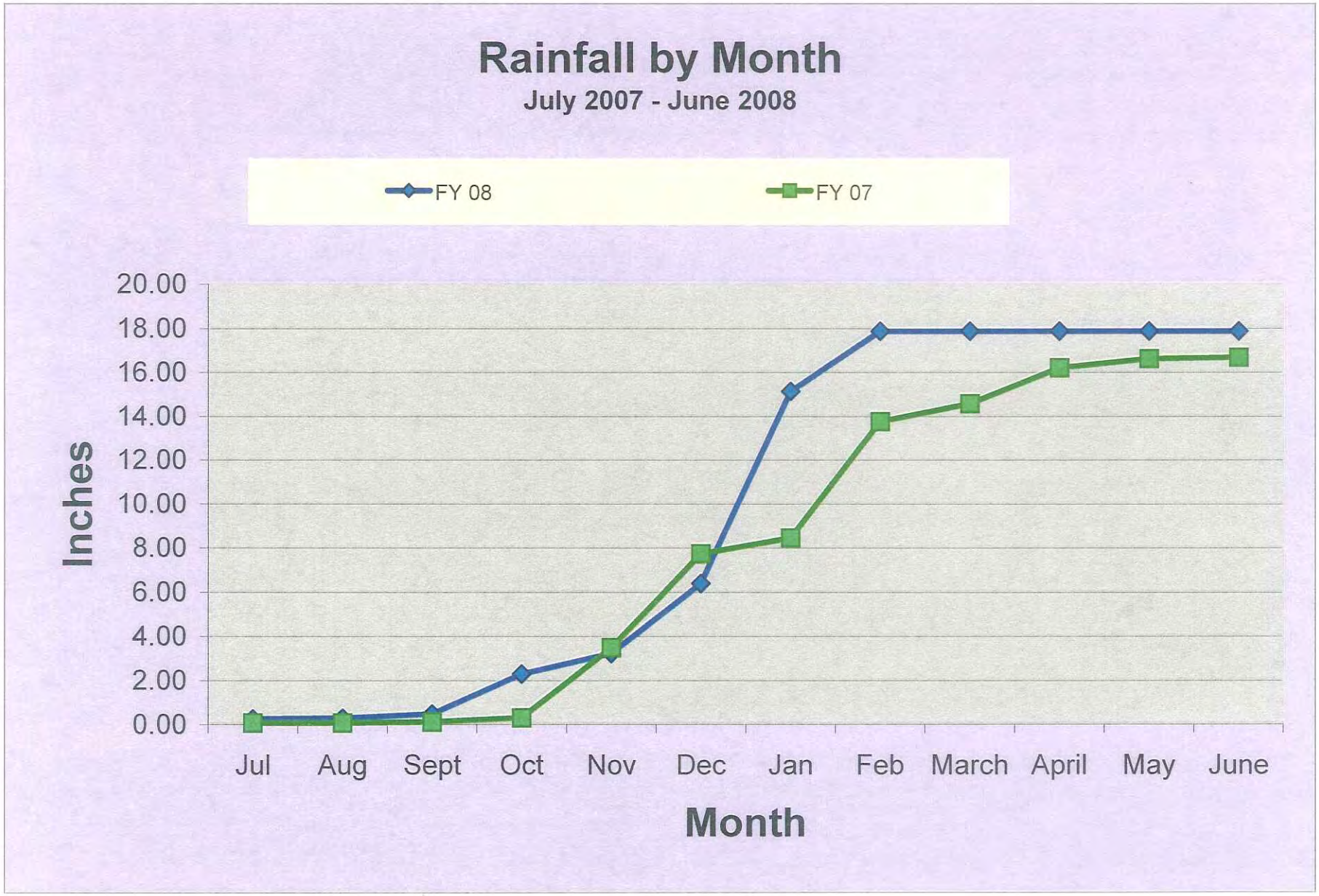
Coastside County Water District
766 Main Street
July 2007 - June 2008

