

**COASTSIDE COUNTY WATER DISTRICT**

**766 MAIN STREET**

**HALF MOON BAY, CA 94019**

**REGULAR MEETING OF THE BOARD OF DIRECTORS**

**Tuesday, May 8, 2018 - 7:00 p.m.**

**AGENDA**

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

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

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

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

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

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

#### 4) CONSENT CALENDAR

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

- A. Approval of disbursements for the month ending April 30, 2018:  
Claims: \$721,388.15; Payroll: \$95,638.87 for a total of \$817,027.02 ([attachment](#))  
➤ *April Monthly Financial Claims reviewed and approved by President Feldman*
- B. Acceptance of Financial Reports ([attachment](#))
- C. Approval of Minutes of April 10, 2018 Regular Board of Directors Meeting ([attachment](#))
- D. Approval of Minutes of April 16, 2018 Special Board of Directors Meeting ([attachment](#))
- E. Approval of Minutes of May 3, 2018 Special Board of Directors Meeting ([attachment](#))
- F. Installed Water Connection Capacity and Water Meters Report ([attachment](#))
- G. Total CCWD Production Reports ([attachment](#))
- H. CCWD Monthly Sales by Category Report –April 2018 ([attachment](#))
- I. Monthly Emergency Main and Service Repairs Report ([attachment](#))
- J. Monthly Rainfall Reports ([attachment](#))
- K. Notice of Completion – Water Meter and AMI (Advanced Metering Infrastructure) Installation Services Project ([attachment](#))
- L. SFPUC Hydrological Report for the month of March 2018 ([attachment](#))

#### 5) MEETINGS ATTENDED / DIRECTOR COMMENTS

#### 6) GENERAL BUSINESS

- A. Authorize Entering into a Placement Agent Services Agreement with Backstrom McCarley Berry & Company, LLC to Refinance the District's 2006 Series B Bonds. Also Authorize Entering into an Agreement with Bond Counsel ([attachment](#))
- B. Fiscal Year 2018-2019 Budget Process Timeline – information only ([attachment](#))
- C. Proposed Draft Fiscal Year 2018-2019 and Draft Fiscal Year 2019-2020 Operations Budgets; Draft Fiscal Year 2018/2019 to 2027/2028 Capital Improvement Program (CIP); Draft Fiscal Year 2018/2019 to 2022/2023 District Financing Plan; Proposed Rate Increases for Fiscal Years 2018-2019 and 2019-2020; and Draft Cost of Service and Rate Study and Notice of Hearing to Consider and Adopt Proposed Rate Adjustments ([attachment](#))

#### 7) MONTHLY INFORMATIONAL REPORTS

- A. Assistant General Manager's Report ([attachment](#))
  - SFPUC Memo from Steven Ritchie – Final Water Supply Availability Estimate
- B. Superintendent of Operations Report ([attachment](#))

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

- June 12, 2018 Regular Board Meeting - Present Draft O & M Budgets for FY 2018-2019 and FY 2019-2020, CIP, Financing Plan and Cost of Service and Rate Study
- June 28, 2018 - 7:00 p.m. Public Hearing/Special Board Meeting - Approve O & M Budget and CIP - Approve Rate Adjustments for FY 2018-2019 and FY 2019-2020

**9) ADJOURNMENT**

**COASTSIDE COUNTY WATER DISTRICT  
CLAIMS FOR APRIL 2018**

CHECKS				
<u>CHECK DATE</u>	<u>CHECK NO.</u>	<u>VENDOR</u>	<u>VOID CHECK</u>	<u>AMOUNT</u>
04/06/2018	25230	ACCURATE AIR ENGINEERING, INC	\$	2,950.16
04/06/2018	25231	ASSOC. CALIF. WATER AGENCY	\$	10,014.74
04/06/2018	25232	CALIFORNIA C.A.D. SOLUTIONS, INC	\$	750.00
04/06/2018	25233	COMCAST	\$	200.39
04/06/2018	25234	CORNERSTONE STRUCTURAL ENGINEERING GROUP, INC.	\$	4,630.00
04/06/2018	25235	JAMES COZZOLINO, TRUSTEE	\$	200.00
04/06/2018	25236	FIRST NATIONAL BANK	\$	3,444.39
04/06/2018	25237	HASSETT HARDWARE	\$	1,582.85
04/06/2018	25238	HUE & CRY, INC.	\$	24.00
04/06/2018	25239	IN-USE SOLUTIONS	\$	250.00
04/06/2018	25240	MASS MUTUAL FINANCIAL GROUP	\$	1,974.65
04/06/2018	25241	MONTEREY COUNTY LAB	\$	3,518.00
04/06/2018	25242	PRINCETON WELDING , INC.	\$	84.00
04/06/2018	25243	REPUBLIC SERVICES	\$	419.06
04/06/2018	25244	RICOH USA INC	\$	503.07
04/06/2018	25245	COUNTY OF SAN MATEO	\$	7,000.00
04/06/2018	25246	RYAN H. STOLL	\$	109.15
04/06/2018	25247	VALIC	\$	3,880.00
04/06/2018	25248	JUAN CARLOS SALAZAR	\$	1,400.00
04/06/2018	25249	JACK WHELEN	\$	60.00
04/06/2018	25250	RAYMOND WINCH	\$	81.96
04/06/2018	25251	RAUL CASTILLO/JENNIFER BEIER	\$	994.10
04/10/2018	25252	HEALTH BENEFITS ACWA-JPIA	\$	44,264.66
04/12/2018	25253	JAMES FORD, INC.	\$	21,356.00
04/12/2018	25254	JAMES FORD, INC.	\$	27,661.00
04/20/2018	25255	ADP, INC.	\$	689.85
04/20/2018	25256	FRANK YAMELLO	\$	235.00
04/20/2018	25257	AMERICAN WATER WORKS ASSOC.	\$	50.00
04/20/2018	25258	ANDREINI BROS. INC.	\$	74,723.45
04/20/2018	25259	AT&T	\$	3,632.18
04/20/2018	25260	AT&T LONG DISTANCE	\$	376.27
04/20/2018	25261	AZTEC GARDENS, INC.	\$	190.00
04/20/2018	25262	BADGER METER, INC.	\$	27.00
04/20/2018	25263	BALANCE HYDROLOGICS, INC	\$	4,336.21
04/20/2018	25264	BARTKIEWICZ, KRONICK & SHANAHAN	\$	338.20
04/20/2018	25265	BACKFLOW APPARATUS & VALVE COMPANY INC	\$	2,033.63
04/20/2018	25266	BAY AREA WATER SUPPLY &	\$	9,399.50
04/20/2018	25267	BIG CREEK LUMBER	\$	47.82
04/20/2018	25268	INSTITUTE FOR ENVIRONMENTAL HEALTH, INC.	\$	1,520.00
04/20/2018	25269	BSK ASSOCIATES	\$	620.00
04/20/2018	25270	PAUL CHEE	\$	100.00
04/20/2018	25271	CINTAS FIRST AID & SAFETY	\$	1,650.00
04/20/2018	25272	PETTY CASH	\$	71.75
04/20/2018	25273	JAMES DERBIN	\$	1,600.00
04/20/2018	25274	ELECSYS INTERNATIONAL CORP	\$	250.00
04/20/2018	25275	FEDAK & BROWN LLP	\$	1,500.00
04/20/2018	25276	GRAINGER, INC.	\$	366.02
04/20/2018	25277	HACH CO., INC.	\$	6,574.34
04/20/2018	25278	HMB BLDG. & GARDEN INC.	\$	802.76
04/20/2018	25279	U.S. HEALTHWORKS MEDICAL GROUP, P.C.	\$	99.00
04/20/2018	25280	HYDROSCIENCE ENGINEERS, INC.	\$	6,060.00
04/20/2018	25281	IAPMO	\$	200.00
04/20/2018	25282	IRON MOUNTAIN	\$	528.33
04/20/2018	25283	IRVINE CONSULTING SERVICES, INC.	\$	4,086.72
04/20/2018	25284	IRVINE CONSULTING SERVICES, INC.	\$	205.24
04/20/2018	25285	LIEBERT CASSIDY WHITMORE	\$	312.00
04/20/2018	25286	GLENNA LOMBARDI	\$	118.00
04/20/2018	25287	MASS MUTUAL FINANCIAL GROUP	\$	1,974.65
04/20/2018	25288	MISSION UNIFORM SERVICES INC.	\$	245.34

04/20/2018	25289	NATIONAL METER & AUTOMATION	\$	903.26
04/20/2018	25290	NORTHSTAR CHEMICAL	\$	3,284.00
04/20/2018	25291	OFFICE DEPOT	\$	106.63
04/20/2018	25292	OFFICIAL PAYMENTS CORPORATION	\$	150.00
04/20/2018	25293	PACIFIC GAS & ELECTRIC CO.	\$	20,398.26
04/20/2018	25294	PACIFICA COMMUNITY TV	\$	250.00
04/20/2018	25295	PAULO'S AUTO CARE	\$	234.83
04/20/2018	25296	PITNEY BOWES	\$	211.91
04/20/2018	25297	PROFESSIONAL METERS, INC.	\$	123,124.05
04/20/2018	25298	RAFTELIS FINANCIAL CONSULTANTS, INC.	\$	20,528.71
04/20/2018	25299	RAY A MORGAN COMPANY INC.	\$	805.15
04/20/2018	25300	MULTI SERVICE TECHNOLOGY SOLUTIONS, INC.	\$	171.28
04/20/2018	25301	RBS GLOBAL, INC.	\$	656.09
04/20/2018	25302	ROBERTS & BRUNE CO.	\$	13,390.96
04/20/2018	25303	ROGUE WEB WORKS, LLC	\$	308.00
04/20/2018	25304	SAN FRANCISCO WATER DEPT.	\$	104,854.36
04/20/2018	25305	SAN MATEO CTY PUBLIC HEALTH LAB	\$	680.00
04/20/2018	25306	TEAMSTERS LOCAL UNION #856	\$	1,063.00
04/20/2018	25307	TPX COMMUNICATIONS	\$	1,823.57
04/20/2018	25308	TYLER TECHNOLOGIES, INC	\$	5,730.86
04/20/2018	25309	UGSI CHEMICAL FEED, INC.	\$	1,153.58
04/20/2018	25310	JASON MALFATTI	\$	990.00
04/20/2018	25311	UPS STORE	\$	186.15
04/20/2018	25312	USA BLUE BOOK	\$	696.16
04/20/2018	25313	VALIC	\$	3,880.00
04/02/2018	25314	BHM CONSTRUCTION INC	\$	883.71
04/02/2018	25315	SUSAN MORASCI	\$	74.14
04/02/2018	25316	LESLEY BUTLER	\$	76.08
04/02/2018	25317	WILLIAM SHIMP	\$	89.62
04/19/2018	25318	LYNN WILSON ROBERTS	\$	74.14
04/19/2018	25319	BARBARA PITTENGER	\$	13.53
04/27/2018	25320	ADP, INC.	\$	364.05
04/27/2018	25321	ANDREINI BROS. INC.	\$	20,541.78
04/27/2018	25322	BAY ALARM COMPANY	\$	559.59
04/27/2018	25323	BORGES & MAHONEY, INC.	\$	780.82
04/27/2018	25324	CALCON SYSTEMS, INC.	\$	27,353.83
04/27/2018	25325	GLADYS ANN CALLAN, TRUSTEE	\$	236.62
04/27/2018	25326	DATAPROSE, LLC	\$	3,909.44
04/27/2018	25327	CASTANEDA & PEREZ INC	\$	435.00
04/27/2018	25328	GRAINGER, INC.	\$	999.43
04/27/2018	25329	HMB BLDG. & GARDEN INC.	\$	76.86
04/27/2018	25330	HANSONBRIDGETT. LLP	\$	10,803.00
04/27/2018	25331	ZAFAR IRFAN & BINA MOIN	\$	318.62
04/27/2018	25332	Void Check	\$	-
04/27/2018	25333	Void Check	\$	-
04/27/2018	25334	Void Check	\$	-
04/27/2018	25335	Void Check	\$	-
04/27/2018	25336	Void Check	\$	-
04/27/2018	25337	Void Check	\$	-
04/27/2018	25338	Void Check	\$	-
04/27/2018	25339	Void Check	\$	-
04/27/2018	25340	Void Check	\$	-
04/27/2018	25341	Void Check	\$	-
04/27/2018	25342	Void Check	\$	-
04/27/2018	25343	Void Check	\$	-
04/27/2018	25344	Void Check	\$	-
04/27/2018	25345	Void Check	\$	-
04/27/2018	25346	Void Check	\$	-
04/27/2018	25347	KINGS MOUNTAIN ARBOR HEALTH & SAFETY	\$	8,900.00
04/27/2018	25348	MISSION UNIFORM SERVICES INC.	\$	99.12
04/27/2018	25349	MONTEREY COUNTY LAB	\$	6,080.00
04/27/2018	25350	JEFFREY & APRIL MURRAY	\$	144.62
04/27/2018	25351	ONTRAC	\$	60.91
04/27/2018	25352	RANDY RALSTON	\$	155.12
04/27/2018	25353	ROBERTS & BRUNE CO.	\$	5,708.81





Coastside County Water District

# Monthly Budget Report Account Summary

For Fiscal: 2017-2018 Period Ending: 04/30/2018

	April Budget	April Activity	Variance Favorable (Unfavorable)	Percent Variance	YTD Budget	YTD Activity	Variance Favorable (Unfavorable)	Percent Variance	Total Budget	
<b>Revenue</b>										
<b>RevType: 1 - Operating</b>										
<a href="#">1-4120-00</a>	Water Revenue	858,659.00	882,918.99	24,259.99	2.83 %	8,877,958.00	9,474,881.67	596,923.67	6.72 %	10,805,600.00
	<b>Total RevType: 1 - Operating:</b>	<b>858,659.00</b>	<b>882,918.99</b>	<b>24,259.99</b>	<b>2.83 %</b>	<b>8,877,958.00</b>	<b>9,474,881.67</b>	<b>596,923.67</b>	<b>6.72 %</b>	<b>10,805,600.00</b>
<b>RevType: 2 - Non-Operating</b>										
<a href="#">1-4170-00</a>	Water Taken From Hydrants	4,165.00	6,242.79	2,077.79	49.89 %	41,650.00	49,225.19	7,575.19	18.19 %	50,000.00
<a href="#">1-4180-00</a>	Late Notice - 10% Penalty	4,998.00	-465.38	-5,463.38	-109.31 %	49,980.00	50,466.69	486.69	0.97 %	60,000.00
<a href="#">1-4230-00</a>	Service Connections	833.00	1,485.59	652.59	78.34 %	8,330.00	9,762.12	1,432.12	17.19 %	10,000.00
<a href="#">1-4920-00</a>	Interest Earned	1,544.00	3,867.18	2,323.18	150.47 %	6,174.00	9,810.30	3,636.30	58.90 %	6,174.00
<a href="#">1-4930-00</a>	Tax Apportionments/County Checks	220,000.00	251,974.70	31,974.70	14.53 %	645,000.00	763,644.19	118,644.19	18.39 %	700,000.00
<a href="#">1-4950-00</a>	Miscellaneous Income	3,083.00	5,629.53	2,546.53	82.60 %	30,833.00	20,466.02	-10,366.98	-33.62 %	37,000.00
<a href="#">1-4955-00</a>	Cell Site Lease Income	12,834.00	13,210.14	376.14	2.93 %	128,334.00	130,357.11	2,023.11	1.58 %	154,000.00
<a href="#">1-4965-00</a>	ERAF Refund - County Taxes	0.00	0.00	0.00	0.00 %	250,000.00	366,651.07	116,651.07	46.66 %	250,000.00
	<b>Total RevType: 2 - Non-Operating:</b>	<b>247,457.00</b>	<b>281,944.55</b>	<b>34,487.55</b>	<b>13.94 %</b>	<b>1,160,301.00</b>	<b>1,400,382.69</b>	<b>240,081.69</b>	<b>20.69 %</b>	<b>1,267,174.00</b>
	<b>Total Revenue:</b>	<b>1,106,116.00</b>	<b>1,164,863.54</b>	<b>58,747.54</b>	<b>5.31 %</b>	<b>10,038,259.00</b>	<b>10,875,264.36</b>	<b>837,005.36</b>	<b>8.34 %</b>	<b>12,072,774.00</b>
<b>Expense</b>										
<b>ExpType: 1 - Operating</b>										
<a href="#">1-5130-00</a>	Water Purchased	150,888.00	131,684.36	19,203.64	12.73 %	1,755,790.00	1,533,285.87	222,504.13	12.67 %	2,106,991.00
<a href="#">1-5230-00</a>	Nunes T P Pump Expense	3,356.00	2,504.10	851.90	25.38 %	33,566.00	29,636.96	3,929.04	11.71 %	40,280.00
<a href="#">1-5231-00</a>	CSP Pump Station Pump Expense	8,000.00	9,444.34	-1,444.34	-18.05 %	299,000.00	249,459.75	49,540.25	16.57 %	318,000.00
<a href="#">1-5232-00</a>	Other Trans. & Dist Pump Expense	1,500.00	1,545.71	-45.71	-3.05 %	20,440.00	18,242.41	2,197.59	10.75 %	25,440.00
<a href="#">1-5233-00</a>	Pilarcitos Canyon Pump Expense	3,000.00	2,429.20	570.80	19.03 %	26,400.00	27,225.81	-825.81	-3.13 %	32,309.00
<a href="#">1-5234-00</a>	Denniston T P Pump Expense	12,000.00	3,873.44	8,126.56	67.72 %	68,000.00	71,727.92	-3,727.92	-5.48 %	92,220.00
<a href="#">1-5242-00</a>	CSP Pump Station Operations	875.00	685.24	189.76	21.69 %	8,750.00	8,047.92	702.08	8.02 %	10,500.00
<a href="#">1-5243-00</a>	CSP Pump Station Maintenance	6,474.00	3,339.60	3,134.40	48.42 %	24,052.00	13,012.14	11,039.86	45.90 %	37,000.00
<a href="#">1-5246-00</a>	Nunes T P Operations - General	6,000.00	2,878.27	3,121.73	52.03 %	60,000.00	39,020.81	20,979.19	34.97 %	72,000.00
<a href="#">1-5247-00</a>	Nunes T P Maintenance	10,250.00	6,372.62	3,877.38	37.83 %	102,100.00	95,088.31	7,011.69	6.87 %	122,500.00
<a href="#">1-5248-00</a>	Denniston T P Operations-General	3,500.00	3,308.44	191.56	5.47 %	27,500.00	37,573.85	-10,073.85	-36.63 %	34,500.00
<a href="#">1-5249-00</a>	Denniston T.P. Maintenance	5,000.00	21,866.05	-16,866.05	-337.32 %	50,000.00	91,679.26	-41,679.26	-83.36 %	60,000.00
<a href="#">1-5250-00</a>	Laboratory Expenses	12,000.00	9,354.78	2,645.22	22.04 %	46,000.00	56,868.47	-10,868.47	-23.63 %	53,000.00
<a href="#">1-5260-00</a>	Maintenance - General	24,308.00	21,789.25	2,518.75	10.36 %	243,083.00	220,693.63	22,389.37	9.21 %	291,700.00
<a href="#">1-5261-00</a>	Maintenance - Well Fields	3,500.00	0.00	3,500.00	100.00 %	33,000.00	353.98	32,646.02	98.93 %	40,000.00
<a href="#">1-5263-00</a>	Uniforms	1,300.00	0.00	1,300.00	100.00 %	10,000.00	9,040.71	959.29	9.59 %	10,000.00
<a href="#">1-5318-00</a>	Studies/Surveys/Consulting	20,000.00	26,528.71	-6,528.71	-32.64 %	120,000.00	99,721.05	20,278.95	16.90 %	160,000.00
<a href="#">1-5321-00</a>	Water Resources	3,084.00	1,653.50	1,430.50	46.38 %	30,834.00	10,697.25	20,136.75	65.31 %	37,000.00

