

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

REGULAR MEETING OF THE BOARD OF DIRECTORS

Tuesday, June 12, 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.

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 May 31, 2018:
Claims: \$713,422.82; Payroll: \$97,889.27 for a total of \$811,312.09 ([attachment](#))
➤ *May Monthly Financial Claims reviewed and approved by Director Glassberg*
- B. Acceptance of Financial Reports ([attachment](#))
- C. Approval of Minutes of May 8, 2018 Regular Board of Directors Meeting ([attachment](#))
- D. Monthly Water Service Connection Transfer Report ([attachment](#))
- E. Installed Water Connection Capacity and Water Meters Report ([attachment](#))
- F. Total CCWD Production Reports ([attachment](#))
- G. CCWD Monthly Sales by Category Report –May 2018 ([attachment](#))
- H. Monthly Emergency Main and Service Repairs Report ([attachment](#))
- I. Monthly Rainfall Reports ([attachment](#))
- J. SFPUC Hydrological Report for the month of April 2018 ([attachment](#))
- K. Approval of Water Service Agreement – 620 Avenue Portola, El Granada ([attachment](#))
- L. Approval of Water Service Agreement – 555 Obispo Road, El Granada ([attachment](#))

5) MEETINGS ATTENDED / DIRECTOR COMMENTS

6) GENERAL BUSINESS

- A. Resolution 2018-02, Calling for and Giving Notice of a Regular District Election to be Held on Tuesday, November 6, 2018 and Requesting the County Elections Department to Conduct the Election ([attachment](#))
- B. Resolution Adopting a Debt Management Policy for the Coastside County Water District ([attachment](#))
- C. Resolution Authorizing the Refinancing of an Outstanding Obligation of the Water System, and Approving Loan Agreement and Related Documents ([attachment](#))
- D. Approve Salary Schedule with a Cost of Living Adjustment Increase for Fiscal Year 2018-2019 effective July 1, 2018 ([attachment](#))
- E. Fiscal Year 2018-2019 Budget Process Timeline – information only ([attachment](#))
- F. 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; Cost of Service and Rate Study; Public Hearing to Consider and Adopt Proposed Rate Adjustments ([attachment](#))

7) **MONTHLY INFORMATIONAL REPORTS**

A. Superintendent of Operations Report ([attachment](#))

B. Water Resources Report ([attachment](#))

- New Statewide Water Efficiency Goals
- Sustainable Groundwater Management Act (SGMA) Update

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

- 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 MAY 2018**

CHECKS				
<u>CHECK DATE</u>	<u>CHECK NO.</u>	<u>VENDOR</u>	<u>VOID CHECK</u>	<u>AMOUNT</u>
05/04/2018	25362	BAY AREA AIR QUALITY MGMT DIST	\$	332.00
05/04/2018	25363	CHEVRON/TEXACO UNIVERSAL CARD	\$	2,228.20
05/04/2018	25364	COMCAST	\$	200.39
05/04/2018	25365	CORNERSTONE STRUCTURAL ENGINEERING GROUP, INC.	\$	22,823.75
05/04/2018	25366	JAMES COZZOLINO, TRUSTEE	\$	200.00
05/04/2018	25367	FIRST NATIONAL BANK	\$	4,792.05
05/04/2018	25368	HUE & CRY, INC.	\$	24.00
05/04/2018	25369	MASS MUTUAL FINANCIAL GROUP	\$	1,974.65
05/04/2018	25370	REPUBLIC SERVICES	\$	523.81
05/04/2018	25371	RICOH USA INC	\$	503.07
05/04/2018	25372	TECHNIQUE DATA SYSTEMS, INC.	\$	426.00
05/04/2018	25373	NANCY TRUJILLO	\$	758.94
05/04/2018	25374	UNITED STATES POSTAL SERV.	\$	600.00
05/04/2018	25375	VALIC	\$	3,880.00
05/04/2018	25376	JUAN CARLOS SALAZAR	\$	1,120.00
05/08/2018	25377	HEALTH BENEFITS ACWA-JPIA	\$	42,521.29
05/08/2018	25378	HASSETT HARDWARE	\$	778.59
05/18/2018	25379	RECORDER'S OFFICE	\$	98.00
05/18/2018	25380	CURLEY & RED'S INC. BODY SHOP	\$	10,744.92
05/18/2018	25381	MASS MUTUAL FINANCIAL GROUP	\$	1,974.65
05/18/2018	25382	VALIC	\$	3,880.00
05/22/2018	25383	METER READINGS HOLDING, LLC	\$	40,304.36
05/22/2018	25384	ADP, INC.	\$	660.95
05/22/2018	25385	FRANK YAMELLO	\$	235.00
05/22/2018	25386	AMERICAN WATER WORKS ASSOC.	\$	2,018.00
05/22/2018	25387	AMERIGAS PROPANE, LP	\$	300.90
05/22/2018	25388	ANDREINI BROS. INC.	\$	6,802.69
05/22/2018	25389	AT&T	\$	3,647.13
05/22/2018	25390	AT&T LONG DISTANCE	\$	249.60
05/22/2018	25391	AZTEC GARDENS, INC.	\$	190.00
05/22/2018	25392	BADGER METER, INC.	\$	27.00
05/22/2018	25393	BALANCE HYDROLOGICS, INC	\$	17,773.31
05/22/2018	25394	BAY ALARM COMPANY	\$	1,697.46
05/22/2018	25395	BFI OF CALIFORNIA, INC.	\$	213.52
05/22/2018	25396	INSTITUTE FOR ENVIRONMENTAL HEALTH, INC.	\$	760.00
05/22/2018	25397	CALCON SYSTEMS, INC.	\$	14,744.49
05/22/2018	25398	CALIFORNIA C.A.D. SOLUTIONS, INC	\$	2,925.00
05/22/2018	25399	CHEMTRADE CHEMICALS US LLC	\$	2,449.04
05/22/2018	25400	CINTAS FIRST AID & SAFETY	\$	825.00
05/22/2018	25401	CORNERSTONE STRUCTURAL ENGINEERING GROUP, INC.	\$	19,261.25
05/22/2018	25402	CURLEY & RED'S INC. BODY SHOP	\$	192.00
05/22/2018	25403	DATAPROSE, LLC	\$	278.80
05/22/2018	25404	JAMES DERBIN	\$	2,600.00
05/22/2018	25405	ELECSYS INTERNATIONAL CORP	\$	250.00
05/22/2018	25406	ROBERT FELDMAN	\$	169.80
05/22/2018	25407	GRAINGER, INC.	\$	414.83
05/22/2018	25408	H.M.B.AUTO PARTS	\$	13.58
05/22/2018	25409	HOME DEPOT	\$	162.66
05/22/2018	25410	HYDROSCIENCE ENGINEERS, INC.	\$	4,305.00
05/22/2018	25411	IRON MOUNTAIN	\$	528.33
05/22/2018	25412	IRVINE CONSULTING SERVICES, INC.	\$	3,240.57
05/22/2018	25413	JAMES FORD, INC.	\$	27.61
05/22/2018	25414	LIEBERT CASSIDY WHITMORE	\$	104.00
05/22/2018	25415	GLENNA LOMBARDI	\$	118.00
05/22/2018	25416	MISSION UNIFORM SERVICES INC.	\$	122.67
05/22/2018	25417	MONTEREY COUNTY LAB	\$	8,599.00
05/22/2018	25418	OFFICE DEPOT	\$	746.18
05/22/2018	25419	ONTRAC	\$	387.76
05/22/2018	25420	PACIFIC GAS & ELECTRIC CO.	\$	11,344.27
05/22/2018	25421	PACIFICA COMMUNITY TV	\$	250.00
05/22/2018	25422	PAKPOUR CONSULTING GROUP	\$	11,206.01
05/22/2018	25423	PAULO'S AUTO CARE	\$	108.58
05/22/2018	25424	PITNEY BOWES	\$	211.91
05/22/2018	25425	POLLARDWATER.COM	\$	253.59
05/22/2018	25426	RAFTELIS FINANCIAL CONSULTANTS, INC.	\$	12,816.79
05/22/2018	25427	RAY A MORGAN COMPANY INC.	\$	399.16

05/22/2018	25428	ROBERTS & BRUNE CO.	\$	4,758.27	
05/22/2018	25429	ROGUE WEB WORKS, LLC	\$	252.00	
05/22/2018	25430	SAN FRANCISCO WATER DEPT.	\$	183,957.54	
05/22/2018	25431	SAN MATEO CTY PUBLIC HEALTH LAB	\$	1,074.00	
05/22/2018	25432	SERVICE PRESS	\$	9,001.89	
05/22/2018	25433	SIMMS PLUMBING & WATER EQUIP, INC.	\$	683.25	
05/22/2018	25434	STANDARD INSURANCE COMPANY	\$	521.13	
05/22/2018	25435	STRAWFLOWER ELECTRONICS	\$	38.00	
05/22/2018	25436	TEAMSTERS LOCAL UNION #856	\$	1,063.00	
05/22/2018	25437	TPX COMMUNICATIONS	\$	1,850.35	
05/22/2018	25438	TYLER TECHNOLOGIES, INC	\$	12,387.00	
05/22/2018	25439	UGSI CHEMICAL FEED, INC.	\$	1,802.39	
05/22/2018	25440	UPS STORE	\$	446.11	
05/22/2018	25441	USA BLUE BOOK	\$	1,790.77	
05/22/2018	25442	WEST YOST ASSOCIATES, INC	\$	1,125.00	
05/22/2018	25443	RAYMOND WINCH	\$	80.05	
05/23/2018	25444	PAKPOUR CONSULTING GROUP	\$	10,864.76	
05/30/2018	25445	ANDREINI BROS. INC.	\$	117,913.52	
05/30/2018	25446	PATRICK BARRON	\$	200.00	
05/30/2018	25447	CHEVRON/TEXACO UNIVERSAL CARD	\$	2,887.76	
05/30/2018	25448	CINTAS FIRST AID & SAFETY	\$	1,116.46	
05/30/2018	25449	CLARK PEST CONTROL OF STOCKTON, INC.	\$	250.00	
05/30/2018	25450	PETTY CASH	\$	95.76	
05/30/2018	25451	ALLEN COLVIN	\$	1,000.00	
05/30/2018	25452	RECORDER'S OFFICE	\$	101.00	
05/30/2018	25453	SEAN DONOVAN	\$	1,525.04	
05/30/2018	25454	GRAINGER, INC.	\$	98.27	
05/30/2018	25455	GRISWOLD INDUSTRIES	\$	206.19	
05/30/2018	25456	HACH CO., INC.	\$	1,142.81	
05/30/2018	25457	HMB BLDG. & GARDEN INC.	\$	150.12	
05/30/2018	25458	HANSONBRIDGETT. LLP	\$	8,157.50	
05/30/2018	25459	PATRICK HILLHOUSE	\$	100.00	
05/30/2018	25460	KOFFLER ELECTRICAL MECHANICAL APPARATUS REPAIR	\$	75.56	
05/30/2018	25461	MISSION UNIFORM SERVICES INC.	\$	122.67	
05/30/2018	25462	NORTHSTAR CHEMICAL	\$	2,068.00	
05/30/2018	25463	ROBERTS & BRUNE CO.	\$	8,213.29	
05/30/2018	25464	RYAN H. STOLL	\$	114.64	
05/30/2018	25465	DAVID SULLIVAN	\$	100.00	
05/30/2018	25466	TAP PLASTICS, INC	\$	117.91	
05/30/2018	25467	JAMES TETER	\$	2,302.81	
05/30/2018	25468	NANCY TRUJILLO	\$	91.91	
05/30/2018	25469	UPS STORE	\$	193.98	
05/30/2018	25470	USA BLUE BOOK	\$	64.82	
05/30/2018	25471	VERIZON WIRELESS	\$	1,299.69	
05/01/2018	25472	SILICON VALLEY PAVING INC.	\$	783.40	
05/18/2018	25473	WILLIAM RIVARD	\$	55.08	
05/18/2018	25474	LITO/KIMBERLY ALVAREZ	\$	28.50	
05/18/2018	25475	MERVIN MORAN	\$	24.66	
				SUBTOTAL CLAIMS FOR MONTH	\$ 656,616.97

WIRE PAYMENTS

<u>MONTH</u>	<u>VENDOR</u>	<u>AMOUNT</u>	
05/02/2018	DFT0000127 CalPERS FISCAL SERVICES DIVISION	\$ 40.03	
05/02/2018	DFT0000128 CalPERS FISCAL SERVICES DIVISION	\$ 27,620.90	
05/02/2018	DFT0000129 PUB. EMP. RETIRE SYSTEM	\$ 12,798.78	
05/17/2018	DFT0000130 PUB. EMP. RETIRE SYSTEM	\$ 12,829.93	
5/31/2018	BANK AND CREDIT CARD FEES	\$ 3,516.21	
		SUBTOTAL WIRE PAYMENTS FOR MONTH	\$ 56,805.85

TOTAL CLAIMS FOR THE MONTH

\$ 713,422.82



Coastside County Water District

Monthly Budget Report

Account Summary

For Fiscal: 2017-2018 Period Ending: 05/31/2018

	May Budget	May Activity	Variance Favorable (Unfavorable)	Percent v Variance	YTD Budget	YTD Activity	Variance Favorable (Unfavorable)	Percent Variance	Total Budget	
Revenue										
RevType: 1 - Operating										
1-4120-00	Water Revenue	779,547.00	814,138.53	34,591.53	4.44 %	9,657,505.00	10,289,020.20	631,515.20	6.54 %	10,805,600.00
	Total RevType: 1 - Operating:	779,547.00	814,138.53	34,591.53	4.44 %	9,657,505.00	10,289,020.20	631,515.20	6.54 %	10,805,600.00
RevType: 2 - Non-Operating										
1-4170-00	Water Taken From Hydrants	4,165.00	4,356.70	191.70	4.60 %	45,815.00	53,581.89	7,766.89	16.95 %	50,000.00
1-4180-00	Late Notice - 10% Penalty	4,998.00	8,092.82	3,094.82	61.92 %	54,978.00	58,559.51	3,581.51	6.51 %	60,000.00
1-4230-00	Service Connections	833.00	2,326.05	1,493.05	179.24 %	9,163.00	12,088.17	2,925.17	31.92 %	10,000.00
1-4920-00	Interest Earned	0.00	0.00	0.00	0.00 %	6,174.00	9,810.30	3,636.30	58.90 %	6,174.00
1-4930-00	Tax Apportionments/County Checks	0.00	8,536.51	8,536.51	0.00 %	645,000.00	772,180.70	127,180.70	19.72 %	700,000.00
1-4950-00	Miscellaneous Income	3,083.00	120.00	-2,963.00	-96.11 %	33,916.00	20,586.02	-13,329.98	-39.30 %	37,000.00
1-4955-00	Cell Site Lease Income	12,833.00	10,324.98	-2,508.02	-19.54 %	141,167.00	140,682.09	-484.91	-0.34 %	154,000.00
1-4965-00	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
	Total RevType: 2 - Non-Operating:	25,912.00	33,757.06	7,845.06	30.28 %	1,186,213.00	1,434,139.75	247,926.75	20.90 %	1,267,174.00
	Total Revenue:	805,459.00	847,895.59	42,436.59	5.27 %	10,843,718.00	11,723,159.95	879,441.95	8.11 %	12,072,774.00
Expense										
ExpType: 1 - Operating										
1-5130-00	Water Purchased	163,244.00	233,276.54	-70,032.54	-42.90 %	1,919,034.00	1,766,562.41	152,471.59	7.95 %	2,106,991.00
1-5230-00	Nunes T P Pump Expense	3,357.00	2,570.08	786.92	23.44 %	36,923.00	32,207.04	4,715.96	12.77 %	40,280.00
1-5231-00	CSP Pump Station Pump Expense	9,000.00	5,464.00	3,536.00	39.29 %	308,000.00	254,923.75	53,076.25	17.23 %	318,000.00
1-5232-00	Other Trans. & Dist Pump Expense	2,500.00	1,659.55	840.45	33.62 %	22,940.00	19,901.96	3,038.04	13.24 %	25,440.00
1-5233-00	Pilarcitos Canyon Pump Expense	3,000.00	-719.58	3,719.58	123.99 %	29,400.00	26,506.23	2,893.77	9.84 %	32,309.00
1-5234-00	Denniston T P Pump Expense	12,000.00	2,654.06	9,345.94	77.88 %	80,000.00	74,381.98	5,618.02	7.02 %	92,220.00
1-5242-00	CSP Pump Station Operations	875.00	2,606.76	-1,731.76	-197.92 %	9,625.00	10,654.68	-1,029.68	-10.70 %	10,500.00
1-5243-00	CSP Pump Station Maintenance	6,474.00	2,623.82	3,850.18	59.47 %	30,526.00	15,635.96	14,890.04	48.78 %	37,000.00
1-5246-00	Nunes T P Operations - General	6,000.00	7,257.84	-1,257.84	-20.96 %	66,000.00	46,278.65	19,721.35	29.88 %	72,000.00
1-5247-00	Nunes T P Maintenance	10,200.00	6,285.96	3,914.04	38.37 %	112,300.00	101,374.27	10,925.73	9.73 %	122,500.00
1-5248-00	Denniston T P Operations-General	3,500.00	2,854.61	645.39	18.44 %	31,000.00	40,428.46	-9,428.46	-30.41 %	34,500.00
1-5249-00	Denniston T.P. Maintenance	5,000.00	4,615.64	384.36	7.69 %	55,000.00	96,294.90	-41,294.90	-75.08 %	60,000.00
1-5250-00	Laboratory Expenses	3,000.00	13,950.77	-10,950.77	-365.03 %	49,000.00	70,819.24	-21,819.24	-44.53 %	53,000.00
1-5260-00	Maintenance - General	24,308.00	46,464.39	-22,156.39	-91.15 %	267,391.00	267,158.02	232.98	0.09 %	291,700.00
1-5261-00	Maintenance - Well Fields	3,500.00	5,346.14	-1,846.14	-52.75 %	36,500.00	5,700.12	30,799.88	84.38 %	40,000.00
1-5263-00	Uniforms	0.00	0.00	0.00	0.00 %	10,000.00	9,040.71	959.29	9.59 %	10,000.00
1-5318-00	Studies/Surveys/Consulting	20,000.00	13,941.79	6,058.21	30.29 %	140,000.00	113,662.84	26,337.16	18.81 %	160,000.00
1-5321-00	Water Resources	3,083.00	1,546.42	1,536.58	49.84 %	33,917.00	12,243.67	21,673.33	63.90 %	37,000.00

Monthly Budget Report

For Fiscal: 2017-2018 Period Ending: 05/31/2018

	May Budget	May Activity	Variance Favorable (Unfavorable)	Percent Variance	YTD Budget	YTD Activity	Variance Favorable (Unfavorable)	Percent Variance	Total Budget
1-5322-00 Community Outreach	5,000.00	13,556.89	-8,556.89	-171.14 %	49,700.00	40,866.67	8,833.33	17.77 %	54,700.00
1-5381-00 Legal	9,166.00	9,261.50	-95.50	-1.04 %	100,833.00	47,240.75	53,592.25	53.15 %	110,000.00
1-5382-00 Engineering	8,334.00	3,889.77	4,444.23	53.33 %	91,667.00	34,775.74	56,891.26	62.06 %	100,000.00
1-5383-00 Financial Services	0.00	1,630.00	-1,630.00	0.00 %	20,000.00	17,068.00	2,932.00	14.66 %	20,000.00
1-5384-00 Computer Services	12,067.00	24,381.32	-12,314.32	-102.05 %	132,734.00	123,923.81	8,810.19	6.64 %	144,800.00
1-5410-00 Salaries/Wages-Administration	88,500.00	106,080.75	-17,580.75	-19.87 %	1,018,000.00	821,608.60	196,391.40	19.29 %	1,150,980.00
1-5411-00 Salaries & Wages - Field	97,400.00	144,329.07	-46,929.07	-48.18 %	1,120,000.00	1,210,900.23	-90,900.23	-8.12 %	1,266,081.00
1-5420-00 Payroll Tax Expense	13,120.00	18,824.05	-5,704.05	-43.48 %	150,875.00	146,769.62	4,105.38	2.72 %	170,555.00
1-5435-00 Employee Medical Insurance	38,630.00	35,915.87	2,714.13	7.03 %	408,426.00	368,723.37	39,702.63	9.72 %	447,056.00
1-5436-00 Retiree Medical Insurance	4,102.00	5,119.73	-1,017.73	-24.81 %	43,113.00	36,446.19	6,666.81	15.46 %	47,215.00
1-5440-00 Employees Retirement Plan	41,875.00	41,945.92	-70.92	-0.17 %	481,565.00	462,250.01	19,314.99	4.01 %	544,380.00
1-5445-00 Supplemental Retirement 401a	0.00	0.00	0.00	0.00 %	0.00	0.00	0.00	0.00 %	35,000.00
1-5510-00 Motor Vehicle Expense	4,225.00	17,475.93	-13,250.93	-313.63 %	46,475.00	76,091.95	-29,616.95	-63.73 %	50,700.00
1-5620-00 Office & Billing Expenses	18,792.00	27,384.27	-8,592.27	-45.72 %	206,712.00	209,510.70	-2,798.70	-1.35 %	225,500.00
1-5625-00 Meetings / Training / Seminars	2,000.00	1,922.02	77.98	3.90 %	22,000.00	27,521.66	-5,521.66	-25.10 %	24,000.00
1-5630-00 Insurance	10,000.00	9,936.08	63.92	0.64 %	110,000.00	113,404.61	-3,404.61	-3.10 %	120,000.00
1-5687-00 Membership, Dues, Subscript.	5,350.00	2,118.00	3,232.00	60.41 %	73,350.00	65,157.16	8,192.84	11.17 %	75,350.00
1-5689-00 Labor Relations	0.00	0.00	0.00	0.00 %	6,000.00	0.00	6,000.00	100.00 %	6,000.00
1-5700-00 San Mateo County Fees	1,667.00	0.00	1,667.00	100.00 %	18,333.00	19,855.62	-1,522.62	-8.31 %	20,000.00
1-5705-00 State Fees	0.00	0.00	0.00	0.00 %	24,000.00	26,951.95	-2,951.95	-12.30 %	24,000.00
Total ExpType: 1 - Operating:	639,269.00	816,169.96	-176,900.96	-27.67 %	7,361,339.00	6,812,841.53	548,497.47	7.45 %	8,179,757.00
ExpType: 4 - Capital Related									
1-5712-00 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
1-5715-00 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
1-5716-00 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
Total ExpType: 4 - Capital Related:	0.00	0.00	0.00	0.00 %	1,147,697.00	1,145,307.93	2,389.07	0.21 %	1,147,697.00
Total Expense:	639,269.00	816,169.96	-176,900.96	-27.67 %	8,509,036.00	7,958,149.46	550,886.54	6.47 %	9,327,454.00
Report Total:	166,190.00	31,725.63	-134,464.37		2,334,682.00	3,765,010.49	1,430,328.49		2,745,320.00