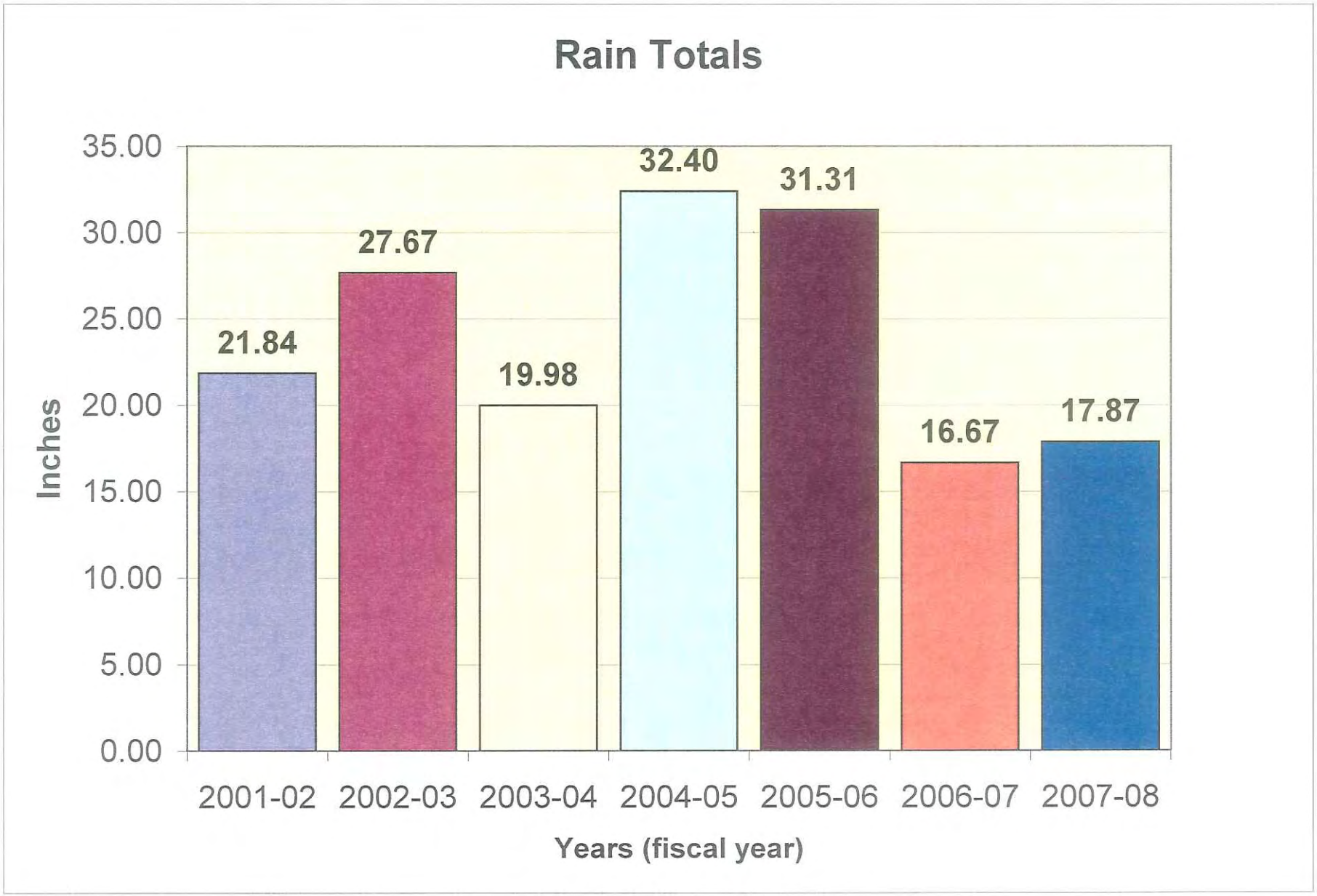
District Office
Rainfall in Inches

	2007						2008					
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
1	0	0	0	0.03	0.01	0	0	0.01				
2	0	0	0	0	0	0	0	0.62				
3	0	0	0	0	0	0	0.34	0.1				
4	0	0	0.03	0	0	0.31	2.57	0				
5	0	0.02	0	0	0.01	0	0.58	0				
6	0	0	0	0	0	0.36	0.09	0.01				
7	0.02	0	0	0	0	0.1	0.01	0.01				
8	0	0	0	0	0	0	0.28	0				
9	0	0.01	0	0.86	0	0	0	0				
10	0	0	0	0.23	0.8	0	0.13	0				
11	0	0	0	0	0.08	0	0	0.01				
12	0	0	0	0.55	0	0	0	0.01				
13	0	0	0	0	0	0	0	0				
14	0	0	0	0	0	0	0	0				
15	0.01	0	0	0.02	0	0	0	0				
16	0	0	0	0.02	0.01	0.04	0	0				
17	0.01	0	0	0.01	0	0.34	0	0				
18	0.07	0	0	0.01	0.01	0.87	0	0				
19	0	0	0	0.1	0.01	0.08	0	0.72				
20	0	0	0	0	0	0.75	0.01	0.01				
21	0	0	0	0	0	0	0.3	0.17				
22	0.01	0	0.1	0	0	0	0.2	0.36				
23	0.02	0	0	0	0	0	0.05	0.43				
24	0.03	0	0	0	0	0.01	0.42	0.24				
25	0.01	0	0	0	0	0	2.5	0.02				
26	0.02	0	0	0	0	0.02	0.26	0				
27	0.01	0	0	0	0	0.16	0.21	0				
28	0.02	0	0.05	0	0	0.04	0.06	0				
29	0.02	0	0.01	0	0	0.08	0.05	0.01				
30	0	0	0	0	0	0	0.07					
31	0	0		0		0	0.62					
Mon.Total	0.25	0.03	0.19	1.83	0.93	3.16	8.75	2.73	0.00	0.00	0.00	0.00
Year Total	0.25	0.28	0.47	2.30	3.23	6.39	15.14	17.87	17.87	17.87	17.87	17.87

Coastside County Water District




Rainfall by Month
July 2007 - June 2008
FY 08
FY 07
20.00
18.00
16.00
14.00
12.00
10.00
8.00
6.00
4.00
2.00
0.00
Inches
Jul
Aug
Sept
Oct
Nov
Dec
Jan
Feb
March
April
May
June
Month


Rain Totals
35.00
30.00
25.00
20.00
15.00
10.00
5.00
0.00
Inches
21.84
27.67
19.98
32.40
31.31
16.67
17.87
2001-02
2002-03
2003-04
2004-05
2005-06
2006-07
2007-08
Years (fiscal year)

MONTHLY CLIMATOLOGICAL SUMMARY for FEB. 2008

NAME: Office CITY: Half Moon Bay STATE: CA ELEV: 80 LAT: 37 38' 00" LONG: 122 25'59"

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

DAY	MEAN TEMP	HIGH	TIME	LOW	TIME	HEAT DEG DAYS	COOL DEG DAYS	RAIN	AVG WIND SPEED	HIGH	TIME	DOM DIR
1	47.0	56.4	1:30p	38.5	7:00a	18.0	0.0	0.01	0.7	10.0	12:30p	N
2	48.7	54.6	12:30p	39.4	5:00a	16.3	0.0	0.62	3.1	22.0	5:30p	SE
3	51.1	55.4	1:00p	46.2	10:30a	13.9	0.0	0.10	4.6	21.0	3:00a	WSW
4	46.2	54.8	1:00p	37.4	7:30a	18.8	0.0	0.00	2.4	16.0	12:00p	N
5	46.9	55.4	3:00p	37.2	4:30a	18.1	0.0	0.00	1.6	13.0	10:30a	NNE
6	51.6	60.3	2:00p	41.8	11:30p	13.4	0.0	0.01	1.1	12.0	4:30p	N
7	49.0	58.1	2:00p	40.6	5:30a	16.0	0.0	0.01	0.9	14.0	3:00p	N
8	52.6	64.1	3:30p	44.6	4:30a	12.4	0.0	0.00	1.8	14.0	12:30p	N
9	57.5	68.8	3:00p	48.1	1:00a	7.9	0.4	0.00	2.6	18.0	7:00a	N
10	53.4	64.2	11:30a	45.4	11:30p	11.6	0.0	0.00	1.0	13.0	9:30a	N
11	51.7	63.2	11:30a	43.9	3:00a	13.3	0.0	0.01	0.9	10.0	11:30a	SSE
12	52.9	66.7	11:30a	44.7	2:30a	12.1	0.0	0.01	1.2	17.0	11:00a	N
13	54.3	58.0	1:30p	49.5	1:00a	10.7	0.0	0.00	3.6	31.0	11:00p	E
14	51.9	60.8	3:00p	41.7	12:00m	13.1	0.0	0.00	5.4	32.0	6:30a	N
15	48.6	58.5	2:00p	38.7	7:00a	16.4	0.0	0.00	0.7	7.0	10:00a	N
16	49.4	57.1	3:30p	42.2	11:30p	15.6	0.0	0.00	0.8	11.0	2:30p	SW
17	51.1	59.1	12:30p	42.3	12:30a	13.9	0.0	0.00	0.3	7.0	11:30a	SSW
18	53.7	59.7	1:30p	49.3	5:00a	11.3	0.0	0.00	1.0	9.0	12:00p	SSW
19	54.7	61.3	2:00p	50.3	9:00a	10.3	0.0	0.72	0.7	12.0	8:30p	SE
20	54.4	62.1	4:00p	47.0	12:00m	10.6	0.0	0.01	0.9	9.0	8:30a	SSW
21	55.2	66.0	2:30p	46.9	12:30a	9.8	0.0	0.17	3.5	22.0	2:30p	ESE
22	52.7	60.6	3:00p	44.9	12:00m	12.3	0.0	0.36	1.1	10.0	12:30a	SSW
23	49.1	54.2	2:00p	41.4	2:30a	15.9	0.0	0.43	4.1	29.0	2:00p	SE
24	56.2	64.1	3:00p	52.8	12:30a	8.8	0.0	0.24	4.8	28.0	5:00a	S
25	52.6	61.6	1:00p	45.3	11:30p	12.4	0.0	0.02	1.1	12.0	2:00p	WSW
26	56.2	69.0	3:30p	45.3	12:30a	9.1	0.3	0.00	3.2	18.0	12:30p	N
27	55.0	65.2	12:30p	47.1	12:00m	10.0	0.0	0.00	1.6	12.0	3:30a	N
28	52.9	60.4	10:30a	44.4	3:00a	12.1	0.0	0.00	0.4	8.0	2:00p	SW
29	53.6	62.1	12:30p	47.9	6:00a	11.4	0.0	0.01	0.6	9.0	5:00p	WSW
	52.1	69.0	26	37.2	5	375.5	0.7	2.73	1.9	32.0	14	N

Max >= 90.0: 0
Max <= 32.0: 0
Min <= 32.0: 0
Min <= 0.0: 0
Max Rain: 0.72 ON 2/19/08
Days of Rain: 8 (>.01 in) 6 (>.1 in) 0 (>1 in)
Heat Base: 65.0 Cool Base: 65.0 Method: Integration

STATION (Climatological) Half Moon Bay (River Station, if different) | MONTH February 2008

STATE CA | COUNTY San Mateo | RIVER

TIME (local) OF OBSERVATION 0830 | TEMP. | PRECIPITATION | STANDARD TIME IN USE Pacific

TYPE OF RIVER GAGE | ELEVATION OF RIVER GAGE ZERO Ft. | FLOOD STAGE Ft. | NORMAL POOL STAGE Ft.

WS FORM B-91 (7-89)

U.S. DEPARTMENT OF COMMERCE
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION
NATIONAL WEATHER SERVICE

RECORD OF RIVER AND CLIMATOLOGICAL OBSERVATIONS

RECEIVED
FEB 29 2008
COASTSIDE COUNTY WATER DISTRICT

DATE	TEMPERATURE F. 24 HRS. ENDING AT OBSERVATION MAX.	MIN.	AT OBSN.	PRECIPITATION 24-HR AMOUNTS Rain, melted snow, etc. (Ins. and hundredths)	Snow, ice pellets, (ins. and tenths)	At Ob. Snow, ice pellets, hail, ice on ground (Ins.)	Draw a straight line (——) through hours precipitation was observed, and a waved line (~~~) through hours precipitation probably occurred unobserved. A.M. NOON P.M.	WEATHER (Calendar Day) Mark 'X' for all types occurring each day. Fog	Ice Pellets	Glaze	Thunder	Hail	Damaging Winds	Time of observation if different from above	RIVER STAGE CONDITION	GAGE READING AT ___ A.M.	TENDENCY	REMARKS (Special observations, etc.,)
1	53	34	36	0.69													07:15 JW
2	53	34	42	0.01													08:00 (Geo)
3	53	37	53	0.63													0825 Gage 0825
4	53	34	43	0.10													0840 T
5	55	31	43	Trace													08:30 G-A
6	56	41	50	0.01													08:30 Geo
7	55	35	38	0.01													07:37 JW
8	56	38	50	0.00													08:35 (Geo)
9	65	40	59	0.00													08:00 (Geo)
10	70	38	52	0.00													09:00 G-A
11	62	37	50	0.00													0847 T
12	58	42	47	0.01													08:30 G-A
13	67	46	50	0.00													08:30 Geo
14	53	50	50	0.00													08:05 (Geo)
15	62	31	39	0.00													08:05 (Geo)
16	53	35	43	0.00													08:00 (Geo)
17	56	36	47	0.00													08:20 G-A
18	52	46	50	0.00													08:40 G.A.
19	54	48	51	0.02													09:30
20	55	47	49	0.89													07:27 JW
21	58	43	51	0.02													07:41 JW
22	62	46	47	0.43													07:30 JW
23	57	43	46	0.08													08:00 (Geo)
24	56	41	52	0.55													08:50 G-A.
25	60	42	50	0.16													08:40 GA
26	58	39	51	0.01													0729 JW
27	70	45	53	0.00													0807 T
28	59	45	40	0.0													0739 JW
29	56	47	44	0.0													0720 JW
30																	
31																	
SUM			SUM				CHECK BAR (For wire-weight) NORMAL CK. BAR	Fog	Ice Pel.	Glaze	Thund.	Hail	Dam. Winds				