Monthly Budget Report

For Fiscal: 2017-2018 Period Ending: 04/30/2018

	April Budget	April Activity	Variance Favorable (Unfavorable)	Percent Variance	YTD Budget	YTD Activity	Variance Favorable (Unfavorable)	Percent Variance	Total Budget
<a href="#">1-5322-00</a> Community Outreach	8,000.00	3,310.00	4,690.00	58.63 %	44,700.00	27,309.78	17,390.22	38.90 %	54,700.00
<a href="#">1-5381-00</a> Legal	9,166.00	152.70	9,013.30	98.33 %	91,667.00	37,979.25	53,687.75	58.57 %	110,000.00
<a href="#">1-5382-00</a> Engineering	8,333.00	2,480.00	5,853.00	70.24 %	83,333.00	30,885.97	52,447.03	62.94 %	100,000.00
<a href="#">1-5383-00</a> Financial Services	0.00	0.00	0.00	0.00 %	20,000.00	15,438.00	4,562.00	22.81 %	20,000.00
<a href="#">1-5384-00</a> Computer Services	12,067.00	8,232.11	3,834.89	31.78 %	120,667.00	99,542.49	21,124.51	17.51 %	144,800.00
<a href="#">1-5410-00</a> Salaries/Wages-Administration	88,500.00	70,877.67	17,622.33	19.91 %	929,500.00	715,527.85	213,972.15	23.02 %	1,150,980.00
<a href="#">1-5411-00</a> Salaries & Wages - Field	97,400.00	92,759.53	4,640.47	4.76 %	1,022,600.00	1,066,571.16	-43,971.16	-4.30 %	1,266,081.00
<a href="#">1-5420-00</a> Payroll Tax Expense	13,120.00	12,403.50	716.50	5.46 %	137,755.00	127,945.57	9,809.43	7.12 %	170,555.00
<a href="#">1-5435-00</a> Employee Medical Insurance	38,629.00	37,095.47	1,533.53	3.97 %	369,796.00	332,807.50	36,988.50	10.00 %	447,056.00
<a href="#">1-5436-00</a> Retiree Medical Insurance	4,102.00	2,054.37	2,047.63	49.92 %	39,011.00	31,326.46	7,684.54	19.70 %	47,215.00
<a href="#">1-5440-00</a> Employees Retirement Plan	41,875.00	41,945.92	-70.92	-0.17 %	439,690.00	420,304.09	19,385.91	4.41 %	544,380.00
<a href="#">1-5445-00</a> Supplemental Retirement 401a	0.00	0.00	0.00	0.00 %	0.00	0.00	0.00	0.00 %	35,000.00
<a href="#">1-5510-00</a> Motor Vehicle Expense	4,225.00	6,147.66	-1,922.66	-45.51 %	42,250.00	58,616.02	-16,366.02	-38.74 %	50,700.00
<a href="#">1-5620-00</a> Office & Billing Expenses	18,792.00	9,895.93	8,896.07	47.34 %	187,920.00	174,650.83	13,269.17	7.06 %	225,500.00
<a href="#">1-5620-31</a> Office - Payroll Services	0.00	7,475.60	-7,475.60	0.00 %	0.00	7,475.60	-7,475.60	0.00 %	0.00
<a href="#">1-5625-00</a> Meetings / Training / Seminars	2,000.00	5,378.24	-3,378.24	-168.91 %	20,000.00	25,599.64	-5,599.64	-28.00 %	24,000.00
<a href="#">1-5630-00</a> Insurance	10,000.00	9,936.08	63.92	0.64 %	100,000.00	103,468.53	-3,468.53	-3.47 %	120,000.00
<a href="#">1-5687-00</a> Membership, Dues, Subscript.	20,000.00	8,196.00	11,804.00	59.02 %	68,000.00	63,039.16	4,960.84	7.30 %	75,350.00
<a href="#">1-5689-00</a> Labor Relations	1,000.00	0.00	1,000.00	100.00 %	6,000.00	0.00	6,000.00	100.00 %	6,000.00
<a href="#">1-5700-00</a> San Mateo County Fees	1,666.00	7,000.00	-5,334.00	-320.17 %	16,666.00	19,855.62	-3,189.62	-19.14 %	20,000.00
<a href="#">1-5705-00</a> State Fees	20,000.00	332.00	19,668.00	98.34 %	24,000.00	26,951.95	-2,951.95	-12.30 %	24,000.00
<b>Total ExpType: 1 - Operating:</b>	<b>673,910.00</b>	<b>574,930.39</b>	<b>98,979.61</b>	<b>14.69 %</b>	<b>6,722,070.00</b>	<b>5,996,671.57</b>	<b>725,398.43</b>	<b>10.79 %</b>	<b>8,179,757.00</b>
<b>ExpType: 4 - Capital Related</b>									
<a href="#">1-5712-00</a> Debt Service/Existing Bonds 2006B	0.00	0.00	0.00	0.00 %	486,776.00	484,386.63	2,389.37	0.49 %	486,776.00
<a href="#">1-5715-00</a> Debt Service/CIEDB 11-099	0.00	0.00	0.00	0.00 %	336,269.00	336,269.36	-0.36	0.00 %	336,269.00
<a href="#">1-5716-00</a> Debt Service/CIEDB 2016	0.00	0.00	0.00	0.00 %	324,652.00	324,651.94	0.06	0.00 %	324,652.00
<b>Total ExpType: 4 - Capital Related:</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00 %</b>	<b>1,147,697.00</b>	<b>1,145,307.93</b>	<b>2,389.07</b>	<b>0.21 %</b>	<b>1,147,697.00</b>
<b>Total Expense:</b>	<b>673,910.00</b>	<b>574,930.39</b>	<b>98,979.61</b>	<b>14.69 %</b>	<b>7,869,767.00</b>	<b>7,141,979.50</b>	<b>727,787.50</b>	<b>9.25 %</b>	<b>9,327,454.00</b>
<b>Report Total:</b>	<b>432,206.00</b>	<b>589,933.15</b>	<b>157,727.15</b>		<b>2,168,492.00</b>	<b>3,733,284.86</b>	<b>1,564,792.86</b>		<b>2,745,320.00</b>



**COASTSIDE COUNTY WATER DISTRICT  
MONTHLY INVESTMENT REPORT  
April 30, 2018**

<b><u>RESERVE BALANCES</u></b>	<b>Current Year as of 4/30/18</b>	<b>Prior Year as of 4/30/17</b>
CAPITAL AND OPERATING RESERVE	\$6,100,693.30	\$4,516,295.49
RATE STABILIZATION RESERVE	\$250,000.00	\$250,000.00
<b>TOTAL DISTRICT RESERVES</b>	<b>\$6,350,693.30</b>	<b>\$4,766,295.49</b>

**ACCOUNT DETAIL**

ACCOUNTS WITH FIRST NATIONAL BANK (FNB)		
CHECKING ACCOUNT*	\$5,271,254.02	\$2,855,896.42
CSP T & S ACCOUNT	\$32,975.92	\$866,435.71
MONEY MARKET GEN. FUND (Opened 7/20/17)	\$2,500.00	\$0.00
LOCAL AGENCY INVESTMENT FUND (LAIF) BALANCE	\$1,043,263.36	\$1,043,263.36
DISTRICT CASH ON HAND	\$700.00	\$700.00
<b>TOTAL ACCOUNT BALANCES</b>	<b>\$6,350,693.30</b>	<b>\$4,766,295.49</b>

\* Includes \$981,000 IBANK loan proceeds deposited on 4/27/2018.

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

**COASTSIDE COUNTY WATER DISTRICT  
APPROVED CAPITAL IMPROVEMENT PROJECTS  
FISCAL YEAR 2017-2018**

4/30/2018

= not yet committed

Approved CIP Budget FY 17/18	Actual To Date FY 17/18	Projected Year-End FY 17/18	Variance vs. Budget	% Completed	Project Status/ Comments
------------------------------------	-------------------------------	-----------------------------------	------------------------	----------------	-----------------------------

**Equipment Purchases & Replacement**

06-03	SCADA/Telemetry/Electrical Controls Replacement	\$ 50,000	\$ 30,693	\$ 50,000	\$ -	61%	
08-12	New Service Truck	\$ 250,000	\$ 213,772	\$ 213,772	\$ 36,228	100%	Complete
99-02	Vehicle Replacement	\$ 90,000	\$ 77,861	\$ 77,861	\$ 12,139	87%	Complete
99-03	Computer Systems	\$ 5,000	\$ 9,734	\$ 9,734	\$ (4,734)	195%	server upgrade
99-04	Office Equipment/Furniture	\$ 3,000	\$ -	\$ -	\$ 3,000	0%	included in operating expenses

**Facilities & Maintenance**

08-08	PRV Valves Replacement Project	\$ 30,000	\$ 12,501	\$ 30,000	\$ -	42%	
09-07 and 99-01	Advanced Metering Infrastructure and Meter Change Program	\$ 1,450,000	\$ 1,869,487	\$ 1,900,000	\$ (450,000)	129%	Overage in AMI/Meter change program - relates to utilizing an installation contractor, approved by the Board in August, 2017. Also includes \$70K of purchases budgeted for the prior fiscal year.
09-09	Fire Hydrant Replacement	\$ 40,000	\$ 38,042	\$ 40,000	\$ -	95%	
16-07	Sample Station Replacement Project	\$ 20,000	\$ 26,528	\$ 26,528	\$ (6,528)	133%	Complete
14-14	Pilarcitos Canyon Road Improvements	\$ 100,000	\$ 21,680	\$ 21,680	\$ 78,320	22%	Moved to FY2020

**Pipeline Projects**

06-02	Highway 1 South Pipeline Replacement Project	\$ 80,000	\$ -	\$ 35,000	\$ 45,000	0%	Engineering and hydraulic review
07-03	Pilarcitos Canyon Pipeline Replacement	\$ 150,000	\$ 31,927	\$ 31,927	\$ 118,073	21%	Moved to FY2020
14-01	Replace 12" Welded Steel Line on Hwy 92 at La Nebbia	\$ 300,000	\$ 212,114	\$ 212,114	\$ 87,886	71%	Complete
14-26	Replace 2" Pipe in Downtown Half Moon Bay	\$ 500,000	\$ 338,239	\$ 660,000	\$ (160,000)	68%	in process
18-12	Valve installation - Ritz Carlton	\$ 20,000			\$ 20,000	0%	Planned for July-August 2018

**Pump Stations / Tanks / Wells**

06-04	Hazen's Tank Replacement	\$ 30,000			\$ 30,000	0%	Moved to FY2019
08-14	Alves Tank Recoating (Interior & Exterior)	\$ 100,000	\$ 34,872	\$ 100,000	\$ -	35%	Seismic/engineering in process
13-08	Crystal Springs Spare 350 HP Motor	\$ 60,000	\$ -	\$ 64,000	\$ (4,000)	0%	parts ordered
18-02	CSP Air Relief Valves	\$ 40,000	\$ 4,680	\$ 50,000	\$ (10,000)	12%	parts ordered
18-03	CSP Spare 500 Pump Rehabilitation	\$ 30,000	\$ 64,161	\$ 64,161	\$ (34,161)	214%	completed
18-05	Tank THM Control (Mixer & Blower)	\$ 80,000	\$ -	\$ -	\$ 80,000	0%	Moved to FY2019
18-07	EG #2 Tank Chlorination System (Residual Control System)	\$ 50,000	\$ -	\$ 50,000	\$ -	0%	Still planned for FY2018
18-08	CSP Communications	\$ 50,000	\$ 24,705	\$ 50,000	\$ -	49%	IQ Replacement; in process

**Water Supply Development**

17-12	Recycled Water Project Development	\$ 100,000	\$ -	\$ -	\$ 100,000	0%	Moved to FY18/19
-------	------------------------------------	------------	------	------	------------	----	------------------

**Water Treatment Plants**

17-04	Denniston Dam Spillway Repairs	\$ 90,000		\$ 90,000	\$ -	0%	parts ordered
18-09	Denniston Heater	\$ 15,000	\$ 799	\$ 15,000	\$ -	5%	parts ordered
18-10	Nunes Treatment Plan Improvements - Study (Filter 5, Filter Coasting, etc.)	\$ 100,000	\$ -	\$ 100,000	\$ -	0%	West Yost study is in process
18-11	Nunes Bulk Caustic Tank	\$ 40,000	\$ -		\$ 40,000	0%	Moved to FY18/19

COASTSIDE COUNTY WATER DISTRICT  
 APPROVED CAPITAL IMPROVEMENT PROJECTS  
 FISCAL YEAR 2017-2018

4/30/2018

= not yet committed

		Approved CIP Budget FY 17/18	Actual To Date FY 17/18	Projected Year-End FY 17/18	Variance vs. Budget	% Completed	Project Status/ Comments
99-05	Denniston Maintenance Dredging	\$ 35,000	\$ 23,811	\$ 23,811	\$ 11,189	68%	(This amount is reflected as an annual expense under Denniston maintenance vs. CIP.)
<b>FY 17/18 TOTALS</b>		<b>\$ 3,908,000</b>	<b>\$ 3,035,607</b>	<b>\$ 3,915,588</b>	<b>\$ (7,588)</b>		

**FY2016/17 CIP Projects in process - paid in FY 2017/18**

06-03	El Granada Tank #3 Recoating Project		\$ 208,246	\$ 208,246	\$ (208,246)		Carryover of project from 2016/17; project completed 10-2017; funded by lbank loan
10-02 & 12-04	Denniston Booster Pump Station & Bridgeport Pipeline Project		\$ 367,160	\$ 367,160	\$ (367,160)		Carryover of project from 2016/17; project is near completion/awaiting pump repair; funded by lbank loan
17-06	Crystal Springs Pump Station Discharge Valve Replacement		\$ 365	\$ 365	\$ (365)		
13-02	Replace 8inch Pipeline Under Creek at Pilarcitos Ave (Strawflower Pipeline Replacement Project)		\$ 194,638	\$ 194,638	\$ (194,638)		Carryover of project from 2016/17; projected completed in August 2017
17-08	Nunes Filter Surface Wash Repairs		\$ 14,850	\$ 14,850	\$ (14,850)		
17-05	CSP Pump Station Motor Controls			\$ 20,000	\$ (20,000)		In process
<b>PREVIOUS YEAR TOTALS</b>		<b>\$ -</b>	<b>\$ 785,260</b>	<b>\$ 805,259</b>	<b>\$ (805,259)</b>		

**UNSCHEDULED ITEMS (CAPITAL EXPENDITURES) FOR CURRENT FISCAL YEAR 17/18**

17-16	CSP P3 Soft Start Pump/Shafting Replacement & Motor refurbishment		\$ 13,677	\$ 13,677	\$ (13,677)		Work related to FY2016/17 emergency pump replacement -approved at February 2017 Board meeting
	CSP 500 HP Motor			\$ 49,000	\$ (49,000)		Parts ordered (approved in February 2018)
12-12	Denniston/San Vicente Water Supply Development		\$ 58,559	\$ 58,559	\$ (58,559)		Legal fees & gaging
	Door Replacement at Nunes		\$ 17,450	\$ 17,450	\$ (17,450)		
	Door Replacement at Denniston		\$ 9,370	\$ 9,370	\$ (9,370)		
	Wavecrest Road Pipeline Replacement Project		\$ 20,213	\$ 20,213	\$ (20,213)		
	El Granada Tank #3 - Pump #1 Rebuild/Motor Replacement		\$ 11,666	\$ 11,666	\$ (11,666)		
	Denniston WTP and Tank Road Repairs/Paving		\$ 29,865	\$ 29,865	\$ (29,865)		
	El Granada Tank #1 Refurbishment Project		\$ 17,976	\$ 17,976	\$ (17,976)		
	Bell Moon Pipeline Replacement Project		\$ 6,974	\$ 6,974	\$ (6,974)		
	Grandview 2-inch Replacment Project		\$ 507	\$ 507	\$ (507)		
	Ave Cabrillo Move Pipeline - for County Storm Drain		\$ 11,339	\$ 11,339	\$ (11,339)		
	CSP Breakers and Handles		\$ 17,211	\$ 17,211	\$ (17,211)		
<b>NON-BUDGETED TOTALS</b>		<b>\$ -</b>	<b>\$ 214,807</b>	<b>\$ 263,808</b>	<b>\$ (263,808)</b>		

<b>CIP TOTALS</b>		<b>\$ 3,908,000</b>	<b>\$ 4,035,673</b>	<b>\$ 4,984,655</b>	<b>\$ (1,076,655)</b>		
-------------------	--	---------------------	---------------------	---------------------	-----------------------	--	--

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

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

<b>Month</b>	<b>Admin (General Legal Fees)</b>	<b>Water Supply Develpmnt</b>	<b>Recycled Water</b>	<b>Transfer Program</b>	<b>CIP</b>	<b>Personnel</b>	<b>Water Shortage</b>	<b>Lawsuits</b>	<b>Infrastructure Project Review  (Reimbursable)</b>	<b>TOTAL</b>
<b>May-17</b>	5,739			500	30					6,269
<b>Jun-17</b>	1,846		272	379	393	19,831				22,721
<b>Jul-17</b>	2,476			108		2,716				5,300
<b>Aug-17</b>	2,925		748	387	2,984					7,043
<b>Sep-17</b>	1,625		195	374	4,602	1,778				8,573
<b>Oct-17</b>	975			222	130	1,268				2,595
<b>Nov-17</b>	2,418			226	2,340	525				5,509
<b>Dec-17</b>	4,934			138	1,300	130				6,502
<b>Jan-18</b>	878			412	260				2,178	3,727
<b>Feb-18</b>	4,485			1,052	260	1,040				6,837
<b>Mar-18</b>	1,268			454	962	1,203				3,886
<b>Apr-18</b>	2,503				8,301					10,803

<b>TOTAL</b>	<b>32,071</b>	<b>0</b>	<b>1,214</b>	<b>4,249</b>	<b>21,561</b>	<b>28,490</b>	<b>0</b>	<b>0</b>	<b>2,178</b>	<b>89,763</b>
--------------	---------------	----------	--------------	--------------	---------------	---------------	----------	----------	--------------	---------------

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

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

<b>Month</b>	<b>Admin &amp; Retainer</b>	<b>CIP</b>	<b>Studies &amp; Projects</b>	<b>TOTAL</b>	<b>Reimbursable from Projects</b>
<b>May-17</b>	587	9,988		<b>10,575</b>	
<b>Jun-17</b>	480	620		<b>1,100</b>	
<b>Jul-17</b>	480		1,606	<b>2,086</b>	1,606
<b>Aug-17</b>	1,241	117	2,186	<b>3,544</b>	2,186
<b>Sep-17</b>	480		845	<b>1,325</b>	845
<b>Oct-17</b>	480		930	<b>1,410</b>	930
<b>Nov-17</b>	480		3,007	<b>3,487</b>	3,006
<b>Dec-17</b>	480		338	<b>818</b>	
<b>Jan-18</b>	480	1,935	1,683	<b>4,098</b>	1,683
<b>Feb-18</b>	480	1,014	7,788	<b>9,282</b>	7,788
<b>Mar-18</b>	1,021	4,270	1,905	<b>7,196</b>	1,905
<b>Apr-18</b>	480	2,197	338	<b>3,015</b>	338
<b>TOTAL</b>	<b>7,168</b>	<b>20,141</b>	<b>20,625</b>	<b>47,935</b>	<b>20,287</b>

**Calcon T&M Projects Tracking**  
as of 4/30/2018

Project No.	Name	Status	Proposal Date	Approved Date	Project Budget	Project Total Billing (thru 6/30/17)	Project Billing FY2017-18	Project Budget Remaining
CAL-13-01	EG Tank 2 Recoating Project	Closed	9/30/13	10/8/13	\$8,220.00	\$8,837.50		-\$617.50
CAL-13-02	Nunes Control System Upgrades	Closed	9/30/13	10/8/13	\$46,141.00	\$55,363.60		-\$9,222.60
CAL-13-03	Win 911 and PLC Software	Closed	9/30/13	10/8/13	\$9,717.00	\$12,231.74		-\$2,514.74
CAL-13-04	Crystal Springs Surge Tank Retrofit	Closed	11/26/13	11/27/13	\$31,912.21	\$66,572.54		-\$34,660.33
CAL-13-05		Closed				\$0.00		\$0.00
CAL-13-06	Nunes Legacy Backwash System Removal	Closed	11/25/13	11/26/13	\$6,516.75	\$6,455.00		\$61.75
CAL-13-07	Denniston Backwash FTW Valves	Closed	11/26/13	11/27/13	\$6,914.21	\$9,518.28		-\$2,604.07
CAL-14-01	Denniston Wash Water Return Retrofit	Closed	1/28/14	2/14/14	\$13,607.00	\$13,591.60		\$15.40
CAL-14-02	Denniston Calrifier SCADA Data	Closed	4/2/14	4/7/14	\$4,125.00	\$4,077.50		\$47.50
CAL-14-03	Nunes Surface Scatter Turbidimeter	Closed	4/2/14	4/7/14	\$2,009.50	\$0.00		\$2,009.50
CAL-14-04	Phase I Control System Upgrade	Closed	4/2/14	4/7/14	\$75,905.56	\$44,459.14		\$31,446.42
CAL-14-06	Miramar Control Panel	Closed	8/28/14	8/28/14	\$37,953.00	\$27,980.71		\$9,972.29
CAL-14-08	SFWater Flow & Data Logger/Cahill Tank	Closed	8/20/2014	8/20/2014	\$1,370.00	\$1,372.00		-\$2.00
CAL-15-01	Main Street Monitors	Closed				\$6,779.42		-\$6,779.42
CAL-15-02	Denniston To Do List	Closed				\$2,930.00		-\$2,930.00
CAL-15-03	Nunes & Denniston Turbidity Meters	Closed			\$6,612.50	\$12,536.12		-\$5,923.62
CAL-15-04	Phase II Control System Upgrade		6/23/2015	8/11/2015	\$195,000.00	\$194,102.50	\$8,125.00	-\$7,227.50
CAL-15-05	Permanganate Water Flow	Closed				\$1,567.15		-\$1,567.15
CAL-16-04	Radio Network		12/9/2016	1/10/2017	\$126,246.11	\$116,633.18	\$22,567.50	-\$12,954.57
CAL-16-05	El Granada Tank No. 3 Recoating		12/16/2016		\$6,904.50	\$3,860.00	\$2,985.00	\$59.50
CAL-17-01	Crystal Springs Leak Valve Control		2/8/2017	2/14/2017	\$8,701.29	\$6,390.00		\$2,311.29
CAL-17-02	Crystal Springs Requirements & Addtl Controls		2/8/2017	2/14/2017	\$38,839.50	\$16,467.06	\$24,705.00	-\$2,332.56
CAL-17-03	Nunes Valve Control		6/29/2017	7/11/2017	\$73,281.80	\$64,184.35	\$14,850.00	-\$5,752.55
CAL-17-04	Denniston Booster Pump Station		7/27/2017	8/8/2017	\$21,643.75	\$1,230.00	\$28,530.00	-\$8,116.25
CAL-17-05	Crystal Springs Pump Station #3 Soft Start		7/27/2017	8/8/2017	\$12,213.53	\$0.00	\$12,178.13	\$35.40
CAL-17-06	Nunes Flocculartor & Rapid Mix VFD Panels		12/6/2017	12/12/2017	\$29,250.75	\$0.00	\$30,695.66	-\$1,444.91
CAL-18-03	CSP Breakers & Handles		3/7/2018		\$25,471.47	\$0.00	\$17,211.43	\$8,260.04
CAL-18-04	Tank Levels Calibration Special		3/5/2018		\$8,388.75	\$0.00	\$1,720.00	\$6,668.75
CAL-18-05	Pilarcitos Stream Flow Gauge -Well 1 120 Service Power		3/22/2018		\$3,558.13	\$0.00	\$2,342.40	\$1,215.73
<b>SUBTOTAL</b>					<b>\$800,503.31</b>	<b>\$677,139.39</b>	<b>\$165,910.12</b>	<b>-\$42,546.20</b>

**Other: Maintenance**

CAL-17-EMG	Emergency Callout Tanks					\$	1,620.00	
	Crystal Springs Maintenance					\$	9,470.69	
	Nunes Maintenance					\$	10,892.67	
	Denniston Maintenance					\$	5,635.00	
	Distribution System					\$	16,827.44	
<b>TOTAL FY2017/18</b>						<b>\$</b>	<b>210,355.92</b>	

**COASTSIDE COUNTY WATER DISTRICT**

**766 MAIN STREET**

**HALF MOON BAY, CA 94019**

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

**Tuesday, April 10, 2018**

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

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

- 2) **PLEDGE OF ALLEGIANCE**

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

- 4) **CONSENT CALENDAR**

- A. Approval of disbursements for the month ending March 31, 2018:  
Claims: \$930,558.93; Payroll: \$98,551.72 for a total of \$1,029,110.65  
➤ *April Monthly Financial Claims reviewed and approved by Director Reynolds*
- B. Acceptance of Financial Reports
- C. Approval of Minutes of March 13, 2018 Regular Board of Directors Meeting
- D. Monthly Water Service Connection Transfer Report
- E. Installed Water Connection Capacity and Water Meters Report
- F. Total CCWD Production Reports
- G. CCWD Monthly Sales by Category Report -March 2018
- H. Monthly Emergency Main and Service Repairs Report
- I. Monthly Rainfall Reports
- J. Notice of Completion - Denniston Drying Bed Paving Project
- K. Acceptance of Water System Improvements - Best Western Hotel

**ON MOTION BY Director Glassberg and seconded by Director Reynolds, the Board voted by roll call vote to approve the Consent Calendar in its entirety:**

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

5) **MEETINGS ATTENDED / DIRECTOR COMMENTS**

Director Reynolds shared the highlights from a recently attended WaterNow Alliance quarterly meeting. Director Mickelsen reported that he had attended a recent meeting of the Bay Area Water Supply and Conservation Agency.