**COASTSIDE COUNTY WATER DISTRICT
MONTHLY INVESTMENT REPORT
May 31, 2018**

<u>RESERVE BALANCES</u>	Current Year as of 5/30/18	Prior Year as of 5/30/17
CAPITAL AND OPERATING RESERVE	\$6,187,056.57	\$3,713,110.22
RATE STABILIZATION RESERVE	\$250,000.00	\$250,000.00
TOTAL DISTRICT RESERVES	\$6,437,056.57	\$3,963,110.22

ACCOUNT DETAIL

ACCOUNTS WITH FIRST NATIONAL BANK (FNB)		
CHECKING ACCOUNT*	\$5,341,584.49	\$2,844,817.54
CSP T & S ACCOUNT	\$49,008.72	\$86,514.05
MONEY MARKET GEN. FUND (Opened 7/20/17)	\$2,500.00	\$0.00
LOCAL AGENCY INVESTMENT FUND (LAIF) BALANCE	\$1,043,263.36	\$1,031,078.63
DISTRICT CASH ON HAND	\$700.00	\$700.00
TOTAL ACCOUNT BALANCES	\$6,437,056.57	\$3,963,110.22

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

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

5/31/2018

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
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Equipment Purchases & Replacement

06-03	SCADA/Telemetry/Electrical Controls Replacement	\$ 50,000	\$ 30,693	\$ 40,000	\$ 10,000	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	\$ 1,872,037	\$ 1,890,000	\$ (440,000)	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	\$ 43,818	\$ 43,818	\$ (3,818)	110%	
16-07	Sample Station Replacment 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	\$ 1,188	\$ 5,000	\$ 75,000	1%	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	\$ 461,603	\$ 660,000	\$ (160,000)	92%	in process
18-12	Valve installation - Ritz Carlton	\$ 20,000			\$ 20,000	0%	Cancelled - found alternate valve

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	\$ 40,315	\$ 50,000	\$ 50,000	40%	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	\$ 6,344	\$ 40,000	\$ -	16%	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	\$ -	\$ 30,000	\$ 50,000	0%	Moved to FY2018/19 (some work scheduled for 6/2018)
18-07	EG #2 Tank Chlorination System (Residual Control System)	\$ 50,000	\$ -		\$ 50,000	0%	Moved to FY2018/19
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 FY2018/19
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Water Treatment Plants

17-04	Denniston Dam Spillway Repairs	\$ 90,000			\$ 90,000	0%	Moved to FY2018/19
18-09	Denniston Heater	\$ 15,000	\$ 1,799	\$ 15,000	\$ -	12%	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
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.)

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

5/31/2018

	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
FY 17/18 TOTALS	\$ 3,908,000	\$ 3,176,591	\$ 3,699,406	\$ 208,594		

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)		\$40K left for PG&E transformer replacement - will occur in FY2019-2019
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
PREVIOUS YEAR TOTALS		\$ -	\$ 785,260	\$ 805,259	\$ (805,259)		

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		\$ 70,845	\$ 70,845	\$ (70,845)		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		\$ 43,092	\$ 43,092	\$ (43,092)		
	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		\$ 18,928	\$ 18,928	\$ (18,928)		

NON-BUDGETED TOTALS \$ - \$ 253,925 \$ 302,925 \$ (302,925)

CIP TOTALS \$ 3,908,000 \$ 4,215,776 \$ 4,807,590 \$ (899,590)

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

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

Month	Admin (General Legal Fees)	Water Supply Develpmnt	Recycled Water	Transfer Program	CIP	Personnel	Water Shortage	Lawsuits	Infrastructure Project Review (Reimbursable)	TOTAL
Jun-17	1,846		272	379	393	19,831				22,721
Jul-17	2,476			108		2,716				5,300
Aug-17	2,925		748	387	2,984					7,043
Sep-17	1,625		195	374	4,602	1,778				8,573
Oct-17	975			222	130	1,268				2,595
Nov-17	2,418			226	2,340	525				5,509
Dec-17	4,934			138	1,300	130				6,502
Jan-18	878			412	260				2,178	3,727
Feb-18	4,485			1,052	260	1,040				6,837
Mar-18	1,268			454	962	1,203				3,886
Apr-18	2,503				8,301					10,803
May-18	6,754					1,404				8,158
TOTAL	33,086	0	1,214	3,750	21,531	29,894	0	0	2,178	91,652

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

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

Month	Admin & Retainer	CIP	Studies & Projects	TOTAL	Reimbursable from Projects
Jun-17	480	620		1,100	
Jul-17	480		1,606	2,086	1,606
Aug-17	1,241	117	2,186	3,544	2,186
Sep-17	480		845	1,325	845
Oct-17	480		930	1,410	930
Nov-17	480		3,007	3,487	3,006
Dec-17	480		338	818	338
Jan-18	480	1,935	1,683	4,098	1,683
Feb-18	480	1,014	7,788	9,282	7,788
Mar-18	1,021	4,270	1,905	7,196	1,905
Apr-18	480	2,197	338	3,015	338
May-18	1,115	1,188		2,303	
TOTAL	7,697	11,340	20,625	39,663	20,625

Calcon T&M Projects Tracking
as of 5/31/2018

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 Flocculator & 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	\$18,927.79	\$6,543.68
CAL-18-04	Tank Levels Calibration Special		3/5/2018		\$8,388.75	\$0.00	\$10,700.00	-\$2,311.25
CAL-18-05	Pilarcitos Stream Flow Gauge -Well 1 120 Service Power		3/22/2018		\$3,558.13	\$0.00	\$3,997.40	-\$439.27
SUBTOTAL					\$800,503.31	\$677,139.39	\$178,261.48	-\$54,897.56

Other: Maintenance

CAL-17-EMG	Emergency Callout							
	Tanks					\$	1,620.00	
	Crystal Springs Maintenance					\$	9,633.82	
	Nunes Maintenance					\$	11,562.67	
	Denniston Maintenance					\$	5,635.00	
	Distribution System					\$	18,387.44	
TOTAL FY2017/18						\$	225,100.41	

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE REGULAR BOARD OF DIRECTORS MEETING

Tuesday, May 8, 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; Patrick Miyaki, 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 April 30, 2018:
Claims: \$721,388.15; Payroll: \$95,638.87 for a total of \$817,027.02
- B. Acceptance of Financial Reports
- C. Approval of Minutes of April 10, 2018 Regular Board of Directors Meeting
- D. Approval of Minutes of April 16, 2018 Special Board of Directors Meeting
- E. Approval of Minutes of May 3, 2018 Special Board of Directors Meeting
- F. Installed Water Connection Capacity and Water Meters Report
- G. Total CCWD Production Reports
- H. CCWD Monthly Sales by Category Report -April 2018
- I. Monthly Emergency Main and Service Repairs Report
- J. Monthly Rainfall Reports
- K. Notice of Completion - Water Meter and AMI (Advanced Metering Infrastructure) Installation Services Project
- L. SFPUC Hydrological Report for the month of March 2018

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

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

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

5) MEETINGS ATTENDED / DIRECTOR COMMENTS

Director Mickelsen reported on his attendance at a recent tour of the Calaveras Dam Project.

6) GENERAL BUSINESS

A. Authorize Entering into a Placement Agent Services Agreement with Backstrom McCarley Barry & Company, LLC to Refinance the District's 2006 Series B Bonds. Also Authorize Entering into Agreement with Bond Counsel

Ms. Rogren introduced Brant Smith, Senior Vice-President and Steve So, Vice President, of Backstrom McCarley Barry & Company, LLC and provided a brief background of the District's 2006 Series B Bonds, including the interest rates and terms of the bonds. She advised that the District could potentially realize a substantial savings by refinancing the bonds.

Mr. Smith provided a presentation which included an overview of the firm, their experience, and a snapshot of the District's 2006 Series B Bonds. He also outlined the process and summarized their role and the services their firm can provide to the District. Mr. Smith and Mr. So then answered a few questions from the Board members.

ON MOTION BY Director Glassberg and seconded by Director Mickelsen, the Board voted by roll call vote to authorize the General Manager to enter 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:

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

B. Fiscal Year 2018-2019 Budget Process Timeline

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

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**

Ms. Rogren shared her presentation once again, featuring budget comparisons, the Draft 10-year Capital Improvement Program and the Financing Plan. She also reviewed the process to determine the District's revenue requirement and the targeted reserve balance and staff's recommended revenue increase. Following a summary of the highlights from the May 3, 2018 CCWD Special Board Meeting, Ms. Rogren reviewed the rate projections, rate structure and compliance with the legal requirements. In conclusion she outlined the residential tier structure, demonstrated a comparison of the existing and the proposed rate structure, and illustrated the bill impacts on single family residential accounts. She reiterated the dates of the two remaining budget related meetings; the June 12th, 2018 Regular CCWD Board Meeting and the Public Hearing/Special Board Meeting scheduled for June 28, 2018 at 7:00 p.m. to consider approval of the proposed rate adjustments and the District's Operations and Maintenance and Capital Improvement Program Budgets.

7) **MONTHLY INFORMATIONAL REPORTS**

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

SFPUC Memo from Steven Ritchie - Final Water Supply Availability Estimate

Ms. Rogren referenced the recent memorandum from Steven Ritchie with SFPUC regarding the Final Water Supply Availability Estimate, which indicates that SFPUC will not request any voluntary conservation in the coming fiscal year.

B. **Superintendent of Operations Report**

Mr. Derbin reviewed the monthly operations highlights, including recent improvements at the Denniston and Nunes Water Treatment Plants, and an update on the Downtown two-inch Main Pipeline Replacement Project and the 2" galvanized steel pipeline providing service to customers on Highway 1, south of Miramontes Point Road.

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

The Board requested that staff place an analysis and perspective plans for the 2" pipeline on Highway 1, south of Miramontes Point on a future agenda for discussion, including information regarding the District's legal liability.

11) **ADJOURNMENT** - The meeting was adjourned at 8:15 p.m.

Respectfully submitted,

David R. Dickson, General Manager
Secretary to the District

Robert Feldman, President
Board of Directors

**WATER SERVICE CONNECTION TRANSFER REPORT
TRANSFERS APPROVED FOR THE MONTH OF MAY 2018**

DONATING APN	PROPERTY OWNER(S)	RECIPIENT APN	PROPERTY OWNER(S)	# OF CONNECTIONS	DATE
048-013-250	Charles & Brenda Jacklin	048-035-020	Neil & Jennifer Merrilees	1 -- 5/8"	May 16, 2018
115-520-170	Charles J. Keenan III (c/o Joyce Yamigiwa)	047-243-010	Bruce Harris & Susan Carkeek-Harris	1 -- 5/8"	May 25, 2018

COASTSIDE COUNTY WATER DISTRICT
Installed Water Connection Capacity & Water Meters

FY 2018 Meters

Installed Water Meters	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
HMB Non-Priority													
0.5" capacity increase													
5/8" meter	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													
HMB Priority													
0.5" capacity increase													
5/8" meter													
3/4" meter													
1" meter													
1 1/2" meter		1		1									2
2" meter													
County Non-Priority													
0.5" capacity increase													
5/8" meter	6									1	10		17
3/4" meter													
1" meter													
County Priority													
5/8" meter													
3/4" meter	1												1
1" meter													
Totals	17	2	8	1	1	0	1	1	2	3	10		46

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	10		11
County Priority	7.5												7.5
Total	17.5	7	8	5	1	0	1	1	3.5	4.5	10		58.5

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	0.93	26.33	0.00	26.75	5.00	59.01	2.64	56.37
JUN								
TOTAL	19.19	214.00	74.21	37.55	268.35	613.30	34.80	578.50
% MONTHLY TOTAL	1.58%	44.62%	0.00%	45.33%	8.47%	100.00%	4.47%	95.53%
% ANNUAL TO DATE TOTAL	3.1%	34.9%	12.1%	6.1%	43.8%	100.0%	5.67%	94.3%

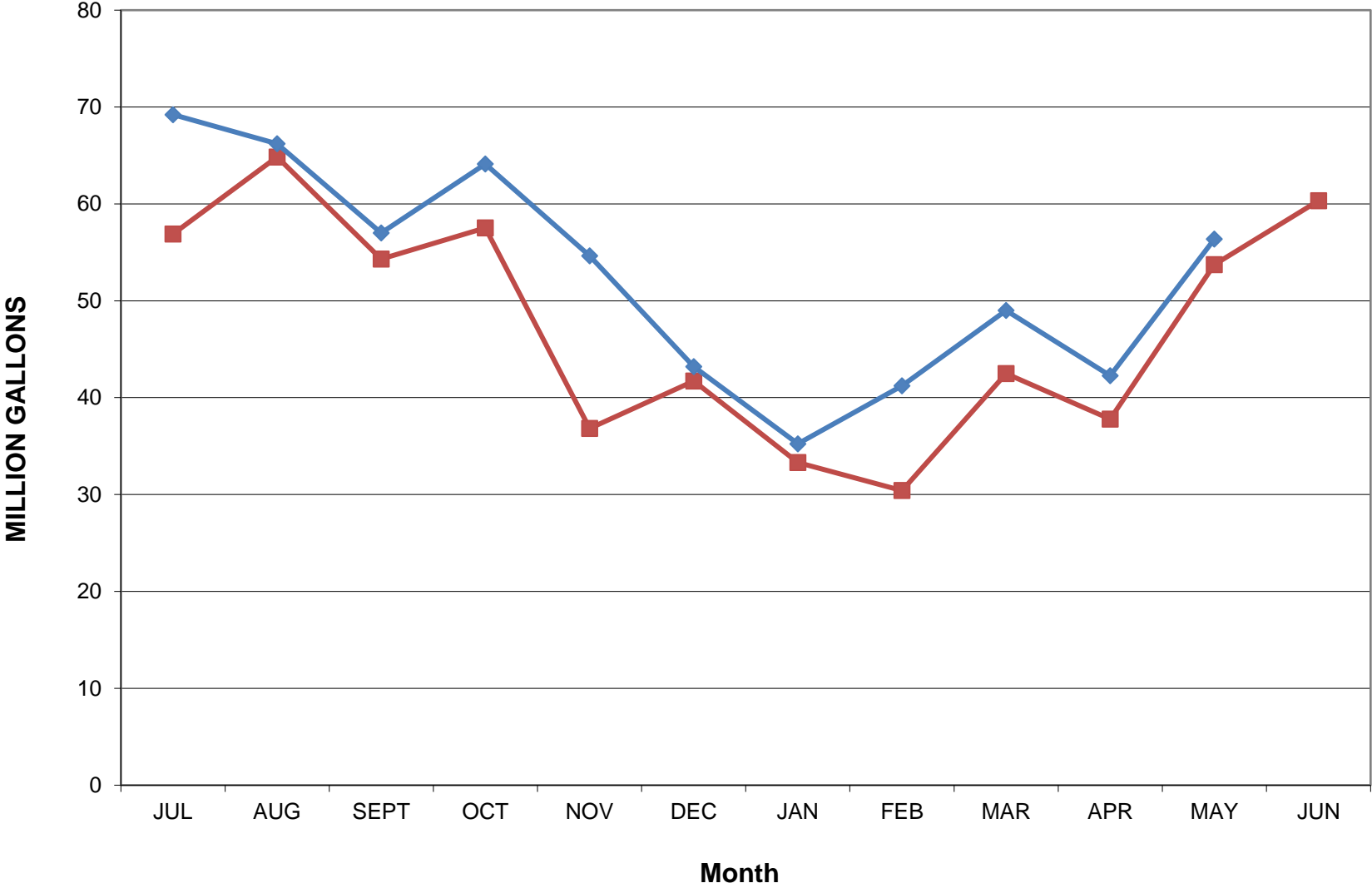
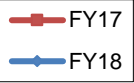
CCWD vs SFPUC- month 46.2% 53.8%
 CCWD vs SFPUC- annual 50.1% 49.9%

12 Month Running Treated Total **638.82**

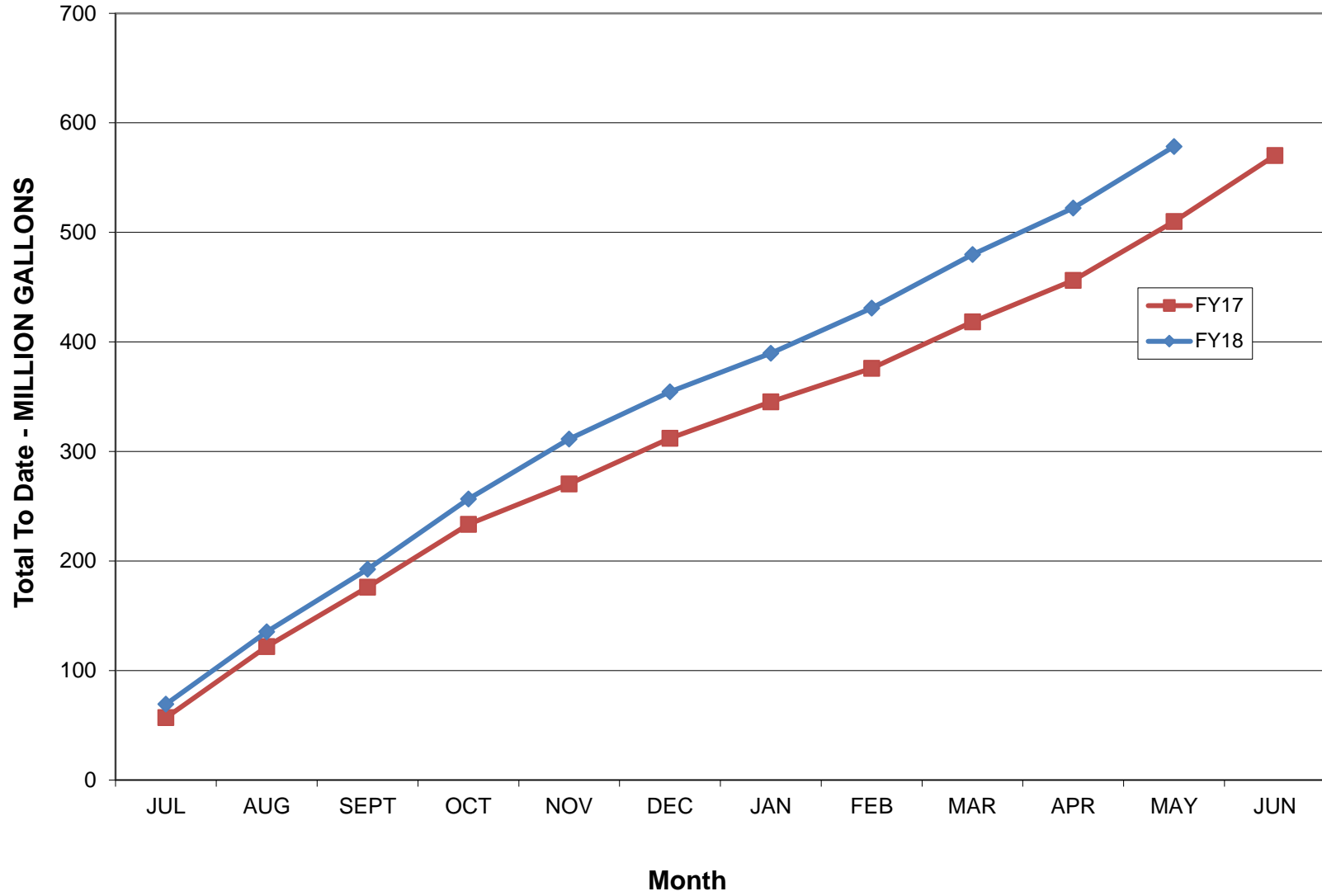
TOTAL CCWD PRODUCTION (MG) ALL SOURCES- FY 2017

	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
TOTAL	7.75	122.94	91.50	134.93	250.78	607.90	37.75	570.14
% 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 May-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 (MG)
1	5/10/2018	5/10/18	Purrissima Street HMB			
				M	2" Galv	0.001
2	5/21/2018	5/22/2018	850 Fourth Street HMB			
				S	1" PL	0.005
3	5/24/2018	5/24/2018	170 Sevilla Ave EG			
				S	1" C	0.001
4						
5						
6						
7						
8						
Totals						0.007