CONDITION OF RIVER AT GAGE

A. Obstructed by rough ice.
B. Frozen, but open at gage.
C. Upper surface of smooth ice.
D. Ice gorge above gage.
E. Ice gorge below gage
F. Shore ice.
G. Floating ice.
H. Pool stage.

READING	DATE

OBSERVER S.A.M. OPS.

SUPERVISING OFFICE MTR

STATION INDEX NO. 04-3714

San Francisco Public Utilities Commission
Hydrological Conditions Report
For February 2008

J. Chester, B. McGurk, A. Mazurkiewicz, M. Tsang, March 5, 2008

Current System Storage

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

Table 1
Current Storage
As of March 1, 2008

Reservoir	Current Storage		Maximum Storage		Available Capacity		Percent of Maximum Storage
	Acre-Feet	Millions of Gallons	Acre-Feet	Millions of Gallons	Acre-Feet	Millions of Gallons	
Tuolumne System							
Hetch Hetchy [1/]	168,192		340,830		172,638		49.3 %
Cherry [2/]	152,680		268,810		116,130		56.8 %
Lake Eleanor [3/]	2,676		23,541		20,865		11.4%
Water Bank	565,214		570,000		4,786		99.2 %
Tuolumne Storage	888,762		1,203,181		314,419		73.9 %
Local Bay Area Storage							
Calaveras [4/]	50,508	16,458	96,824	31,550	46,316	15,092	52.2 %
San Antonio	46,681	15,211	50,496	16,454	3,815	1,243	92.4 %
Crystal Springs	52,015	16,949	58,377	19,022	6,362	2,073	89.1 %
San Andreas	17,201	5,605	18,996	6,190	1,795	585	90.5 %
Pilarcitos	2,694	878	3,100	1,010	405	132	86.9 %
Total Local Storage	169,099	55,101	227,793	74,226	58,693	19,125	74.2 %
Total System	1,057,861		1,430,974		423,540		73.9 %

[1/] Maximum Hetch Hetchy Reservoir storage with drum gates deactivated.
[2/] Maximum Cherry Reservoir storage with flash-boards out.
[3/] Maximum Lake Eleanor storage with all stop-logs out.
[4/] Available capacity does not take into account current DSOD storage restrictions.

Hetch Hetchy System Precipitation Index [5/]

Current Month: The February 29th precipitation index is 6.2 inches, or 103 % of the average index for the month.

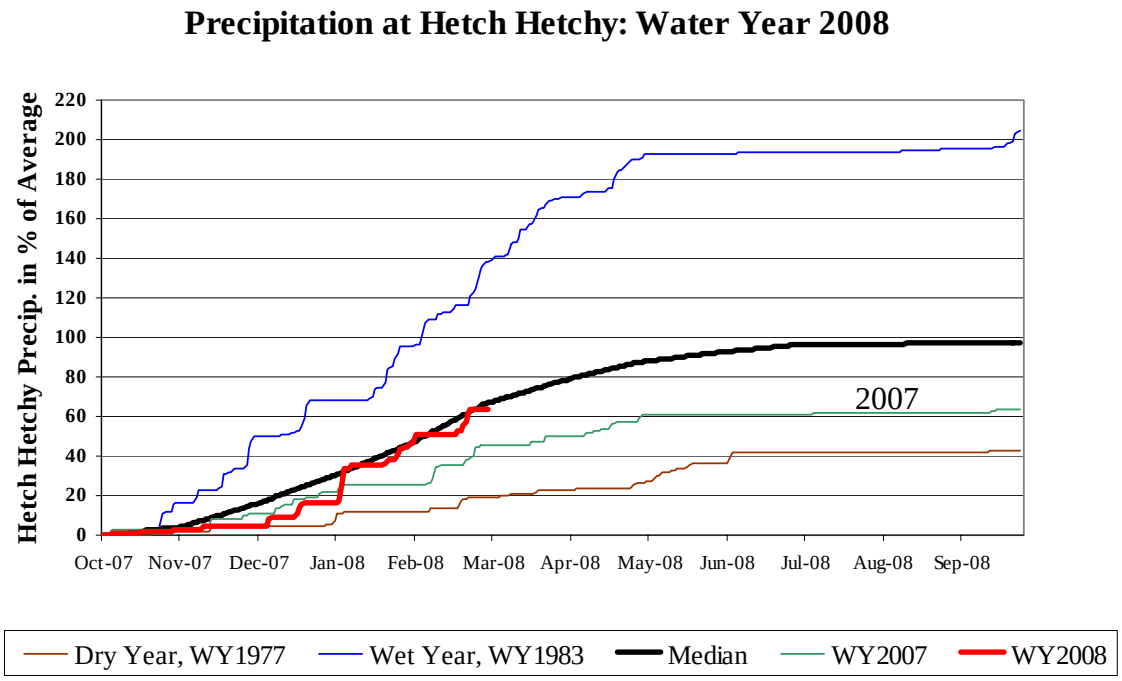
Cumulative Precipitation to Date: The accumulated precipitation index for water year 2008 is 24.0 inches, which is 67.5% of the average annual water year total, or 105.3% of the season-to-date precipitation. The cumulative precipitation for the Hetch Hetchy gauge is shown in Figure 1 in red, and is slightly below the median line.

Snow Water Content: Based on manual snow course measurements in the Stanislaus, San Joaquin, Walker, Mono Lake, Merced and Tuolumne basins, the March 1, 2008 snowpack is about 105 % of the April 1 average, or 118 % of average to date. The snowpack percentages

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

are high compared to cumulative precipitation due to the cold January and February storms that produced above-normal snow at the lower-elevation snow courses and below-normal runoff.

Figure 1: Water year 2008 cumulative precipitation received at Hetch Hetchy Reservoir through the end-of-month February. Precipitation curves for wet, dry, median, and WY 2007 years for the station at Hetch Hetchy are included for comparison purposes.



Tuolumne Basin Unimpaired Inflow

Unimpaired inflow to SFPUC reservoirs and Tuolumne River at La Grange as of February 29th is summarized below in Table 2. Water available to the City is also shown in Table 2.

Table 2
Unimpaired Inflow
Acre-Feet

	February 2008				October 1, 2007 through February 29, 2008			
	Observed Flow	Median[6]	Average[6]	Percent of Average	Observed Flow	Median[6]	Average[6]	Percent of Average
Inflow to Hetch Hetchy Reservoir	20,438	21,665	25,127	81.3 %	40,122	70,997	89,616	44.8 %
Inflow to Cherry Reservoir and Lake Eleanor	18,803	22,310	25,930	84.3 %	38,213	72,648	94,380	40.5 %
Tuolumne River at La Grange	100,389	116,210	145,787	86.4 %	208,666	329,927	419,677	49.7 %
Water Available to the City	17,386	19,397	57,251	30.4 %	29,850	61,934	162,686	18.3 %

[6] Hydrologic Record: 1919 – 2005.

Hetch Hetchy System Operations

A cold storm during the first four days of February deposited 2.4 inches of precipitation that fell primarily in the higher elevations. The following two weeks were dry and had mild temperatures. The second storm of the month brought intense precipitation and high winds during the last weekend in February. Upper-elevation snow sensors reported a range of increases in snow water equivalence from 4.2 to 8.5 inches. This storm brought the accumulated water-year precipitation total back to normal, but it did not generate significant increases in inflow to HHWP reservoirs. Powerdraft from Hetch Hetchy Reservoir during most of February matched SJPL deliveries, except during the storm periods when flows in Mountain Tunnel were increased to ensure water quality.