6) **GENERAL BUSINESS**

A. **Resolution Amending the Coastside County Water District Personnel Manual**

Ms. Rogren introduced this agenda item, explaining that as the District's Backflow Prevention Program has significantly expanded in recent years requiring more staff resources, the District would like to recognize and incentivize staff who are willing to acquire certification as a Backflow Prevention Assembly Tester and Backflow/Cross Connection Control Program Specialist.

**ON MOTION BY Director Reynolds and seconded by Director Glassberg, the Board voted by roll call vote to adopt the Resolution Amending the Coastside County Water District's Personnel Manual:**

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

B. **Quarterly Financial Review**

Ms. Rogren reviewed the Period Budget Analysis, summarizing the year to date revenue and the year to date expenses, emphasizing the \$778,000 above budget in revenue and the \$625,000 under plan in expenses.

C. **Fiscal Year 2018-2019 Budget Process Timeline**

Ms. Rogren briefly reviewed the Budget Process Timeline for the Board's information.

D. **Draft Fiscal Year 2018-2019 and Fiscal year 2019-2020 Operations Budgets, Draft Fiscal year 2018/2019 to 2027/2028 Capital Improvement Program (CIP), and Draft Fiscal Year 2018-2019 Financing Plan and Proposed Rate Increase Discussion**



Ms. Rogren reviewed recent revisions to the draft budget, including an increase in annual water sales and certain operating expenses changes. She advised the Board that staff has prepared two years of Operations Budgets, Fiscal Years 2018-2019 and 2019-2020 for the Board's review if the Board chooses to consider two years of rate increases. Ms. Rogren also reviewed the Fiscal Year 2018/2019 to 2027/2028 Capital Improvement Program.

Next, Ms. Rogren reviewed the Draft Financing Plan, using the financing model to demonstrate several revenue increase scenarios. Brief discussion ensued, with staff noting that the scheduled April 16, 2018 budget/rate study work session would provide further opportunity for additional discussion.

7) **MONTHLY INFORMATIONAL REPORTS**

A. **Assistant General Manager's Report**

**Advanced Metering Infrastructure (AMI)** - Ms. Rogren reported that Professional Meters, Inc. (PMI) has completed their portion of the AMI/meter installations, totaling 5,240 AMI/meter installations.

B. **Superintendent of Operations Report**

Mr. Derbin reviewed the monthly operations highlights, including the rebuilding of the electrical enclosure for Pilarcitos Well # 1, calibration of turbidimeters and lab benchtop instruments, the calibration of flowmeters at both water treatment plants and the treatment staff's recent attendance at a 2-day CA/NV AWWA Operator Symposium in Burlingame.

C. **Water Resources Report**

Ms. Brennan provided an informational report on the April 2, 2018 Snow Survey Results and shared an update on water conservation grant reimbursements.

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

There were no requests for future agenda items.

11) **ADJOURNMENT** - The meeting was adjourned at 8:13 p.m.

Respectfully submitted,

---

David R. Dickson, General Manager  
Secretary to the District

---

Robert Feldman, President  
Board of Directors

# **COASTSIDE COUNTY WATER DISTRICT**

**766 MAIN STREET**

**HALF MOON BAY, CA 94019**

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

**Monday, April 16, 2018**

- 1) **ROLL CALL** - President Bob Feldman called the special meeting to order at 9:00 a.m. Present at roll call: Directors Chris Mickelsen, Arnie Glassberg and Vice-President Ken Coverdell. Director Glenn Reynolds arrived at 9:31 a.m.

Also present: David Dickson, General Manager; Mary Rogren, Assistant Vice-President; Patrick Miyaki, Legal Counsel; Cathleen Brennan, Water Resources Analyst; Gina Brazil, Office Manager; and Sanjay Gaur of Raftelis Financial Consultants, Inc.

- 2) **PLEDGE OF ALLEGIANCE**

- 3) **PUBLIC COMMENTS** - There were no public comments.

- 4) **GENERAL BUSINESS**

- A. **Work Session - Draft Fiscal year 2018-2019 and Draft Fiscal Year 2019-2020 Operations Budgets; Draft Fiscal year 2018/2019 to 2027/2028 Capital Improvement Program (CIP); Draft Fiscal Year 2018/2019 to 2022/2023 District Financing Plan; Proposed Rate Increases for Fiscal Years 2018-2019 and 2019-2020; and Draft Cost of Service and Rate Study**

- B. **Schedule a Public Hearing on Proposed Rate Increases for Fiscal Years 2018-2019 and 2019-2020 and Authorize Issuance of a Notice of Public Hearing and Proposed Rate Increases for Fiscal years 2018-2019 and 2019-2020**

Ms. Rogren provided a brief summary of two years of Operations Budgets for Fiscal years 2018-2019 and 2019-2020 and recapped current and projected expense budgets for the next two fiscal years. She also reviewed the purpose of the District's Financing Plan and targeted cash reserve balances.

Ms. Rogren then introduced Mr. Sanjay Gaur, who summarized analysis and results contained in Raftelis' Cost of Service Analysis and Rate Study and answered questions from the Board.

Board discussion ensued, and direction was provided to staff to provide additional information on the District's infrastructure projects with the Proposition 218 rate increase notice.

**ON MOTION BY Director Glassberg and seconded by Director Mickelsen, the Board voted by roll call vote to schedule a public hearing for Tuesday, June 12, 2018 at the regular Board of Directors meeting beginning at 7:00 p.m. on the proposed rate increase for Fiscal years 2018-2019 and 2019-2020 and to authorize staff to issue a Notice of Public Hearing and Proposed Rate Increases for Fiscal Years 2018-2019 and 2019-2020:**

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

5) **ADJOURNMENT** - The meeting was adjourned at 10:32 a.m.

Respectfully submitted,

---

David R. Dickson, General Manager  
Secretary to the District

---

Robert Feldman, President  
Board of Directors

# **COASTSIDE COUNTY WATER DISTRICT**

**766 MAIN STREET**

**HALF MOON BAY, CA 94019**

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

**Thursday, May 3, 2018**

- 1) **ROLL CALL** - President Bob Feldman called the Special Meeting to order at 9:04 a.m. Present at roll call: Director Arnie Glassberg and Vice-President Ken Coverdell. Director Glenn Reynolds arrived at 9:12 a.m. Director Chris Mickelsen was absent.

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

- 2) **PLEDGE OF ALLEGIANCE**

- 3) **PUBLIC COMMENTS** - There were no public comments.

- 4) **GENERAL BUSINESS**

- A. **Draft Fiscal Year 2018-2019 and Draft Fiscal Year 2019-2020 Operations Budgets; Draft Fiscal Year 2018/2019 to 2027/2028 Capital Improvement Program (CIP); Draft Fiscal Year 2018/2019 to 2022/2023 District Financing Plan; Draft Cost of Service and Rate Study; Proposed Rate Increases for Fiscal Years 2018-2019 and 2019-2020; and Reschedule the Public Hearing on the Proposed Rate Increases for Fiscal Years 2018-2019 and 2019-2020 and Authorize Issuance of the Notice of Public Hearing**

Mr. Dickson began by explaining that the purpose of the meeting was to provide an opportunity for further discussion of the budget and rate study information covered at the April 16, 2018 Special Board Meeting. Ms. Rogren then reviewed the cost of service analysis and proposed rate structure changes presented on April 16, 2018 and introduced an alternative rate proposal developed in collaboration with Raftelis Financial Consultants which staff felt might better address the Board's policy objectives. Board discussion ensued, with staff answering questions regarding the rate study and cost of service analysis. The Board also reviewed and provided input on an updated Notice of Public Hearing regarding the alternative proposed rate increases for Fiscal Years 2018-2019 and 2019-2020.

**ON MOTION BY Vice-President Coverdell and seconded by Director Glassberg, the Board voted by roll call vote to:**

- 1) cancel the Public Hearing on the proposed rate increases scheduled for Tuesday, June 12, 2018 at 7:00 p.m.;**
- 2) reschedule the Public Hearing at a Special Board of Directors meeting to be held on Thursday, June 28, 2018, beginning at 7:00 p.m. on the proposed rate increases for Fiscal Years 2018-2019 and 2019-2020; and**
- 3) authorize staff to issue a Notice of Public Hearing and Proposed Rate Increases for Fiscal Years 2018-2019 and 2019-2020:**

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

- 5) ADJOURNMENT - The meeting was adjourned at 10:40 a.m.**

Respectfully submitted,

---

David R. Dickson, General Manager  
Secretary to the District

---

Robert Feldman, President  
Board of Directors

**FY 2018 Meters**

Installed Water Meters	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
<b>HMB Non-Priority</b>													
0.5" capacity increase													
5/8" meter	10	1	8		1		1	1	1	1			24
3/4" meter													
1" meter									1	1			2
1 1/2" meter													
2" meter													
3" meter													
<b>HMB Priority</b>													
0.5" capacity increase													
5/8" meter													
3/4" meter													
1" meter													
1 1/2" meter		1		1									2
2" meter													
<b>County Non-Priority</b>													
0.5" capacity increase													
5/8" meter	6									1			7
3/4" meter													
1" meter													
<b>County Priority</b>													
5/8" meter													
3/4" meter	1												1
1" meter													
<b>Totals</b>	<b>17</b>	<b>2</b>	<b>8</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>3</b>			<b>36</b>

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

FY 2018 Capacity (5/8" connection equivalents)	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Totals
HMB Non-Priority	10	2	8		1		1	1	3.5	3.5			30
HMB Priority		5		5									10
County Non-Priority										1			1
County Priority	7.5												7.5
<b>Total</b>	<b>17.5</b>	<b>7</b>	<b>8</b>	<b>5</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>3.5</b>	<b>4.5</b>			<b>48.5</b>

**TOTAL CCWD PRODUCTION (MG) ALL SOURCES- FY 2018**

	CCWD Sources			SFPUC Sources		RAW WATER TOTAL	UNMETERED WATER	TREATED TOTAL
	DENNISTON WELLS	DENNISTON RESERVOIR	PILARCITOS WELLS	PILARCITOS LAKE	CRYSTAL SPRINGS RESERVOIR			
JUL	0.87	25.93	0.00	0.00	45.87	72.67	3.45	69.22
AUG	2.32	24.89	0.00	0.00	42.86	70.07	3.85	66.22
SEPT	2.21	19.72	0.00	0.00	38.88	60.81	3.80	57.01
OCT	1.63	15.79	0.00	0.00	50.08	67.50	3.37	64.13
NOV	4.82	21.54	18.4	0.00	12.45	57.21	2.57	54.64
DEC	0.09	22.00	14.32	0.00	10.04	46.45	3.25	43.20
JAN	0.09	15.70	11.20	0.00	11.40	38.39	3.15	35.24
FEB	0.00	20.02	9.37	0.00	14.41	43.80	2.58	41.22
MAR	6.23	10.02	20.92	0.00	15.43	52.60	3.61	48.99
APR	0.00	12.06	0.00	10.80	21.93	44.79	2.53	42.26
MAY								
JUN								
<b>TOTAL</b>	<b>18.26</b>	<b>187.67</b>	<b>74.21</b>	<b>10.80</b>	<b>263.35</b>	<b>554.29</b>	<b>32.16</b>	<b>522.13</b>
% MONTHLY TOTAL	0.00%	26.93%	0.00%	24.11%	48.96%	100.00%	5.65%	94.35%
% ANNUAL TO DATE TOTAL	3.3%	33.9%	13.4%	1.9%	47.5%	100.0%	5.80%	94.2%

CCWD vs SFPUC- month 26.9% 73.1%  
 CCWD vs SFPUC- annual 50.5% 49.5%

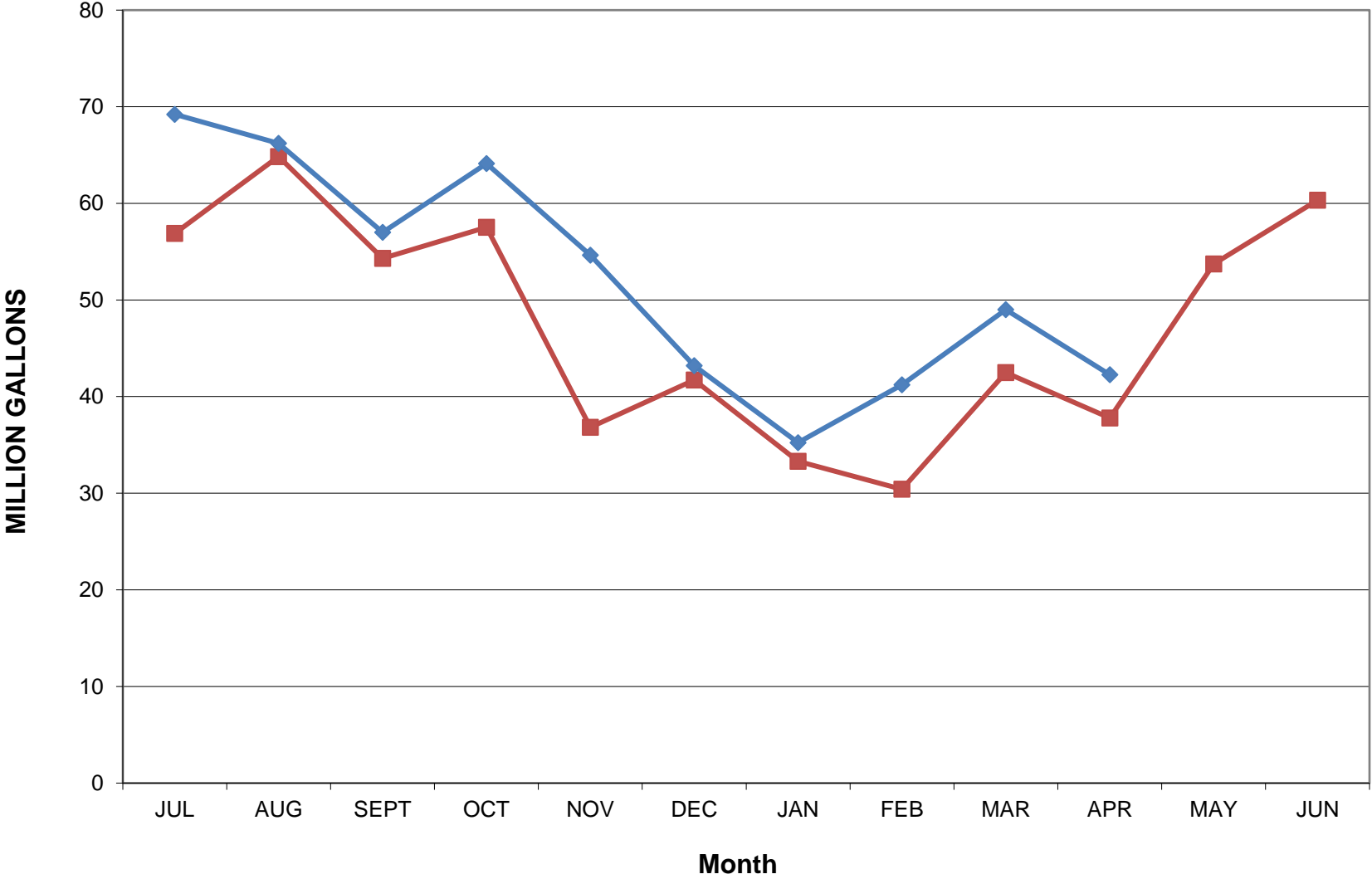
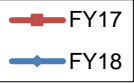
12 Month Running Treated Total

**636.16**

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

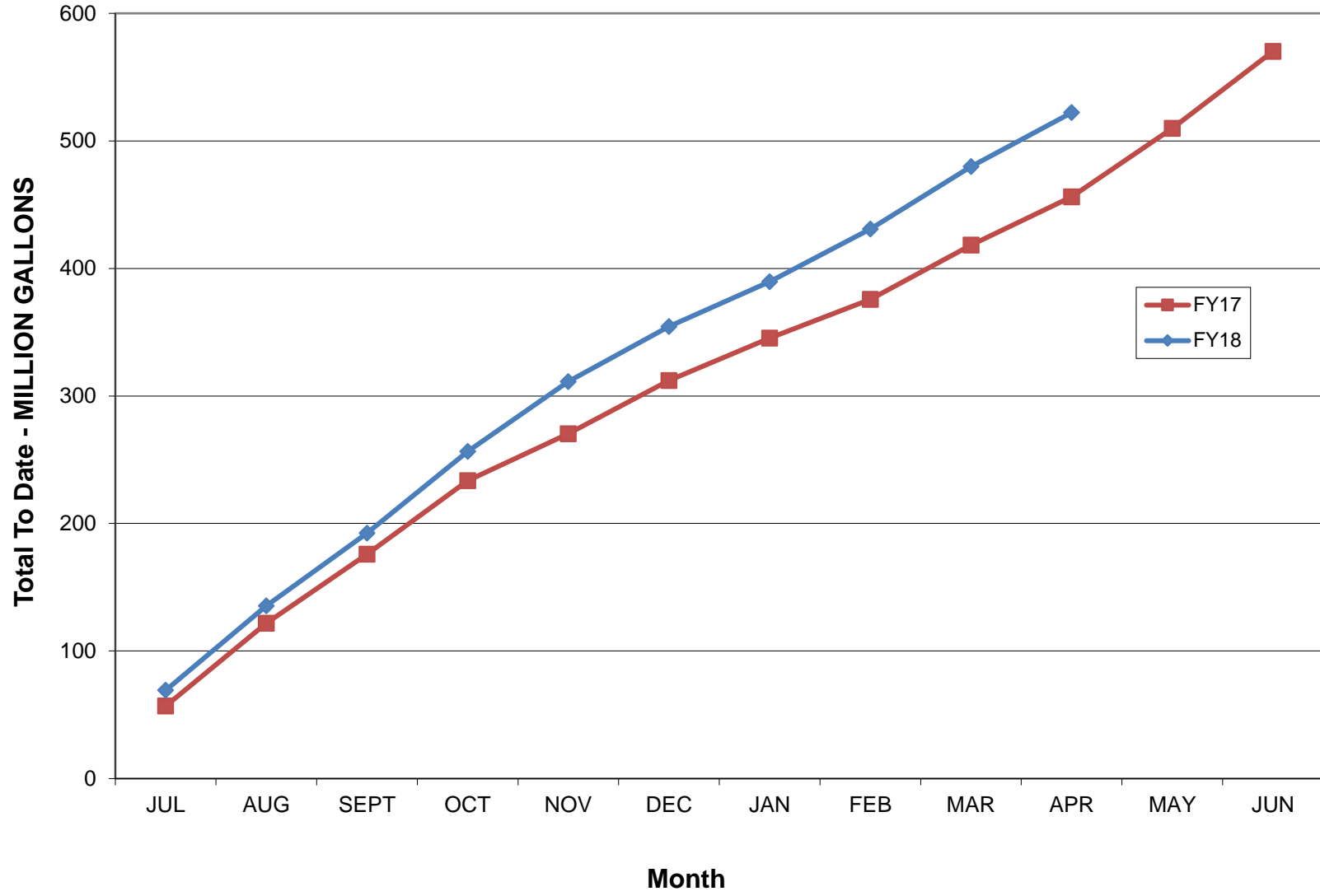
	DENNISTON WELLS	DENNISTON RESERVOIR	PILARCITOS WELLS	PILARCITOS RESERVOIR	CRYSTAL SPRINGS RESERVOIR	RAW WATER TOTAL	UNMETERED WATER	TREATED TOTAL
JUL	1.58	15.50	0.00	37.11	7.05	61.24	4.36	56.88
AUG	2.55	10.84	0.00	4.40	51.18	68.97	4.12	64.85
SEPT	2.28	10.35	0.00	0.00	45.04	57.67	3.37	54.30
OCT	0.49	1.71	0.00	0.00	57.09	59.29	1.76	57.53
NOV	0.01	1.13	10.91	0.00	26.92	38.97	2.15	36.82
DEC	0.00	13.01	13.18	0.00	17.59	43.78	2.05	41.73
JAN	0.00	2.32	18.25	0.00	14.98	35.55	2.24	33.31
FEB	0.00	0.00	23.75	4.01	6.36	34.12	3.72	30.41
MAR	0.43	5.18	25.41	13.01	1.80	45.83	3.33	42.50
APR	0.00	14.05	0.00	25.41	1.87	41.33	3.54	37.79
MAY	0.00	24.60	0.00	29.40	3.25	57.25	3.53	53.72
JUN	0.41	24.25	0	21.59	17.65	63.90	3.58	60.32
<b>TOTAL</b>	<b>7.75</b>	<b>122.94</b>	<b>91.50</b>	<b>134.93</b>	<b>250.78</b>	<b>607.90</b>	<b>37.75</b>	<b>570.14</b>
% TOTAL	1.3%	20.2%	15.1%	22.2%	41.3%	100.0%	6.21%	93.8%

Monthly Production FY 17 vs FY 18





Cumulative Production FY 17 vs FY18





MONTH		April-18						
Coastside County Water District Monthly Discharge Report								
EMERGENCY MAIN AND SERVICE REPAIRS								
	Date Reported Discovered	Date Repaired	Location	Pipe Class	Pipe Size & Type	Estimated Water Loss (Gallons)*	Environmental Damage? Y/N If Yes CL2 after declor	Chlorine Residual after leak is Repaired
1	3/30/2018	4/2/18	South of town by Bridge					
				M	2" Galv	10,000	N	0.76
2	4/23/2018	4/23/2018	South of town North of Bridge					
				M	2" Galv	12,000	N	0.84
3	4/19/2018	4/24/2018	Ferdinand Ave paper street					
				M	4" WS	4,000	N	0.80/0.74
4	4/19/2018	4/24/2018	South of town North of Bridge					
				M	2" Galv	7,000	N	0.95
5								
6								
7								
8								
<b>Totals</b>						<b>33,000</b>		