OTHER DISCHARGES	
Total Volumes (MG)	
Flushing Program	0.03
Reservoir Cleaning	
Automatic Dewatering Operations	0.12
Other (includes flow testing)	0.01
PLANNED DISCHARGES GRAND TOTAL (MG)	
0.160	

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

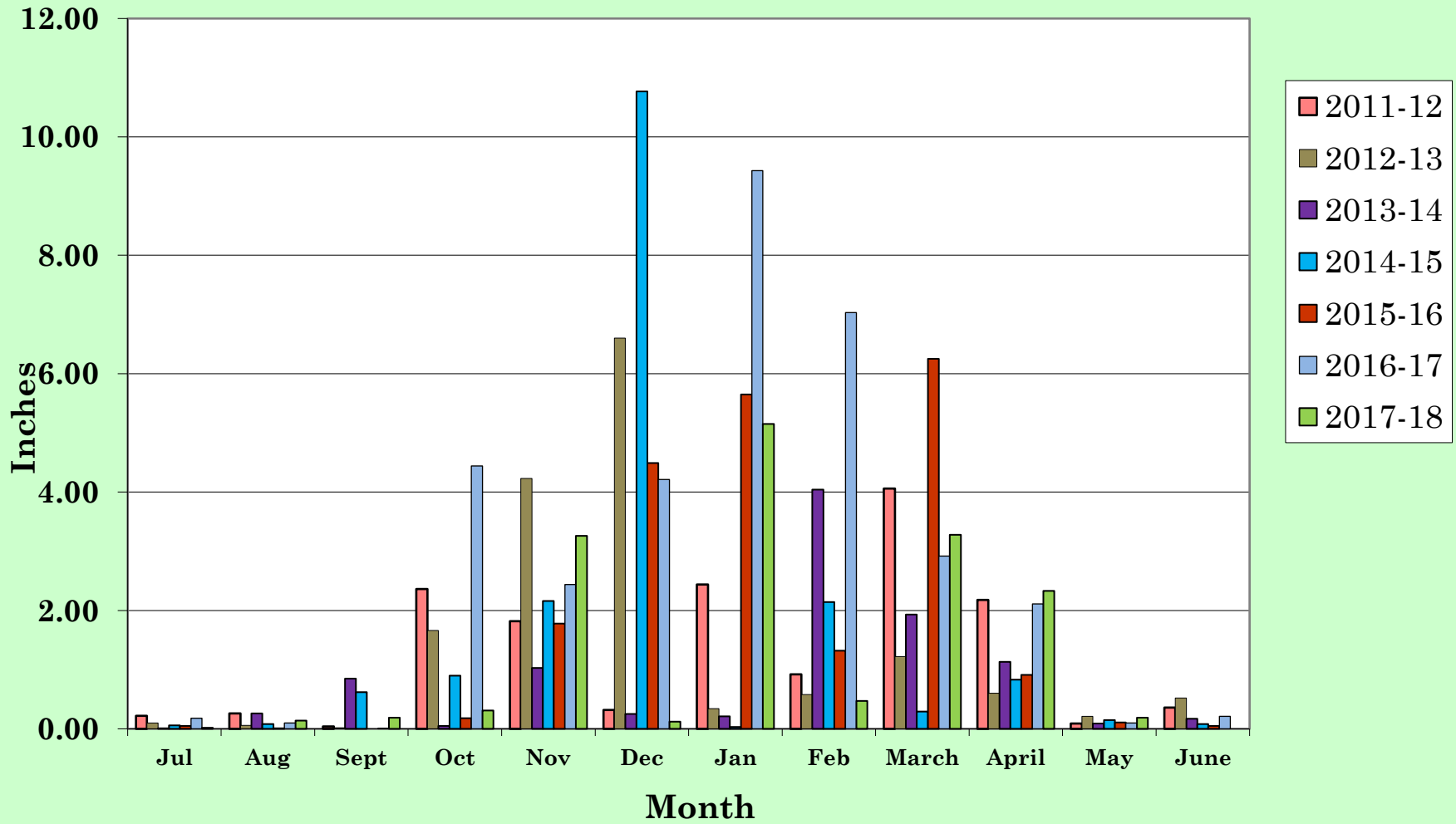
District Office
 Rainfall in Inches

	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	0	
2	0.01	0	0	0	0	0.03	0	0	0.17	0	0	
3	0.01	0	0	0	0.04	0	0.24	0	0.08	0	0	
4	0	0.02	0	0	0.48	0	0.05	0	0.04	0	0	
5	0	0	0	0	0	0	0.43	0	0	0.12	0	
6	0	0.02	0	0	0.01	0	0.02	0	0	0.91	0	
7	0	0	0	0	0	0	0	0	0.05	0.79	0	
8	0	0.01	0	0	0.14	0	1.91	0	0.11	0	0	
9	0	0.01	0.02	0	0.15	0	1.28	0	0	0	0.05	
10	0	0.01	0	0	0.01	0	0.03	0	0	0	0	
11	0	0.02	0.07	0	0.01	0	0.01	0	0	0.15	0	
12	0	0	0.01	0	0	0	0.01	0	0.11	0.01	0	
13	0	0.02	0.01	0	0.19	0	0	0	0.36	0	0	
14	0	0.02	0	0	0.01	0	0	0	0.13	0	0	
15	0	0	0.02	0	0.06	0	0	0	0.06	0.21	0	
16	0	0	0	0	1.15	0	0.02	0	0.09	0.13	0	
17	0	0	0.01	0	0.45	0	0	0	0.17	0	0	
18	0	0	0.02	0	0.14	0	0.38	0	0.01	0	0.02	
19	0	0	0	0.06	0	0	0.03	0	0	0	0	
20	0	0	0.02	0.22	0	0.09	0.01	0	0.45	0	0	
21	0	0	0	0.01	0	0	0.01	0	0.16	0	0	
22	0	0	0.01	0	0	0	0.22	0	0.53	0	0.03	
23	0	0	0	0	0	0	0	0	0	0.01	0.02	
24	0	0.01	0	0	0	0	0.43	0	0.12	0	0	
25	0	0	0	0	0	0	0.05	0	0.03	0	0.05	
26	0	0	0	0	0.26	0	0.01	0.27	0	0	0.02	
27	0	0	0	0	0.14	0	0.01	0	0	0	0	
28	0	0	0	0.01	0.01	0	0	0.2	0.01	0	0	
29	0	0	0	0	0.01	0	0		0	0	0	
30	0	0	0	0	0	0	0		0	0	0	
31	0	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	0.19	
Year Total	0.02	0.16	0.35	0.66	3.92	4.02	9.17	9.64	12.92	15.25	15.44	

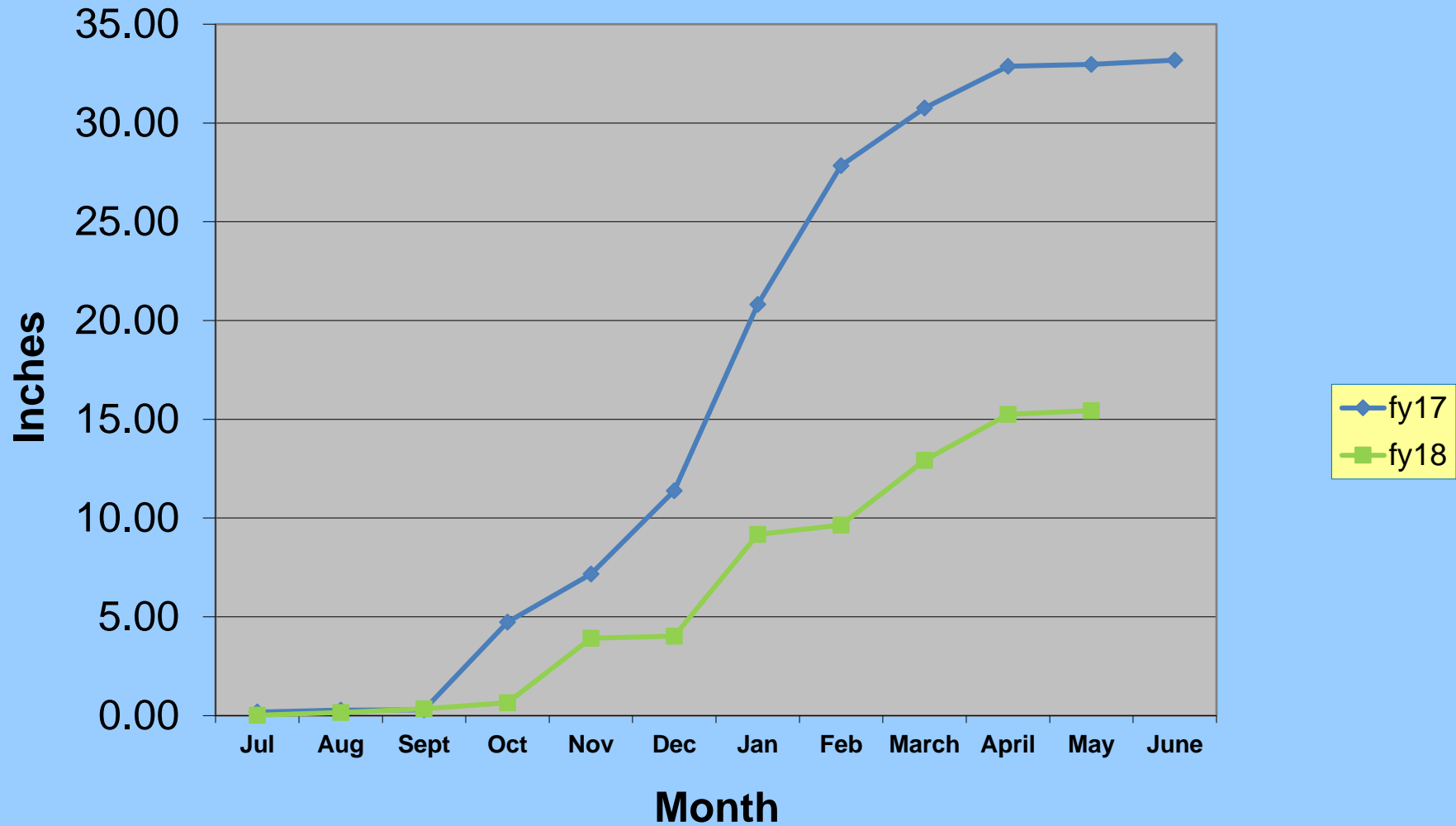
Coastside County Water District

Rainfall by Month

Fiscal Years 12 - 18

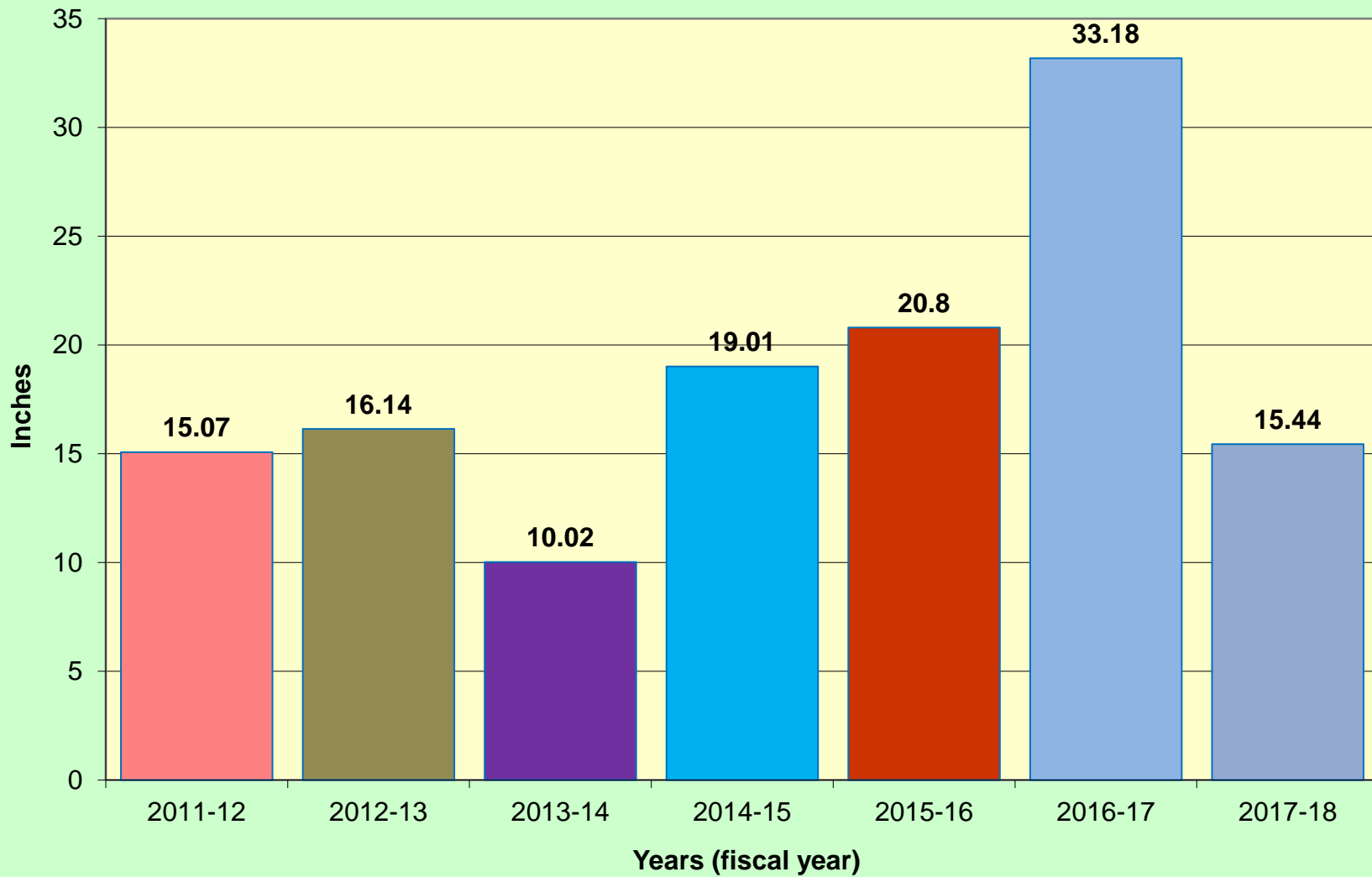


Rainfall Total Comparison Fiscal Years 17 and 18



Rain Totals

Fiscal Years 12 - 18



San Francisco Public Utilities Commission
Hydrological Conditions Report
April 2018

J. Chester, C. Graham, & N. Waelty, May 9, 2018



Tuolumne Meadows and the Cathedral Range

System Storage

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

Table 1 Current Storage As of May 1, 2018							
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	
Tuolumne System							
Hetch Hetchy ¹	320,168		340,000		19,832		94%
Cherry ²	204,839		268,810		63,971		76%
Eleanor ³	22,332		26,416		4,084		85%
Water Bank	662,610		666,965		4,355		99%
Tuolumne Storage	1,209,949		1,302,191		92,242		93%
Local Bay Area Storage							
Calaveras ⁴	25,924	8,447	96,824	31,550	70,900	23,103	27%
San Antonio	42,483	13,843	50,496	16,454	8,013	2,611	84%
Crystal Springs	50,374	16,414	58,377	19,022	8,003	2,608	86%
San Andreas	17,344	5,652	18,996	6,190	1,652	538	91%
Pilarcitos	2,826	921	2,995	976	168	55	94%
Total Local Storage	138,951	45,277	227,688	74,192	88,736	28,915	61%
Total System	1,348,900		1,529,878		180,978		88%

¹ Maximum Hetch Hetchy Reservoir storage with drum gates deactivated.

² Maximum Cherry Lake storage with flash-boards removed.

³ Maximum Lake Eleanor storage with 3 of 4 rows of flash-boards installed.

⁴ Available capacity does not take into account current DSOD storage restrictions.

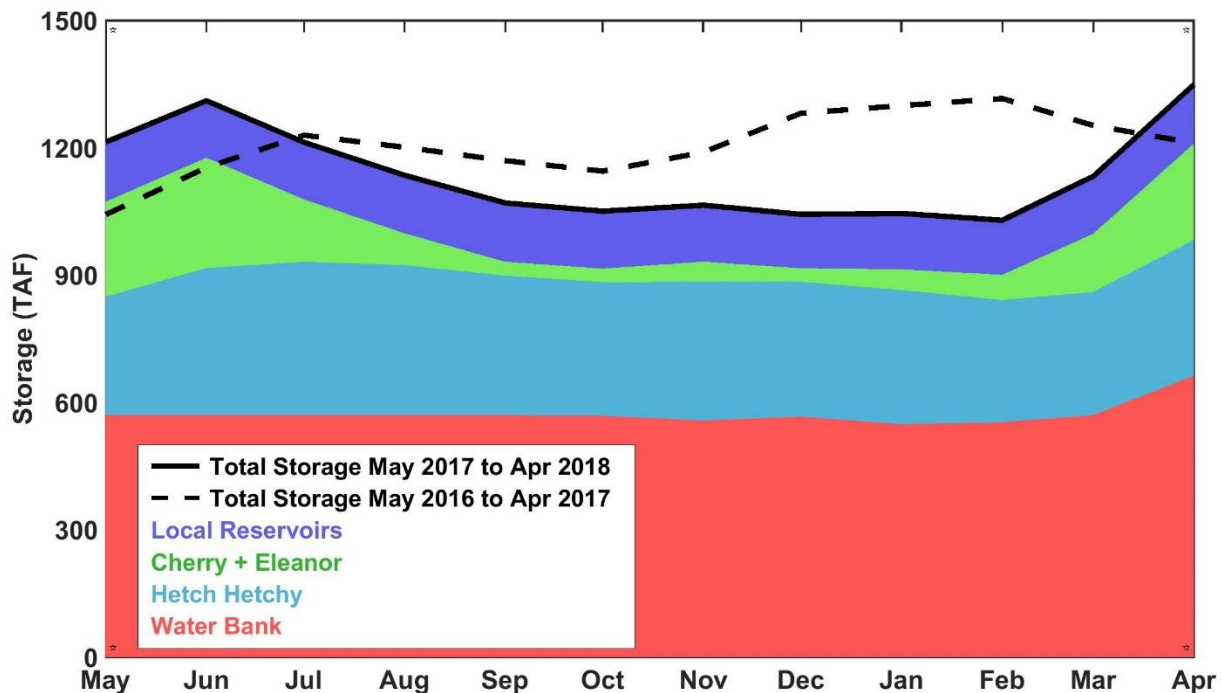


Figure 1: Monthly system storage for past 12 months in thousand acre-feet (TAF). Color bands show relative contributions to total system storage. Solid black line shows total system storage for the past 12 months. Dashed black line shows total system storage the previous 12 months.

Hetch Hetchy System Precipitation Index ^{5/}

Current Month: The April 2018 six-station precipitation index was 3.34 inches, or 110% of the average index for the month.

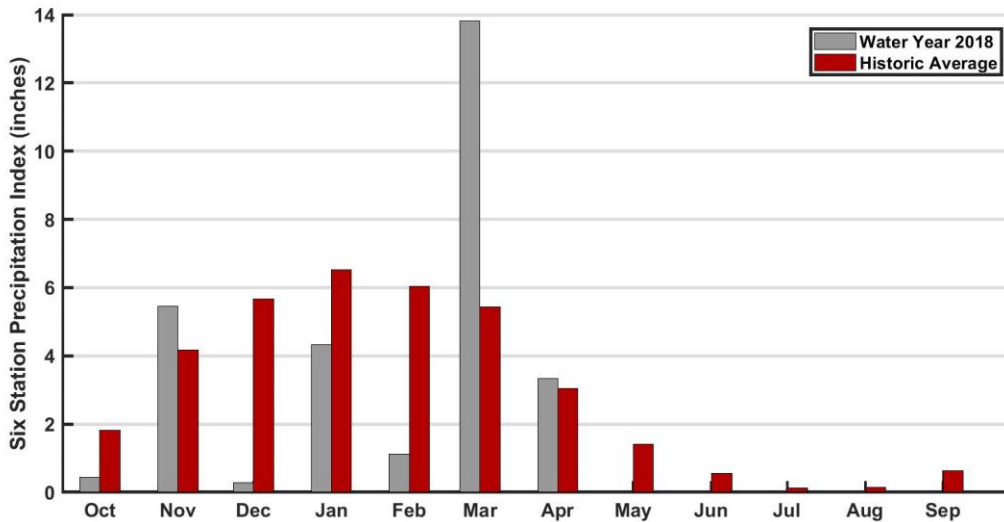


Figure 2: Monthly distribution of the Hetch Hetchy six-station precipitation index as percent of the annual average precipitation, as of April 1, 2018.

Cumulative Precipitation to Date: As of May 1, the six-station precipitation index for water year 2018 was 28.44 inches, which is 80% of the average annual water year total. Hetch Hetchy received 3.75 inches precipitation in April, for a total of 31.78 inches for Water Year 2018. The cumulative Hetch Hetchy precipitation is shown in Figure 3 in red.