Cherry Lake was at 56.8% of capacity at the end of February. There is currently 31" of snow on the ground at Cherry Dam. In February, over 4,500 acre-feet of water was transferred from Lake Eleanor to Cherry Reservoir by gravity flow. During February, about 15.5 TAF of powerdraft was made from Cherry Reservoir to support the City's Municipal load, and the water was then transferred to the City's Water Bank in Don Pedro Reservoir.

SJPL Diversion

The average rate of the San Joaquin Pipeline diversion during February was 85 mgd, a moderate increase over January and due to the Hetchy supply undergoing a month's planned, week-long shutdown for maintenance purposes during January.

Local System Operations

The average rate at the Sunol Valley Water Treatment Plant for February was 45 mgd. The average rate at the Harry Tracy Water Treatment Plant for the month of February was 65 mgd. These rates are consistent with this season's precipitation and reservoir storages. February water demands averaged 193 mgd. Water demand on March 1, 2008 was approximately 186 mgd. The February water demands are trending with expected seasonal demands for water. February precipitation in the local watersheds was 101% of normal for the month. The accumulated local precipitation is about normal for the expected year-to-date totals. Precipitation totals for key reservoirs are presented in Table 3.

Table 3 - Precipitation Totals for February at Three Local Reservoirs

Reservoir	Month Total (inches)	Percentage of Normal for the Month	Year To Date [7] (inches)	Percentage of Normal for the Year to Date [7]
Pilarcitos	6.57	102 %	30.18	102 %
Lower Crystal Springs	3.85	83 %	20.64	102 %
Calaveras	3.84	102 %	15.76	100 %

[7] Since 7-1-2007

Snowmelt and Water Supply

The late February precipitation kept hydrologic conditions near the long-term average and brought the contribution to water supply to near median. The City's entitlement during February was 9,860 acre-feet. Three-quarters of the month's entitlement occurred during the second storm period due to the rainfall that fell in the lower portion of the watershed and produced inflow rates at La Grange in excess of the District's entitlement.

Current weather conditions are again dominated by an off-shore high-pressure system. Mild temperatures and clear skies will persist for at least the first 10 days of March. This pattern is consistent with the observed La Nina conditions, and the strong La Nina event is forecast to continue into spring 2008. La Nina events in the past have been associated with a slightly elevated chance of dry winters in central California. The March and the March-April-May long-range forecasts predict normal to slightly-below normal precipitation and normal temperatures.

Figure 2: Calculated unimpaired flow at La Grange and the allocation of flows between the Districts and the City. Water available to the City for the period from October 1, 2007 through February 29th, 2008 is 29,850 acre-feet.

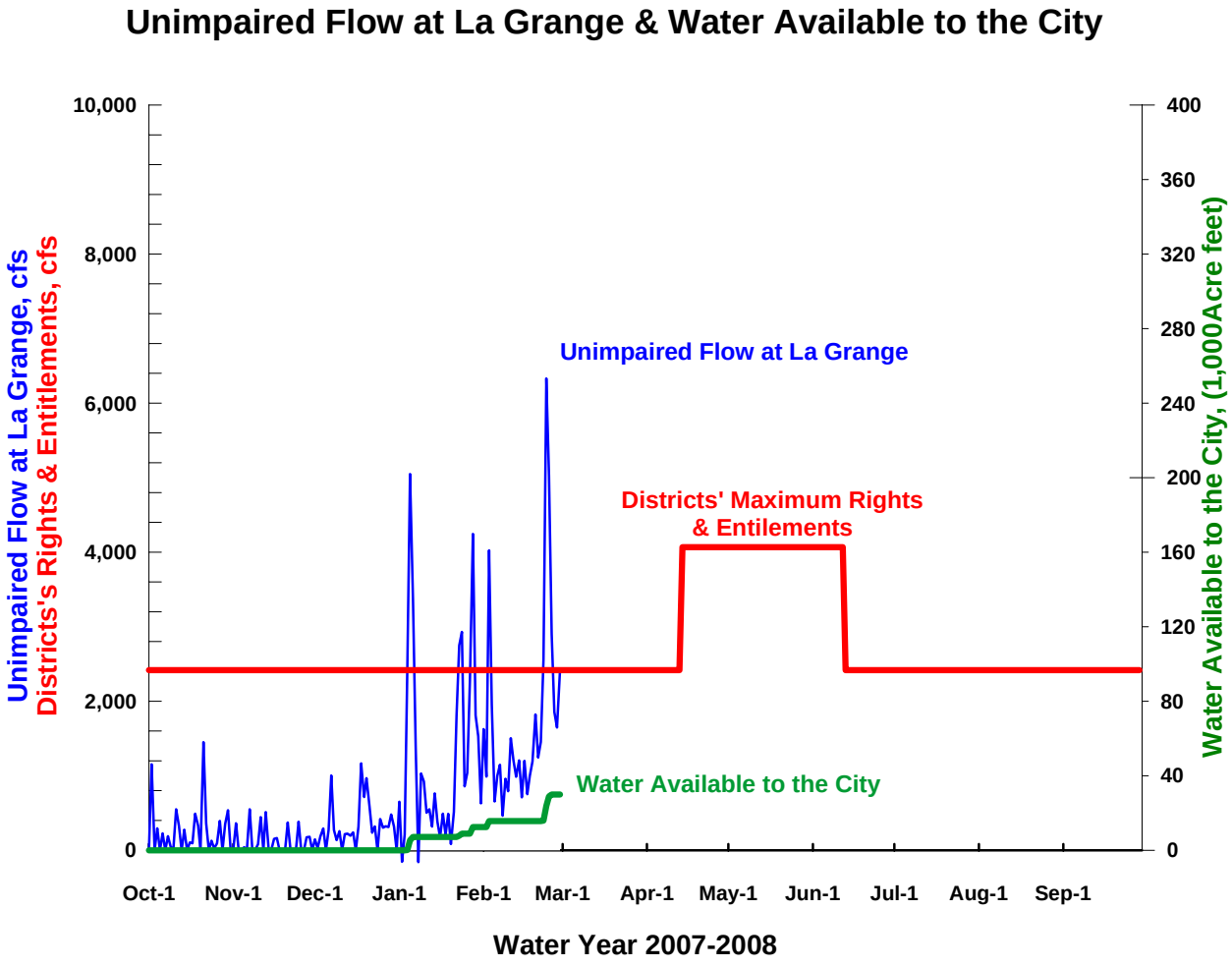
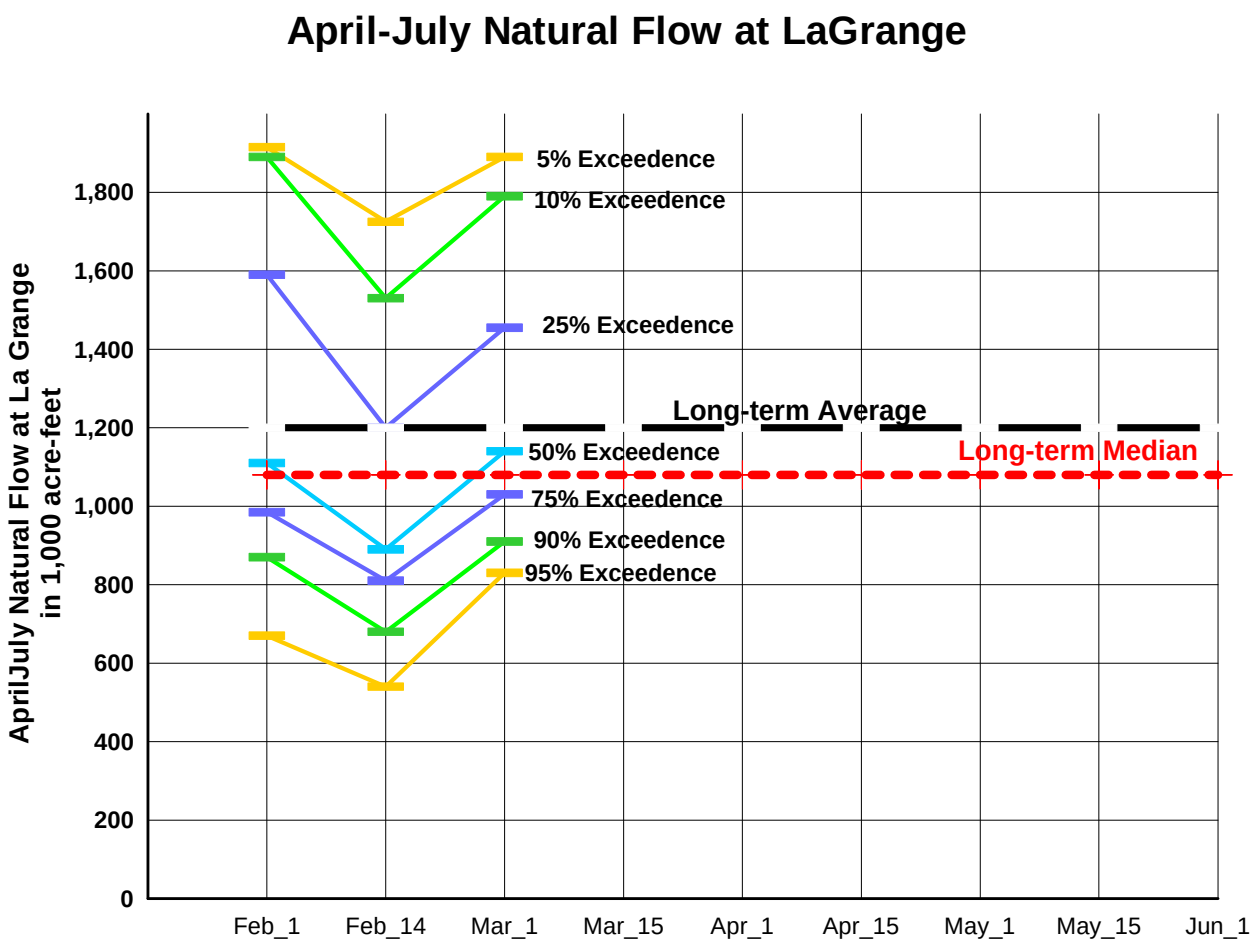