MONTH		Apr-18											
PLANNED PLANT OR TANK DISCHARGE AND NEW WATER LINE FLUSHING REPORT										OTHER DISCHARGES			
	Date	Project/Location	Pipe Size & Type	Estimated Water Flushed (Gallons)	Chlorine Residual after dechlor	pH	Flow Rate (gal/min)	Duration of Discharge (minutes)	Total Volumes (gallons)				
1	Apr-18								Flushing Program	15,000			
2									Reservoir Cleaning				
3	Apr-18								Automatic Blowoffs	107,562			
3									Dewatering Operations				
4	Apr-18								Other (includes flow testing)	12,000			
DEWATERING OPERATIONS GREATER THAN 350,000 GALLONS (requires prenotification to CWRCB)										Number of planned or emergency discharges greater than 50,000 gallons			
	Date	Location	Volume	pH			Chlorine Residual after dechlor			Duration (min)	0		
				5 min	20 min	end	5 min	20 min	end				
1													
2													
ANNUAL REPRESENTATIVE MONITORING										PLANNED DISCHARGES GRAND TOTAL GALLONS			
	Date	Location	Volume (gal)	pH	Chlorine Residual after dechlor (ppm)								
1													
										<b>167,562</b>			

Coastside County Water District  
 766 Main Street  
 July 2017 - June 2018

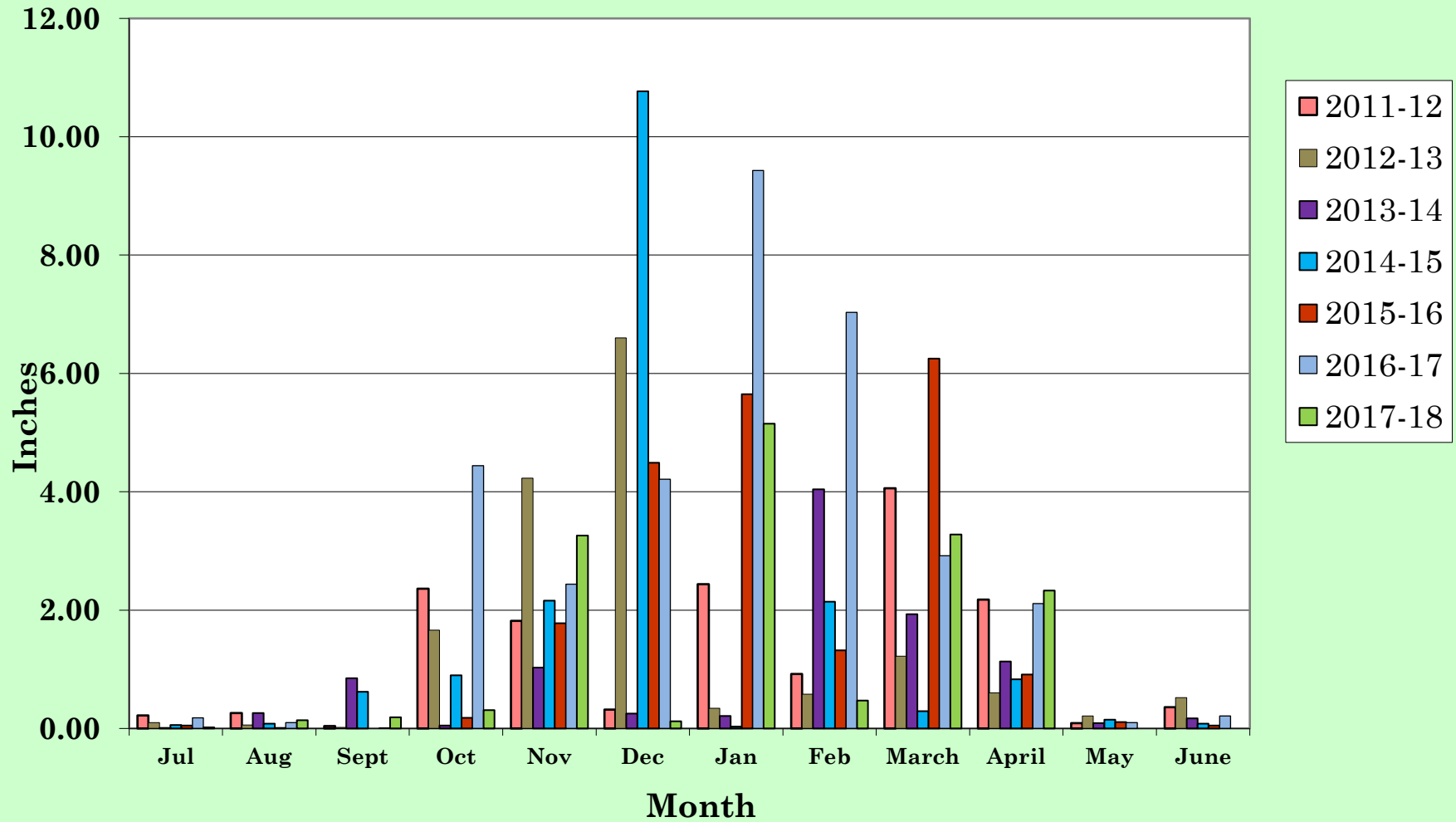
District Office  
 Rainfall in Inches

	2017						2018					
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
1	0	0	0	0.01	0	0	0	0	0.6	0		
2	0.01	0	0	0	0	0.03	0	0	0.17	0		
3	0.01	0	0	0	0.04	0	0.24	0	0.08	0		
4	0	0.02	0	0	0.48	0	0.05	0	0.04	0		
5	0	0	0	0	0	0	0.43	0	0	0.12		
6	0	0.02	0	0	0.01	0	0.02	0	0	0.91		
7	0	0	0	0	0	0	0	0	0.05	0.79		
8	0	0.01	0	0	0.14	0	1.91	0	0.11	0		
9	0	0.01	0.02	0	0.15	0	1.28	0	0	0		
10	0	0.01	0	0	0.01	0	0.03	0	0	0		
11	0	0.02	0.07	0	0.01	0	0.01	0	0	0.15		
12	0	0	0.01	0	0	0	0.01	0	0.11	0.01		
13	0	0.02	0.01	0	0.19	0	0	0	0.36	0		
14	0	0.02	0	0	0.01	0	0	0	0.13	0		
15	0	0	0.02	0	0.06	0	0	0	0.06	0.21		
16	0	0	0	0	1.15	0	0.02	0	0.09	0.13		
17	0	0	0.01	0	0.45	0	0	0	0.17	0		
18	0	0	0.02	0	0.14	0	0.38	0	0.01	0		
19	0	0	0	0.06	0	0	0.03	0	0	0		
20	0	0	0.02	0.22	0	0.09	0.01	0	0.45	0		
21	0	0	0	0.01	0	0	0.01	0	0.16	0		
22	0	0	0.01	0	0	0	0.22	0	0.53	0		
23	0	0	0	0	0	0	0	0	0	0.01		
24	0	0.01	0	0	0	0	0.43	0	0.12	0		
25	0	0	0	0	0	0	0.05	0	0.03	0		
26	0	0	0	0	0.26	0	0.01	0.27	0	0		
27	0	0	0	0	0.14	0	0.01	0	0	0		
28	0	0	0	0.01	0.01	0	0	0.2	0.01	0		
29	0	0	0	0	0.01	0	0		0	0		
30	0	0	0	0	0	0	0		0	0		
31	0	0		0		0	0		0			
Mon.Total	0.02	0.14	0.19	0.31	3.26	0.12	5.15	0.47	3.28	2.33		
Year Total	0.02	0.16	0.35	0.66	3.92	4.02	9.17	9.64	12.92	15.25		

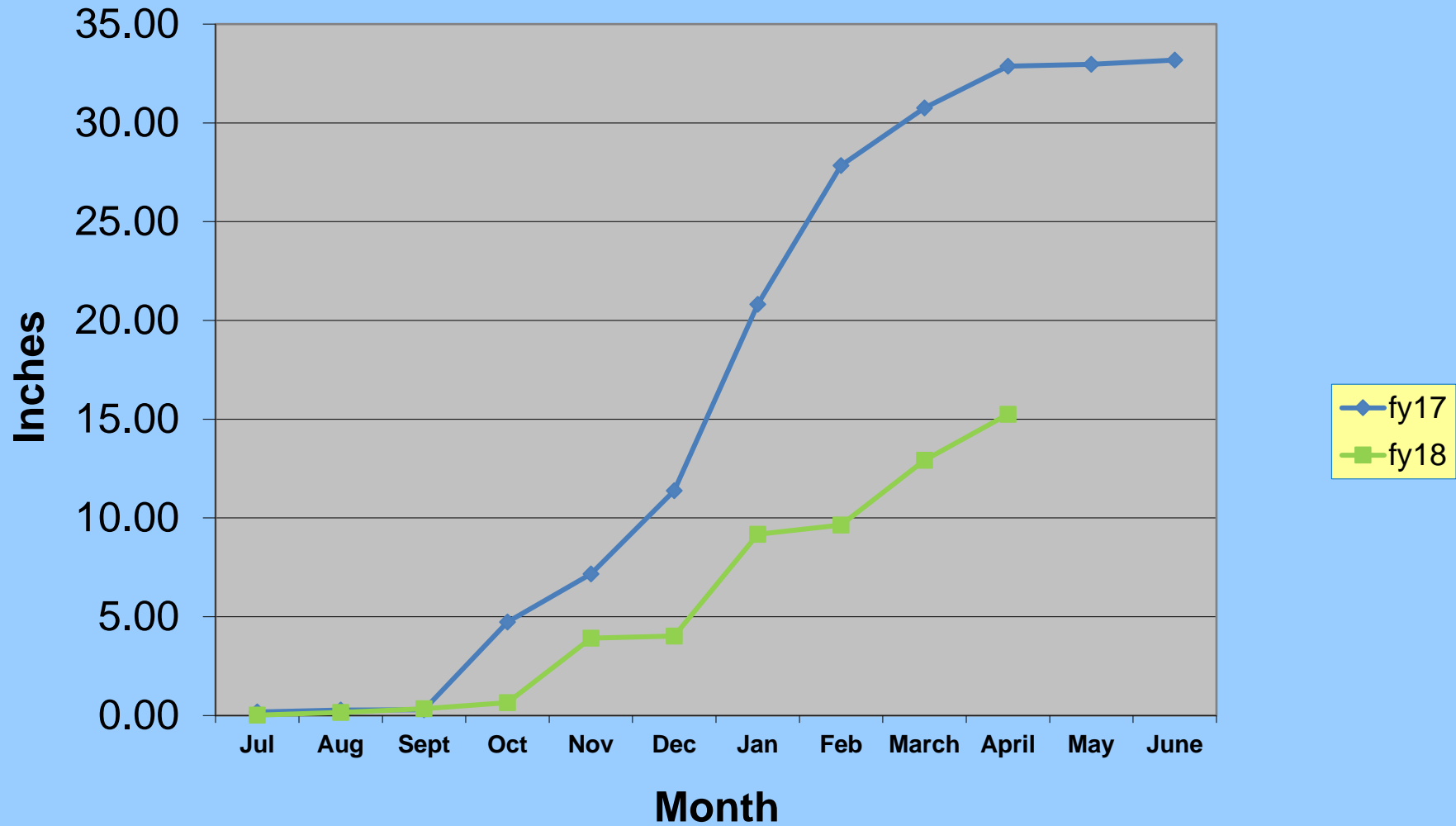
# Coastside County Water District

## Rainfall by Month

Fiscal Years 12 - 18

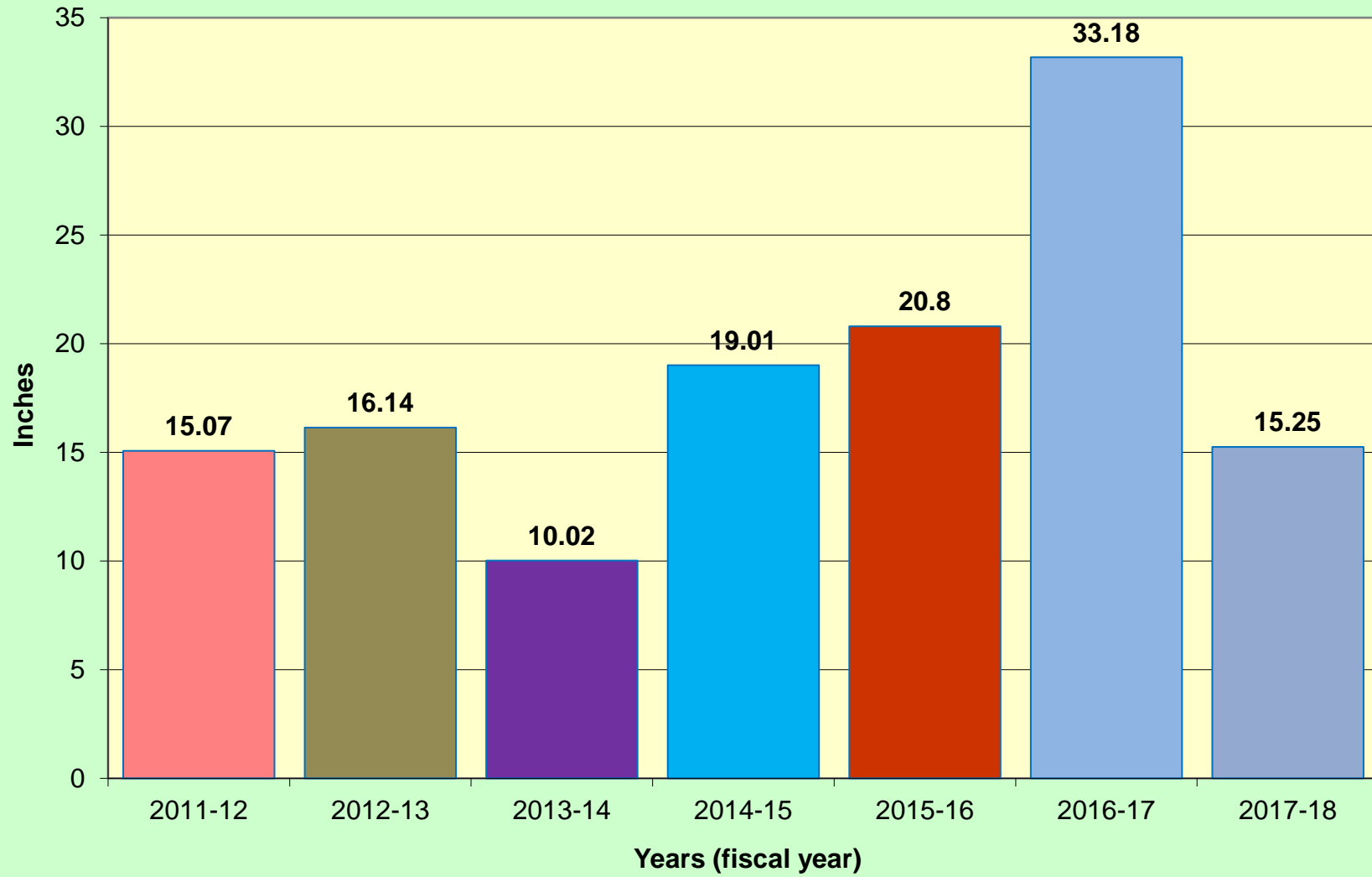


## Rainfall Total Comparison Fiscal Years 17 and 18



# Rain Totals

## Fiscal Years 12 - 18





**STAFF REPORT**

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

**From:** Dave Dickson, General Manager

**Agenda:** May 8, 2018

**Date:** May 3, 2018

**Subject:** Notice of Completion - Water Meter and AMI (Advanced Metering Infrastructure) Installation Services Project

---

**Recommendation:**

That the Board of Directors take the following actions:

- (1) Accept the Water Meter and AMI (Advanced Metering Infrastructure) Installation Services Project as complete.
- (2) Authorize the Notice of Completion to be filed with the County of San Mateo.
- (3) Authorize the release of the retention funds when the Notice of Completion has been recorded and returned to the District.

**Background**

Coastside County Water District entered into a contract with Professional Meter Inc. (PMI) on September 14, 2017 for the Water Meter and AMI (Advanced Metering Infrastructure) Installation Services Project.

The work consisted of installation of water meters and AMI transmitters and provision of associated installation of tracking system software. All work was completed within the District boundary and public utility right of ways.

The project was constructed according to District specifications.

**Fiscal Impact:** None.

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO

Name  
Street  
Address  
City &  
State

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

SPACE ABOVE THIS LINE FOR RECORDER'S USE

RECORD WITHOUT FEE Govt. Code § 6103 & 27383

### NOTICE OF COMPLETION

1. The undersigned is an owner of an interest or estate in the hereafter described real property, the nature of which is: Fee

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

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

3. On May 8, 2018 there was completed upon the hereinafter described real property a work consisted of installation of water meters and AMI transmitters and provision of associated installation of tracking system software. The site of the work was located throughout the Coastside County Water District boundaries and public utility right of way.

4. The name of the original contractor for the work of improvement as a whole was: Professional Meter Inc. (PMI), 3605 North Route, 47, Suite E, P. O. Box 506, Morris, IL 60450.

5. The real property herein referred to is situated in Half Moon Bay, County of San Mateo, State of California, and described as follows:

*All work was completed within the District boundary and public utility right of ways.*

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

COASTSIDE COUNTY WATER DISTRICT

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

**VERIFICATION**

I, David R. Dickson, declare that I am the Secretary of the Coastside County Water District and am authorized to make this verification for that reason. I have read said Notice of Completion and know the contents thereof to be true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on May 8, 2018 at Half Moon Bay, California  
(Date) (Place where signed)

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

**San Francisco Public Utilities Commission**  
**Hydrological Conditions Report**  
**March 2018**

J. Chester, C. Graham, & N. Waelty, April 6, 2018



Moccasin Reservoir and Surrounding Area

## System Storage

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

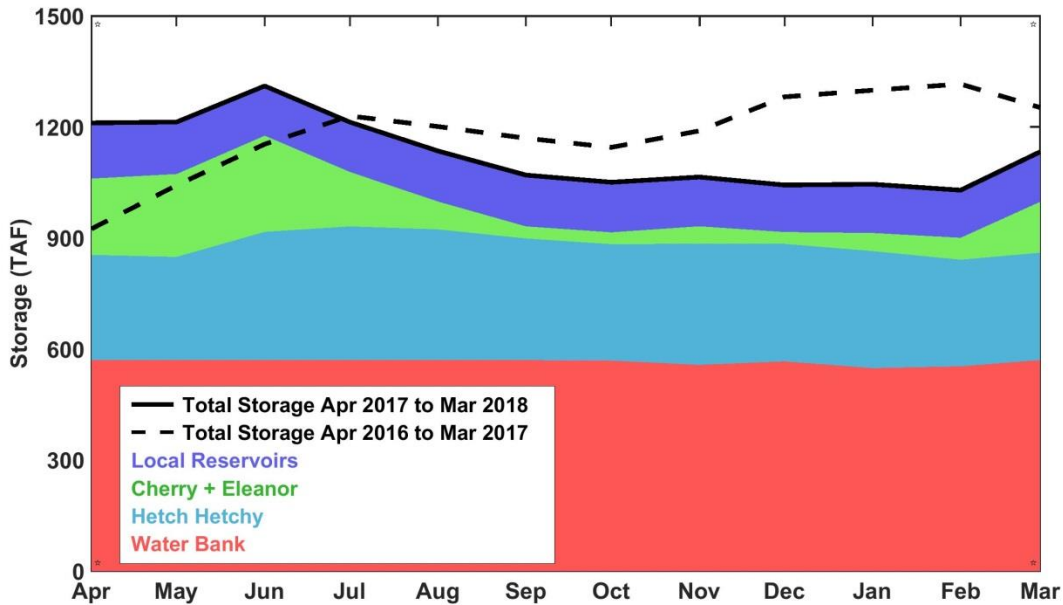
<b>Table 1 Current Storage As of April 1, 2018</b>							
Reservoir	Current Storage		Maximum Storage		Available Capacity		Percentage of Maximum Storage
	Acre-Feet	Millions of Gallons	Acre-Feet	Millions of Gallons	Acre-Feet	Millions of Gallons	
<b>Tuolumne System</b>							
Hetch Hetchy <sup>1</sup>	288,729		340,000		51,271		85%
Cherry <sup>2</sup>	121,104		268,810		147,706		45%
Eleanor <sup>3</sup>	13,370		26,416		13,046		50%
Water Bank	570,000		570,000		0		100%
Tuolumne Storage	993,203		1,205,226		212,023		82%
<b>Local Bay Area Storage</b>							
Calaveras <sup>4</sup>	25,850	8,423	96,824	31,550	70,974	23,127	27%
San Antonio	40,320	13,138	50,496	16,454	10,176	3,316	80%
Crystal Springs	48,972	15,958	58,377	19,022	9,405	3,064	84%
San Andreas	17,250	5,621	18,996	6,190	1,746	569	91%
Pilarcitos	2,650	863	2,995	976	345	112	86%
Total Local Storage	135,042	44,003	227,688	74,192	92,646	30,188	59%
<b>Total System</b>	<b>1,128,245</b>		<b>1,432,914</b>		<b>304,669</b>		<b>79%</b>

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

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

<sup>3</sup> Maximum Lake Eleanor storage with 3 of 4 rows of flash-boards installed.

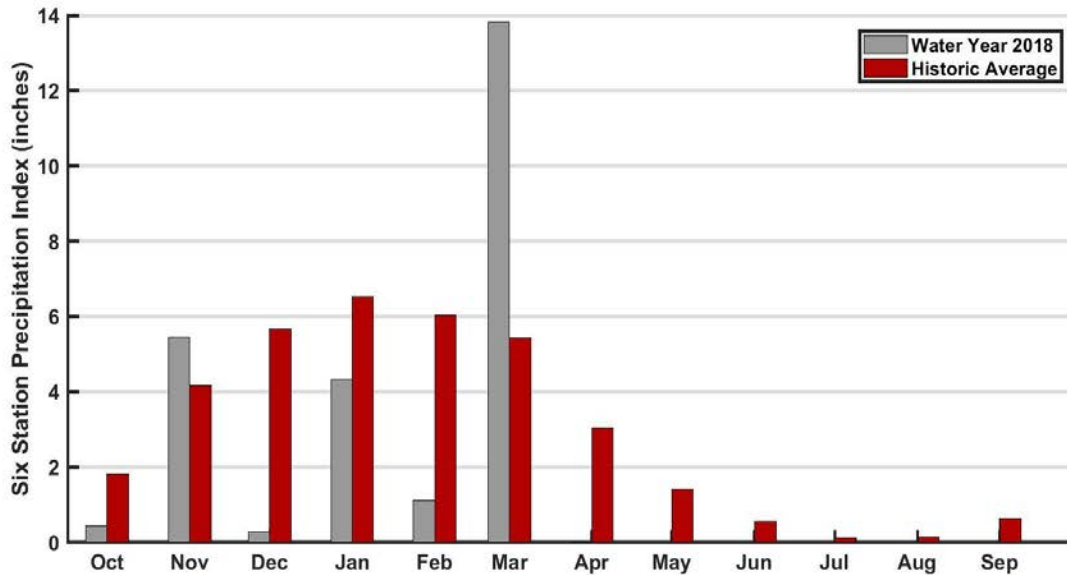
<sup>4</sup> Available capacity does not take into account current DSOD storage restrictions.