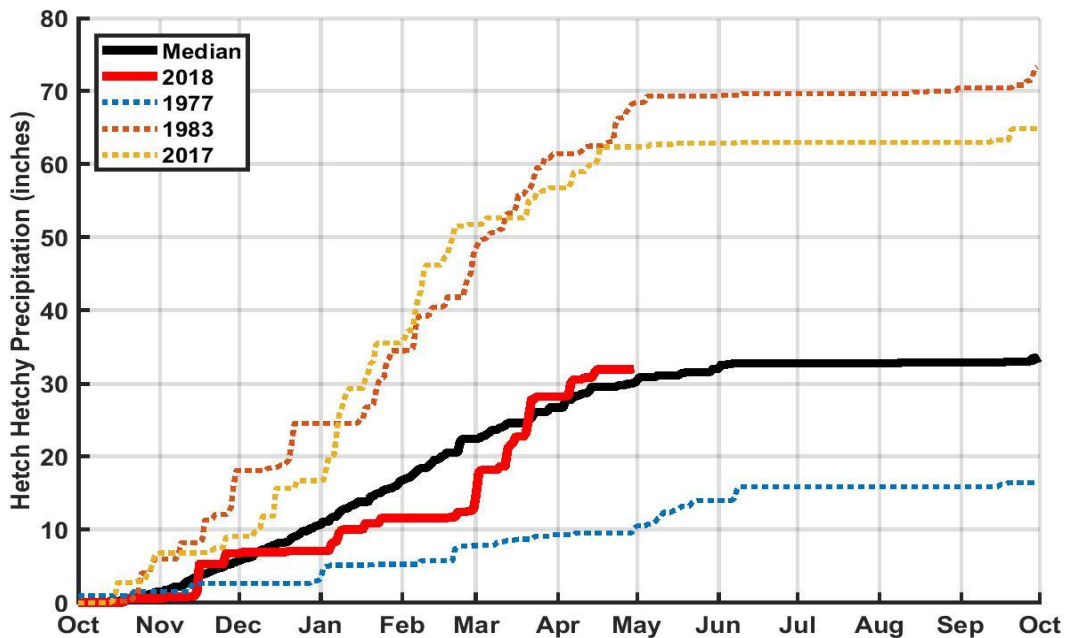


Figure 3: Water year 2018 cumulative precipitation measured at Hetch Hetchy Reservoir through May 1, 2018. Precipitation at the Hetch Hetchy gauge for wet, dry, median, and WY 2017 are included for comparison purposes.

⁵The 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 May 1, 2018 is summarized below in Table 2.

*All flows are in acre feet	April 2018				October 1, 2017 through April 30,2018			
	Observed Flow	Median ⁶	Mean ⁶	Percent of Mean	Observed Flow	Median ⁶	Mean ⁶	Percent of Mean
Inflow to Hetch Hetchy Reservoir	188,830	88,140	90,415	209%	327,558	204,241	220,781	148%
Inflow to Cherry Lake and Lake Eleanor	129,832	72,413	73,287	177%	293,696	197,337	211,960	139%
Tuolumne River at La Grange	477,604	262,613	273,556	175%	1,102,804	775,189	874,089	126%
Water Available to City	284,074	82,697	96,413	295%	558,652	231,180	319,913	175%

⁶Hydrologic Record: 1919 – 2015

Hetch Hetchy System Operations

Power draft and releases from Hetch Hetchy Reservoir during the month of April totaled 151,930 acre-feet. Precipitation as of May 1st results in a water year Type A for Hetch Hetchy Reservoir through June 1st, 2018. Hetch Hetchy minimum instream release requirements for April were 75 cfs, and for May are 100 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.

Power draft and valve releases from Cherry Lake totaled 13,289 acre-feet during the month of April. The required minimum instream release from Cherry Lake is 5 cfs through June 30th, 2018. Required minimum release from Lake Eleanor (due to pumping) is 20 cfs through September 15th. Transfer from Lake Eleanor to Cherry Lake will occur on and off throughout the runoff season.

Regional System Treatment Plant Production

The Harry Tracy Water Treatment Plant average production rate for April was 37 MGD. The Sunol Valley Water Treatment Plant production for the month was 44 MGD.

Local System Water Delivery

The average April delivery rate was 184 MGD which is a 4% increase over the March delivery rate of 176 MGD.

Local Precipitation

Early month precipitation contributed to higher than average rainfall totals for the month. The rainfall summary for April is presented in Table 3.

Reservoir	Month Total (inches)	Percentage of Average for the Month	Water Year to Date ⁷ (inches)	Percentage of Average for the Year-to-Date ⁷
Pilarcitos	4.32	169 %	28.70	80 %
Lower Crystal Springs	2.54	141 %	19.62	78 %
Calaveras	2.23	134 %	14.03	69 %

⁷ WY 2018: Oct. 2017 through Sep. 2018.

Snowmelt and Water Supply

The May snow survey indicates that the Tuolumne average snow water equivalent is 40% of long term average. On April 23, the Airborne Snow Observatory flew the Tuolumne Basin, and estimated that the basin SWE was 397 TAF above Hetchy Hetchy, and 147 TAF above Cherry / Eleanor. Based on previous years experience, it is likely we will see 100% of the measured Airborne Snow observation as inflow to Hetch Hetchy Reservoir.

Inflows have increased at all upcountry reservoirs as warm weather has begun melting the snowpack. 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. At Cherry Lake, storage has reached our seasonal targets, and we have begun drafting water for power generation. This draft is expected to continue through the month of May and into June as we maintain Cherry Lake at seasonal storage targets. Lake Eleanor is full and is expected to stay near spilling conditions through May. Total system storage is near 88% as the upcountry reservoirs are maintained at the seasonal targets. Water Bank is full and projected to debit throughout May as the reservoirs fill.

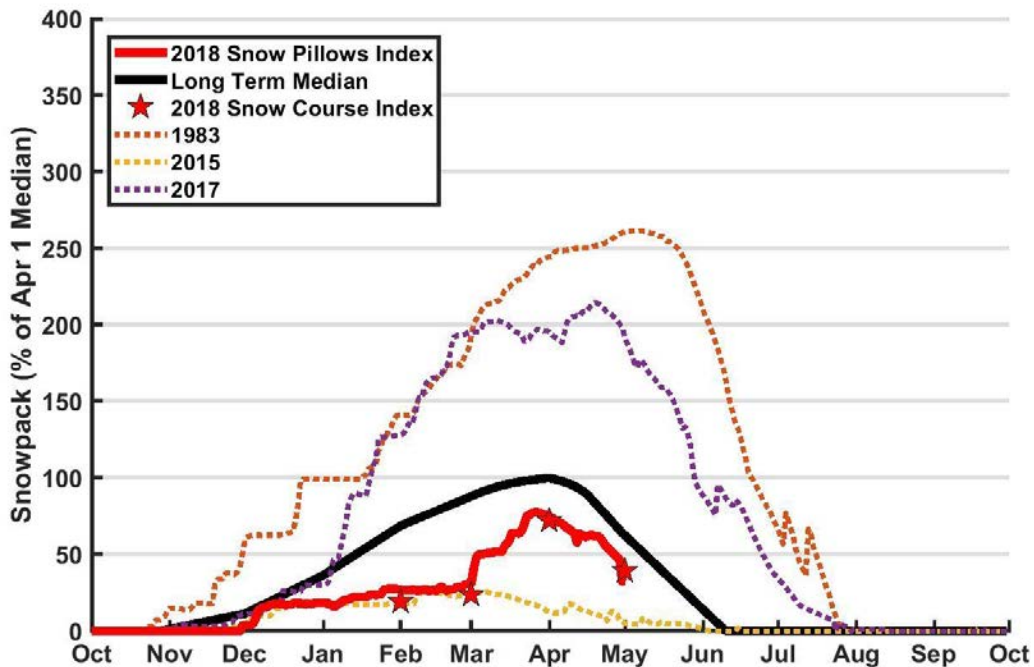


Figure 4: Tuolumne Snow Pillow and Snow Course Indices. Snowmelt is in full swing.

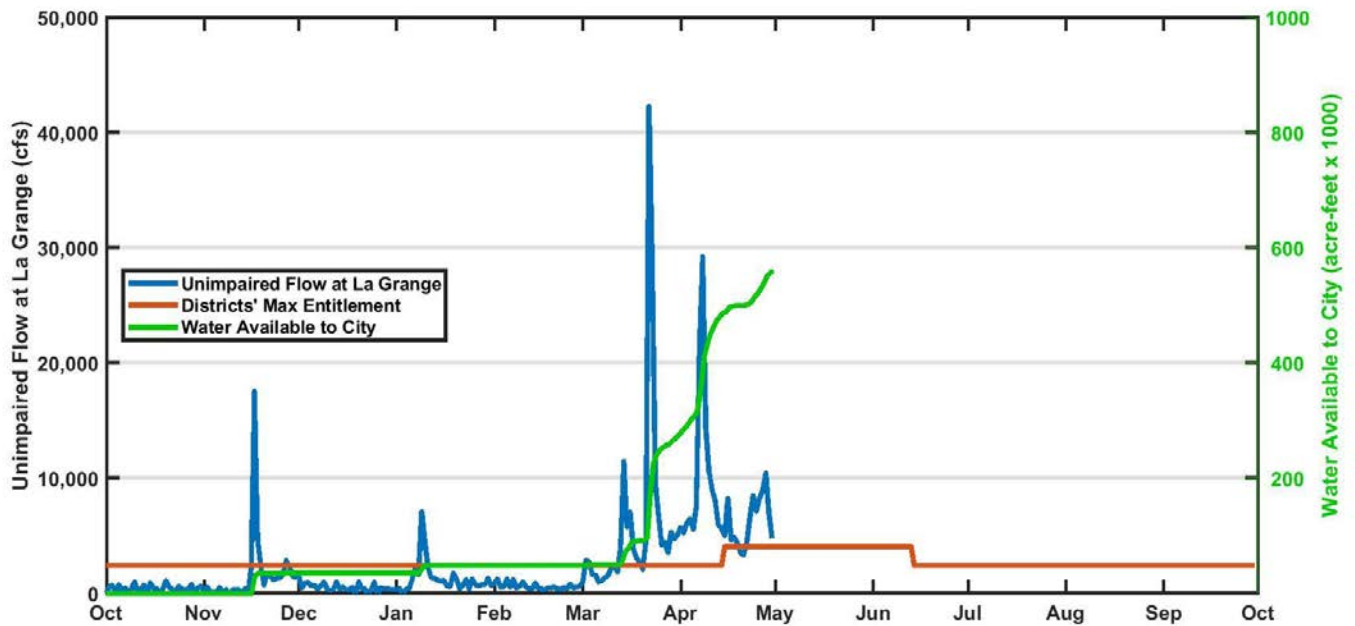


Figure 5: Calculated unimpaired flow at La Grange and the allocation of flows between the Districts and the City. Current Water Available to the City is 558,652 acre feet in WY2018.

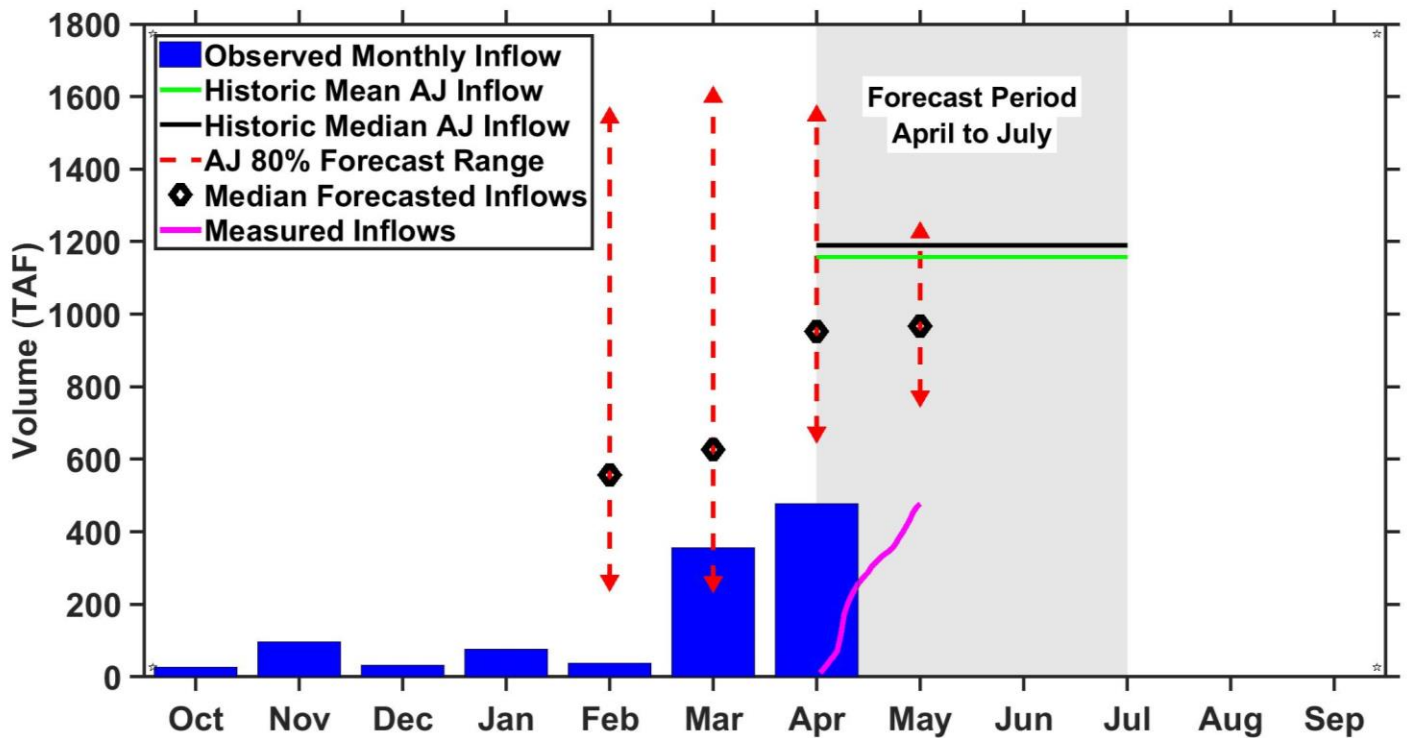


Figure 6: Water year 2018 conditions for the Tuolumne River at La Grange and for the 80% water supply forecast range (triangles represent the 90% and 10% forecasts, the open diamond represents the median forecast). An average April, precipitation wise, leads to little change in the median forecast, and a tightening of the forecast range.

STAFF REPORT

To: Coastside County Water District Board of Directors

From: David R. Dickson, General Manager

Agenda: June 12, 2018

Date: June 6, 2018

Subject: Approval of Water Service Agreement - 620 Avenue Portola, El Granada

Recommendation:

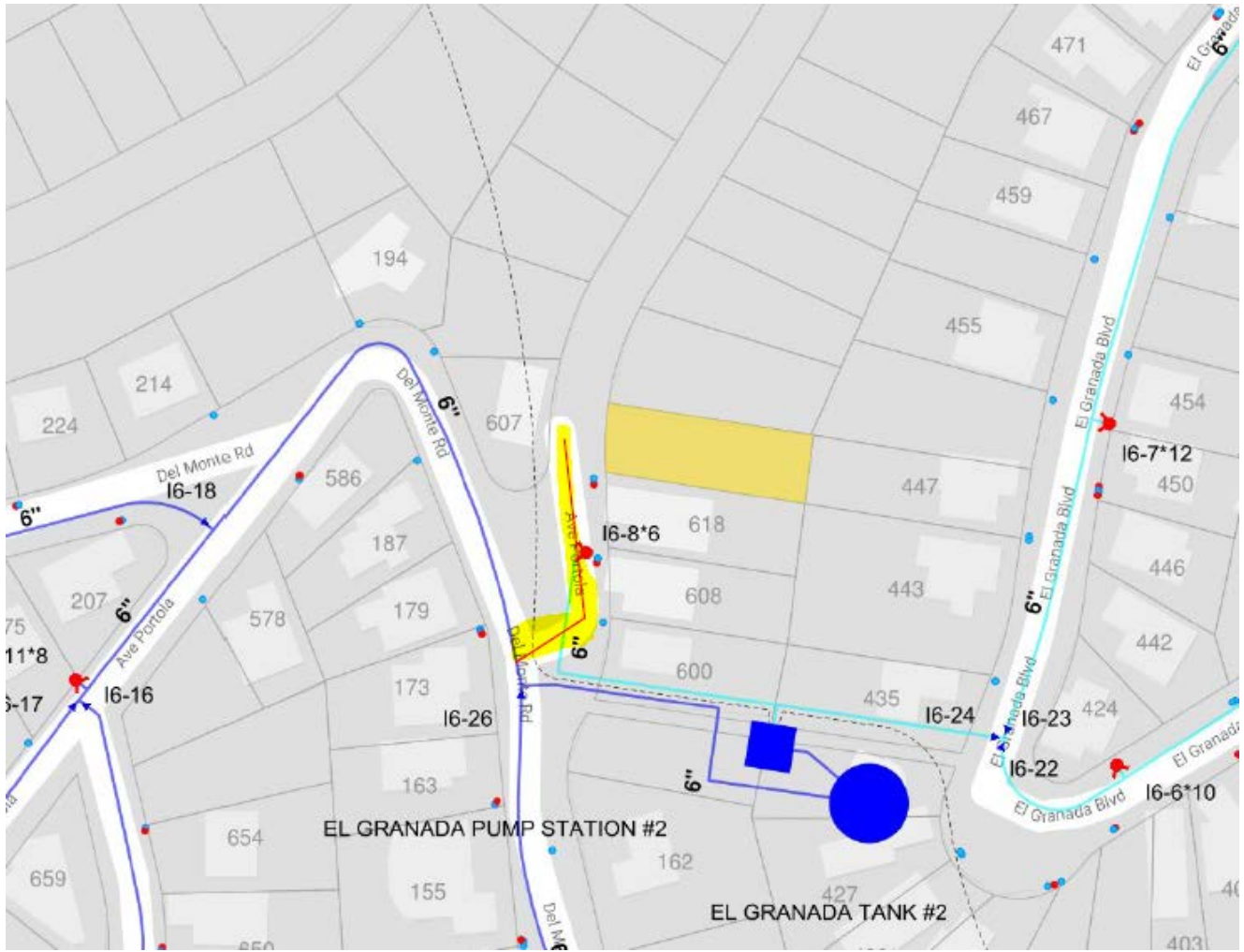
Approve the attached Water Service Agreement between Coastside County Water District and Michael Kostiuk and Kayleen Pashel-Kostiuk for construction of a pipeline extension along Avenue Portola in El Granada.

Background:

The attached Water Service Agreement provides for construction of the water utility system that will serve 620 Avenue Portola in El Granada. The project consists of approximately 60 linear feet of 6" diameter pipeline.

Fiscal Impact:

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



WATER SERVICE AGREEMENT

KAYLEEN M. PASHEL-KOSTIUK AND MICHAEL P. KOSTIUK **620 AVENUE PORTOLA / NON-COMPLEX PIPELINE EXTENSION PROJECT**

THIS AGREEMENT is made as of this _____ day of _____, 2018, between COASTSIDE COUNTY WATER DISTRICT ("District"), and KAYLEEN M. PASHEL-KOSTIUK AND MICHAEL P. KOSTIUK (collectively, the "Applicant").

THE PARTIES AGREE AS FOLLOWS:

1. RECITALS

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

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

B. Applicant is the owner of real property located within the geographic limits of the District known as 620 Avenue Portola (APN 047-144-370) in the County of San Mateo, State of California (collectively, the "Property"), which is shown on Exhibit A.

C. Applicant has purchased, and has the right to install, one five-eighth-inch (5/8") non-priority water service connection that is assigned to APN 047-144-370 (620 Avenue Portola).

D. Applicant has requested the installation of the following: (1) a six-inch pipeline extension approximately sixty (60) feet in length; (2) one three quarter inch domestic service connection and one one-inch fire service connection; and (3) all related appurtenances (collectively, the "Project").

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

2. APPROVAL OF PROJECT UTILITY SYSTEM

The Project Utility System, as defined below, shown on and described in the plans prepared by James S. Teter, Consulting Engineer, dated November 22, 2017 (collectively, the "reviewed submittal documents") are approved. Copies of the reviewed submittal documents are incorporated herein by this reference as Exhibit B.

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

3. INSTALLATION

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

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

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

Applicant is responsible for obtaining a proposal for construction of the Project from a licensed, qualified contractor to construct the Project ("Proposal"). The contractor shall possess a valid California Contractor's License (Class A or C34). The contractor shall have satisfactorily completed construction of a minimum of 5 similar pipeline projects, and shall, if requested, submit a list of these projects together with the telephone number of the owner's representative

who can be contacted regarding the work. Prior to commencement of construction, Applicant shall furnish a copy of the Proposal, along with evidence satisfactory to the District that the contractor possesses the necessary license and experience to construct the Project Utility System.

5. INSPECTION; CONSTRUCTION

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

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

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

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

6. PAYMENT OF FEES AND CHARGES

The Applicant will pay applicable fees and charges as follows:

A. Transmission and Storage Fees. None Due. Applicant has previously paid for transmission and storage fees for one (1) five eighth-inch (5/8") non-priority water service connection.

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

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

D. Plan Check and Construction Inspection Fees. None Due. The Applicant has deposited the sum of Four Thousand Dollars and No Cents (\$4,000.00), which was the cost estimate for the District staff and Engineer's costs in preparing and reviewing final plans, inspecting the construction of the Project Utility System, modifications of water system maps, and administrative, legal, and auditing costs. A final accounting will be performed prior to acceptance of the Project Utility System. Applicant shall pay additional fees if the deposit does not cover District costs for providing these services.