Figure 3: Tuolumne River at La Grange April-July runoff forecast



The forecast indicates that the median amount of runoff that may occur this year is about 105% of the long-term median. The median forecast of April-to-July runoff is about 1,140 TAF, compared to the long-term median runoff for the April-to-July period of 1,080 TAF. For natural flow at La Grange, there is an 80 percent chance that the April-to-July natural runoff will be between 910 TAF and 1,790 TAF.

cc	HHWP Records	DeGraca, Andrew	Kehoe, Paula	Samii, Camron
	Bauer, Leo	Fong, Mike	Levin, Ellen	Sandkulla, Nicole
	Briggs, David	Gass, Matt	Mazurkiewicz, Adam	Sanguinetti, Dave
	Cameron, David	Hale, Barbara	McGurk, Bruce	Tsang, Michael
	Carlin, Michael	Hannaford, Margaret	Meier, Steve	
	Chester, John	Jensen, Art	Rickson, Norman	

Monthly Report

To: **David Dickson, General Manager**

From: **Cathleen Brennan, Water Resources Analyst**

Agenda: **March 11, 2008**

Subject: **Water Resources Report**

This report is provided as an update on water conservation, outreach, and program development activities to the Board of Directors. No action is required.

□ Pilarcitos Integrated Watershed Management Plan (IWMP) –Workshop

Sunday, the 24th of February, was the second public workshop held for the development of the Pilarcitos Integrated Watershed Management Plan. There were a total of 44 participants (35 members of the public and 9 workgroup members) at the workshop. There were 20 participants that completed the evaluation form and the responses of the completed evaluations were positive. The agenda for the workshop is attached to the staff report.

The first workshop held in October of last year focused on the written watershed assessment and the proposed goals & objectives. The second public workshop was focused on the draft Watershed Management Plan which contains preliminary proposed projects and proposed criteria for evaluating the proposed projects. Workshop facilitators reminded attendees that the Pilarcitos Integrated Watershed Management Plan development is a voluntary process not a regulatory process.

In the plan, the proposed projects are categorized into four groups; improvement projects, feasibility projects, planning project summaries, and additional assessment projects. Please note that not all of the proposed projects listed in the draft plan were discussed during the workshop. Workgroup members are working on consolidating the comments received during the public workshop and they will be made available when they are completed.

The following table lists the criteria and projects discussed in the break out sessions and during the presentation given by Adam Parris of PWA.

	Number of Goals and Objectives	Estimated Benefit and Cost	Certainty of Benefits	Stakeholder Support	Number of Key Watershed Management Issues	Project Synergies
Weighting Factor	1	1	1	1	1	1
Arroyo Leon Ponds Rehabilitation (improvement project)						
Recycled Water (improvement project)						
Enhance or Create Lagoon Habitat (feasibility project)						
Watershed Monitoring (planning project)						
Water Budget Refinement (assessment project)						

The following table lists the draft preliminary proposed projects in the latest revision of the Integrated Watershed Management Plan.

Improvement Projects	
	Arroyo Leon Ponds Rehabilitation
	Stone Dam Flow Releases
	Recycled Water Project
	Remedial Action on the Mills Creek Passage Project at the Historic Bridge
	Remedial Action on the Lower Arroyo Leon Fish Passage Project Upstream of Mills Creek
	Modification of Barrier 1 on Lower Apanolio Creek
	Modification of Apanolio Pond Operation and the Channel Downstream
	Maintenance of the 2007 Fish Passage Project at Barrier 3 on Apanolio Creek
	Apanolio Flashboard Dam and Apron Removal Downstream of the BFI Property Line
	Lower Pilarcitos Stream flow Improvement
	Equestrian Bridge
	Erosion Control Projects
	Stream Maintenance and Restoration Support
	Fish Habitat Enhancement Opportunities
	Other Enhancement Activities
	Feasibility Studies
Feasibility Studies	
	Lagoon Restoration Feasibility Study
	Pilarcitos Lake Dead Storage Access Feasibility Study
	Grey Water Utilization Study
	Riparian Conservation Easement Program Feasibility Study
Planning Project Summaries	
	Eucalyptus Control Planning
	Watershed Monitoring Program
Additional Assessment Project Summaries	
	Water Budget Development
	Road Assessment Project
	Geomorphic Channel Assessment
	Arroyo Leon Fish Habitat Assessment
	Fish Habitat Assessment
	Riparian Habitat Restoration and Invasive Plant Eradication Assessment
	Assess Habitat Management and Restoration Opportunities for Sensitive Wetland Species
	Watershed Scale Sensitive Plants and Habitats Assessment

The projects highlighted above in yellow are projects that identify Coastside County Water District as a collaborative resource. Projects highlighted in green do not have any collaborative resources identified, but it is probable that Coastside County Water District would be a resource.

Coastside County Water District is an active participant in the development of the plan and our goals are to make sure that Coastside County Water District is characterized accurately in the assessment and to be an advocate for the use of the Pilarcitos watershed as a drinking supply source for our customers.

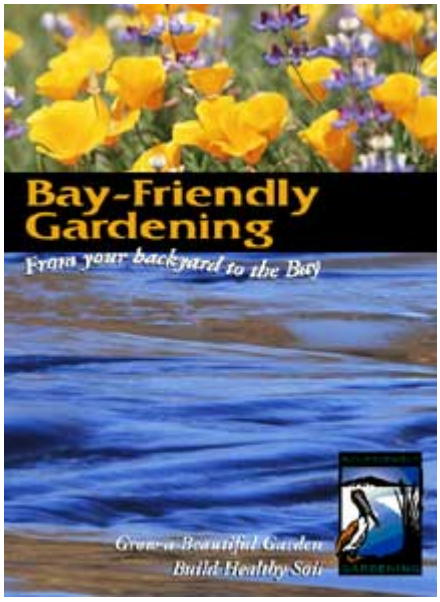
The next Pilarcitos Integrated Watershed Management Plan workgroup meeting is scheduled for April 3rd. The location is still to be determined.

□ **Landscape Classes - Series 2008**

BAWSCA (Bay Area Water Supply and Conservation Agency) is sponsoring a series of landscaping classes this spring. Coastside County Water District is co-sponsoring an irrigation class on Saturday, May 3rd in Half Moon Bay. To advertise this series of landscape classes there is a bill stuffer that will be placed in the March and April statements and there is an advertisement in the March edition of the Half Moon Bay Review Magazine. Attached to this staff report are copies of the advertisements.