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

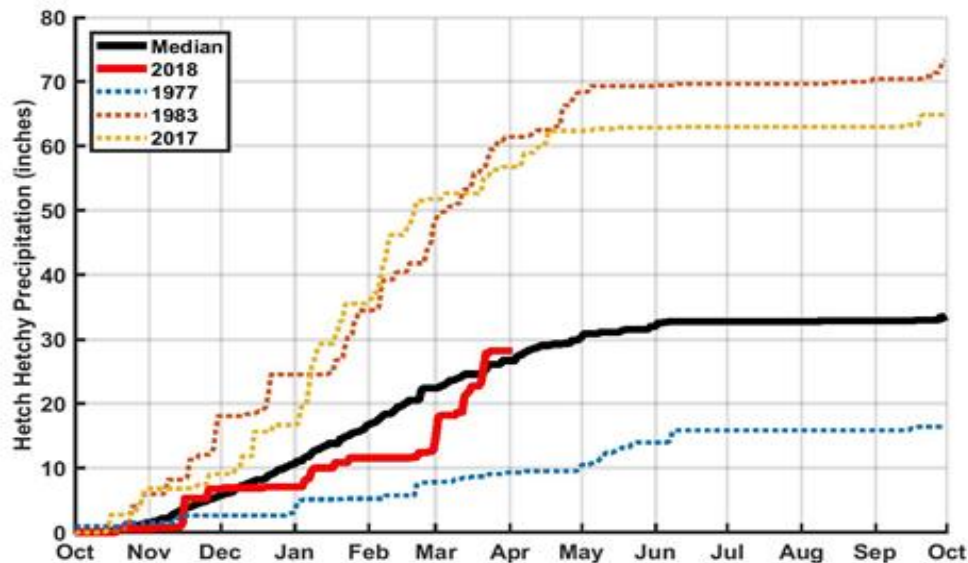
## Hetch Hetchy System Precipitation Index <sup>5/</sup>

*Current Month:* The March 2018 six-station precipitation index was 13.80 inches, or 254% of the average index for the month.



**Figure 2:** Monthly distribution of the Hetch Hetchy six-station precipitation index as percent of the annual average precipitation, as of April 1, 2018.

*Cumulative Precipitation to Date:* As of April 1, the six-station precipitation index for water year 2018 was 25.11 inches, which is 70% of the average annual water year total. Hetch Hetchy received 15.46 inches precipitation in March, for a total of 28.03 inches for Water Year 2018. The cumulative Hetch Hetchy precipitation is shown in Figure 3 in red.



**Figure 3:** Water year 2018 cumulative precipitation measured at Hetch Hetchy Reservoir through April 1, 2018. Precipitation at the Hetch Hetchy gauge for wet, dry, median, and WY 2017 are included for comparison purposes.

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

## Tuolumne Basin Unimpaired Inflow

Unimpaired inflow to SFPUC reservoirs and the Tuolumne River at La Grange as of April 1, 2018 is summarized below in Table 2.

*All flows are in acre feet	March 2018				October 1, 2017 through March 31, 2018			
	Observed Flow	Median <sup>6</sup>	Mean <sup>6</sup>	Percent of Mean	Observed Flow	Median <sup>6</sup>	Mean <sup>6</sup>	Percent of Mean
Inflow to Hetch Hetchy Reservoir	60,292	39,024	41,622	145%	138,728	114,363	130,291	106%
Inflow to Cherry Lake and Lake Eleanor	77,617	38,030	42,251	184%	163,864	113,246	138,673	118%
Tuolumne River at La Grange	356,809	159,679	190,777	187%	625,200	482,363	600,584	104%
Water Available to City	226,030	27,949	67,897	333%	274,578	109,924	223,858	122%

<sup>6</sup>Hydrologic Record: 1919 – 2015

### Hetch Hetchy System Operations

Power draft and releases from Hetch Hetchy Reservoir during the month of March totaled 61,023 acre-feet. Precipitation as of April 1<sup>st</sup> results in a water year Type A for Hetch Hetchy Reservoir through June 1<sup>st</sup>, 2018. Hetch Hetchy minimum instream release requirements for March were 35 cfs, and for April are 75 cfs. The latest water supply forecasts show that water from Hetch Hetchy will be available for power generation through the end of runoff. Hetch Hetchy inflows are currently being managed via power draft and valve releases.

Valve releases from Cherry Lake totaled 644 acre-feet during the month of March. The required minimum instream release from Cherry Lake is 5 cfs through June 30<sup>th</sup>, 2018. Required minimum release from Lake Eleanor is 5 cfs through June 30<sup>th</sup>. Transfer from Lake Eleanor to Cherry Lake will occur throughout the runoff season.

### Regional System Treatment Plant Production

The Harry Tracy Water Treatment Plant average production rate for March was 41 MGD. The Sunol Valley Water Treatment Plant production for the month was 36 MGD.

### Local System Water Delivery

On average there was little change between the February and March delivery rates of 176 MGD for each month.

## Local Precipitation

Wet weather returned to the area with above normal rainfall amounts for the month of March. The rainfall summary for the month is presented in Table 3.

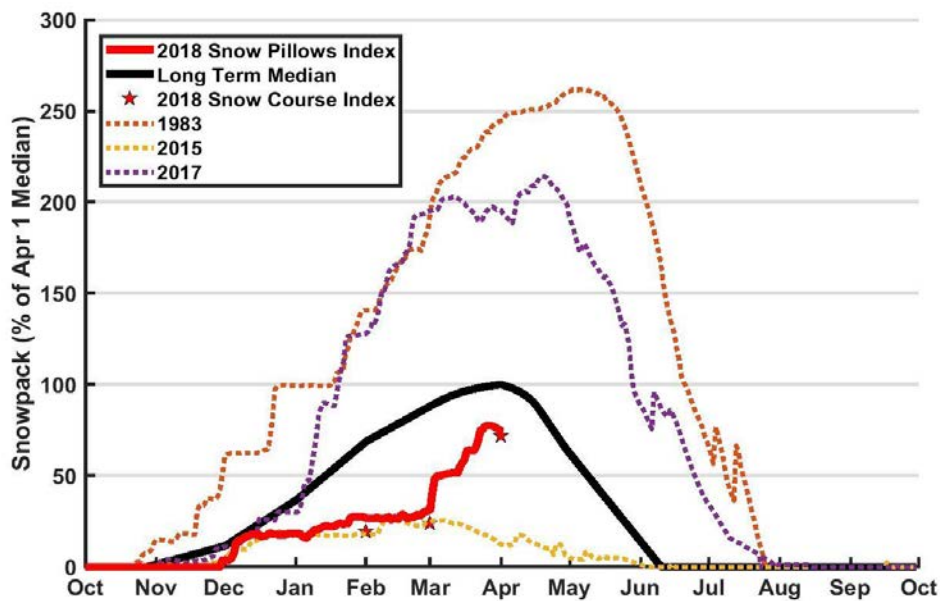
Reservoir	Month Total (inches)	Percentage of Average for the Month	Water Year to Date <sup>7</sup> (inches)	Percentage of Average for the Year-to-Date <sup>7</sup>
Pilarcitos	7.64	136 %	24.38	87 %
Lower Crystal Springs	5.20	133%	17.08	86 %
Calaveras	3.87	116 %	11.80	76 %

<sup>7</sup> WY 2018: Oct. 2017 through Sep. 2018.

## Snowmelt and Water Supply

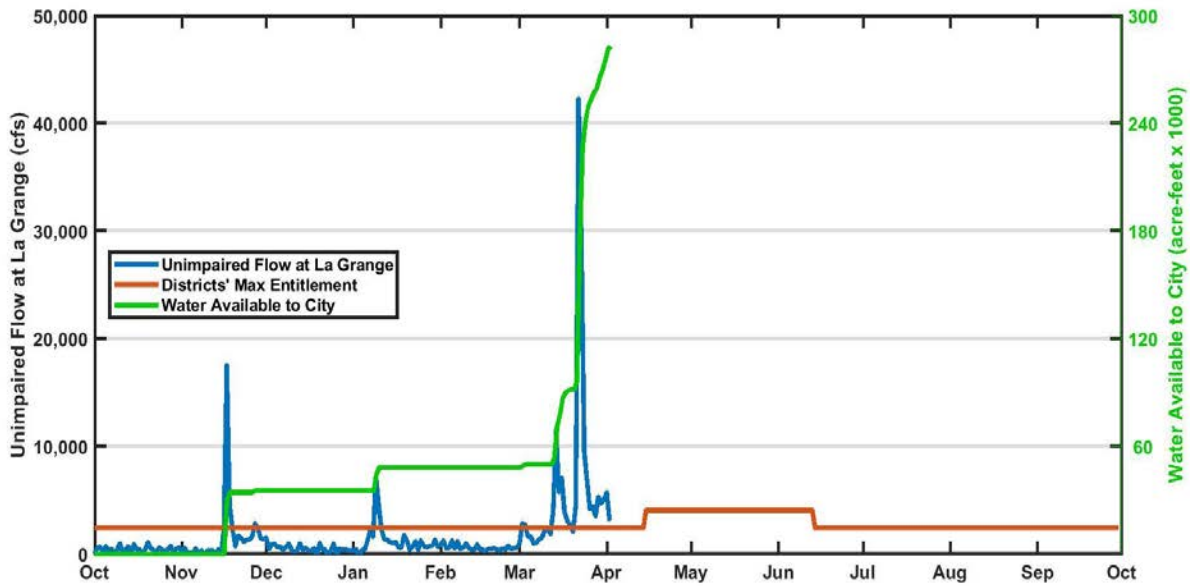
March was the second wettest March in our records, behind the 16.77 inches seen in 1997. Much of the precipitation fell as rain rather than snow. After the April snow survey the basin April 1<sup>st</sup> average snow water equivalent was 67% of long term averages.

Hetch Hetchy Reservoir storage remains within seasonal targets. The current seasonal inflow forecast projects Hetch Hetchy Reservoir will fill, with additional water available for power generation through the runoff season. Total system storage is near 79% due to the low storage levels in Cherry Lake and Lake Eleanor. Water Bank is projected to debit throughout April as the reservoirs fill. Inflow forecasts project that the total system storage will fill at the 50% exceedance level and wetter.

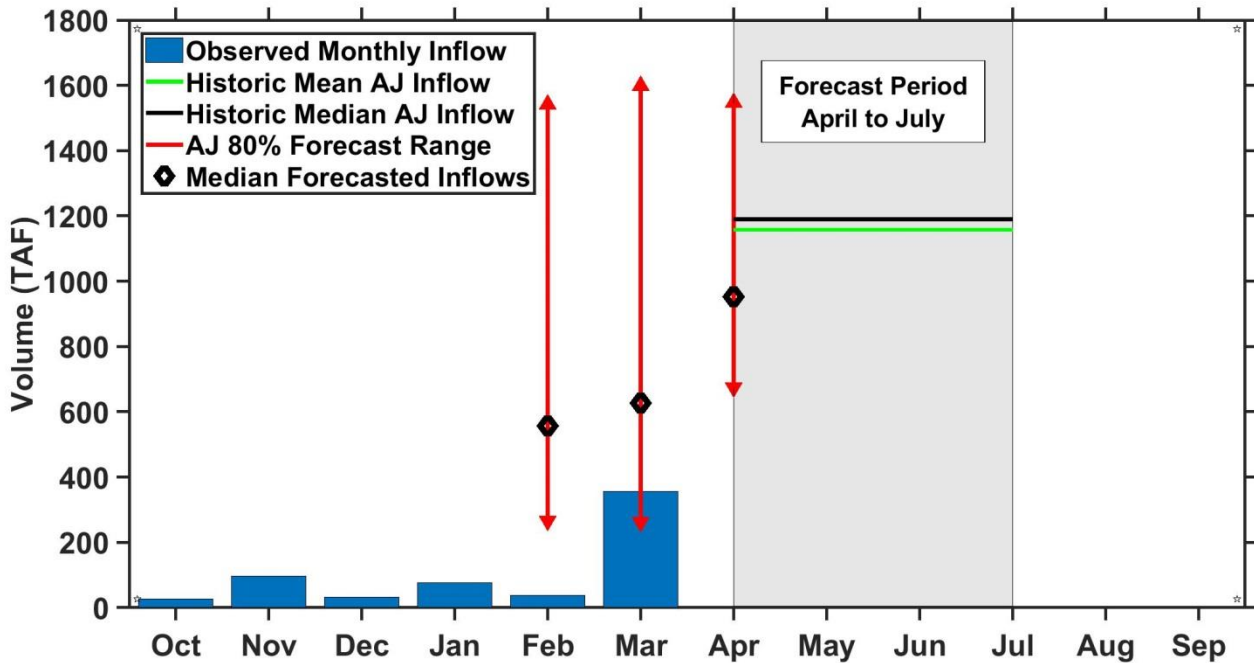


**Figure 4:** Tuolumne Snow Pillow and Snow Course Indices. A set of storm events in March resulted in an increase in snowpack, though we remain below average to date.





**Figure 5:** Calculated unimpaired flow at La Grange and the allocation of flows between the Districts and the City. Current Water Available to the City is 274,578 acre feet in WY2018.



**Figure 6:** Water year 2018 conditions for the Tuolumne River at La Grange and for the 80% water supply forecast range (triangles represent the 90% and 10% forecasts, the open diamond represents the median forecast).

## **STAFF REPORT**

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

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

**Agenda:** May 8, 2018

Report

Date: May 4, 2018

**Subject:** Authorize Entering into a Placement Agent Services Agreement with Backstrom McCarley Berry & Co., LLC to Refinance the District's 2006 Series B Bonds. Also Authorize Entering into an Agreement with Bond Counsel.

---

### **Recommendation:**

Authorize General Manager to enter into a Placement Agent Services Agreement with Backstrom McCarley Berry & Co., LLC (BMcB) to refinance the District's 2006 Series B Bonds. Authorize General Manager to enter into an agreement with Bond Counsel (to be named) to assist with the refinancing.

### **Background:**

The District's 2006 Series B Bonds carry interest rates ranging from 4.375% to 5% annually over the remaining 14 years of the term of the bonds. Per an analysis performed by Backstrom McCarley Berry & Co, LLC (BMcB), the District could potentially save \$450,000 (net present value) by refinancing the bonds (or approximately \$36,000 per year.) This savings is net of the cost of issuance fees (which include BMcB's fees and Bond Counsel's fees.)

District Staff recommends entering into an agreement with BMcB and Bond Counsel in order to explore the opportunities for refinancing. As noted in the terms outlined below, fees are paid to BMcB and Bond Counsel out of the loan proceeds when new financing is executed. In order to complete the new financing, Staff will ask the Board to approve the transaction with a resolution.

Key Terms:

- BMcB will prepare a formal bid request form and distribute to multiple potential lenders. BMcB will include an analysis of bid results; will assist in drafting and reviewing all of the financing documents, and will provide pre-closing and closing assistance.

- BMcB's fees are estimated at \$30,000, however such fees will be paid out of the loan proceeds, and only after the refinancing has been completed. If the refinancing is not completed, the District is not responsible for payment of any fees.
- The Placement Agent's authorization may be terminated by the District or the Placement Agent at any time with or without cause.
- In order to execute the refinancing, the District must also enter into an agreement with Bond Counsel. Terms of the agreement are anticipated to be similar to those outlined with BMcB (including payment of fees to be made from the loan proceeds upon completion of the refinancing.)

BMcB will present at the May 8 Board Meeting.

BMcB is dedicated exclusively to public finance. Recent public finance activities include the SFPUC, Department of Water Resources, City of Oakland; City and County of San Francisco; among many other cities and agencies.



Backstrom McCarley Berry & Co., LLC

115 Sansome St, Mezzanine A, San Francisco, CA 94104 (415) 392-5505

---

May 3rd, 2018

David Dickson, General Manager  
Mary Rogren, Assistant General Manager  
Coastside County Water District  
766 Main Street  
Half Moon Bay, California 94019

Re: Placement Agent Services Agreement  
Coastside County Water District 2018 Water Revenue Bond Refinancing (Direct Purchase)

Dear David & Mary:

On behalf of Backstrom McCarley Berry & Co.,LLC (“BMcB”), we wish to thank you for the opportunity to serve as placement agent on the above referenced transaction. We look forward and very much appreciate the opportunity to serve the District on this financing.

This Agreement, made and entered into, by and between Coastside County Water District (“the District”) and BMcB is for the purpose of establishing BMcB as placement agent for the 2018 Water Revenue Bond Refinancing (the "Financing"). BMcB will be compensated by a fee to be paid from the transaction’s costs of issuance in the not-to-exceed amount of \$30,000 (including our expenses). Payment of the fee will be contingent upon the closing of the transaction. If the transaction does not close, the fee is not payable.

The District agrees that it is engaging BMcB to serve as Placement Agent and acknowledges BMcB is not acting as a financial advisor or municipal advisor with respect to the Financing. Unlike a financial or municipal advisor, BMcB does not have a fiduciary duty to the District. Our role as Placement Agent is to obtain funding for the Financing in an arm’s-length commercial transaction with the District. Our financial interests may differ from the District’s and BMcB is not subject to the fiduciary responsibility established in Section 15B(c)(1) of the Securities Exchange Act of 1934.

Specifically, our placement agent duties and services will include, but are not limited to:

- **Provide Market Updates and Commentary** - BMcB will work with the financing team to provide current market conditions, provide banking and tax legislation updates, and ongoing market trends that may favorably or unfavorably affect the proposed Financing.
- **Monitor and Adhere with Transaction Process** – BMcB will work with the financing team to implement and support the financing strategy and timetable that is adopted. BMcB will provide resources and participate in all activities leading to the successful placement and close of the Financing.



- **Prepare and Distribute Direct Placement Bid Form(s)** - BMcB will prepare a formal bid request form and distribute to multiple potential lenders. This document will also include initial credit information necessary for evaluation purposes for lenders looking to respond to the bid request.
- **Summarize and Provide Bid Response Evaluation** – BMcB will prepare a summary of lender’s responses for the financing team. Summary will include an analysis of bid results and parameters to assist financing team in the decision-making process to obtain the most optimal lending terms for the District. BMcB will be readily available to discuss results in a timely manner and participate in any discussions as needed.
- **Review of Financing Documents** – BMcB will assist financing team in drafting and review of all Financing documents. BMcB will work diligently to provide clear communication and manage expectations between the District and lender to achieve a smooth and timely transaction.
- **Resources and Presentations for Staff and Board** - As deemed appropriate by the financing team, BMcB will prepare market and transaction analysis/results for the District as requested. BMcB will be available to assist in local meetings and/or academic sessions if needed.
- **Provide Pre-Closing and Closing Assistance** – BMcB will assist the financing team to arrange final funding and closing for targeted settlement date and be available as team resource.

**Reliance on Documents.** The District recognizes that, in providing services under this Agreement, the Placement Agent will rely upon and assume the accuracy and completeness of the financial, accounting, tax and other information provided by the District, and the Placement Agent does not assume responsibility for the accuracy and completeness thereof. The Placement Agent will have no obligation to conduct any independent evaluation or appraisal of the assets or the liabilities of the District or any other party or to advise or opine on related solvency issues.

**Termination.** The Placement Agent’s authorization to carry out its duties hereunder may be terminated by the District or the Placement Agent at any time with or without cause, effective upon receipt of written notice to that effect by the other party.

**Effectiveness.** This Agreement shall become effective upon the execution of the acceptance hereof by a duly authorized signatory of the District, which acceptance hereof shall be indicated on the signature page hereof and shall be valid and enforceable as of the time of such acceptance. This Agreement may be executed by facsimile transmission and in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.



**Backstrom McCarley Berry & Co., LLC**

115 Sansome St, Mezzanine A, San Francisco, CA 94104 (415) 392-5505

---

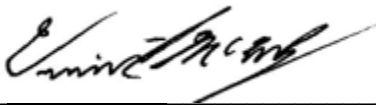
**Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California.

BMcB has no conflict of interest with the District such as third-party payment or profit-sharing with investors or lenders in connection with this financing lease. We've also taken efforts to make a reasonable basis for all information provided and to present it in an accurate and non-misleading manner. BMcB encourages the District to discuss any information or material contained in this communication with any of its internal or external advisors before acting upon this information.

We look forward to working with you and the District on this transaction and truly appreciate the opportunity to serve the District's needs. Thank you.

The District and BMcB have each caused this Agreement to be executed by their duly authorized officers as of the dates written below.

**BACKSTROM MCCARLEY BERRY & CO., LLC**

By:  Date: 5/3/2018

Vincent McCarley  
Chief Executive Officer

CC: Brant Smith

**COASTSIDE COUNTY WATER DISTRICT**

By: \_\_\_\_\_ Date: \_\_\_\_\_



May 3rd, 2018

David Dickson, General Manager  
Mary Rogren, Assistant General Manager  
Coastside County Water District  
766 Main Street  
Half Moon Bay, California 94019

Re: Disclosures by Placement Agent, Backstrom McCarley Berry & Co., LLC (“BMcB”)  
Pursuant to MSRB Rule G-17  
Coastside County Water District 2018 Water Revenue Bond Refinancing (Direct Purchase)

Dear David & Mary:

We are writing to provide you, as an authorized officer of Coastside County Water District (the “Issuer”), with certain disclosures relating to the above captioned financing (the “Financing”), as required by the Municipal Securities Rulemaking Board (MSRB) Rule G-17 as set forth in MSRB Notice 2012-25 (May 7, 2012) (the “Notice”).

Backstrom McCarley Berry & Co., LLC (BMcB) has been engaged to serve as placement agent, and not as a financial advisor or municipal advisor, in connection with the Financing.