E. Total Payment Due with Agreement. None Due.

7. BONDS

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

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

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

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

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

8. INDEMNITY

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

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

9. INSURANCE

A. Applicant or its construction contractor shall, at its cost, maintain in full force and effect during the period beginning with commencement of construction of the Project Utility System and terminating no earlier than thirty (30) days after completion thereof and

approval by District for its connection with the District's distribution system, a policy or policies of liability insurance, as follows:

1. Bodily and personal injury liability in an amount not less than One Million Dollars (\$1,000,000.00) per person and Two Million Dollars (\$2,000,000.00) per occurrence; and

2. Property damage insurance in an amount not less than One Million Dollars (\$1,000,000.00) per occurrence.

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

B. Each such policy shall:

1. be issued by an insurance company or companies qualified to do business in California and approved in writing by District;

2. name District, its Directors, officers, agents and employees, as additional insureds;

3. specify that it acts as Primary Insurance; the insurer being liable thereunder for the full amount of any loss up to and including the total limit of liability without right of contribution from any insurance effected by District;

4. provide that the policy shall not be cancelled or altered without thirty (30) days' prior written notice to District (or Applicant shall provide this written notice to the District); and

5. otherwise be in form reasonably satisfactory to District.

C. Applicant or its contractor shall provide and maintain at all times during the course of installation of the Project Utility System, Worker's Compensation Insurance in conformance with the laws of the State of California. Such policy shall provide that the

underwriter thereof waives all right of subrogation against District by reason of any claim arising out of or connected with installation of the Project Utility System and that such policy shall not be cancelled or altered without thirty (30) days' prior written notice to District.

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

10. CONVEYANCE OF TITLE TO PROJECT UTILITY SYSTEM

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

11. ACCEPTANCE BY DISTRICT

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

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

Upon acceptance, Applicant shall be relieved of all future obligation to maintain the Project Utility System, subject to its obligation to repair defects, which obligation is secured

by the maintenance bond provided for in Section 6.C., for the duration of the term of such bond (i.e., two years after acceptance).

12. EXECUTION AND PERFORMANCE OF AGREEMENT

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

13. DISTRICT REGULATIONS

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

14. ASSIGNMENT

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

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

15. NOTICE

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

District: Coastside County Water District
766 Main Street
Half Moon Bay, CA 94019
Attention: David R. Dickson, General Manager

Applicant: Michael P. Kostiuk and Kayleen M. Pashel-Kostiuk
1288 E. Hillsdale Blvd., #B202
Foster City, CA 94404

16. CONSTRUCTION OF AGREEMENT

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

17. ENTIRE AGREEMENT

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

18. APPLICABLE LAW

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

19. AMENDMENT

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

20. AUTHORIZED SIGNATURE

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

21. TIME

Time is of the essence of the Agreement.

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

DISTRICT:
COASTSIDE COUNTY WATER DISTRICT

APPLICANT:

By: _____
President, Board of Directors

By: _____
Kayleen M. Pashel-Kostiuk, Property Owner

By: _____
Secretary

By: _____
Michael P. Kostiuk, Property Owner

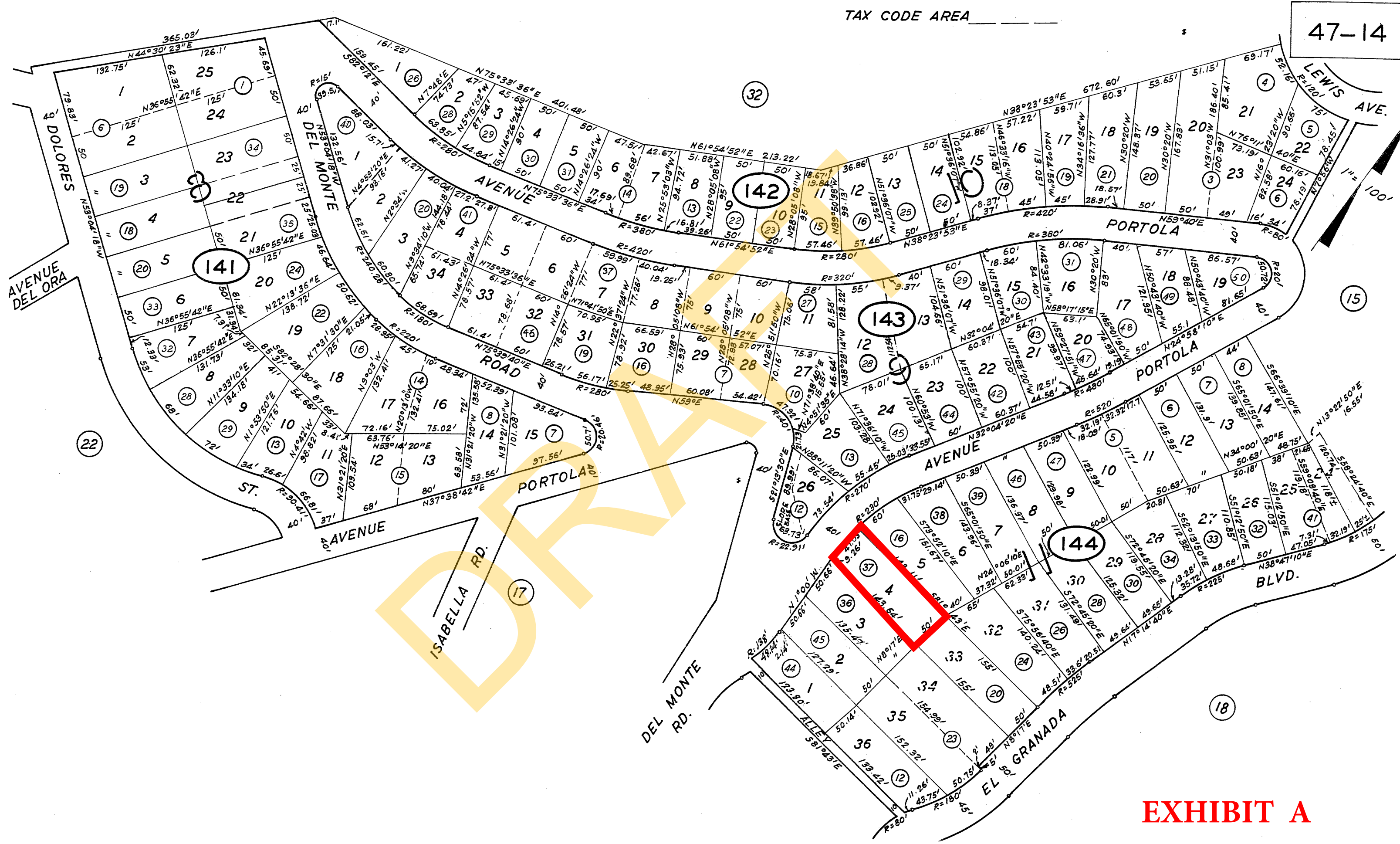


EXHIBIT A

EXHIBIT B

GENERAL LEGEND

— W —	WATER PIPELINE, NEW OR EXISTING
— G —	EXISTING GAS PIPELINE
— JT —	EXISTING JOINT TRENCH FACILITIES
— SS —	EXISTING SANITARY SEWER
— T —	EXISTING TELEPHONE CONDUIT OR CABLE
---	PROPERTY LINE
====	EXISTING CONCRETE CURB
=====	EXISTING CONCRETE CURB AND GUTTER
=====	EXISTING CONCRETE CURB, GUTTER AND SIDEWALK
□ WM	EXISTING WATER METER BOX
⊗	EXISTING OR NEW GATE VALVE
⊙	EXISTING OR NEW FIRE HYDRANT
⊕	EXISTING UTILITY POLE
○	EXISTING MANHOLE
515	STREET ADDRESS OF EXISTING HOUSE OR BUILDING
150	ASSESSOR'S BLOCK NUMBER
15	ASSESSOR'S LOT NUMBER
(E)	EXISTING FACILITY
(N)	NEW WORK THIS CONTRACT
EP	EDGE OF EXISTING ASPHALT CONCRETE PAVEMENT

GENERAL NOTES

- SPECIFICATIONS.** THESE DRAWINGS SHALL BE USED IN CONJUNCTION WITH THE DOCUMENT ENTITLED "WATER SYSTEM SPECIFICATIONS FOR AVENUE PORTOLA PIPELINE EXTENSION TO APN 047-144-370".
- COORDINATION WITH SITE DRAWINGS.** THESE DRAWINGS SHALL BE USED IN CONJUNCTION WITH THE DRAWINGS PREPARED BY THE APPLICANT'S ARCHITECT AND ENGINEER FOR THE PROPOSED RESIDENCE PROJECT. ONE SUCH KNOWN DRAWING IS TITLED "SHEET C-1, GRADING AND DRAINAGE PLAN, KOSTIJK PROPERTY, AVE. PORTOLA, EL GRANADA", DATED 5/1/17 PREPARED BY SIGMA PRIME GEOSCIENCES, INC.
- EXISTING UNDERGROUND UTILITIES.** THE LOCATION OF EXISTING UTILITIES AND OTHER UNDERGROUND FACILITIES SHOWN ON THE DRAWINGS IS BASED ON AVAILABLE INFORMATION AND IS NOT GUARANTEED TO BE EITHER ACCURATE OR COMPLETE. THE CONTRACTOR SHALL CONTACT UNDERGROUND SERVICE ALERT AT LEAST 48 HOURS BEFORE BEGINNING WORK TO HAVE THE LOCATION OF ALL UNDERGROUND FACILITIES MARKED IN THE FIELD BY THEIR OWNERS. THE CONTRACTOR SHALL ALSO CONTACT THE OWNERS OF OTHER KNOWN UNDERGROUND FACILITIES NOT INCLUDED IN THE U.S.A. SYSTEM SUCH AS SANITARY SEWERS, STORM DRAINS, AND CABLE TV TO HAVE THE LOCATION OF THOSE FACILITIES MARKED IN THE FIELD. PRIOR TO BEGINNING MACHINE EXCAVATION WORK THE CONTRACTOR SHALL VERIFY THE EXACT LOCATION OF EACH UNDERGROUND UTILITY BY HAND EXCAVATION (POT HOLING).
- ENCROACHMENT PERMIT FROM COUNTY OF SAN MATEO.** THE CONTRACTOR SHALL OBTAIN AN ENCROACHMENT PERMIT FROM THE COUNTY OF SAN MATEO FOR WORK WITHIN STREET RIGHT OF WAY AREA AND SHALL COMPLY WITH ALL REQUIREMENTS OF THAT PERMIT.
- HOURS OF WORK.** WORK SHALL BE PERFORMED BETWEEN THE HOURS OF 7:30 A.M. AND 4:30 P.M., MONDAY THROUGH FRIDAY. NO WORK SHALL BE PERFORMED ON SATURDAYS, SUNDAYS, AND STATE AND FEDERAL HOLIDAYS.



PLAN OF AVENUE PORTOLA
SCALE 1" = 20'



JAMES S. TETER
Consulting Engineer

15 Bayview Drive
San Rafael, CA 94901

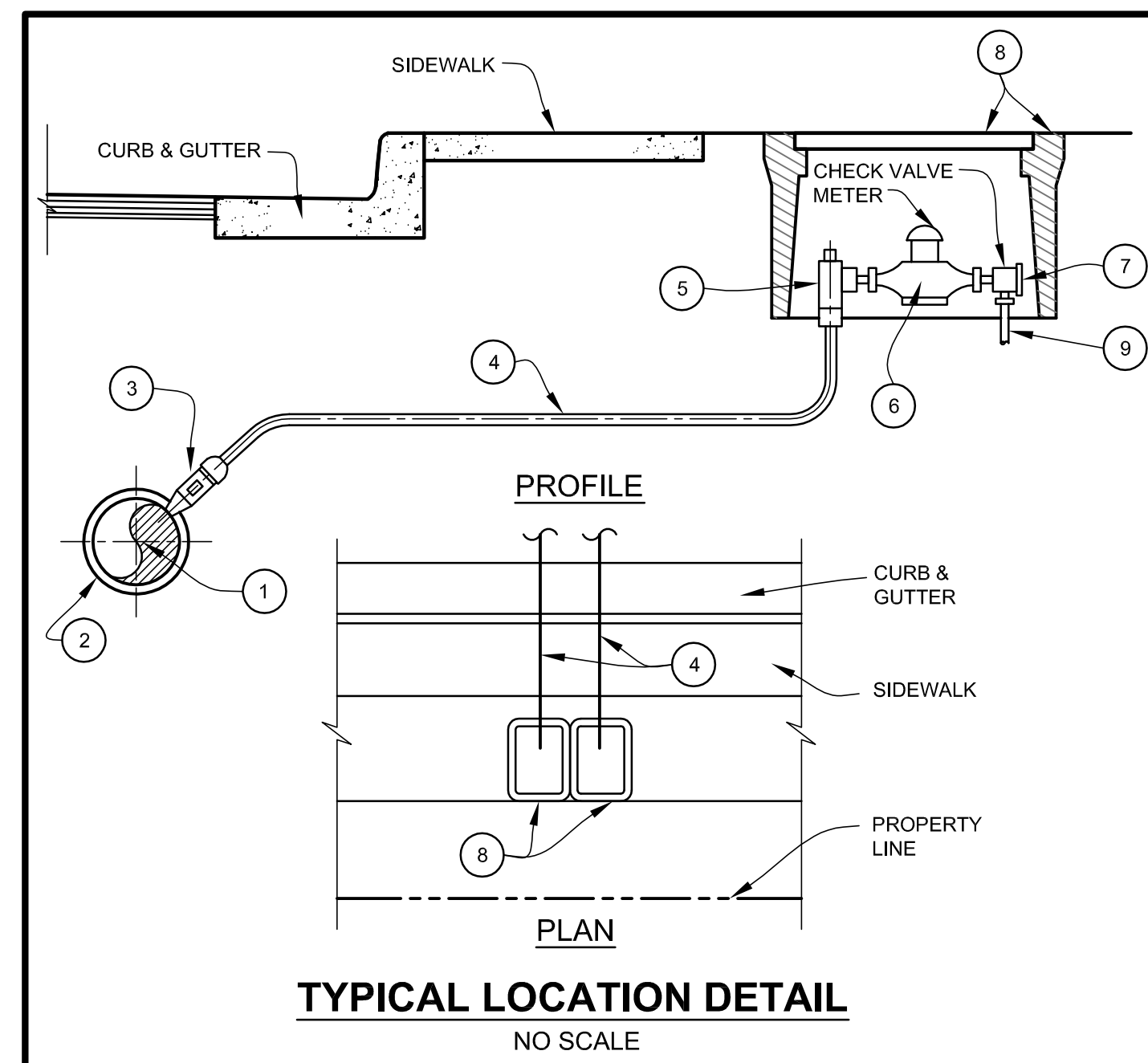
Tel: (415) 453-0754
Fax: (415) 453-0882

DATE:	11/22/17
DESIGN BY:	TETER
DRAWN BY:	RITHY
APPROVED BY:	
DRAWING NO:	

VERIFY SCALES	No.	REVISION	DATE	BY
BAR IS ONE INCH ON ORIGINAL DRAWING.				
0 1"				
IF NOT ONE INCH ON THIS SHEET, ADJUST SCALES ACCORDINGLY.				

COASTSIDE COUNTY WATER DISTRICT
AVENUE PORTOLA PIPELINE EXTENSION PROJECT TO APN 047-144-370
SITE PLAN

SHEET
1
OF 2 SHEETS

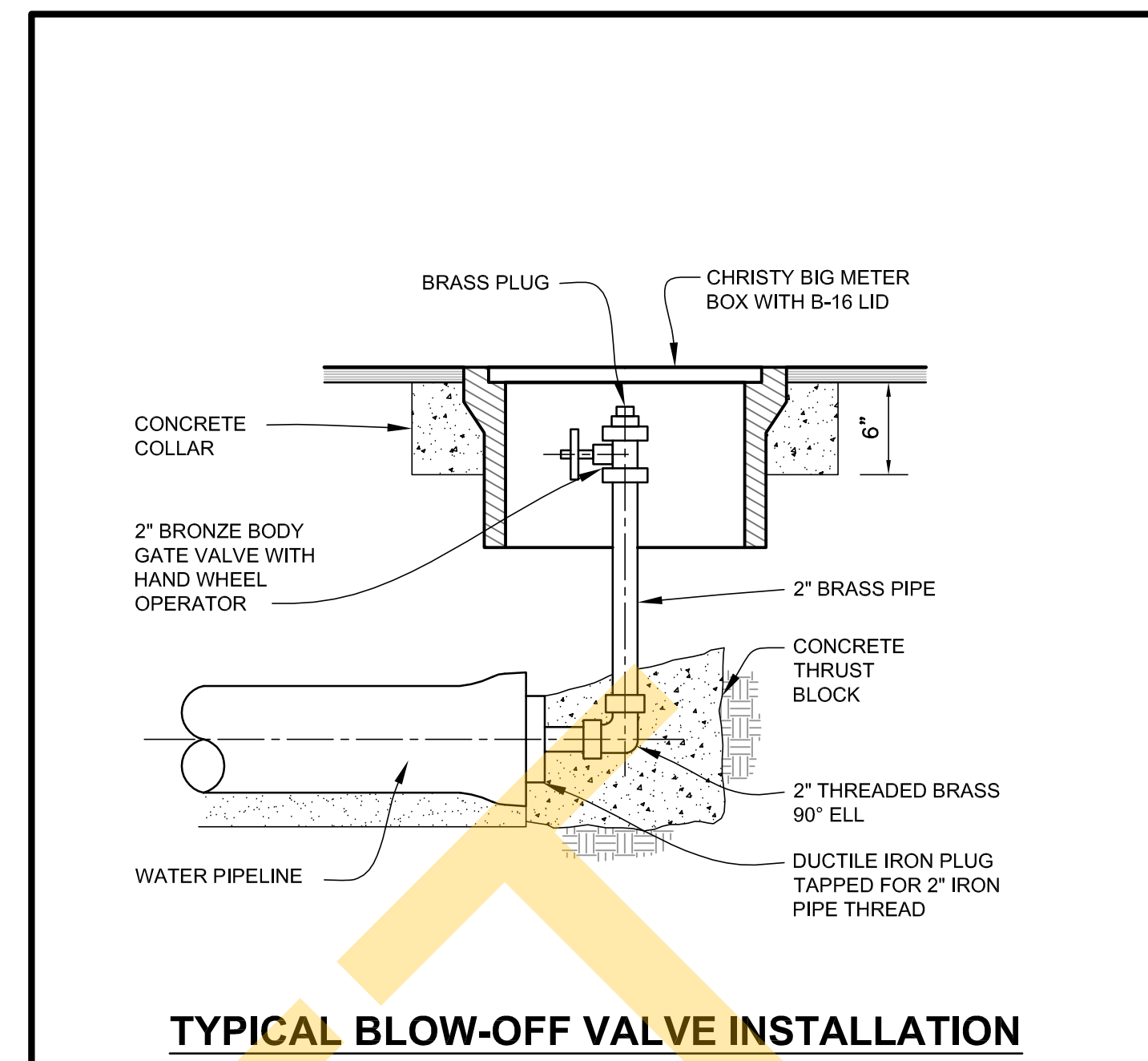


TYPICAL LOCATION DETAIL
NO SCALE

NUMBER	LEGEND FOR CIRCLED NUMBERS DESCRIPTION
1	WATER PIPELINE.
2	DOUBLE STRAP SERVICE SADDLE.
3	BALL CORPORATION VALVE.
4	TYPE K COPPER TUBING, SLOPE SLIGHTLY UPWARD.
5	METER ANGLE BALL VALVE.
6	WATER METER, FURNISHED INSTALLED BY DISTRICT.
7	ANGLE CHECK VALVE.
8	WATER METER BOX AND LID.
9	CUSTOMER WATER PIPELINE.

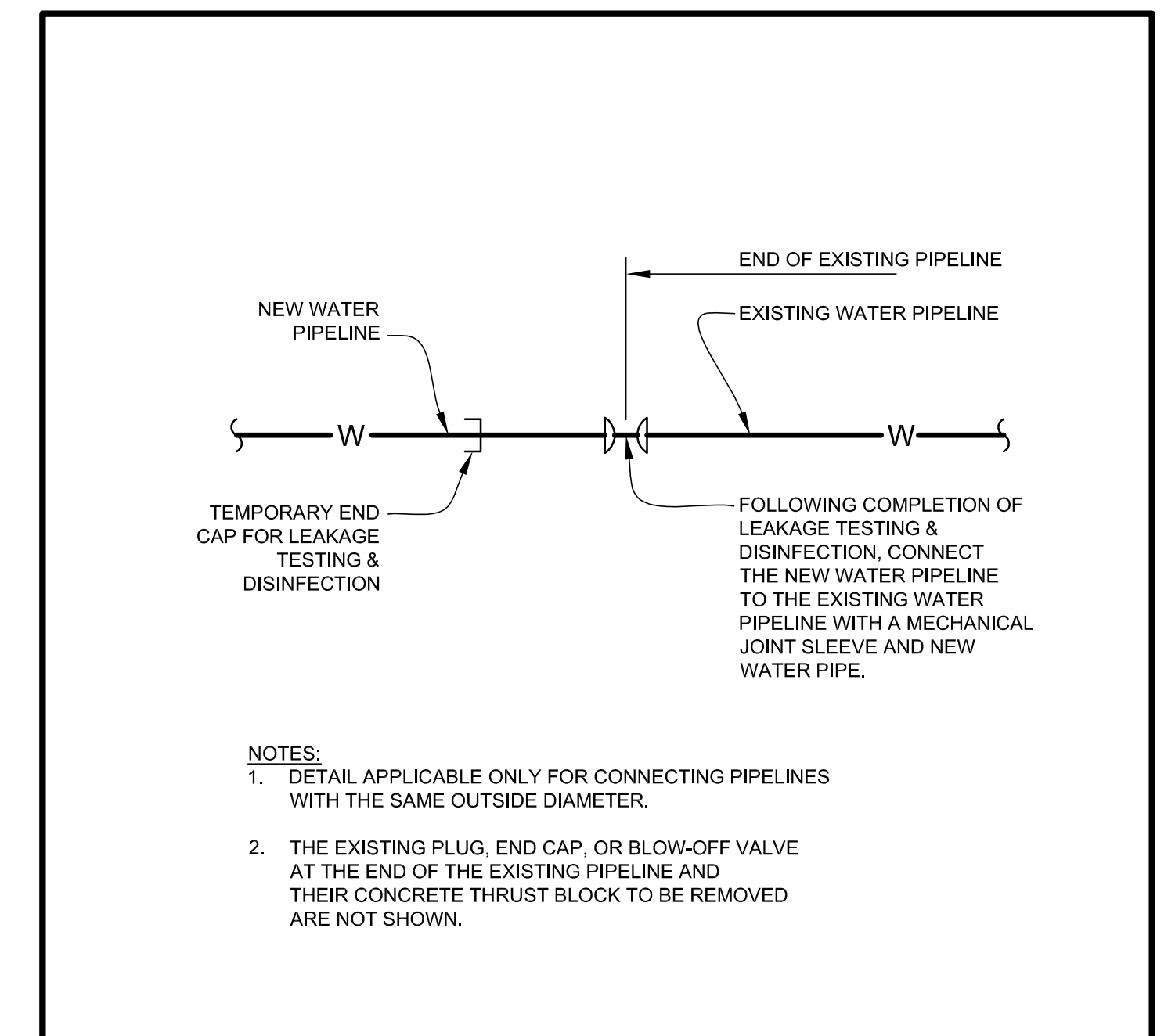
NOTE: CONSULT DISTRICT FOR MATERIAL MANUFACTURER AND MODEL NUMBER.