□ **Bay Friendly Gardening Booklet**

BAWSCA reprinted copies of the Bay Friendly Gardening booklet developed by StopWaste.Org. Coastside County Water District ordered 100 copies to make available to our residential and commercial customers. The booklet contains information on soil, composting, mulch, pruning, integrated pest management, and plants. Both amateur and professional gardeners will find useful information to help them reduce waste, conserve water and protect the local watershed. Copies are available in the lobby.



□ **Summary of Meetings**

Employee Meeting 2/19/2008
Public Workshop Pilarcitos IWMP 2/24/2008
Pilarcitos IWMP Meeting 3/3/2008 (I did not attend this meeting)
SFPUC Annual Meeting with Coastside County Water District 3/6/2008

PILARCITOS

RESTORING OUR WATERSHED

Sunday, February 24, 2008 • 2:00 pm ~ 5:00 pm • Harbor House, Princeton by the Sea

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2:00 PM **WELCOME**
Opening comments and a video tour of the Pilarcitos Watershed.
Presenter: Rich Allen, *Resource Conservation District*

2:10 PM **INTRODUCTION**
Review of the agenda and expectations for the workshop.
An explanation of the project and updates since the last workshop.
Presenter: Kellyx Nelson**,** *Resource Conservation District*

2:25 PM **HOW WE GOT HERE**
A brief history of efforts in the watershed that led to the development of an integrated watershed management plan.
Presenter: Rich Gordon, *San Mateo County Board of Supervisors*

2:35 PM **DRAFT INTEGRATED WATERSHED MANAGEMENT PLAN**
A presentation of the draft plan.
Presenter: Adam Parris, *Philip Williams & Associates, Ltd.*

3:05 PM **BREAK**
An opportunity to speak with presenters and attendees over refreshments**.**

3:15 PM **BREAK OUT SESSION**
A facilitated session for members of the public to provide input on the draft plan.

4:55 PM **CLOSING REMARKS**

Note: Times are approximate.

Pilarcitos: Restoring Our Watershed is presented by the San Mateo County Resource Conservation District on behalf of the Pilarcitos Creek Restoration Work Group.
For more information, visit *http://www.sanmateorcd.org/pilarcitos_iwmp.html*.

How does your garden grow?

FREE Water Efficient Landscaping Classes...

Starting a Spring Organic Garden
Learn how to grow a bountiful spring vegetable garden using sustainable measures, without the use of harmful and polluting pesticides.

Irrigation Basics for Homeowners
This class covers the irrigation system and its components. It also covers basic maintenance and installation guidelines.

Drought Tolerant Plants
This class is designed to teach homeowners the importance of using drought-tolerant plant material in their garden.

Garden Design Concepts
This class will show participants the importance of implementing a design program when installing or renovating their garden.

Smart Gardening
This multi-topic workshop brings together home gardening basics like garden design, irrigation systems, scheduling and fertilizers, and plant selection.

Summer Organic Gardening for Food & Beauty
The latest organic gardening tips for planting a delicious summer vegetable garden and summer maintenance for ornamental landscapes.

Water Wise Landscape Design
Discover how to create a low-maintenance and water conserving garden using native plants.

California Plants for Every Garden
Learn about California plants that you can grow successfully in different home garden situations.

Beyond Cactus - the art and science of garden-making in our Mediterranean climate
Learn garden design concepts that will help you turn your garden into a beautiful Mediterranean environment.

CLASS TITLE	DATE	TIME	LOCATION
Water Wise Landscape Design	March 6th	7-9pm	Millbrae
Irrigation Basics for Homeowners	April 5th	9am-1pm	Redwood City
Drought Tolerant Plants	April 12th	9am-1pm	Redwood City
Smart Gardening	April 19th	9am-1pm	Redwood City
California Plants for Every Garden	April 24th	6-9pm	Hillsborough
Garden Design Concepts	April 26th	9am-1pm	Redwood City
Summer Organic Gardening	May 6th	7-9pm	Millbrae
Beyond Cactus	May 3rd	10am-1pm	Hayward
Irrigation Basics for Homeowners	**May 3rd**	**10am-1pm**	**Half Moon Bay**
Beyond Cactus	May 10th	10am-1pm	Fremont
Smart Gardening	May 24th	10am-1pm	Daly City

COASTSIDE COUNTY WATER DISTRICT

BAWSCA
Bay Area Water Supply & Conservation Agency

Call today to reserve your space and ask for location details.
Millbrae Classes 650-259-2345.
Redwood City Classes 650-780-7436.
Other Classes 650-349-3000.
landscape@bawsca.org

BAWSCA
Bay Area Water Supply & Conservation Agency

Water Efficient Landscaping Class Series 2008

Learn how to beautify your garden and use water more efficiently in these Bay Area water-wise landscaping classes. Classes are FREE and offered on a first come first served basis. Call today to reserve your space and ask for location details.

For Millbrae Classes Call: 650-259-2345
For Redwood City Classes Call: 650-780-7436
For All Other Classes Call: 650-349-3000

All classes are FREE!
Reserve your space TODAY!
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or Email Landscape@bawsca.org

Class #	CLASS TITLE	DATE	TIME	LOCATION
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Class Descriptions On Back Of Page

Water Efficient Landscaping Class Series 2008

Class Descriptions:

Starting a Spring Organic Garden
Learn how to grow a bountiful spring vegetable garden using sustainable measures, without the use of harmful and polluting pesticides.

Irrigation Basics for Homeowners
This class covers the layout of the irrigation system and its components. It also covers basic maintenance and installation guidelines.

Drought Tolerant Plants
This class is designed to teach homeowners the importance of using drought-tolerant plant material in their garden. Homeowners will become familiar with various trees, shrubs and groundcovers that are available in their area.

Garden Design Concepts
This class will show participants the importance of implementing a design program when installing or renovating their garden. The class will focus on design concepts which factor in the use of plant material and their relationship with the surrounding environment for a water efficient garden.

Smart Gardening
This overview multi-topic workshop brings together home gardening basics like garden design, irrigation systems, scheduling and fertilizers, and plant selection.

Summer Organic Gardening for Food & Beauty
Learn the latest organic gardening tips for planting a plentiful and delicious summer vegetable garden and summer maintenance for ornamental landscapes, including pruning, fertilizing and soil care. Grow vegetables and beautiful flowers using sustainable measures, without the use of polluting pesticides and herbicides.

Water Wise Landscape Design
Discover how to create a sustainable, low-maintenance, and water conserving garden using native and edible plants that are right for your yard. Gain many design ideas and find out how you can make the best design choices for a colorful and exciting landscape.

California Plants for Every Garden
Learn about beautiful California plants that you can grow successfully in different home garden situations. Soil preparation and garden maintenance will also be discussed. With this understanding, you will be able to select California plants that conserve while imparting a sense of place with their natural beauty.

Beyond Cactus -the art and science of garden-making in our Mediterranean climate
Learn basic garden design concepts and plant palettes that will help you turn your garden into a beautiful Mediterranean environment while saving water!

CITY OF MILLBRAE CALIFORNIA

BAWSCA
Bay Area Water Supply & Conservation Agency

WATER CONSERVATION PROGRAM · Redwood City · A WaterWise Community

COASTSIDE COUNTY WATER DISTRICT

Monthly Report

To: **David Dickson, General Manager**

From: **Cathleen Brennan, Water Resources Analyst**

Agenda: **March 11, 2008**

Subject: **Water Shortage and Drought Contingency Plan**

This report is provided as an update on the implementation of the Water Shortage and Drought Contingency Plan – Stage 1 (Advisory Stage). The Advisory Stage was implemented in June of 2007. No action is required by the Board of Directors.

▪ **Update on Drought Conditions**

√ The Department of Water Resources snow survey on February 28, 2008 reported that we are above normal to date for the water content of the snow pack in the Sierra Mountain Range. Please refer to SFPUC's Hydrological Conditions Report for information specific to the Hetch Hetchy watershed and the Pilarcitos watershed. SFPUC's Hydrological Conditions Report was not available at the time this staff report was written.

While precipitation amounts are very encouraging, water professionals are being conservative in their approach to water management because last year was a critically dry year and most reservoirs need more than average amounts of runoff to fill. And there is concern that if temperatures are above normal the snow will melt at a faster rate and be difficult to capture.

√ Coastside County Water District continues to prepare for the possibility of mandatory water rationing this year. As described in the Interim Water Shortage Allocation Plan, the SFPUC will inform its suburban wholesale customers, by the end of March, whether or not mandatory water rationing will be required.

We were hopeful that San Francisco would be able to make a determination early in March, but it appears that they are being conservative and are waiting to see what the hydrologic conditions are like through March. Based on the recent snow surveys, we are optimistic that there will not be mandatory rationing this year.