As part of our services as placement agent, BMcB may provide advice concerning the structure, timing, terms, and other similar matters concerning the Financing. Any such advice has been, and would be, provided by BMcB as a placement agent and not as your financial advisor in this transaction. Pursuant to the Notice, we are required by the MSRB to advise you of the following:

**I. Disclosures Concerning the Placement Agents’ Role:**

- (i) MSRB Rule G-17 requires a placement agent to deal fairly at all times with both municipal issuers and investors/lenders.
- (ii) The placement agent’s primary role is to place the Financing in an arm’s length commercial transaction with the Issuer. As such, we have financial and other interests that differ from those of the Issuer.
- (iii) The placement agent does not have a fiduciary duty to the Issuer under the federal securities laws and, therefore, not required by federal law to act in the best interests of the Issuer without regard to our own financial or other interests.
- (iv) The placement agent has a duty to place the Financing at a fair and reasonable price, but must balance that duty with its duty to place the Financing with investors or lenders at prices that are fair and reasonable.



**II. Disclosures Concerning the Placement Agent’s Compensation:**

As placement agent, BMcB will be compensated by a not-to-exceed fee of \$30,000 (including all expenses) in connection with the Financing. Payment or receipt of the fee will be contingent on the closing of the transaction.

If you have any questions or concerns about these disclosures, please make those questions or concerns known immediately to the undersigned. In addition, you should consult with your own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate.

It is our understanding that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the subject transaction. If our understanding is incorrect, please notify the undersigned.

Depending on the structure of the transaction which the Issuer decides to pursue, or if potential or actual material conflicts are identified, we may be required to send you additional disclosures regarding the material financial characteristics and risks of such transaction and/or describing those conflicts. At that time, we also will seek your acknowledgement of receipt of any such additional disclosures.

We are required to seek your acknowledgement that you have received this letter. Accordingly, please send us an email to that effect or sign and return the enclosed copy of this letter to me at the address set forth below.

We look forward to working with you and the District in connection with this transaction. We appreciate the opportunity to serve the District in its financing needs. Thank you.

Kind regards,

Backstrom McCarley Berry & Co., LLC  
115 Sansome Street, Mezzanine A  
San Francisco, CA 94104

CC: Brant Smith

**Acknowledgement of Receipt:**

By: \_\_\_\_\_

Date: \_\_\_\_\_



## **STAFF REPORT**

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

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

**Agenda:** May 8, 2018

Report

Date: May 4, 2018

**Subject:** Fiscal Year 2018-2019 Budget Process Timeline

---

### **Recommendation:**

None. Information only.

### **Background:**

The attached Budget Process Timeline lays out the proposed schedule for presentation and consideration of the Fiscal Year 2018-2019 and Fiscal Year 2019-2020 Budgets, the Fiscal Year 18/19 - 27/28 Capital Improvement Program, and Fiscal Year 18/19 - 22/23 Financing Plan. Key timeline milestones follow the pattern established over the last three budget cycles, culminating in the public hearing on the budget scheduled for June 28, 2018.

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

### **Fiscal Impact:**

None.

**Coastside County Water District  
BUDGET (CIP and O&M) PROCESS TIMELINE  
Fiscal Year 2018-2019 and Fiscal Year 2019-2020**

Description	Date
Staff Internal Budget Review – Distribute O&M Budget Worksheets and Update CIP budget spreadsheet	January 2018
Finance Committee Meeting - Introduction to Budget Process/Timeline	January 3, 2018
Present Budget Timeline for Board approval	January 9, 2018 Regular Board Meeting
Special Board Meeting - Rate Study Kickoff	January 17, 2018
Staff Internal Budget Review – Worksheets Due/Review CIP Budget	January 24, 2018
Facilities Committee Meeting – Review Draft CIP Budget	January 31, 2018
Finance Committee Meeting – Review Draft O&M Budget & CIP	February 8, 2018
Present “Draft” O&M Budget and CIP to Board of Directors at Board Meeting	February 13, 2018 Regular Board Meeting
Finance Committee Meeting – Review Draft Financing Plan and Preliminary Rate Study Findings	March 13, 2018 (3PM)
Present “Draft” O&M Budget, CIP, and Financing Plan to Board of Directors at Board Meeting	March 13, 2018 Regular Board Meeting
Customer Outreach – Website – Post Draft Budget and Finance Plan FY 2019	March 30, 2018
Customer Outreach – E-Newsletter – Shared with Facebook and Twitter Message: Public Meeting Schedule for Budget –Links to Operations Budget and CIP	March 30, 2018
Present “Draft” O&M Budgets for FY2018-2019 and FY2019-2020, CIP, and Financing Plan to Board of Directors at Board Meeting	April 10, 2018 Regular Board Meeting
Special Meeting: Budget/Finance Plan Work Session with Board of Directors	April 16, 2018 Special Meeting

May 4, 2018

Special Meeting: Budget/Finance Plan Work Session with Board of Directors; Approve Notice of Public Hearing (Prop 218)	May 3, 2018 Special Meeting
Present "Draft" O&M Budgets for FY2018-2019 and FY2019-2020, CIP, Financing Plan, and Cost of Service and Rate Study to Board of Directors at Board Meeting	May 8, 2018 Regular Board Meeting
Mail Notice of Rate Increase (Prop 218) – Minimum 45-Day Notice Before Public Hearing and post Notice on Bulletin Board.	May 10, 2018
Prop 218 Notice published in the Half Moon Bay Review	May 16, 2018 & May 23, 2018
Customer Outreach – E-Newsletter Message: Understanding Budget and Proposed Rate Increase	May 17, 2018
Present "Draft" O&M Budgets for FY2018-2019 and FY2019-2020, CIP, Financing Plan, and Cost of Service and Rate Study to Board of Directors at Board Meeting	June 12, 2018 Regular Board Meeting
Public Hearing - Approve O&M Budget and CIP – Approve Rate Adjustments for FY2018-2019 and FY2019-2020	June 28, 2018 7PM Public Hearing

May 4, 2018

## **STAFF REPORT**

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

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

**Agenda:** May 8, 2018

### **Report**

**Date:** May 4, 2018

**Subject:** Proposed Draft Fiscal Year 2018-2019 and Draft Fiscal Year 2019-2020 Operations Budgets; Draft Fiscal Year 2018/2019 to 2027/2028 Capital Improvement Program (CIP); Draft Fiscal Year 2018/2019 to 2022/2023 District Financing Plan; Proposed Rate Increases for Fiscal Years 2018-2019 and 2019-2020; and Draft Cost of Service and Rate Study; Notice of Public Hearing to Consider and Adopt Proposed Rate Adjustments

---

### **Recommendation:**

No Board action required at this time.

### **Background:**

In Special Meetings of the Board of Directors on April 16 and May 3, the Board and Staff conducted special work sessions to review the draft Fiscal Years 2018-2019 and 2019-2020 Operations Budgets; the draft Fiscal Year 2018/19 to 2027/28 Capital Improvement Program (CIP); the draft Fiscal Year 2018/19 to 2022/23 Financing Plan and the proposed rate adjustments for Fiscal Years 2018-2019 and 2019-2020. The Board also met with the District's rate consultants, Raftelis Financial Consultants, and reviewed their Cost of Service and Rate Study which included a recommendation for restructuring the District's water rates and tier structure.

The recommendations that came out of the two work sessions are outlined below. The end result of these two special Board meetings is that the Board set a rescheduled public hearing for June 28, 2018 at 7:00 PM and authorized Staff to issue a Notice of Public Hearing to consider the adoption of the proposed rate adjustments for Fiscal Years 2018-2019 and 2019-2020.

### **Operations Budgets and Capital Improvement Program (CIP)**

Staff has prepared two years of Operations Budgets, Fiscal Years 2018-2019 (Exhibit A) and 2019-2020 (Exhibit B) for the Board's consideration. Two years of budgets are included as Staff recommends that the Board approve two years of revenue increases.

Below is a recap of the current and the projected budgets for the next two fiscal years, without consideration of any rate increases.

**STAFF REPORT**

Agenda: May 8, 2018

Subject: Proposed Draft FY2018/2019 and FY2019/2020 Budgets, CIP, etc.

Page 2

	FY 2017/18 Approved Budget	FY2018/19 Draft Budget	% Change from Prior Year' Budget	FY2019/20 Draft Budget	% Change from Prior Year' Budget
<b>REVENUE</b>					
<i>Water Sales in Million Gallons</i>	560 MG	590 MG		596 MG	
<b>Water Sales (1)</b>	\$10,805,600	\$11,450,000	6.0%	\$11,565,000	1.0%
<b>Non-Operating Revenue</b>	\$1,267,174	\$1,366,236	7.8%	\$1,385,570	1.4%
<b>Total Revenue</b>	<u>\$12,072,774</u>	<u>\$12,816,236</u>	6.2%	<u>\$12,950,570</u>	1.0%
<b>OPERATING EXPENSES</b>	\$8,179,756	\$8,354,018	2.1%	\$8,639,805	3.4%
<b>DEBT SERVICE</b>	\$1,147,697	\$1,146,744	-0.1%	\$1,144,611	-0.2%
<b>CONTRIBUTION TO CIP AND RESERVES</b>	<u>\$2,745,322</u>	<u>\$3,315,474</u>	20.8%	<u>\$3,166,154</u>	-4.5%

(1) FY2018/19 and FY2019/20 Water Sales do not include any rate adjustments - still to be determined  
Water sales are budgeted using FY17/18 Actual Rates

Highlights of the draft Operation Budgets and CIP follow below:

#### *Budget to Budget Comparison*

- FY2018/19 Operations Budget assumes water sales at 590 MG, up from the 560 MG planned in the FY2017/18 Budget. FY2019/20 assumes 596 MG in water sales. As the rate adjustment is still to be determined, no rate adjustment has been included in the draft budget.
- FY2018/19 water purchases from SFPUC are \$206,000 less than the FY2017/18 budget primarily due to an increased use of local source water. (Note that the District's FY2017/18 investment of \$2.7M in capital improvements at the Denniston Treatment Plant and replacement of the Bridgeport pipeline allow us to utilize more of our local water.)
- The FY2018/19 and FY2019/20 Operations Budgets do not include any water rate increases from SFPUC given SFPUC's latest rate projections.
- Total FY2018/19 Operating Expenses are 2.1% higher than the FY2017/18 (or \$174,000), primarily due to inflationary increases offset by the decrease in water purchases. Total FY2019/20 Operating Expenses are 3.3% higher than the FY2018/19 budget, (or \$286,000) due to inflationary increases

#### *Capital Improvement Program (CIP) – Exhibit C*

- \$32,710,000 total 10-year CIP (FY2019 dollars)
- \$18,130,000 total 5-year CIP (average of \$3,626,000 per year)
  - Increase of \$2,390,000 for 5-year CIP over prior year's CIP for the same 5-year period, primarily due to increases in cost estimates for tank recoating/rehabilitation and pipeline projects.

### Financing Plan and Proposed Rate Increases

The District utilizes a multi-year financing model (developed in May 2017 by HF&H Consultants and considered to be an industry standard approach) to evaluate the impact of its rate increases on the financial reserves of the District. Staff has updated the model with the draft Fiscal Year 2018-2019 and 2019-2020 Operations budgets and draft Fiscal Years 2019/20 to 2022/23 Capital Improvement Program (CIP). Staff will review the model with the Board (Exhibit D) which summarizes the series of rate increases needed to fund District operating expenses and capital improvement program and to build and maintain an adequate level of reserves.

As discussed in last year's financing plan discussions and as recommended by HF&H in May 2017, ideally, the District should target a Cash Reserve Balance at the beginning of the fiscal year to include:

- 25% of Operating Expenses (for ongoing cashflow requirements; equal to 1 ½ billing cycles; *(approximately \$2.1M)*); *plus*
- 100% of annual Debt Service payments (*\$1.1 Million*); *plus*
- 100% of the year's "Pay as you go" Capital Improvement Projects (*averages \$3.6M per year over next five years*)

For a total of nearly \$6.8M in targeted cash reserves.

Although the District's projected cash reserves at the end of FY2017/18 will still be short of the District's ideal target, the District continues to make significant progress in increasing its reserves given its stronger than projected financial results in FY2017/18 due to higher than projected sales as well as operating expense savings, particularly given increased use of local water sources vs. water purchased from the SFPUC.

In consideration of the Financing Plan, and assuming that the District funds its capital improvements on a "pay as you go" basis (as opposed to obtaining loans,) District Staff recommends that the Board approve two years of rate increases that will support a 2.3% revenue increase in Fiscal Year 2018-2019 (to be effective on and after July 1, 2018) and a 4% revenue increase in Fiscal Year 2019-2020 (to be effective on and after July 1, 2019)

### Cost of Service Analysis and Rate Study

In January 2018, the District retained Raftelis Financial Consultants Inc. to perform a cost of service analysis and to develop a cost of service-based rate structure that supports the District's revenue requirement as determined by the District's financial plan. The cost of service-based rates will comply with the substantive requirements of Proposition 218 as interpreted by the courts, including the April 2015 Appellate Court decision in Capistrano Taxpayers Association, Inc. v. City of San Juan Capistrano.

The cost of service analysis is the fundamental benchmark used to establish utility rates in the United States. The cost of service analysis is used to allocate/recover the District's costs to users in proportion to their use of the system, recognizing the impact of each customer class on system facilities and operations.

At the April 16 work session, Raftelis reviewed the results of their Cost of Service and Rate Study and presented their recommendations for changes to the District's rate structure, including restructuring of the District's residential tier breakpoints to reflect service cost allocations. At the May 3 work session, staff reviewed the Cost of Service and Rate Study and presented an alternative rate increase proposal developed in collaboration with Raftelis Financial Consultants that is based on a lower revenue requirement for Fiscal Year 2018-2019 (down from the proposed 4% to a 2.3% overall increase) and a reallocation of costs among the base charges, the water consumption quantity charges, and the classes of customers. Based on the two public work sessions, the proposed rate structure reflects the District's proposed revenue requirement of an overall 2.3% increase in Fiscal Year 2018-2019 and a 4% increase in Fiscal Year 2019-2020, however rate adjustments will vary between customer classes and usage levels as a result of the tier realignment. Based on the Cost of Service and Rate Study, the base service charge will increase for all meter sizes with the exception of 4" meters; the water consumption quantity charge tier structure is proposed to be realigned from 4 tiers to 3 tiers, and the water consumption quantity charge will decrease for Tier 1, but will increase for Tiers 2 and 3. Therefore, some customers will see a decrease or below average increase, while other customers will see an increase higher than the overall increase. The proposed water rate adjustments are shown on the attached draft Notice of Public Hearing - Proposed FY 2018-2019 and FY 2019-2020 Rate Adjustments for Water Services (Exhibit E.)

#### Other Changes

On the draft Notice of Public Hearing, please note that the "Fire Detector Check Valve Service Charge" has been renamed to "Fire Service Charge."

**YEAR 1 Operations & Maintenance Budget - FY 2018-2019**

<i>02-Apr-18</i>		Proposed Budget FY 18/19	Approved FY 17/18 Budget	FY18/19 Budget Vs. FY 17/18 Budget \$ Change	FY18/19 Budget Vs. FY 17/18 Budget % Change	Proj Year End FY 17/18	FY 18/19 Budget Vs. FY 17/18 Actual \$ Change	FY 18/19 Budget Vs. FY 17/18 Actual % Change	YTD Actual FY 17/18 as of February 28, 2018
Account Number	Description		Budget	\$ Change	% Change	FY 17/18	\$ Change	% Change	
<b>OPERATING REVENUE</b>									
4120	Water Sales *	\$11,300,000	\$10,805,600	\$494,400	4.6%	\$11,300,000	\$0	0.0%	\$7,853,216
<b>Total Operating Revenue</b>		<b>\$11,300,000</b>	<b>\$10,805,600</b>	<b>\$494,400</b>	<b>4.6%</b>	<b>\$11,300,000</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$7,853,216</b>
<b>NON-OPERATING REVENUE</b>									
4170	Hydrant Sales	\$50,000	\$50,000	\$0	0.0%	\$50,000	\$0	0.0%	\$40,121
4180	Late Penalty	\$60,000	\$60,000	\$0	0.0%	\$60,000	\$0	0.0%	\$37,088
4230	Service Connections	\$10,000	\$10,000	\$0	0.0%	\$10,000	\$0	0.0%	\$7,999
4920	Interest Earned	\$6,236	\$6,174	\$62	1.0%	\$6,174	\$62	1.0%	\$5,943
4930	Property Taxes	\$725,000	\$700,000	\$25,000	3.6%	\$725,000	\$0	0.0%	\$510,111
4950	Miscellaneous	\$25,000	\$37,000	-\$12,000	-32.4%	\$25,000	\$0	0.0%	\$14,606
4955	Cell Site Lease Income	\$165,000	\$154,000	\$11,000	7.1%	\$154,000	\$11,000	7.1%	\$103,937
4965	ERAF Refund	\$325,000	\$250,000	\$75,000	30.0%	\$366,651	-\$41,651	-11.4%	\$366,651
<b>Total Non-Operating Revenue</b>		<b>\$1,366,236</b>	<b>\$1,267,174</b>	<b>\$99,062</b>	<b>7.8%</b>	<b>\$1,396,825</b>	<b>-\$30,589</b>	<b>-2.2%</b>	<b>\$1,086,456</b>
<b>TOTAL REVENUES</b>		<b>\$12,666,236</b>	<b>\$12,072,774</b>	<b>\$593,462</b>	<b>4.9%</b>	<b>\$12,696,825</b>	<b>-\$30,589</b>	<b>-0.2%</b>	<b>\$8,939,672</b>
<b>OPERATING EXPENSES</b>									
5130	Water Purchased	\$1,826,618	\$2,106,991	-\$280,373	-13.3%	\$1,850,000	-\$23,382	-1.3%	\$1,301,837
5230	Electrical Exp. Nunes WTP	\$42,697	\$40,280	\$2,417	6.0%	\$40,280	\$2,417	6.0%	\$24,799
5231	Electrical Expenses, CSP	\$337,080	\$318,000	\$19,080	6.0%	\$318,000	\$19,080	6.0%	\$233,574
5232	Electrical	\$26,966	\$25,440	\$1,526	6.0%	\$25,440	\$1,526	6.0%	\$15,390
5233	Elec Exp/Pilarcitos Cyn	\$34,248	\$32,309	\$1,939	6.0%	\$32,309	\$1,939	6.0%	\$19,829
5234	Electrical Exp., Denn	\$130,000	\$92,220	\$37,780	41.0%	\$120,000	\$10,000	8.3%	\$59,983
5242	CSP - Operation	\$10,700	\$10,500	\$200	1.9%	\$10,500	\$200	1.9%	\$6,679
5243	CSP - Maintenance	\$37,000	\$37,000	\$0	0.0%	\$37,000	\$0	0.0%	\$6,154
5246	Nunes WTP Oper	\$77,850	\$72,000	\$5,850	8.1%	\$72,000	\$5,850	8.1%	\$31,867
5247	Nunes WTP Maint	\$115,250	\$122,500	-\$7,250	-5.9%	\$122,500	-\$7,250	-5.9%	\$78,547
5248	Denn. WTP Oper.	\$45,050	\$34,500	\$10,550	30.6%	\$45,000	\$50	0.1%	\$32,789
5249	Denn WTP Maint	\$101,850	\$60,000	\$41,850	69.8%	\$100,000	\$1,850	1.9%	\$61,563
5250	Laboratory Expenses	\$71,450	\$53,000	\$18,450	34.8%	\$59,000	\$12,450	21.1%	\$39,809
5260	Maintenance Expenses	\$291,700	\$291,700	\$0	0.0%	\$291,700	\$0	0.0%	\$184,552
5261	Maintenance, Wells	\$40,000	\$40,000	\$0	0.0%	\$40,000	\$0	0.0%	\$0
5263	Uniforms	\$12,500	\$10,000	\$2,500		\$10,000	\$2,500	25.0%	\$4,764
5318	Studies/Surveys/Consulting	\$160,000	\$160,000	\$0	0.0%	\$160,000	\$0	0.0%	\$52,445
5321	Water Resources	\$25,200	\$37,000	-\$11,800	-31.9%	\$24,000	\$1,200	5.0%	\$9,242
5322	Community Outreach	\$54,700	\$54,700	\$0	0.0%	\$54,700	\$0	0.0%	\$19,550
5381	Legal	\$100,000	\$110,000	-\$10,000	-9.1%	\$100,000	\$0	0.0%	\$30,306
5382	Engineering	\$60,000	\$100,000	-\$40,000	-40.0%	\$60,000	\$0	0.0%	\$24,655
5383	Financial Services	\$20,000	\$20,000	\$0	0.0%	\$20,000	\$0	0.0%	\$13,938
5384	Computer Services	\$163,600	\$144,800	\$18,800	13.0%	\$144,800	\$18,800	13.0%	\$79,319
5410	Salaries, Admin.	\$1,133,881	\$1,150,980	-\$17,099	-1.5%	\$950,000	\$183,881	19.4%	\$573,922