3/4" DOMESTIC SERVICE CONNECTION WITH 1" FIRE SERVICE CONNECTION	DATE: MAY 16	DISTRICT STANDARDS
	REV: _____	COASTSIDE COUNTY WATER DISTRICT
		SAN MATEO COUNTY, CALIFORNIA



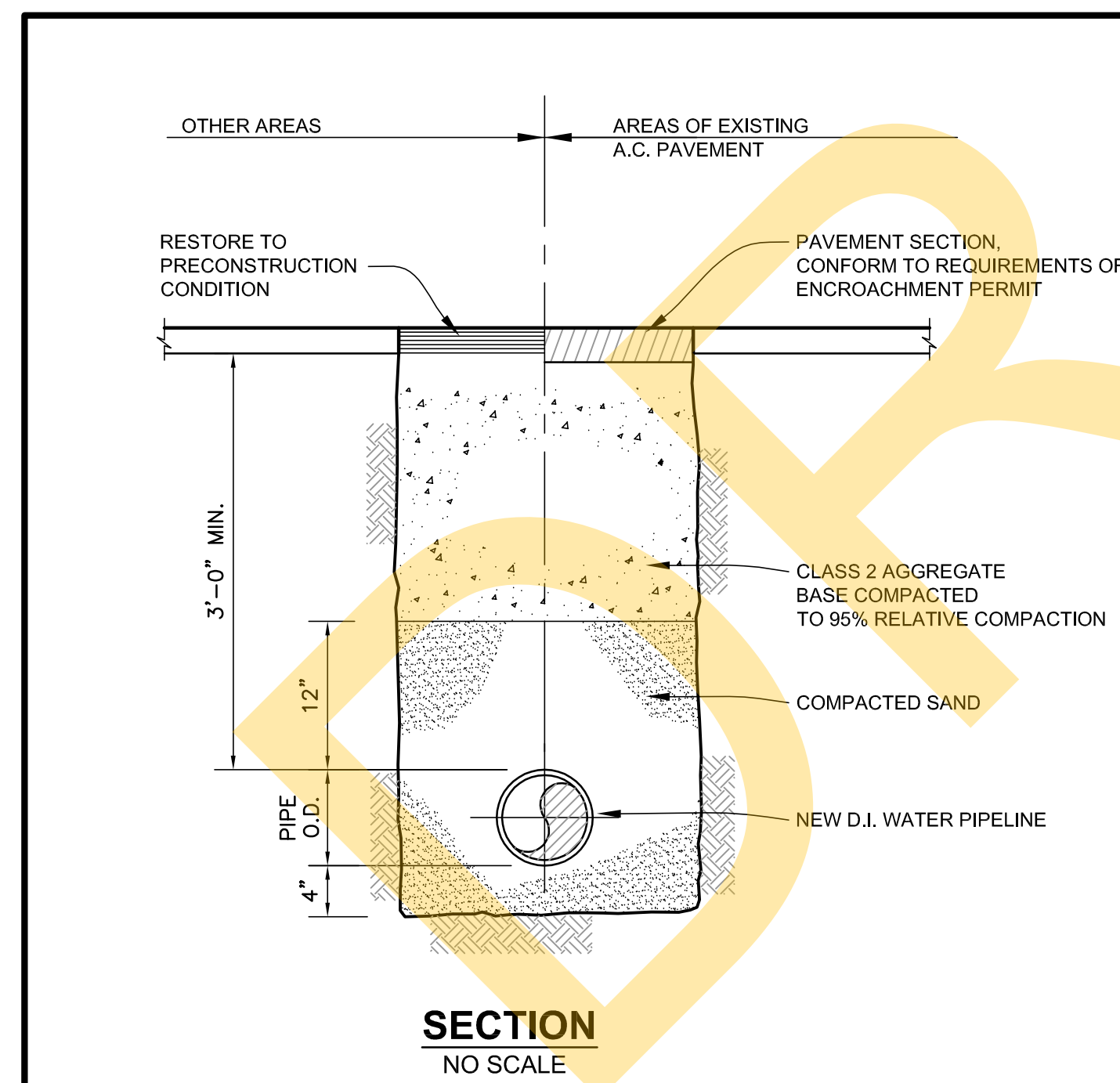
TYPICAL BLOW-OFF VALVE INSTALLATION
NO SCALE

BLOW-OFF VALVE	DATE: MAY 16	DISTRICT STANDARDS
	REV: _____	COASTSIDE COUNTY WATER DISTRICT
		SAN MATEO COUNTY, CALIFORNIA



PLAN
NO SCALE

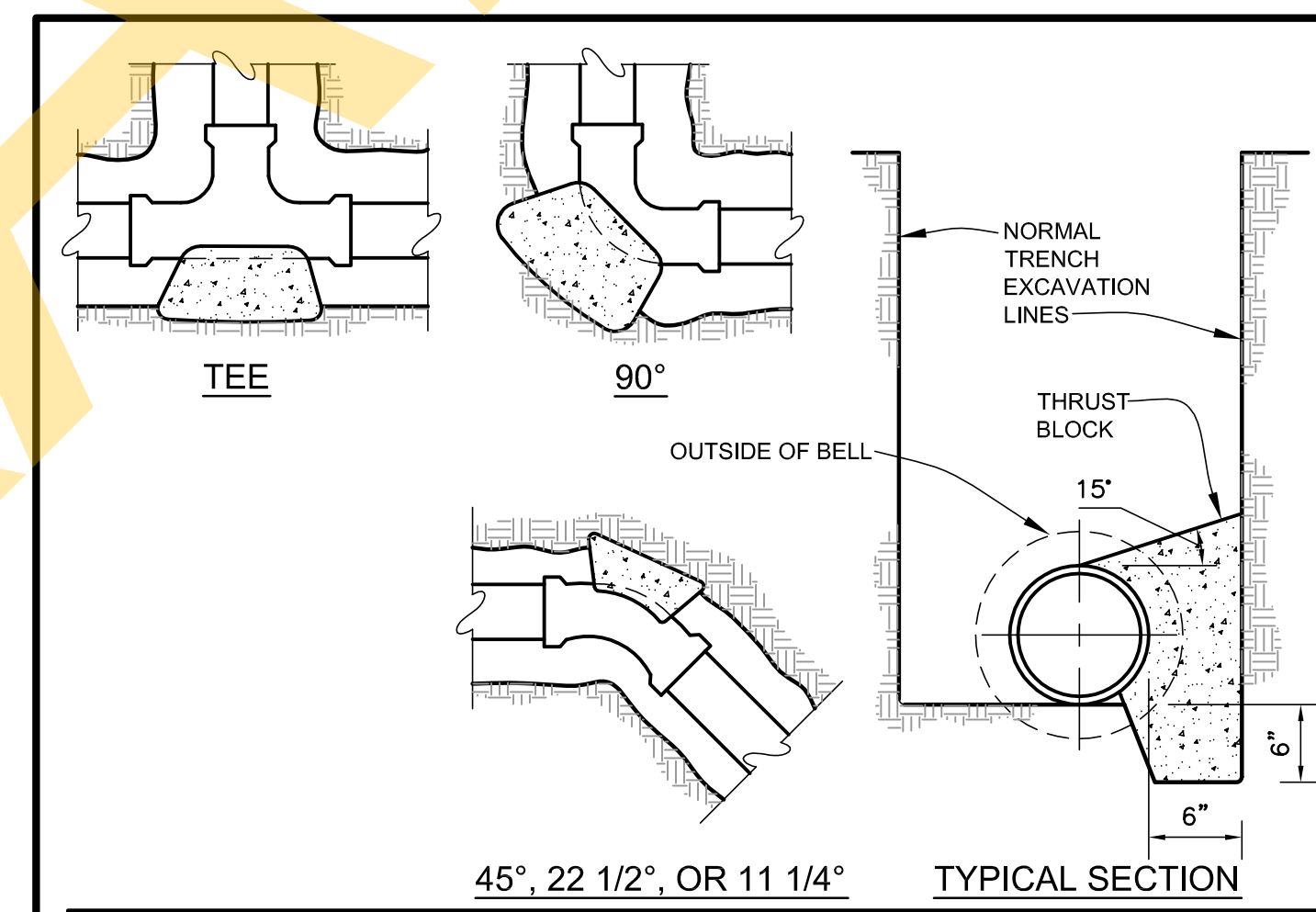
CONNECTION OF NEW AND EXISTING PIPELINE	DATE: JULY 17	DISTRICT STANDARDS
	REV: _____	COASTSIDE COUNTY WATER DISTRICT
		SAN MATEO COUNTY, CALIFORNIA



SECTION
NO SCALE

NOTE:
THE CONTRACTOR SHALL OBTAIN AN ENCROACHMENT PERMIT FROM THE PUBLIC AGENCY OWNING THE RIGHT OF WAY WHERE THE WORK IS BEING PERFORMED (CITY OF HALF MOON BAY, COUNTY OF SAN MATEO, OR CALTRANS), AND SHALL CONFORM TO ALL REQUIREMENTS OF THAT PERMIT.

TRENCH BACKFILL & REPAVING	DATE: MAY 16	DISTRICT STANDARDS
	REV: JULY 17	COASTSIDE COUNTY WATER DISTRICT
		SAN MATEO COUNTY, CALIFORNIA



MINIMUM REQUIRED BEARING AREA AGAINST UNDISTURBED EARTH WALL

PIPE SIZE	AREA IN SQUARE FEET AT FITTINGS				
	TEE & CROSS	90°	45°	22 1/2°	11 1/4°
6	3	5	3	2	2
8	6	8	4	2	2
10	8	11	6	3	2
12	11	15	8	4	2
16	18	25	14	7	4

NOTE:

- THRUST BLOCKS SHALL BE PLAIN CONCRETE POURED AGAINST UNDISTURBED EARTH.
- CAPS AND PLUGS SHALL HAVE THRUST BLOCKS WITH AREAS AS SPECIFIED FOR TEES, CAPS, PLUGS, FLANGES, AND MECHANICAL JOINTS SHALL BE COVERED WITH 8 MILS OF POLYETHYLENE BEFORE THRUST BLOCKS ARE POURED.
- AREA IS IN A PLANE AT RIGHT ANGLES TO THE LINE OF RESULTANT THRUST.
- THRUST BLOCKS ARE DESIGNED FOR AN ALLOWABLE SOIL BEARING VALUE OF 3000 LB/S.F. AND 200 P.S.I.G. TEST PRESSURE. AREAS SHALL BE INCREASED FOR SOILS WITH LOWER BEARING VALUES OR FOR HIGHER TEST PRESSURE.

HORIZONTAL THRUST BLOCKS	DATE: MAY 16	DISTRICT STANDARDS
	REV: _____	COASTSIDE COUNTY WATER DISTRICT
		SAN MATEO COUNTY, CALIFORNIA

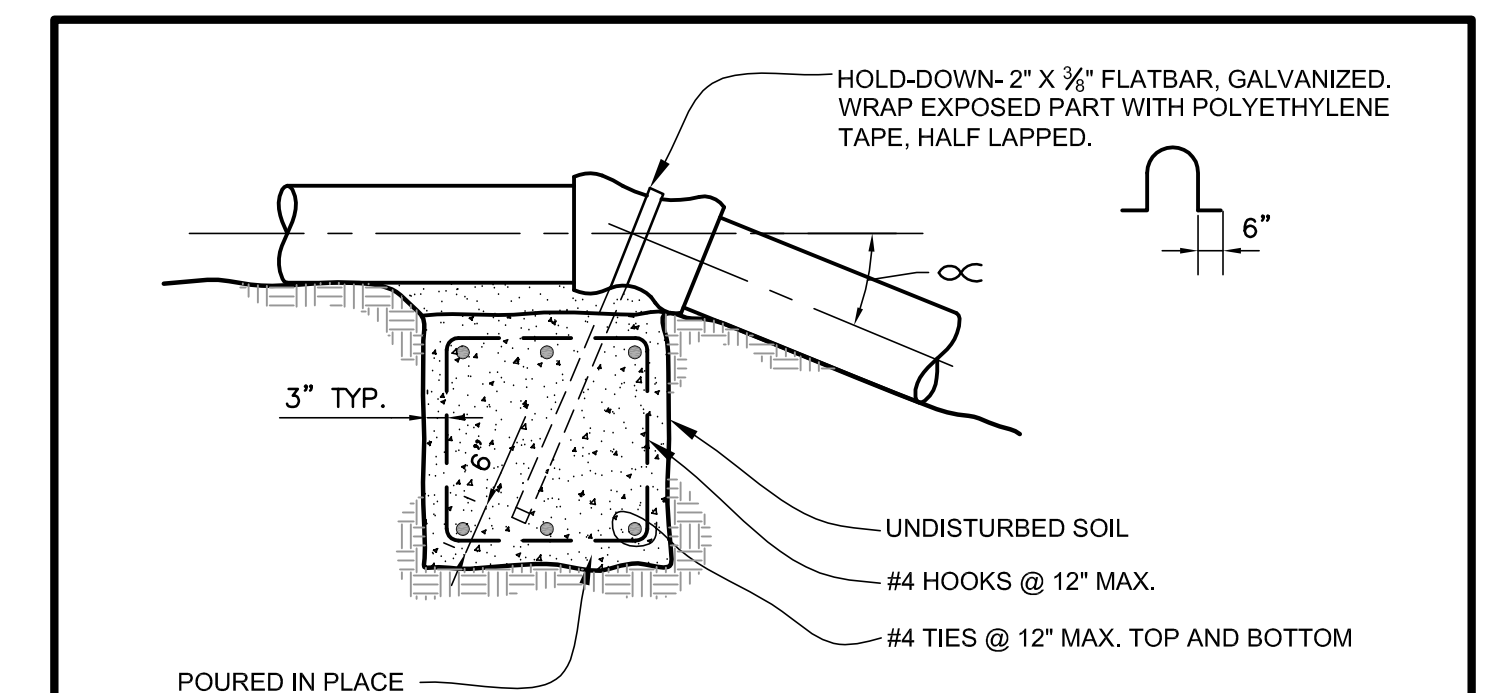
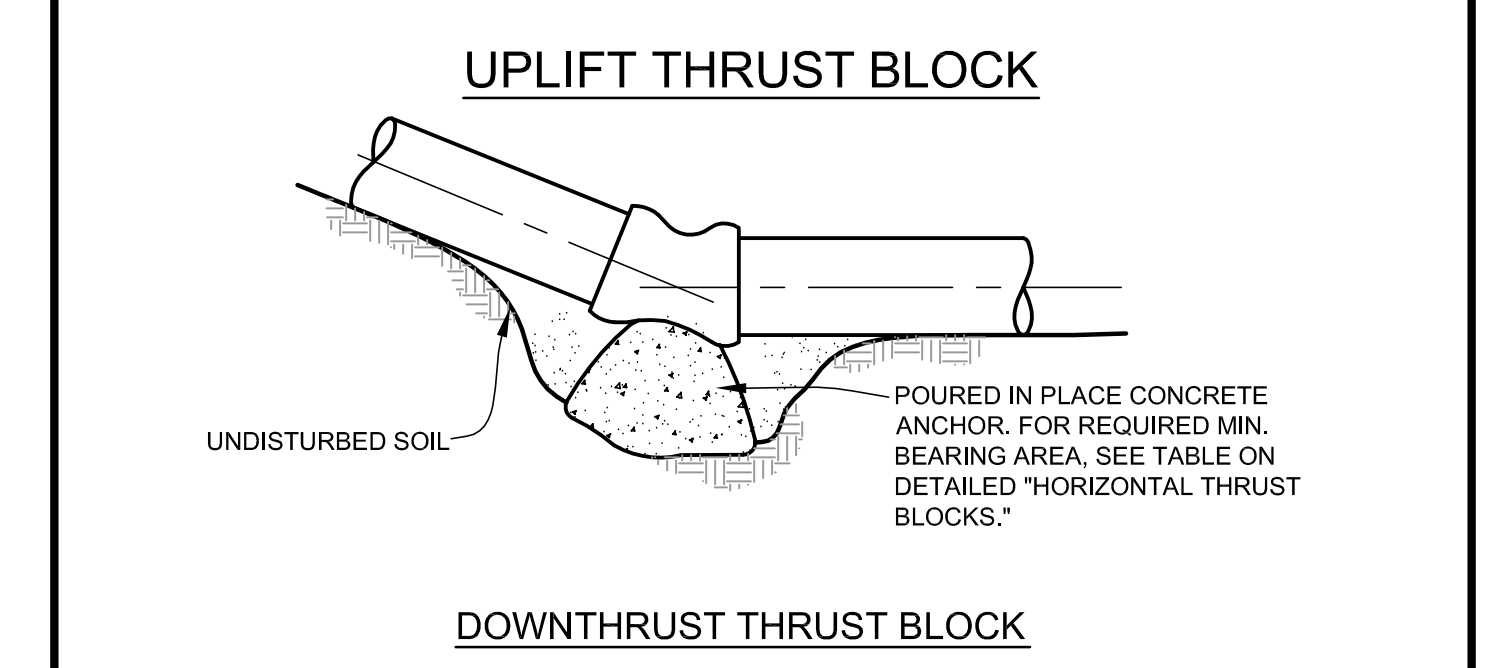


TABLE-FOR WORKING PRESSURE 150 PSI

PIPE SIZE	REQUIRED CONCRETE VOLUME CUBIC FEET		
	OC = 11 1/2°	OC = 22 1/2°	OC = 45°
6"	11	21	41
8"	19	38	74
10"	29	58	112
12"	41	84	—



VERTICAL THRUST BLOCKS	DATE: MAY 16	DISTRICT STANDARDS
	REV: _____	COASTSIDE COUNTY WATER DISTRICT
		SAN MATEO COUNTY, CALIFORNIA



JAMES S. TETER
Consulting Engineer

15 Bayview Drive
San Rafael, CA 94901
Tel: (415) 453-0754
Fax: (415) 453-0882

DATE:	11/22/17
DESIGN BY:	TETER
DRAWN BY:	RITHY
APPROVED BY:	
DRAWING NO:	

VERIFY SCALES	No.	REVISION	DATE	BY
BAR IS ONE INCH ON ORIGINAL DRAWING.				
IF NOT ONE INCH ON THIS SHEET, ADJUST SCALES ACCORDINGLY.				