▪ **Customer Outreach**

√ A customer survey was mailed out to residential customers requesting census and emergency contact information on February 7th. The survey is also available on the

District's web site. It was requested that customers return the completed surveys by February 28th.

Some customers have provided commentary on their completed surveys. Customers have expressed their feelings of confusion over the need to continue to plan for rationing after the recent wet weather. They have expressed their concern that they found the survey threatening and even an invasion of their privacy. There has also been concern from our customers on how we will implement rationing and they are concerned that they will be penalized for the water conservation measures they have implemented in the past (demand hardening).

Survey Results as of March 5, 2008			
Mail	Fax/Phone	Website	Total
2,728	98	454	3,280

A total of 5,651 surveys were mailed out to residential customers for a percentage returned to date of 58%. Even thought the deadline has passed, we are still receiving completed surveys and encourage customers to continue to send in the completed surveys.

Besides getting a better count of our service area population, the benefit of performing this survey is getting updated emergency contact information. Additional contact information gives us more options during emergencies to contact our customers with essential information. The contact information is confidential and will only be used by Coastside County Water District to contact customers regarding their account and for emergencies. Customers have made it clear that they do not want this information used (specifically email) to receive newsletters or to be put on any list for advertising or marketing.

MONTHLY REPORT

To: **David Dickson, General Manager**

From: **Joe Guistino, Superintendent of Operations**

Agenda: **March 11, 2008**

Report Date: **March 4, 2008**

Source of Supply
Pilarcitos Reservoir and Pilarcitos Well 4A were the main source of supply in January. Denniston Plant and well system was down in January due to high raw water turbidity and maintenance.

Projects
Main Street Project
Some punch list items are still in need of completion.
Left to be complete are:

-new meter box at the Twice As Nice
-meter installation for median strips
-PRV vault on Main Street to be brought to grade
-location of fire hydrant on S. Main Street.

Denniston Storage Tank Modification/El Granada Tank 1 Modification Project
El Granada Tank 1 Modification Project:
The contractor has made the improvements to the altitude valve vault and has started on the preparation for the tank modifications. The internal coating has been prepped for the new penetrations scheduled for the first week of March. The project is 3 weeks behind schedule due to delays in resubmittal of the intake pipeline and drain sump and subgrade. The next project meeting is Thursday, 6 March.
Denniston Storage Tank Modification Project:
There has been no activity with this project in January. Work will commence in March once we are able to bring the EG Tank 1 back on-line.

El Granada Phase III Pipeline
See Engineer's Report
Construction sign was posted on Cabrillo Highway denoting the CCWD's El Granada Phase 3 Pipeline Project.

Short Term Improvement Project
On 29 Feb, San Mateo County Environmental Services inquired as to the progress of the removal of the chlorine at our treatment facilities. We will submit a progress

report in March that indicates the reasons for the project delay and estimated completion date.

Automatic Meter Reading Pilot
The AMR process for route 92 is very successful so far. Meter reading takes 5 minutes now as opposed to 2 hours when read manually. There is also no need to check accuracy. A full report on this pilot will be presented at the May 13 Board Meeting. As of this date, we have submitted identification numbers for the additional meters slated for AMR install and are waiting for a proposal from the contractor.

Denniston Reservoir
We have retained TRC Essex to conduct the CEQA process.

We have submitted the following applications to date:
Streambed Alteration Permit – Cal Fish & Game Tacit approval since they missed deadline to respond.
Water Quality Permit – Regional Water Quality Control Board Awaiting review.
Planning Permit and Certificate of Exemption for CDP – San Mateo County Environmental Services Agency Awaiting Review.

Well Rehabilitation Project
The Contractor will be resizing the motor in Denniston Well 5 in March. With the anticipated increase in SFPUC water rates, I will be rethinking the rehabilitation of Denniston Well #2 to determine the value of making the needed repairs.

Pump Repair Services pulled Pilarcitos Well #5 for inspection and upgrade of the pump and motor. They will submit their recommendations in March.

Systems Improvement:
Beautification Efforts
Cleaned all V-ditches and abated weeds at Nunes driveway and tanks. Cleaned up around El Granada Tanks 2 and 3. Cleaned out work truck. Removed debris from around the culverts in Pilarcitos well field.

Painted GM' office. Cleaned up shop area.

Installed improved lighting in the pipe gallery at Nunes.

PM Program
Complete program installed into our system on 13 Feb. Training to take place on 17 March, after which we will launch the program.

Facility Addresses

Staff has gained approval to post an address sign for Nunes WTP on the high school property where the driveway to the plant branches off of Lewis Foster Drive. The sign will simply indicate "CCWD 2 Lewis Foster Drive". A similar sign will be posted at the bar gate up to the plant.

Nunes Manual Backwash

The manual backwash system was brought back in service after many years of non-operation. This now allows the operator to have more control over the backwashing of filters and the operation of individual filter valves.

Additional Laboratory

Treatment Staff has arranged for the San Mateo County Health Laboratory to take our routine bacteriological samples weekly. This allows for a more convenient transport of routine and non-routine bacteriological samples.

Update on Other Activities:

Pilarcitos Canyon Storm Damage

We have retained TRC/Essex to provide us with an engineered design to render a permanent fix to the culvert damaged by the two January storms. This design will be submitted to the Department of Fish & Game as part of our Streambed Alteration Permit per their request as a follow up to our emergency repair letters sent to them in January.

Alves Tank Cleaning and Inspection

The report from LiquiVision on the condition of Alves Tank reccomends that the interior and exterior coatings should be replaced. The exterior coating shows many areas of rust and funds have been set aside for it to be recoated. The interior coating of the tank is in fair to good condition but there is much blistering on the support columns. Staff will be including the recoating of this tank in the CIP. Exterior recoating will be pursued in FY09.

Crystal Springs Pump 1 Refurbish

Unit 1 pump and motor were removed for repairs and refurbishing respectively. The motor had a small oil leak and was still under warrantee from work completed last year. It was sent back to the shop for repairs. The pump was pulled and sent to Pump Repair for refurbishing. It will be ready for re-installation during the last week of March.

February Storm Damage

The wind storm of 6 February blew down the power lines at the Frenchman's Creek Pump Station. A small fire ensued at the transformer and the pump station was disabled. The station was back in service in the afternoon of 7 February after PG&E made their repairs. The emergency "wave" pump was operated that morning with no adverse effects.

Denniston Sludge Ponds

The Denniston sludge ponds are full and must be cleaned out. Past practices for sludge removal are no longer acceptable so we will have it hauled to Nunes WTP for processing. We have contracted a company to haul the sludge over on the first week of March. We will be pursuing a design for sludge drying facilities at this facility.

Safety/Training/Inspections/Meetings

Safety Committee

The Safety Committee met on 13 February and discussed the following:

- OSHA requirements for tank ladders and development of a standard.
- Confined Space identification for our respective District's and installation of appropriate signage.
- Stair installation at our Denniston site.

CINTAS will assist us in the development of the above issues. They are also updating our Hazardous Materials Business Plan, to be completed in May.

Safety Training

Ray, Jack and Sean attended the CINTAS training on ladder safety, back injury prevention and lockout/tagout procedures on 13 Feb.

Other Training

John Davis, Steve Twitchell, Jon Bruce, Dave Dickson and I attended Bio Monitoring training for identification of Red Legged Frogs and San Francisco Garter Snakes in our board room on 19 Feb. Representatives of TMB construction were also in attendance. This training was in conjunction with the El Granada Phase 3 Pipeline Project.

Treatment Supervisor Steve Twitchell completed a program in "Management for Success" through the California State University Office of Water Programs.

Meetings Attended

1 Feb – Andreini Brothers meeting in Pilarcitos Canyon to determine emergency repairs to culvert.
1 Feb - TRC/Essex to request that they guide us through CEQA process for Denniston dredging.
5 Feb - El Granada Phase 3 construction meeting with Carollo and JMB
12 Feb- Field meeting at Cahill Ridge Tank with Dickson and Davis
13 Feb – Safety Committee Meeting with CINTAS, SAM and MW&SD.
14 Feb - TRC/Essex meet to discuss scoping their role in the CEQA process. Jim Steele also in attendance.
19 Feb - El Granada Phase 3 construction meeting with Carollo and JMB
20 Feb - O&M Staff meeting.
20 Feb - Harold Bishop, John Hake and Chad Simonson from Utility Services on tank cleaning and management. Donovan, Dickson, Twitchell and Davis also in attendance.