**YEAR 1 Operations & Maintenance Budget - FY 2018-2019**

<i>02-Apr-18</i>		Proposed Budget FY 18/19	Approved FY 17/18 Budget	FY18/19 Budget Vs. FY 17/18 Budget		Proj Year End FY 17/18	FY 18/19 Budget Vs. FY 17/18 Actual		FY 18/19 Budget Vs. FY 17/18 Actual	YTD Actual FY 17/18 as of February 28, 2018
Account Number	Description			\$ Change	% Change		\$ Change	% Change		
5411	Salaries - Field	\$1,400,505	\$1,266,081	\$134,424	10.6%	\$1,340,000	\$60,505	4.5%	\$876,332	
5420	Payroll Taxes	\$177,733	\$170,555	\$7,178	4.2%	\$170,555	\$7,178	4.2%	\$102,743	
5435	Employee Medical Insurance	\$444,246	\$447,056	-\$2,809	-0.6%	\$425,000	\$19,246	4.5%	\$260,367	
5436	Retiree Medical Insurance	\$50,659	\$47,215	\$3,444	7.3%	\$47,215	\$3,444	7.3%	\$26,580	
5440	Employee Retirement	\$598,859	\$544,380	\$54,479	10.0%	\$544,380	\$54,479	10.0%	\$336,119	
5445	SIP 401a Plan	\$35,000	\$35,000	\$0	0.0%	\$35,000	\$0	0.0%	\$0	
5510	Motor Vehicle Exp.	\$60,000	\$50,700	\$9,300	18.3%	\$60,000	\$0	0.0%	\$48,755	
5620	Office & Billing Expenses	\$261,600	\$225,500	\$36,100	16.0%	\$225,500	\$36,100	16.0%	\$150,527	
5625	Meetings/Training/Seminars	\$26,000	\$24,000	\$2,000	8.3%	\$24,000	\$2,000	8.3%	\$16,562	
5630	Insurance	\$129,000	\$120,000	\$9,000	7.5%	\$126,000	\$3,000	2.4%	\$85,582	
5687	Memberships & Subscriptions	\$75,970	\$75,350	\$620	0.8%	\$75,350	\$620	0.8%	\$54,149	
5688	Election Expense	\$25,000	\$0	\$25,000		\$0	\$25,000		\$0	
5689	Union Expenses	\$6,000	\$6,000	\$0	0.0%	\$6,000	\$0	0.0%	\$0	
5700	County Fees	\$20,000	\$20,000	\$0	0.0%	\$20,000	\$0	0.0%	\$12,856	
5705	State Fees	\$36,500	\$24,000	\$12,500	52.1%	\$36,000	\$500	1.4%	\$26,620	
<b>Total Operating Expenses</b>		<b>\$8,265,411</b>	<b>\$8,179,756</b>	<b>\$85,655</b>	<b>1.0%</b>	<b>\$7,822,229</b>	<b>\$443,182</b>	<b>5.7%</b>	<b>\$4,902,704</b>	
<b>CAPITAL ACCOUNTS</b>										
5712	Existing Bonds - 2006B	\$486,383	\$486,776	-\$393	-0.1%	\$486,776	-\$393	-0.1%	\$362,515	
5715	Existing Bond-CIEDB 11-099	\$336,126	\$336,269	-\$143	0.0%	\$336,269	-\$143	0.0%	\$336,269	
5716	CIEDB 16-111	\$324,235	\$324,652	-\$417		\$324,652	-\$417		\$324,652	
<b>Total Capital Accounts</b>		<b>\$1,146,744</b>	<b>\$1,147,697</b>	<b>-\$953</b>	<b>-0.1%</b>	<b>\$1,147,697</b>	<b>-\$953</b>	<b>-0.1%</b>	<b>\$1,023,436</b>	
<b>TOTAL REVENUE LESS TOTAL EXPENSE</b>		<b>\$3,254,081</b>	<b>\$2,745,322</b>	<b>\$508,760</b>	<b>18.5%</b>	<b>\$3,726,899</b>	<b>-\$472,818</b>	<b>-12.7%</b>	<b>\$3,013,532</b>	
5713	Cont. to CIP & Reserves	\$3,254,081								

\* Estimated at 580 MG (increase from 560 MG in FY2017/18 budget)  
Does not reflect any rate adjustment - TBD

**YEAR 2 Operations & Maintenance Budget - FY 2019-2020**

		Proposed FY 19/20	Proposed FY 18/19	FY19/20 Budget Vs. FY 18/19 Budget	FY19/20 Budget Vs. FY 18/19 Budget	Approved FY 17/18
<i>03-Apr-18</i>						
Account Number	Description	Budget	Budget	\$ Change	% Change	Budget
<b>OPERATING REVENUE</b>						
4120	Water Sales *	\$11,413,000	\$11,300,000	\$113,000	1.0%	\$10,805,600
<b>Total Operating Revenue</b>		<b>\$11,413,000</b>	<b>\$11,300,000</b>	<b>\$113,000</b>	<b>1.0%</b>	<b>\$10,805,600</b>
<b>NON-OPERATING REVENUE</b>						
4170	Hydrant Sales	\$50,000	\$50,000	\$0	0.0%	\$50,000
4180	Late Penalty	\$60,000	\$60,000	\$0	0.0%	\$60,000
4230	Service Connections	\$10,000	\$10,000	\$0	0.0%	\$10,000
4920	Interest Earned	\$6,300	\$6,236	\$64	1.0%	\$6,174
4930	Property Taxes	\$725,000	\$725,000	\$0	0.0%	\$700,000
4950	Miscellaneous	\$25,000	\$25,000	\$0	0.0%	\$37,000
4955	Cell Site Lease Income	\$171,300	\$165,000	\$6,300	3.8%	\$154,000
4965	ERAF Refund	\$338,000	\$325,000	\$13,000	4.0%	\$250,000
<b>Total Non-Operating Revenue</b>		<b>\$1,385,600</b>	<b>\$1,366,236</b>	<b>\$19,364</b>	<b>1.4%</b>	<b>\$1,267,174</b>
<b>TOTAL REVENUES</b>		<b>\$12,798,600</b>	<b>\$12,666,236</b>	<b>\$132,364</b>	<b>1.0%</b>	<b>\$12,072,774</b>
<b>OPERATING EXPENSES</b>						
5130	Water Purchased	\$1,852,720	\$1,826,618	\$26,102	1.4%	\$2,106,991
5230	Electrical Exp. Nunes WTP	\$45,259	\$42,697	\$2,562	6.0%	\$40,280
5231	Electrical Expenses, CSP	\$357,305	\$337,080	\$20,225	6.0%	\$318,000
5232	Electrical	\$28,584	\$26,966	\$1,618	6.0%	\$25,440
5233	Elec Exp/Pilarcitos Cyn	\$36,302	\$34,248	\$2,055	6.0%	\$32,309
5234	Electrical Exp., Denn	\$137,800	\$130,000	\$7,800	6.0%	\$92,220
5242	CSP - Operation	\$11,128	\$10,700	\$428	4.0%	\$10,500
5243	CSP - Maintenance	\$37,000	\$37,000	\$0	0.0%	\$37,000
5246	Nunes WTP Oper	\$80,964	\$77,850	\$3,114	4.0%	\$72,000
5247	Nunes WTP Maint	\$115,250	\$115,250	\$0	0.0%	\$122,500
5248	Denn. WTP Oper.	\$47,000	\$45,050	\$1,950	4.3%	\$34,500
5249	Denn WTP Maint	\$104,000	\$101,850	\$2,150	2.1%	\$60,000
5250	Laboratory Expenses	\$74,000	\$71,450	\$2,550	3.6%	\$53,000
5260	Maintenance Expenses	\$300,000	\$291,700	\$8,300	2.8%	\$291,700
5261	Maintenance, Wells	\$40,000	\$40,000	\$0	0.0%	\$40,000
5263	Uniforms	\$12,500	\$12,500	\$0		\$10,000
5318	Studies/Surveys/Consulting	\$160,000	\$160,000	\$0	0.0%	\$160,000
5321	Water Resources	\$26,200	\$25,200	\$1,000	4.0%	\$37,000
5322	Community Outreach	\$56,900	\$54,700	\$2,200	4.0%	\$54,700
5381	Legal	\$100,000	\$100,000	\$0	0.0%	\$110,000
5382	Engineering	\$62,000	\$60,000	\$2,000	3.3%	\$100,000
5383	Financial Services	\$22,000	\$20,000	\$2,000	10.0%	\$20,000
5384	Computer Services	\$167,600	\$163,600	\$4,000	2.4%	\$144,800
5410	Salaries, Admin.	\$1,179,832	\$1,133,881	\$45,952	4.1%	\$1,150,980
5411	Salaries - Field	\$1,468,260	\$1,400,505	\$67,755	4.8%	\$1,266,081

**YEAR 2 Operations & Maintenance Budget - FY 2019-2020**

		Proposed FY 19/20	Proposed FY 18/19	FY19/20 Budget Vs. FY 18/19 Budget	FY19/20 Budget Vs. FY 18/19 Budget	Approved FY 17/18
<i>03-Apr-18</i>						
Account Number	Description	Budget	Budget	\$ Change	% Change	Budget
5420	Payroll Taxes	\$184,136	\$177,733	\$6,403	3.6%	\$170,555
5435	Employee Medical Insurance	\$481,419	\$444,246	\$37,173	8.4%	\$447,056
5436	Retiree Medical Insurance	\$55,274	\$50,659	\$4,615	9.1%	\$47,215
5440	Employee Retirement	\$618,869	\$598,859	\$20,010	3.3%	\$544,380
5445	SIP 401a Plan	\$35,000	\$35,000	\$0	0.0%	\$35,000
5510	Motor Vehicle Exp.	\$63,000	\$60,000	\$3,000	5.0%	\$50,700
5620	Office & Billing Expenses	\$272,200	\$261,600	\$10,600	4.1%	\$225,500
5625	Meetings/Training/Seminars	\$27,000	\$26,000	\$1,000	3.8%	\$24,000
5630	Insurance	\$137,000	\$129,000	\$8,000	6.2%	\$120,000
5687	Memberships & Subscriptions	\$78,970	\$75,970	\$3,000	3.9%	\$75,350
5688	Election Expense	\$0	\$25,000	-\$25,000	-100.0%	\$0
5689	Union Expenses	\$6,000	\$6,000	\$0	0.0%	\$6,000
5700	County Fees	\$24,000	\$20,000	\$4,000	20.0%	\$20,000
5705	State Fees	\$36,500	\$36,500	\$0	0.0%	\$24,000
<b>Total Operating Expenses</b>		<b>\$8,541,971</b>	<b>\$8,265,411</b>	<b>\$276,560</b>	<b>3.2%</b>	<b>\$8,179,756</b>
<b>CAPITAL ACCOUNTS</b>						
5712	Existing Bonds - 2006B	\$484,831	\$486,383	-\$1,552	-0.3%	\$486,776
5715	Existing Bond-CIEDB 11-099	\$335,977	\$336,126	-\$149	0.0%	\$336,269
5716	CIEDB 16-111	\$323,803	\$324,235	-\$432		\$324,652
<b>Total Capital Accounts</b>		<b>\$1,144,611</b>	<b>\$1,146,744</b>	<b>-\$2,133</b>	<b>-0.2%</b>	<b>\$1,147,697</b>
<b>TOTAL REVENUE LESS TOTAL EXPENSE</b>		<b>\$3,112,018</b>	<b>\$3,254,081</b>	<b>-\$142,063</b>	<b>-4.4%</b>	<b>\$2,745,322</b>
5713	Cont. to CIP & Reserves	\$3,112,018				

\* Estimated at 586 MG (1% volume increase from 580 MG in FY2018/19 budget)

Rate adjustment for FY2018/19 and FY 2019/20 is still TBD - reflects FT2017/18 rates

Project #	Project Name	Comments	FY18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY26/27	FY27/28	FY 18/19 to FY 27/28 Total
<b>Equipment Purchase &amp; Replacement</b>													
06-03	SCADA/Telemetry/Electric Controls Replacement (Backup Communications @ Cahill, PRV controls)		\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 500,000
08-10	Backhoe			\$ 200,000									\$ 200,000
15-04	Vactor Truck/Trailer							\$ 500,000					\$ 500,000
19-XX	Valve truck	New FY18-19. Valve truck will replace the valve exercising trailer that was purchased ~10 years ago.			\$ 225,000								\$ 225,000
99-02	Vehicle Replacement	Increase budget by \$10K per year	\$ 100,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 460,000
<b>Equipment Purchase &amp; Replacement Totals</b>			<b>\$ 150,000</b>	<b>\$ 290,000</b>	<b>\$ 315,000</b>	<b>\$ 90,000</b>	<b>\$ 90,000</b>	<b>\$ 590,000</b>	<b>\$ 90,000</b>	<b>\$ 90,000</b>	<b>\$ 90,000</b>	<b>\$ 90,000</b>	<b>\$ 1,885,000</b>

**Facilities & Maintenance**

08-08	PRV Valves Replacement Project		\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000							\$ 120,000
09-09	Fire Hydrant Replacement	Increase from \$40K to \$140K per year	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 1,000,000
15-03	District Administration/Operations Center								\$ 3,000,000				\$ 3,000,000
16-07	Sample Station Replacement Project	Increase from \$20K to \$30K	\$ 30,000										\$ 30,000
17-15	Pilarcitos Canyon Emergency Road Repairs	Moved from FY17/18 to FY18/19 (restoration work from Feb 2017 storms)	\$ 100,000										\$ 100,000
18-13	Denniston WTP and Tank Road Repairs and Paving	New	\$ 100,000										\$ 100,000
99-01	Meter Change Program	Ongoing replacement of larger meters	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 200,000
<b>Facilities and Maintenance Totals</b>			<b>\$ 420,000</b>	<b>\$ 190,000</b>	<b>\$ 190,000</b>	<b>\$ 190,000</b>	<b>\$ 160,000</b>	<b>\$ 160,000</b>	<b>\$ 60,000</b>	<b>\$ 3,060,000</b>	<b>\$ 60,000</b>	<b>\$ 60,000</b>	<b>\$ 4,550,000</b>

**Pipeline Projects**

06-02	Highway 1 South Pipeline Replacement Project	Increase from \$500K to \$750K	\$ 750,000										\$ 750,000
07-03	Pilarcitos Canyon Pipeline Replacement	Increase from \$600K to \$700K - need SFPUC approval; moved from FY18/19 to FY19/20		\$ 700,000									\$ 700,000
07-04	Bell Moon Pipeline Replacement Project	move up from FY23/24 and FY24/25	\$ 60,000	\$ 250,000									\$ 310,000
13-02	Replace 8 Inch Pipeline Under Creek at Pilarcitos Ave	Add \$50K for design	\$ 50,000			\$ 400,000							\$ 450,000
14-01	Replace 12" Welded Steel Line on Hwy 92 with 8"	Add \$100K for design	\$ 100,000					\$ 1,000,000	\$ 1,000,000	\$ 1,000,000			\$ 3,100,000
14-27	Grandview 2 Inch Replacement	Increased project by \$1M in FY23/24 - due to expanded scope; design in FY18/19	\$ 50,000					\$ 1,450,000					\$ 1,500,000
14-28	Replace 2 Inch Hilltop Market to Spanishtown							\$ 240,000					\$ 240,000
14-29	Replace 2 Inch GS Purissima Way	Move out from FY19/20 to FY20/21			\$ 125,000								\$ 125,000
14-30	Replace Miscellaneous 2 Inch GS El Granada	Move up from FY19/20 to FY18/19	\$ 60,000										\$ 60,000
14-31	Ferdinand Avenue - Replace 4" WS Ferdinand Ave. to Columbus	Increase from \$225K to \$450K; moved out from FY 19/20 to FY20/21 - add design in FY 18/19	\$ 60,000		\$ 450,000								\$ 510,000
14-32	Casa Del Mar - Replace Cast Iron Mains	Add \$350K for PRVs - FY18/19 and FY19/20 -- will allow us to decrease pressure/extend life; pushed out main replacement to FY26/27 and FY27/28 and increase by \$1M		\$ 350,000							\$ 1,500,000	\$ 1,500,000	\$ 3,350,000
14-33	Miramar Cast Iron Pipeline Replacement	Increase FY24/25 from \$500K to \$1M							\$ 1,000,000	\$ 1,000,000			\$ 2,000,000
16-09	Slipline 10 Inch Pipeline in Magellan at Hwy 1	Move our from FY18/19 to FY20/21			\$ 100,000								\$ 100,000
18-01	Pine Willow Oak - 2400 feet	Increase FY21/22 from \$500K to \$1M				\$ 1,000,000							\$ 1,000,000
19-XX	Grand Blvd Pipeline/PRV Loop				\$ 250,000								
NN-00	Unscheduled CIP	Added line item to cover unscheduled CIP that occurs during the year. Removed pipeline replacements in Yrs 6-10	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 1,000,000
<b>Pipeline Projects Totals</b>			<b>\$ 1,230,000</b>	<b>\$ 1,400,000</b>	<b>\$ 1,025,000</b>	<b>\$ 1,500,000</b>	<b>\$ 100,000</b>	<b>\$ 2,790,000</b>	<b>\$ 2,100,000</b>	<b>\$ 2,100,000</b>	<b>\$ 1,600,000</b>	<b>\$ 1,600,000</b>	<b>\$ 15,195,000</b>

**Pump Stations/Tanks/Wells**

06-04	Hazen's Tank Removal	move from FY17/18 to FY18/19	\$ 30,000										\$ 30,000
08-14	Alves Tank Recoating, Interior & Exterior	Assumes design work plus start of project in FY18/19; \$600K added from prior CIP	\$ 600,000	\$ 1,500,000									\$ 2,100,000
19-01	EG Tank #1 Recoating, Interior & Exterior	New	\$ 100,000	\$ 500,000	\$ 800,000								\$ 1,400,000
19-XX	Miramar Tank - Chime	new - seismic evaluation in FY18/19	\$ 40,000		\$ 250,000								\$ 290,000

Project #	Project Name	Comments	FY18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY26/27	FY27/28	FY 18/19 to FY 27/28 Total
08-16	Cahill Tank Exterior Recoat	increased from \$75K to \$200K		\$ 200,000									\$ 200,000
09-18	Pilarcitos Well Field Improvements	moved - design work in FY18/19 with implementation in FY19/20		\$ 150,000									\$ 150,000
11-02	CSPS Stainless Steel Inlet Valves							\$ 100,000					\$ 100,000
11-05	Half Moon Bay Tank #2 Interior & Exterior Recoat	FY 19/20 and FY20/21 - added design and seismic evaluation \$50K each year; moved tank rehab out from FY20/21 to FY21/22 and increased costs for \$400K to \$750K		\$ 50,000	\$ 50,000	\$ 750,000							\$ 850,000
11-06	Half Moon Bay Tank #3 Interior & Exterior Recoat	FY 19/20 and FY20/21 - added design and seismic evaluation \$50K each year; increased costs of tank rehab for \$400K to \$1M		\$ 50,000	\$ 50,000		\$ 1,000,000						\$ 1,100,000
16-08	Denniston Well Field Improvements	Moved from FY18/19 to FY23/24; increased from \$100K to \$150K						\$ 150,000					\$ 150,000
18-04	CSP Fire System	Moved from FY18/19 to FY23/24;						\$ 40,000					\$ 40,000
18-05	Denniston Tank THM Residual Control	move from FY17/18 to FY18/19	\$ 80,000										\$ 80,000
18-06	CSP -- (3) Butterfly Valves	increased from \$45K to \$80K	\$ 80,000										\$ 80,000
19-XX	Tanks - THM Control	New	\$ 120,000										\$ 120,000

**Pump Stations/Tanks/Wells Totals** \$ 1,050,000 \$ 2,450,000 \$ 1,150,000 \$ 750,000 \$ 1,000,000 \$ 290,000 \$ - \$ - \$ - \$ - \$ - \$ 6,690,000

**Water Supply Development**

12-12	San Vicente Diversion and Pipeline	moved \$100K up from FY19/20 to FY18/19	\$ 100,000	\$ 200,000	\$ 1,000,000	\$ 1,000,000							\$ 2,300,000
13-04	Denniston Reservoir Restoration	move from FY19/20 to FY20/21			\$ 1,000,000								\$ 1,000,000
17-12	Recycled Water Project Development	move from FY17/18 to FY18/19	\$ 100,000										\$ 100,000

**Water Supply Development Totals** \$ 200,000 \$ 200,000 \$ 2,000,000 \$ 1,000,000 \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ 3,400,000

**Water Treatment Plants**

08-07	Nunes Filter Valve Replacement	Changed from \$45K per year for (5) years to \$500K to get work all completed at once; Cost increase includes hiring a contractor to replace the valves (vs. CCWD staff) due to safety issues.	\$ 500,000										\$ 500,000
13-05	Denniston WTP Emergency Power	Move up from FY23/24 to FY19/20; design work in FY19/19	\$ 50,000	\$ 400,000									\$ 450,000
17-01	Nunes Water Treatment Plant Treated Water Meter	removed											\$ -
17-04	Denniston Dam Spillway Repairs	work will be done in FY17/18											\$ -
18-11	Nunes Bulk Caustic Tank	moved from FY17/18 to FY19/20		\$ 40,000									\$ 40,000

**Water Treatment Plants Totals** \$ 550,000 \$ 440,000 \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ 990,000

**GRAND TOTAL** \$ 3,600,000 \$ 4,970,000 \$ 4,680,000 \$ 3,530,000 \$ 1,350,000 \$ 3,830,000 \$ 2,250,000 \$ 5,250,000 \$ 1,750,000 \$ 1,750,000 \$ 32,710,000

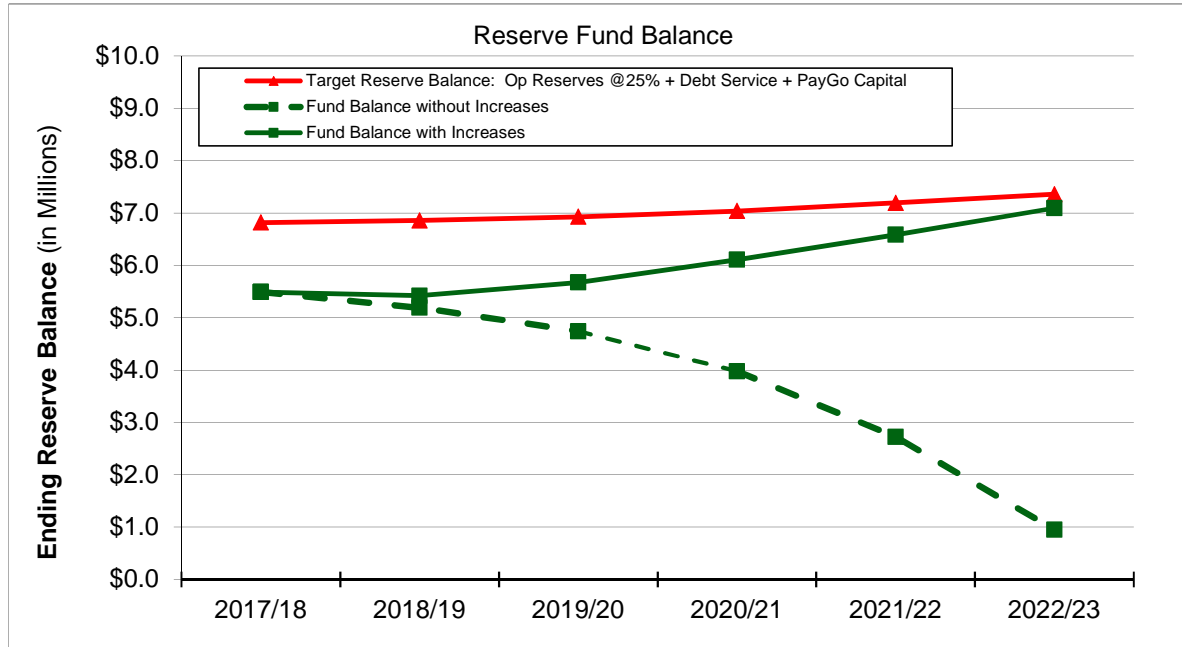
*MEMO - Prior CIP Difference* \$ 3,598,000 \$ 2,238,000 \$ 2,628,000 \$ 4,148,000 \$ 3,128,000 \$ 2,483,000 \$ 1,683,000 \$ 4,683,000 \$ 1,683,000 \$ 30,180,000  
 \$ 2,000 \$ 2,732,000 \$ 2,052,000 \$ (618,000) \$ (1,778,000) \$ 1,347,000 \$ 567,000 \$ 567,000 \$ 67,000