COASTSIDE COUNTY WATER DISTRICT
AVENUE PORTOLA PIPELINE EXTENSION PROJECT APN 047-144-370
STANDARD INSTALLATION DETAILS

STAFF REPORT

To: Coastside County Water District Board of Directors

From: David R. Dickson, General Manager

Agenda: June 12, 2018

Date: June 6, 2018

Subject: Approval of Water Service Agreement - 555 Obispo Road, El Granada

Recommendation:

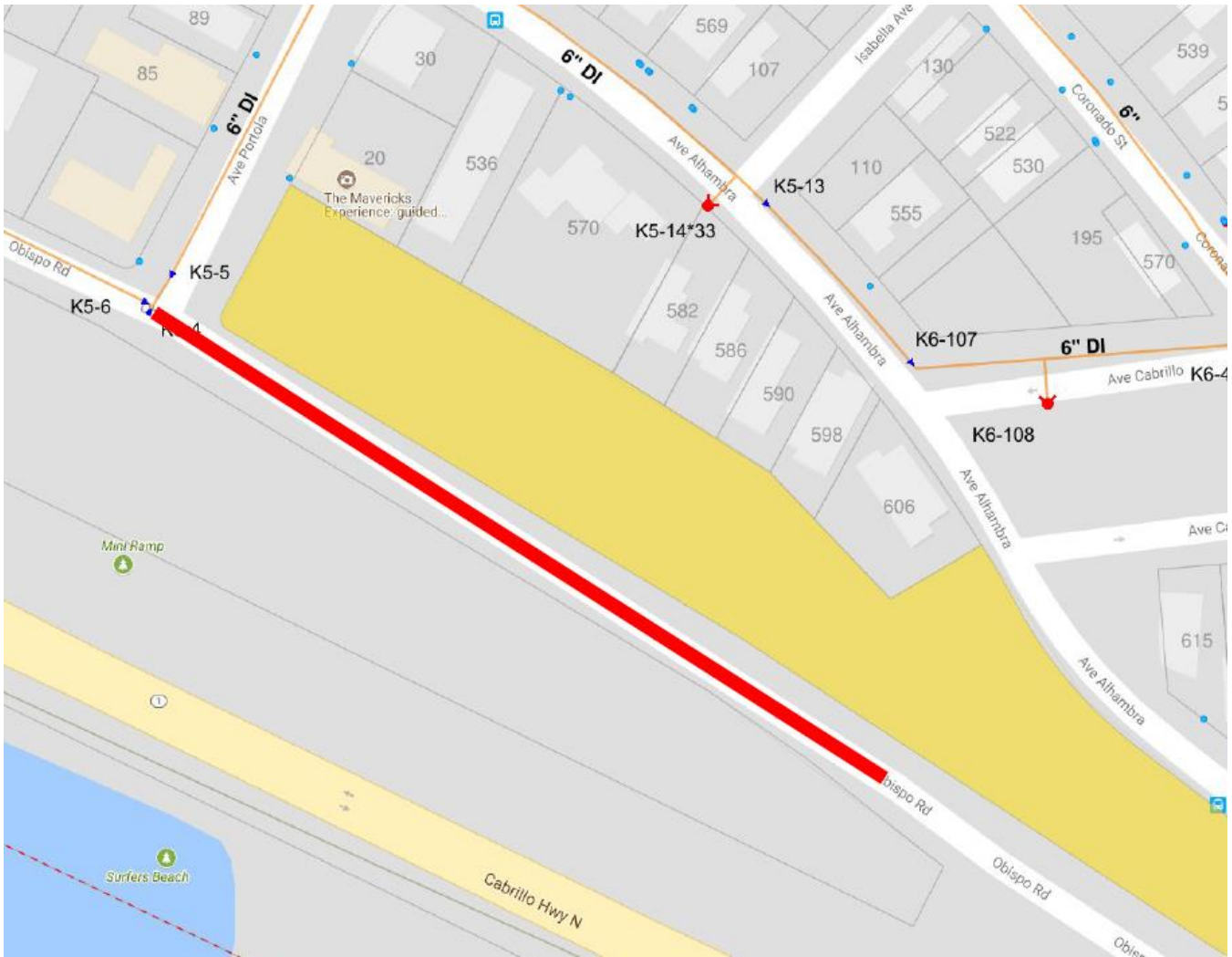
Approve the attached Water Service Agreement between Coastside County Water District and the Coastside Fire Protection District for construction of a pipeline extension along Obispo Road in El Granada.

Background:

The attached Water Service Agreement provides for construction of the water utility system that will serve 555 Obispo Road in El Granada. The project consists of approximately 820 linear feet of 8" diameter pipeline.

Fiscal Impact:

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



WATER SERVICE AGREEMENT

NON-COMPLEX PIPELINE EXTENSION PROJECT 555 OBISPO ROAD, COASTSIDE FIRE PROTECTION DISTRICT

THIS AGREEMENT is made as of this _____ day of _____, 2018, between COASTSIDE COUNTY WATER DISTRICT ("District"), and COASTSIDE FIRE PROTECTION DISTRICT (collectively, the "Applicant").

THE PARTIES AGREE AS FOLLOWS:

1. RECITALS

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

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

B. Applicant is the owner of real property located within the geographic limits of the District known as 555 Obispo Road (APN 047-261-030) in El Granada, unincorporated area of County of San Mateo California (collectively, the "Property"), which is shown on Exhibit A.

C. Applicant will purchase, and will have the right to install, one two-inch (2") Priority water service connection that is assigned to APN 047-261-030 (555 Obispo Road).

D. Applicant has requested the installation of the following: (1) an eight-inch pipeline extension approximately eight hundred and twenty (820) feet in length; (2) one two-inch domestic service connection, along with one four-inch fire service connection; (3) one fire hydrant and (4) all related appurtenances (collectively, the "Project").

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

2. APPROVAL OF PROJECT UTILITY SYSTEM

The Project Utility System, as defined below, shown on and described in the plans prepared by James S. Teter, Consulting Engineer, dated February 20, 2018 (collectively, the "reviewed submittal documents") are approved. Copies of the reviewed submittal documents are incorporated herein by this reference as Exhibit B.

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

3. INSTALLATION

A. Applicant shall commence installation of the Project Utility System no later than six (6) months, subject to extension for force majeure events not the fault of Applicant, after the date of this Agreement and shall complete its installation within eighteen (18) months after the date of this Agreement. If installation is not commenced or completed by such dates, the District may terminate this Agreement, unless the delay is solely attributable to events, such as fire, flood or earthquake, which are beyond the control of, and not the fault of, Applicant.

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

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

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

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

5. INSPECTION; CONSTRUCTION

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

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

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

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

6. PAYMENT OF FEES AND CHARGES

The Applicant will pay applicable fees and charges as follows:

A. Transmission and Storage Fees. Amount Due. Applicant will need to pay for and purchase one two-inch (2") priority water service connection separately from this agreement.

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

C. Initial Filing Fee. None due. The District acknowledges receipt of a non-refundable initial filing fee in the amount of \$250.

D. Plan Check and Construction Inspection Fees. None Due. The Applicant has deposited the sum of Eight Thousand Dollars and No Cents (\$8,000.00), which was the cost estimate for the District staff and Engineer's costs in preparing and reviewing final plans, inspecting the construction of the Project Utility System, modifications of water system maps, and administrative, legal, and auditing costs. A final accounting will be performed prior to acceptance of the Project Utility System. Applicant shall pay additional fees if the deposit does not cover District costs for providing these services.

E. Total Payment Due with Agreement. None Due.

7. BONDS

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

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

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

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

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

8. INDEMNITY

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

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

9. INSURANCE

A. Applicant or its construction contractor shall, at its cost, maintain in full force and effect during the period beginning with commencement of construction of the Project Utility System and terminating no earlier than thirty (30) days after completion thereof and

approval by District for its connection with the District's distribution system, a policy or policies of liability insurance, as follows:

1. Bodily and personal injury liability in an amount not less than One Million Dollars (\$1,000,000.00) per person and Two Million Dollars (\$2,000,000.00) per occurrence; and
2. Property damage insurance in an amount not less than One Million Dollars (\$1,000,000.00) per occurrence.

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

B. Each such policy shall:

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

C. Applicant or its contractor shall provide and maintain at all times during the course of installation of the Project Utility System, Worker's Compensation Insurance in conformance with the laws of the State of California. Such policy shall provide that the

underwriter thereof waives all right of subrogation against District by reason of any claim arising out of or connected with installation of the Project Utility System and that such policy shall not be cancelled or altered without thirty (30) days' prior written notice to District.

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

10. CONVEYANCE OF TITLE TO PROJECT UTILITY SYSTEM

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

11. ACCEPTANCE BY DISTRICT

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

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

Upon acceptance, Applicant shall be relieved of all future obligation to maintain the Project Utility System, subject to its obligation to repair defects, which obligation is secured

by the maintenance bond provided for in Section 6.C., for the duration of the term of such bond (i.e., two years after acceptance).

12. EXECUTION AND PERFORMANCE OF AGREEMENT

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

13. DISTRICT REGULATIONS

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

14. ASSIGNMENT

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

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

15. NOTICE

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

District: Coastside County Water District
766 Main Street
Half Moon Bay, CA 94019
Attention: David R. Dickson, General Manager

Applicant: Coastside Fire Protection District
1191 Main Street
Half Moon Bay, CA 94019
Attention: Paul Cole, Assistant Chief-Operations/Special Operations

16. CONSTRUCTION OF AGREEMENT

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

17. ENTIRE AGREEMENT

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

18. APPLICABLE LAW

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

19. AMENDMENT

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

20. AUTHORIZED SIGNATURE

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

21. TIME

Time is of the essence of the Agreement.

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

DISTRICT:
COASTSIDE COUNTY WATER DISTRICT

APPLICANT:
COASTSIDE FIRE PROTECTION DISTRICT

By: _____
President, Board of Directors

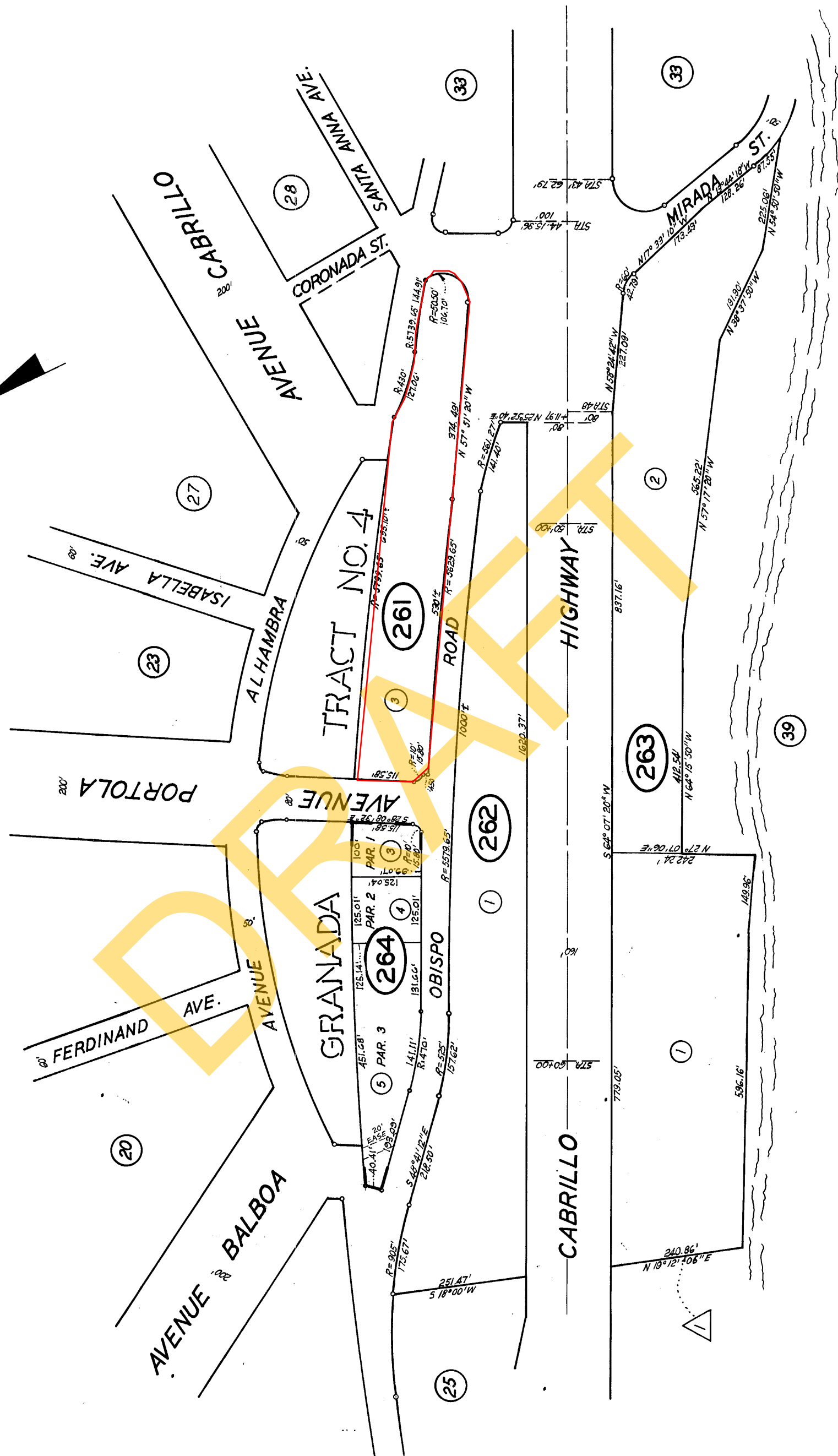
By: _____
Paul Cole, Coastsid e Fire Protection District

By: _____
Secretary

47-26

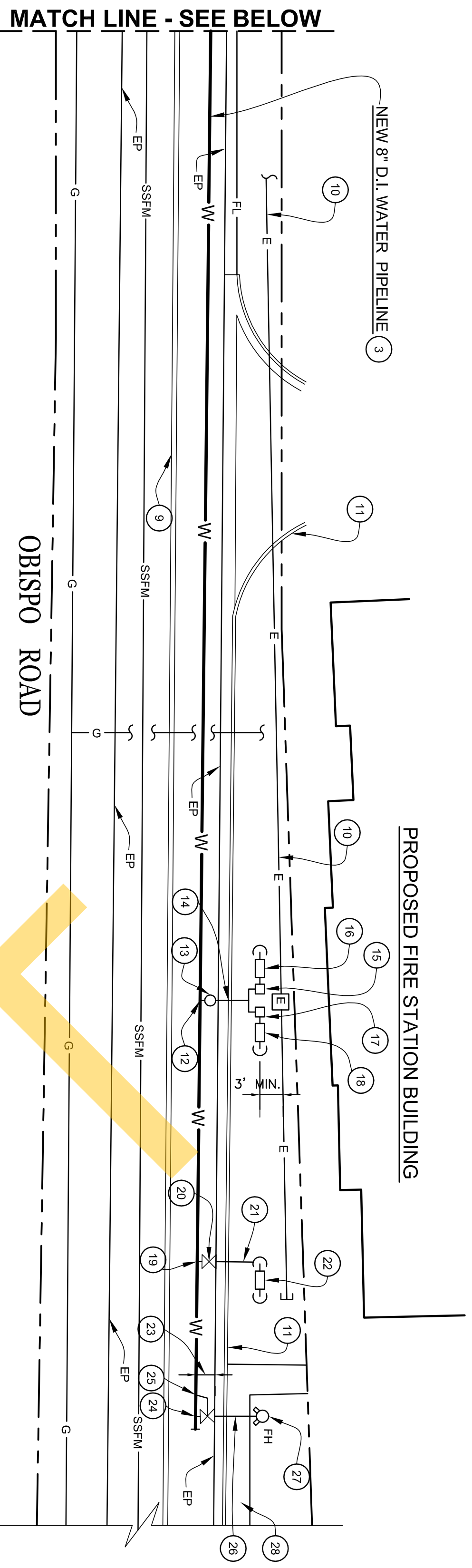


TAX CODE AREA



PACIFIC OCEAN

- △ PARCEL MAP VOL 46/20
- △ LLS VOL. 7 - 104/105



CIRCLED NUMBER LEGEND

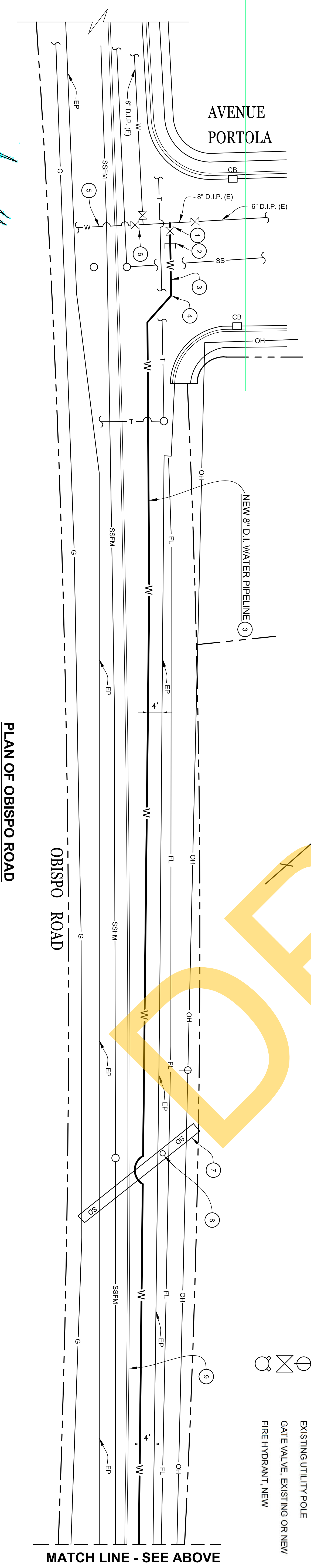
CIRCLED NUMBER	DESCRIPTION
1	NEW 8" TAPPING SLEEVE AND TAPPING VALVE. SEE STD. INSTALLATION DETAIL.
2	TEMPORARY END CAP FOR LEAKAGE TESTING & DISINFECTION.
3	NEW 8" DUCTILE IRON PIPELINE.
4	NEW 45 DEGREE MECH. JT. DUCTILE IRON FITTING.
5	EXISTING ABANDONED 2" PIPELINE.
6	EXISTING 8" MECH. JT. GATE VALVE WITH PLUG TAPPED FOR 2" IRON PIPE THREAD. CUT AND CAP THE EXISTING PIPE. INSTALL A NEW 8" PLUG ON THE GATE VALVE. INSTALL A CONCRETE THRUST BLOCK FOR THE NEW 8" PLUG AND THE 2" CAP.
7	EXISTING 60" OUTSIDE DIAMETER CONCRETE STORM DRAIN. NEW WATER PIPELINE TO CROSS UNDER THE STORM DRAIN. SEE DETAIL.
8	EXISTING WARNING SIGN POST.
9	EXISTING DOUBLE YELLOW PAINTED STRIPE STREET CENTER LINE.
10	PROPOSED UNDERGROUND ELECTRICAL CONDUITS.
11	PROPOSED CONCRETE CURB & GUTTER.
12	NEW 8" X 2" SERVICE SADDLE.
13	NEW 2" BALL CORPORATION VALVE.
14	NEW 2" COPPER TUBING.
15	NEW 1" IRRIGATION SYSTEM WATER METER. SEE STD. INSTALLATION DETAIL FOR IRRIGATION SERVICE CONNECTION.
16	NEW 1" REDUCED PRESSURE TYPE BACKFLOW ASSEMBLY. SEE STD. INSTALLATION DETAIL FOR BACKFLOW PREVENTION DEVICE.
17	NEW 1-1/2" DOMESTIC SYSTEM WATER METER. INSTALL SIMILAR TO STD. INSTALLATION DETAIL FOR IRRIGATION WATER SERVICE CONNECTION.
18	NEW 1-1/2" REDUCED PRESSURE TYPE BACKFLOW ASSEMBLY. SEE STD. INSTALLATION DETAIL FOR BACKFLOW PREVENTION DEVICE.
19	NEW 8" MECH. JT. X 4" FLANGE DUCTILE IRON TEE.
20	NEW 4" FLANGE BY MECH. JT. GATE VALVE. SEE STD. INSTALLATION DETAIL.
21	NEW 4" DUCTILE IRON PIPELINE.
22	NEW 4" DOUBLE DETECTOR CHECK BACKFLOW PREVENTION ASSEMBLY. SEE STD. INSTALLATION DETAIL.
23	ASSEMBLY. SEE STD. INSTALLATION DETAIL.
24	APPROX. 4'. LOCATE NEW 8" PIPELINE A SUFFICIENT DISTANCE SO THAT THE VALVE BOXES FOR THE GATE VALVES WILL NOT INTERFERE WITH THE PROPOSED CONCRETE CURB AND GUTTER.
25	NEW 8" MECH. JT. X 6" FLANGE DUCTILE IRON TEE.
26	NEW 8" GATE VALVE. SEE STD. INSTALLATION DETAIL.
27	NEW 6" DUCTILE IRON PIPELINE.
28	NEW FIRE HYDRANT. SEE STD. INSTALLATION DETAIL. PROPOSED CONCRETE SIDEWALK.

GENERAL NOTES

- THESE DRAWINGS SHALL BE USED IN CONJUNCTION WITH THE DOCUMENT TITLED "WATER SYSTEM SPECIFICATIONS FOR OBISPO ROAD PIPELINE EXTENSION PROJECT".
- THESE DRAWINGS SHALL BE COORDINATED WITH THE DRAWINGS FOR THE NEW FIRE STATION PROJECT. COASTSIDE FIRE PROTECTION DISTRICT, FIRE STATION #411, PREPARED BY BKF ENGINEERS/SURVEYORS/PLANNERS. BKF SHALL PROVIDE SURVEY CONTROL FOR THE LOCATION OF THE PIPING PROVIDING SERVICE TO THE NEW WATER SERVICE CONNECTIONS, FIRE SERVICE CONNECTION, AND FIRE HYDRANT. ALSO, FOR THE LOCATION OF THE GATE VALVES IN OBISPO ROAD IN ORDER THAT THE VALVE BOXES NOT INTERFERE WITH THE PROPOSED CONCRETE CURB & GUTTER.
- ENCROACHMENT PERMIT FROM THE COUNTY OF SAN MATEO. ALL WORK WITHIN STREET RIGHT OF WAY AREAS SHALL BE PERFORMED IN COMPLIANCE WITH THE REQUIREMENTS OF THAT PERMIT.
- EXISTING UNDERGROUND UTILITIES. LOCATION OF EXISTING UTILITIES AND OTHER UNDERGROUND FACILITIES SHOWN ON THE DRAWINGS IS BASED ON AVAILABLE INFORMATION AND IS NOT GUARANTEED TO BE EITHER ACCURATE OR COMPLETE. THE CONTRACTOR SHALL CONTACT UNDERGROUND SERVICE ALERT AT LEAST 48 HOURS BEFORE BEGINNING WORK TO HAVE THE LOCATION OF ALL UNDERGROUND FACILITIES MARKED IN THE FIELD BY THEIR OWNERS. THE CONTRACTOR SHALL ALSO CONTACT THE OWNERS OF OTHER KNOWN UNDERGROUND FACILITIES NOT INCLUDED IN THE U.S.A. SYSTEM SUCH AS SANITARY SEWERS, STORM DRAINS, AND CABLE TV TO HAVE THE LOCATION OF THOSE FACILITIES MARKED IN THE FIELD. PRIOR TO BEGINNING MACHINE EXCAVATION WORK THE CONTRACTOR SHALL VERIFY THE EXACT LOCATION OF EACH UNDERGROUND UTILITY BE HAND EXCAVATION (POTHOLING). WORKING HOURS. WORK SHALL BE PERFORMED BETWEEN THE HOURS OF 7:30 A.M. AND 4:30 P.M. MONDAY THROUGH FRIDAY. NO WORK SHALL BE PERFORMED ON SATURDAYS, SUNDAYS, AND STATE AND FEDERAL HOLIDAYS. ALL PIPING JOINTS SHALL BE RESTRAINED TYPE JOINTS. A CONCRETE THRUST BLOCK SHALL BE INSTALLED AT EACH DUCTILE IRON PIPE FITTING. SEE STANDARD INSTALLATION DETAILS FOR HORIZONTAL THRUST BLOCKS AND VERTICAL THRUST BLOCKS.