21 Feb - Karl Needham of KNE Enterprises at Denniston WTP to discuss sludge removal options and design of a permanent facility. Twitchell also in attendance.
22 Feb - Rick Langlois to answer questions on the filter media replacement project.
25 Feb - Steven Greenberg with Bridge View Resources, LLC to discuss energy saving options for CCWD.
27 Feb - Jack Ellis to discuss scope of survey work at Denniston WTP
29 Feb- CIP development meeting with Steve Twitchell and John Davis
29 Feb - TRC/Essex to discuss engineering of Pilarcitos Canyon culvert repair

Department of Public Health
No contact with DPH in February.

14 February 2008

Mr. Eric Lacy, P.E.
State of California Department of Health Services
Santa Clara District
Drinking Water Field Operations Branch
850 Marina Bay Parkway, Building P, 2nd Floor
Richmond, CA 94804-6403

RE: Water System Sanitary Survey Findings 2007

Dear Mr. Lacy,

We received your 2007 Water System Sanitary Survey Findings of 2 January 2008. This letter provides our response to your findings.

Denniston Pressure Filter Annual Inspection
We will hire a contractor that specializes in filter inspection to conduct the required assessment of the three Denniston WTP pressure filters in April 2008. We will send you a copy of their findings upon receipt.

Controlling DBP Formation
The District continues to pursue permits to dredge the Denniston reservoir. We have retained Jim Steele as our consulting biologist to guide us through the process of dredging 400 cubic yards around our two intakes. Mr. Steele is a former administrator with the Department of Fish and Game and is the best person available to assist with the required negotiations, strategies and correspondence with the agencies involved. These agencies include California Regional Water Quality Control Board, US Fish and Wildlife Service, US Army Corps of Engineers and San Mateo County Planning. We anticipate being able to complete the intake dredging in 2008, but there is no assurance that we will be able to do so.

Repairs and Installations
The rapid mix chamber will be replaced as part of the Denniston Short Term Improvement Project this year. You will be receiving the plans and specifications for this project for review.

Use of Polyaluminum Chloride as a Primary Coagulant at Nunes WTP
We have been conducting the PACl trial approved earlier by the Department of Public Health. Based on the success of this effort, we will be submit the Permit Application, Revised Operations Plan and NSF 60 documentation for your review and approval by May 1, 2008.

Watershed Sanitary Survey
We transmitted the 2005 Crystal Springs and Pilarcitos Reservoir Sanitary Surveys to you on 25 January 2008.

Drinking Water Source Assessment
We will submit assessments to you as we complete them.

System Improvements
Except as specifically noted, we plan to complete the repairs described below before October 1, 2008.

El Granada Tank 1- We are presently making repairs on El Granada Tank 1 to address corrosion, a seep in the intake plumbing and the ability to make its water available to the lower zone in El Granada. We will issue a change order to the contract to address the hole in the roof.

El Granada Tank 3 – We will hire a contractor to clean the roof.

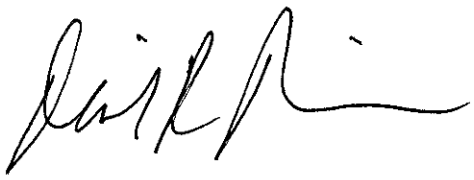
HMB Tank #1 – We will replace the hatch. District crews will address roof corrosion utilizing proper coating techniques. We will also have a professional company clean the tank and address corrosion issues on the ladder.

HMB Tank #2 – We will replace the hatch and will also have a professional company clean the tank and address corrosion issues on the ladder.

HMB Tank #3 – We will have a professional company clean the tank and address sedimentation issues on the ladder and interior walls.

Alves Tank – We had a professional company clean the interior of the tank and they found it to be in good condition. The ladder was assessed to be in good condition with less than 1% surface corrosion. We feel that it is premature to replace the ladder at this time. This tank is slated to be coated in FY 08-09 and we will re-assess the ladder at that time.

Sincerely,



David R. Dickson
General Manager

7 March 2008

Ms. Thuy Van Tsang
State of California Department of Public Health
Drinking Water Field Operations Branch
850 Marina Bay Parkway, Building P, 2nd Floor
Richmond, CA 94804-6403

Reference: February 2008 Monthly Report

Dear Ms. Tsang:

Enclosed are the following reports for **February.**

Distribution System:

- Monthly Summary of Distribution System Coliform Monitoring. 24 Total Coliform samples completed.

Nunes Water Treatment Plant:

- Nunes Monthly Summary of Monitoring for SWTR page 1
- Nunes Water Treatment Plant Production Page
- Nunes Monthly Summary of Monitoring for SWTR page 2
- Nunes Raw Water Bacteriological Testing Results (1 page)
- Nunes Monthly Summary of Monitoring for SWTR page 3
- Nunes Monthly Summary of Monitoring for SWTR page 4
- Nunes Monthly Summary of Monitoring for SWTR page 5
- CT Compliance spreadsheet for **February**
- Individual Filter Monitoring Report (1 page)
- Monthly Iron for **January**
- Monthly Iron for **February**

Denniston Water Treatment Plant:

- Denniston Monthly Summary of Monitoring for SWTR (page 1, 2, 3, 4 and 5)
- Individual Filter Monitoring Report (1 page)
- CT Compliance spreadsheet for **February**
- Monthly Iron, Manganese and Aluminum Report for **February**

If you have any questions with the reports submitted or would like additional information regarding this matter, please do not hesitate to contact me.

Sincerely,

Joe Guistino
Superintendent of Operations
Coastside County Water District
650 726 4405
jguistino@coastsidewater.org

STAFF REPORT

To: **David Dickson, General Manager**

From: **Jim Teter, District Engineer**

Agenda: **March 11, 2008**

Report Date: March 5, 2008

Subject: **District Engineer Work Status Report**

Recommendation:
None. The agenda item is informational.

Background:
The Board of Directors has requested a monthly status report from the District Engineer on his activities.

Work Performed Since Last Board Meeting:

- Continued work on preparation of the Contract Documents for the Water Treatment Plant Short -Term Improvements Project.
- Phase 3 El Granada Transmission Pipeline Replacement Project: reviewed submittals from contractor; prepared replies to RFI's from contractor; responded to questions from Carollo Engrs.; monitored bi-weekly construction meetings, and visited construction site on first day of pipeline installation work.
- Provided the District staff with advice on an as-requested basis.

Status of Current Work Assignments:

A. Phase 3 El Granada Transmission Pipeline Replacement Project. Teter is working with Carollo Engineers on the construction management services and assisting the CCWD General Manager with non-construction project issues.

B. Short-Term Improvements at Nunes & Denniston WTPs. The overall project currently consists of the following 3 construction projects:

   1. Denniston Storage Tank Modifications Project. A construction contract has been awarded to Stoloski & Gonzalez, Inc. in the amount of $534,500. Construction of the pipeline between the treatment plant and the storage tank has been completed. The remainder of the work, which requires the Denniston tank to be taken out of service, cannot begin until the El Granada Tank No. 1 Modifications project has been completed.

2. El Granada Storage Tank No. 1 Site Piping Modifications. A construction contract has been awarded to Lewis & Tibbitts Inc. in the amount of $196,875. The contractor has begun field construction work.
3. Short-Term Improvements at Nunes & Denniston WTPs:
   a. Denniston WTP Improvements. Design work is continuing on the modifications which consist of (1) replacement of the existing gas chlorination facilities with on-site hypochlorite generation facilities, (2) replacement of all of the chemical feed pumps with new feed pumps and all but one of the chemical storage tanks with new tanks, (3) construction of chemical containment facilities, (4) and other miscellaneous improvements. The Contract Drawings have been completed and forwarded to the District for review. Teter is continuing work on the technical specifications.
   b. Nunes WTP Improvements. Design work is continuing on the modifications which consist of (1) replacement of the existing gas chlorination facilities with on-site hypochlorite generation facilities, (2) replacement of all of the chemical feed pumps with new pumps and all of the chemical storage tanks with new tanks, (3) construction of concrete walls for chemical containment, and (4) other miscellaneous improvements. The Contract Drawings, not including recent equipment additions and revisions, have been completed and submitted to the District staff for review. Teter is continuing work on the technical specifications.

C. Highway No. 1 South (of Miramontes Point Rd.) Pipeline Replacement Project. Teter will prepare preliminary project design drawings as required for the Coastal Development Permit application to San Mateo County. California CAD Solutions has begun preparation of the design background drawings using the GIS computer aerial photograph files obtained from the County of San Mateo.

Fiscal Impact:

The FY 07/08 Capital Improvement Program budget contains funding for all of the projects.