<b>5 year change Recap</b>	<b>\$ 2,390,000</b>	<b>5 year average</b>	<b>\$ 3,626,000</b>
Delay Hwy 92 8 inch	\$ (2,900,000)	Alves Tank Refurbishment	\$ 600,000
Delay Casa del Mar Pipeline Replacement	\$ (2,000,000)	EG Tank #1 Refurbishment (New to CIP)	\$ 1,400,000
Offset by addition of PRVs in Casa del Mar	\$ 350,000	Miramar Tank Chime (New to CIP)	\$ 290,000
Delay Vactor Truck	\$ (500,000)	HMB Tank #2	\$ 430,000
Valve Truck (New to CIP)	\$ 200,000	HMB Tank #3	\$ 680,000
Fire hydrants	\$ 500,000	Nunes Filter Valve Replacement	\$ 275,000
Pipeline Replacement-Hwy 1 South	\$ 250,000	Denniston Emergency Power	\$ 450,000
Pipeline Replacement-Bell Moon	\$ 310,000	Unscheduled CIP placeholder added	\$ 500,000
Pipeline Replacement-Ferdinand	\$ 285,000	Other (< \$200,000 projects)	\$ 520,000
Pipeline Replacement-Pine Willow	\$ 500,000		
Grand Blvd - PRV loop	\$ 250,000		
			<b>\$ 2,390,000</b>

Coastside County Water District  
 Water Rate Analysis (Uses average 5 year capital)  
 Table 1. Summary

Exhibit D

	Projections				
	2018/19	2019/20	2020/21	2021/22	2022/23
Projected Revenue Changes	2%	4%	4%	4%	4%



Recap: Cash Projections

	2018/19	2019/20	2020/21	2021/22	2022/23
Reserves/Cash Balance Beg. Bal.	\$ 5,491,775	\$ 5,446,332	\$ 5,699,652	\$ 6,133,984	\$ 6,610,950
Plus: Contribution to Capital Reserves	\$ 3,544,557	\$ 3,869,020	\$ 4,049,723	\$ 4,092,039	\$ 4,123,453
Plus: Loan Proceeds	.	.	.	.	.
Plus: T&S fees	\$ 10,000	\$ 10,300	\$ 10,609	\$ 10,927	\$ 11,255
Less: Capital Projects	\$ (3,626,000)	\$ (3,626,000)	\$ (3,626,000)	\$ (3,626,000)	\$ (3,626,000)
Reserves/Cash Balance End. Bal.	\$ 5,446,332	\$ 5,699,652	\$ 6,133,984	\$ 6,610,950	\$ 7,119,658



## NOTICE OF PUBLIC HEARING

### PROPOSED FY 2018-2019 AND FY 2019-2020 RATE ADJUSTMENTS FOR WATER SERVICES

MAY 10, 2018

*Coastside County Water District provides customers with reliable, high-quality drinking water and services, while maintaining its facilities and infrastructure. The District's capital improvement program provides that the District's infrastructure is replaced at the end of its life cycle and upgraded to meet current standards.*

**Coastside County Water District is proposing two years of rate increases and changes to its rate structures as shown on page 2 of this notice.** If approved, the new rates will become effective on and after July 1, 2018 for year 1 and July 1, 2019 for year 2.

**The Coastside County Water District Board of Directors will hold a Public Hearing at 7:00 PM on Thursday, June 28, 2018 during a special Board of Director's meeting.**

**The Board of Directors will consider adoption of the proposed water rates for Fiscal Years 2018-2019 and 2019-2020 and changes to the water rate structure affecting all water customers. Interested persons are encouraged to attend and comment. The meeting will be held at Coastside County Water District Office, 766 Main Street, Half Moon Bay, 94019.**

The proposed rate increase is necessitated due to inflationary adjustments in operating expenses; funding of the District's Capital Improvement Program; and increased contributions to the District's reserves. The overall revenue increase for the District is projected to be 2.3% for FY 2018-2019 and 4% for FY 2019-2020.

A restructuring of tier breaks is also being proposed for residential customers based upon an updated Cost of Service Analysis and Rate Study prepared by the District's Water Rate consultant, Raftelis Financial

Consultants Inc. Bills may increase or decrease depending on a customer's water usage. Under the proposed new rates, the typical single family residential customer in FY 2018-2019 using 12 units bi-monthly (Tier 2) would pay an additional \$0.45 per month. Below are examples of how the proposed new tiers and adjusted charges will impact residential bills at various usages.

The basis for the proposed increase in rates is described in the Cost of Service and Rate Study report. Copies of the Cost of Service and Rate Study, Draft Operations Budgets for FY2018-2019 and FY2019-2020, and Capital Improvement Program are available at the District office or online at [www.coastsidewater.org](http://www.coastsidewater.org).

Proposition 218 allows a property owner/customer responsible for paying the water bill to respond to proposed rate increases prior to the close of the public hearing. If you wish to protest the proposed rate changes, CCWD must receive your *written protest* prior to the close of, or during, the public hearing on Thursday, June 28, 2018 at 7:00 PM.

You may deliver the protest in advance by first class mail or personal deliver to: Attention: General Manager, Coastside County Water District, 766 Main Street, Half Moon Bay, CA 94019. Email protests will not be accepted. For your protest to be counted, please include one of the following: address(es) or Assessor Parcel Number(s) of the property(ies) you own, or the utility account number(s) for active utility accounts that are subject to the proposed rate adjustment(s). Protests are limited to one per parcel. If written protests are submitted by a majority of the District's property owners/customers, the proposed rate increases may not be imposed.

Example of Single Family Residential <u>Bi-Monthly</u> Bills				
# units (hcf)	FY 2018-2019 (Billed Every Two Months)		FY 2019-2020	
	Current Bill	Proposed Bill (July, 2018)	Additional Cost Bi-Monthly	Proposed Bill (July, 2019)
4	\$ 90.80	\$ 90.87	\$ 0.07	\$ 94.54
6	\$ 112.34	\$ 108.53	\$ (3.81)	\$ 112.92
12	\$ 176.96	\$ 177.87	\$ 0.91	\$ 185.06
18	\$ 247.82	\$ 260.81	\$ 12.99	\$ 271.34
24	\$ 331.16	\$ 354.59	\$ 23.43	\$ 368.90

Example of Single Family Residential <u>Monthly</u> Bills				
# units (hcf)	FY 2018-2019 (Monthly)		FY 2019-2020	
	Current Bill	Proposed Bill (July, 2018)	Additional Cost - Monthly	Proposed Bill (July, 2019)
2	\$ 45.40	\$ 45.44	\$ 0.04	\$ 47.28
3	\$ 56.17	\$ 54.27	\$ (1.91)	\$ 56.46
6	\$ 88.48	\$ 88.94	\$ 0.45	\$ 92.53
9	\$ 123.91	\$ 130.41	\$ 6.50	\$ 135.67
12	\$ 165.58	\$ 177.30	\$ 11.72	\$ 184.45



## COASTSIDE COUNTY WATER DISTRICT FY 2018– 2019 and FY 2019-2020 PROPOSED AMENDMENTS TO WATER RATE SCHEDULE

### RESIDENTIAL & OTHER CUSTOMERS – BASE CHARGE

Meter Size	BI-MONTHLY BASE CHARGE			MONTHLY BASE CHARGE		
	Current	Proposed Effective July 1, 2018	Proposed Effective July 1, 2019	Current	Proposed Effective July 1, 2018	Proposed Effective July 1, 2019
5/8 inch	\$52.20	\$55.55	\$57.78	\$26.10	\$27.78	\$28.90
5/8 inch for 2 dwelling units	\$104.39	n/a*	n/a	\$52.20	n/a	n/a
3/4 inch	\$78.45	\$82.09	\$85.38	\$39.23	\$41.05	\$42.70
¾ inch for 2 dwelling units	\$156.89	n/a**	n/a	\$78.45	n/a	n/a
1.0 inch	\$130.76	\$135.18	\$140.59	\$65.38	\$67.59	\$70.30
1.5 inch	\$252.52	\$267.90	\$278.62	\$126.26	\$133.95	\$139.31
2.0 inch	\$418.48	\$427.16	\$444.25	\$209.24	\$213.58	\$222.13
3.0 inch	\$915.50	\$931.48	\$968.74	\$457.75	\$465.74	\$484.37
4.0 inch	\$3,139.22	\$1,674.70	\$1,741.69	\$1,569.61	\$837.35	\$870.85

- 5/8 inch for 2 dwelling units will now be charged @ the 5/8-inch rate. \*\* ¾ inch for 2 dwelling units will now be charged @ the ¾ inch rate.

### FIRE SERVICE CHARGE (Formerly called Fire Detector Check Valve Service Charge)

BI-MONTHLY SERVICE CHARGE (By Service Line Size)			MONTHLY SERVICE CHARGE (By Service Line Size)		
Current– Per Inch	Proposed–Per Inch July 1, 2018	Proposed–Per Inch July 1, 2019	Current– Per Inch	Proposed–Per Inch July 1, 2018	Proposed–Per Inch July 1, 2019
\$11.43	\$12.42	\$12.92	\$5.72	\$6.21	\$6.46

### RESIDENTIAL CUSTOMERS - WATER CONSUMPTION QUANTITY CHARGE (One Unit of water equals 100 cubic feet or 748 gallons)

Tier #	BI-MONTHLY QUANTITY CHARGE					MONTHLY QUANTITY CHARGE				
	Current Rate Tiers Bi-monthly Use	Current Water Quantity Charge Per Unit	Proposed Rate Tiers (Bi Monthly) July 1, 2018	Proposed Water Quantity Charge Per Unit Effective July 1, 2018	Proposed Water Quantity Charge Per Unit Effective July 1, 2019	Current Rate Tiers Monthly Use	Current Water Quantity Charge Per Unit	Proposed Rate Tiers (Monthly) Effective July 1, 2018	Proposed Water Quantity Charge Per Unit Effective July 1, 2018	Proposed Water Quantity Charge Per Unit Effective July 1, 2019
1	1 – 4 Units	\$9.65	1 - 8 Units	\$8.83	\$9.19	1 - 2 Units	\$9.65	1 - 4 Units	\$8.83	\$9.19
2	5 – 16 Units	\$10.77	9 - 16 Units	\$12.92	\$13.44	3 - 8 Units	\$10.77	5 - 8 Units	\$12.92	\$13.44
3	17 – 30 Units	\$13.89	17+ Units	\$15.63	\$16.26	9 - 15 Units	\$13.89	9+ Units	\$15.63	\$16.26
4	31+ Units	\$18.41	n/a	n/a	n/a	16+ Units	\$18.41	n/a	n/a	n/a

### ALL OTHER CUSTOMERS - WATER CONSUMPTION QUANTITY CHARGE

Customer Type	WATER RATE QUANTITY CHARGE PER UNIT		
	Current	Proposed – Effective July 1, 2018	Proposed – Effective July 1, 2019
Multi-Family	\$11.88	\$11.77	\$12.25
All Other Customers	\$11.88	\$12.55	\$13.06



## **STAFF REPORT**

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

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

**Agenda:** May 8, 2018

**Report Date:** May 2, 2018

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


---

**Recommendation:** None

**Background:**

- **SFPUC Memo from Steven Ritchie - Final Water Supply Availability Estimate:**

On April 10, 2018, Steven Ritchie distributed the attached memo to the SFPUC Wholesale Customers. Mr. Ritchie notes that "The SFPUC will be able to meet 100% of its customers' needs this year. As always, our customers' commitments to water conservation ensure our ability to carry over water in our reservoirs from one year to the next. This commitment results in improved water supply reliability and reduces the risk of water shortages in the event that next year is dry. All of the users of our water system benefit from the continuation of wise water use."

TO: SFPUC Wholesale Customers 

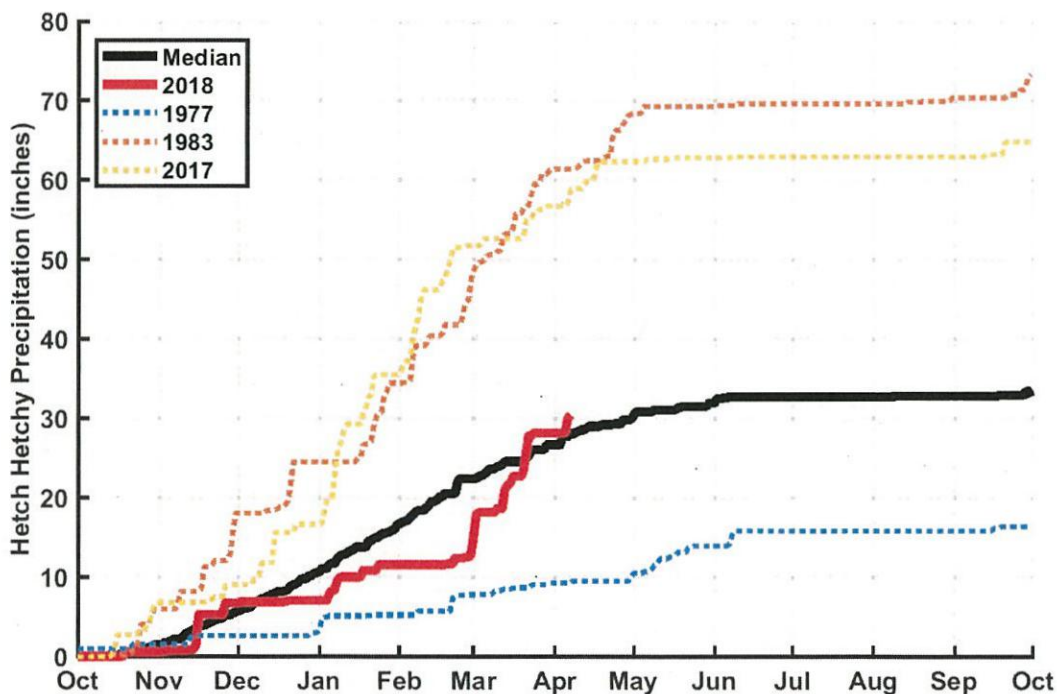
FROM: Steven R. Ritchie, Assistant General Manager, Water

DATE: April 10, 2018

RE: Final Water Supply Availability Estimate

This memo provides an update on the water supply availability estimate provided March 1<sup>st</sup>, 2018 and the current hydrologic conditions.

The plots below provide precipitation at Hetch Hetchy and snowpack in the watershed through April 8<sup>th</sup>, 2018. As the plots show, despite a sluggish winter, the Hetch Hetchy watershed has experienced above average year to date rainfall. While we did receive some significant snowfall in March, the April 1 snow course index is about 75% of median April 1<sup>st</sup> snowpack.



Mark Farrell  
Mayor

Ike Kwon  
President

Vince Courtney  
Vice President

Ann Moller Caen  
Commissioner

Francesca Viotor  
Commissioner

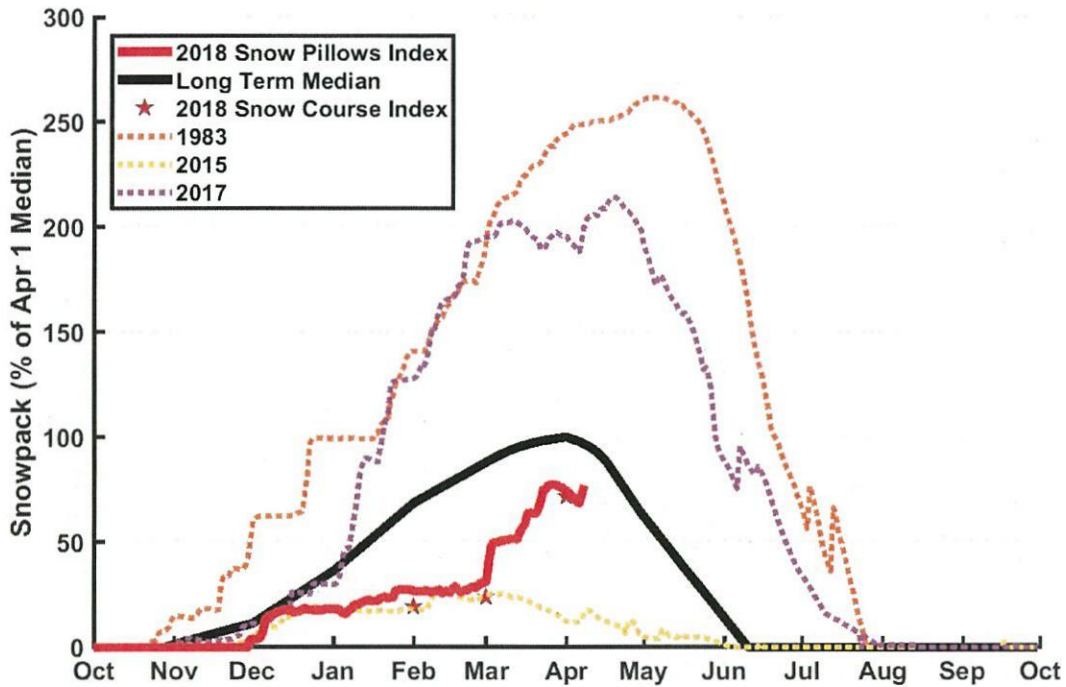
Anson Moran  
Commissioner

Harlan L. Kelly, Jr.  
General Manager

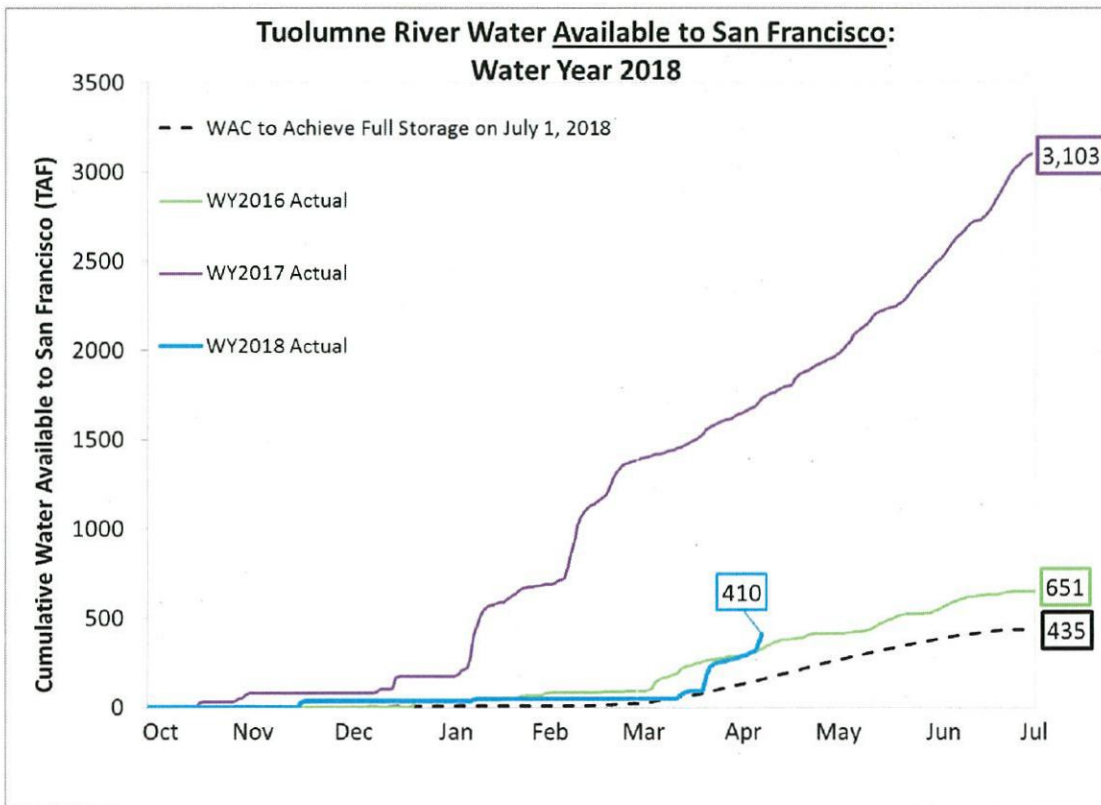
Services of the San Francisco Public Utilities Commission

**OUR MISSION:** To provide our customers with high-quality, efficient and reliable water, power and sewer services in a manner that values environmental and community interests and sustains the resources entrusted to our care.





The below chart on water available to San Francisco under the Raker Act tracks the water needed to fill the entire water system by July 1, 2018. The SFPUC forecasts that under median precipitation through the rest of the rainy season, the SFPUC will fill the water system this year.



The SFPUC will be able to meet 100% of its customers' needs this year. As always, our customers' commitments to water conservation ensure our ability to carry over water in our reservoirs from one year to the next. This commitment results in improved water supply reliability and reduces the risk of water shortages in the event that next year is dry. All of the users of our water system benefit from the continuation of wise water use.

cc.: Nicole Sandkulla, CEO/General Manager, BAWSCA

## ***MONTHLY REPORT***

**To:** David Dickson, General Manager  
**From:** James Derbin, Superintendent of Operations  
**Agenda:** May 8, 2018

### **Report**

**Date:** May 2, 2018

---

### **Monthly Highlights**

- Staff poured a concrete pad, at Denniston WTP, for new propane tank in preparation of heater installation next month
- Staff replaced the 2" WTP utility water Pressure Reducing Valve at Nunes WTP
- Staff replaced the 4" Reduced Pressure Principle (RP) backflow prevention assembly at Denniston WTP and tested
- Staff responded to three leaks on the 2" galvanized steel line that feeds customers on Hwy ,1 south of Miramontes Point Road

### **Source of Supply**

Denniston, Crystal Springs and Pilarcitos Reservoirs as the sources of supply in April. Switched from Crystal Springs to Pilarcitos Lake on 4/19/18.

### **Projects**

#### Downtown 2" Main Replacement Project

Andreini Brothers reconnected 3 services from old main to the 8" Ductile Iron main on Kelly by Hwy 1 and repaved. Contractor has night work scheduled for abandoning old 2" and 4" mains in Kelly Ave the week of 5/7/18.

Contractor is also finishing work on Purissima St. and will then mobilize to Miramontes Avenue between Main and Purissima Street next. This project is still on track to be complete in June/July.