GENERAL LEGEND

W	WATER PIPE, EXISTING OR NEW
E	ELECTRICAL CONDUIT, EXISTING OR PROPOSED
FL	FLOW LINE OF EXISTING UNPAVED DRAINAGE SWALE
SD	EXISTING STORM DRAIN
OH	EXISTING OVERHEAD ELECTRICAL WIRES
SS	EXISTING SANITARY SEWER
SSFM	EXISTING SANITARY SEWER FORCE MAIN
---	EXISTING PROPERTY LINE
---	EXISTING OR PROPOSED GAS PIPELINE
---	EXISTING OR PROPOSED CONCRETE CURB & GUTTER
---	EDGE OF EXISTING ASPHALT CONCRETE PAVEMENT
□	EXISTING CATCH BASIN
○	EXISTING UTILITY MANHOLE
⊕	EXISTING UTILITY POLE
⊗	GATE VALVE, EXISTING OR NEW
⊗	FIRE HYDRANT, NEW

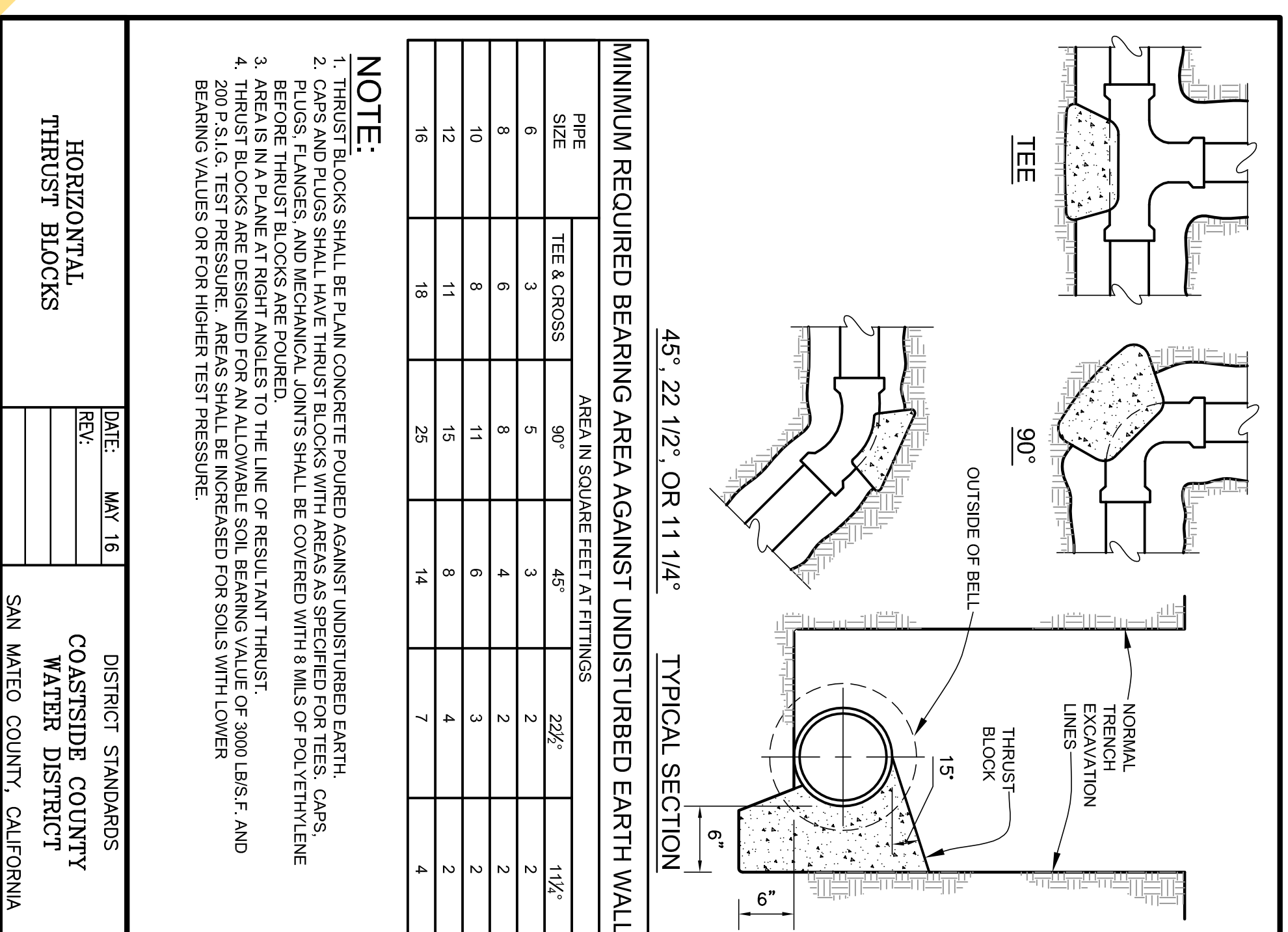
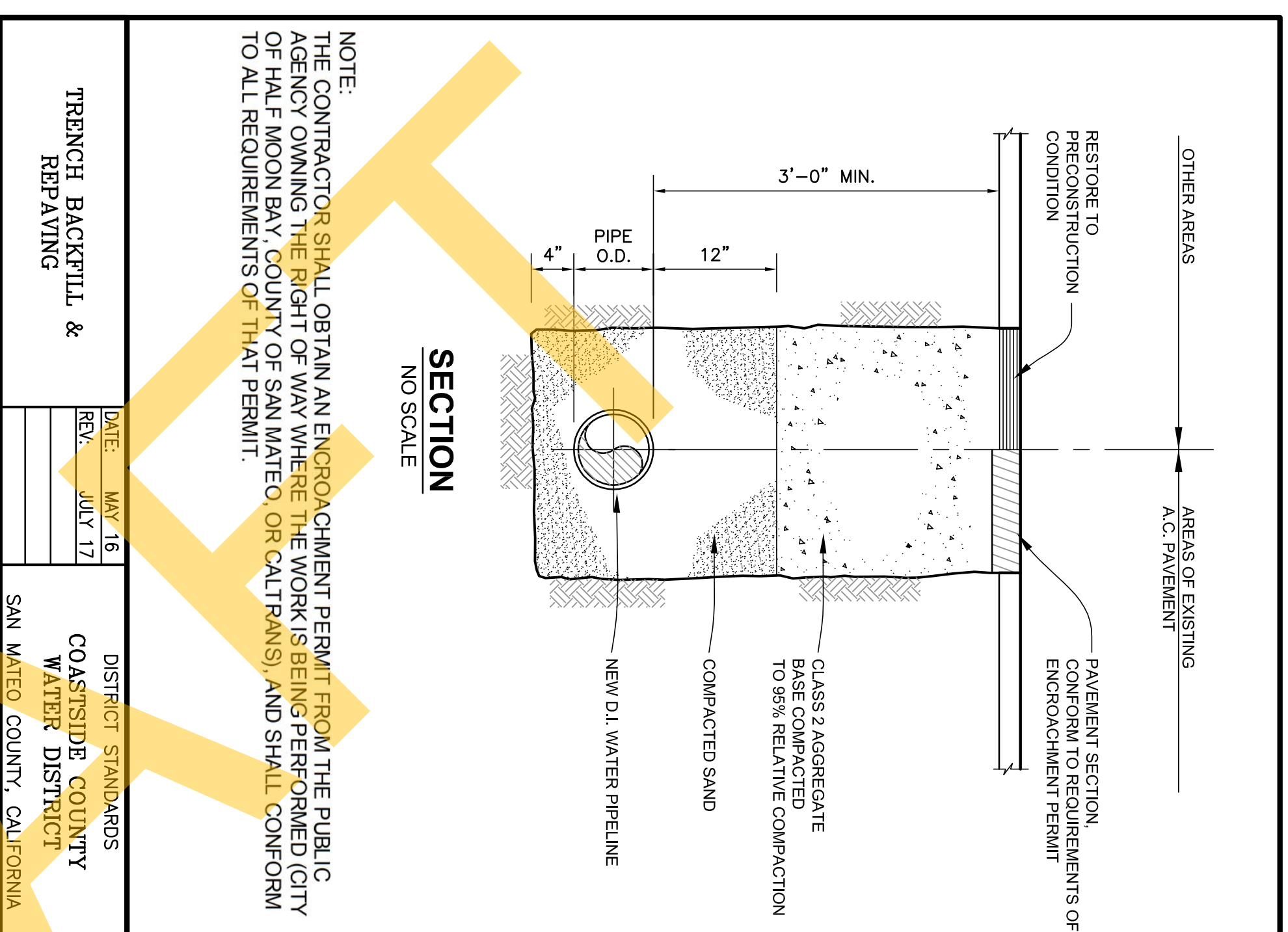
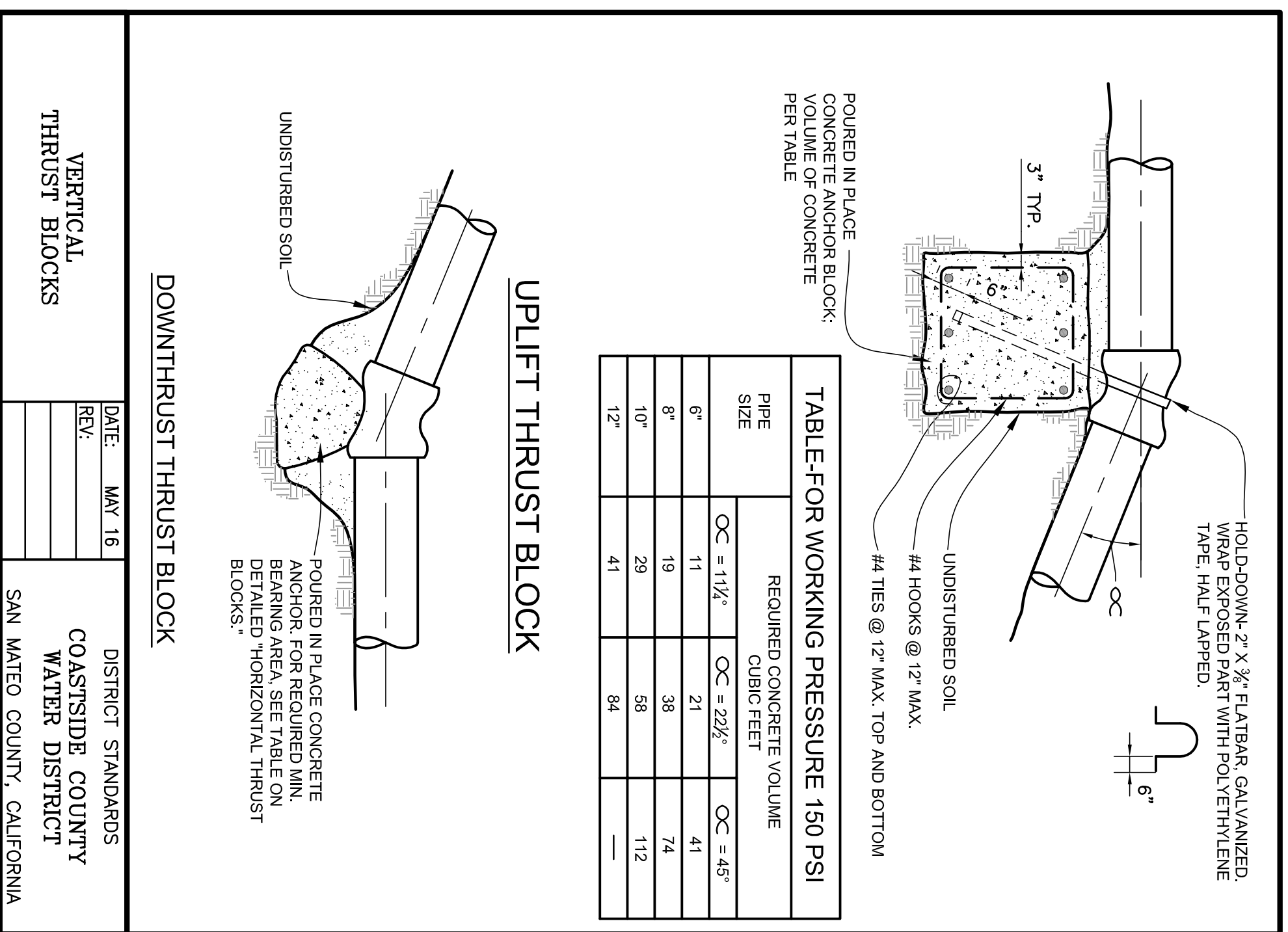


JAMES S. TETTER
Consulting Engineer
15 Bayview Drive
San Rafael, CA 94901
Tel: (415) 453-0754
Fax: (415) 453-0892

DATE:	02/20/18
DESIGN BY:	TETTER
DRAWN BY:	RITHEY
APPROVED BY:	
DRAWING NO.:	

NO.	REVISION	DATE	BY

COASTSIDE COUNTY WATER DISTRICT
OBISPO ROAD PIPELINE EXTENSION PROJECT
PLAN OF OBISPO ROAD
SHEET 1 OF 3 SHEETS



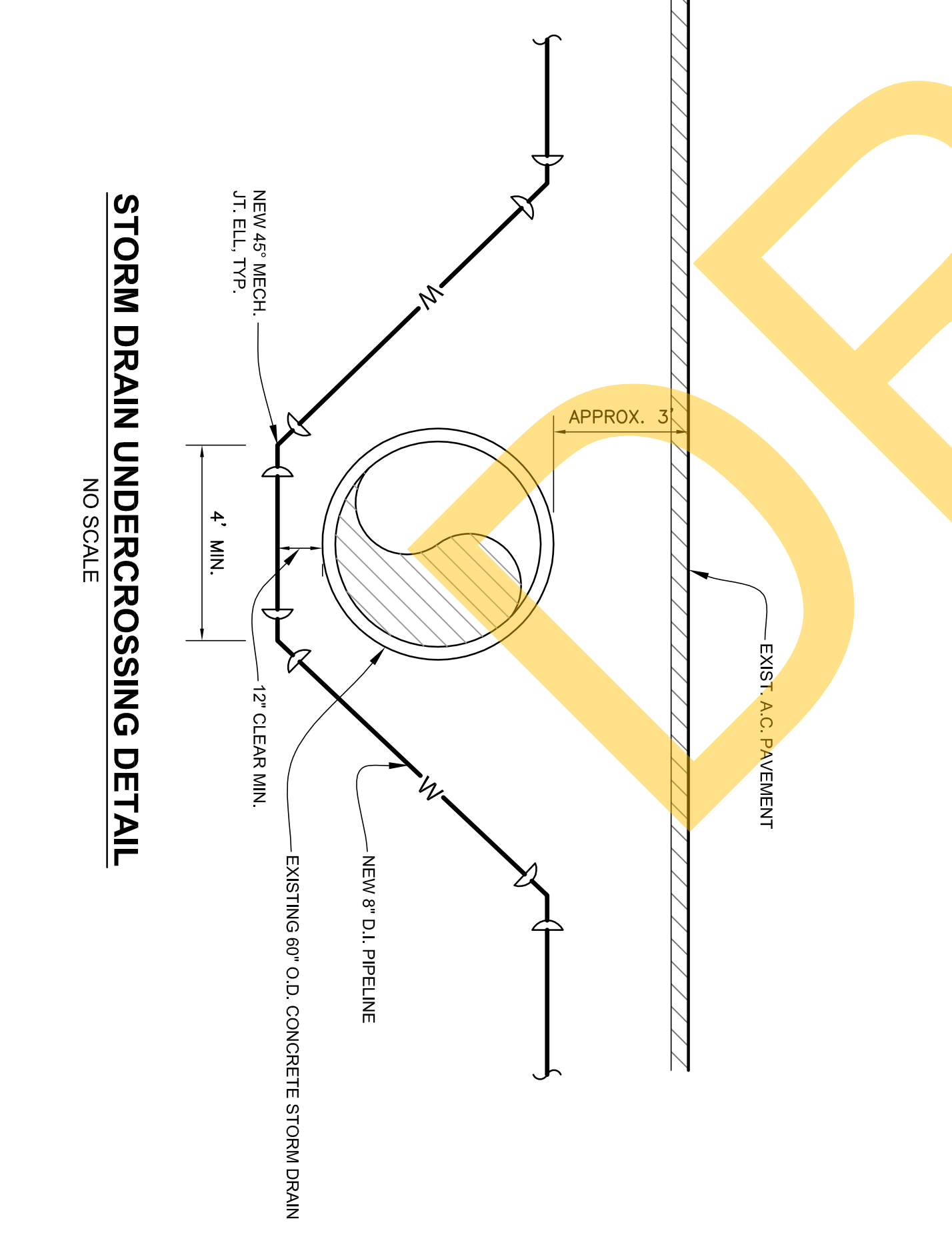
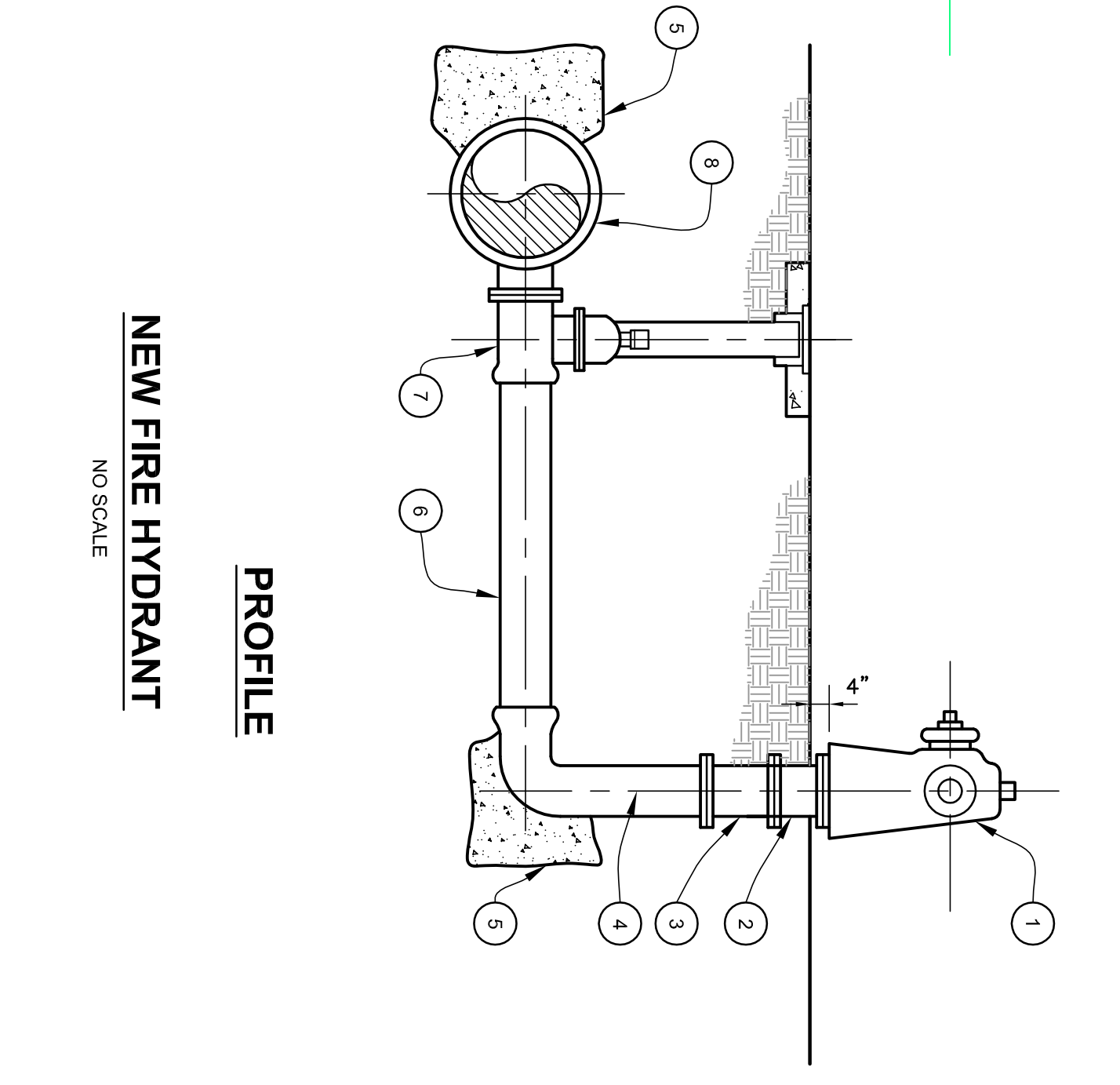
LEGEND

CIRCLED NUMBER

1. LOCATION SHALL BE SHOWN IN FIELD BY DISTRICT PERSONNEL.
2. ORIENT NOZZLES TO SUIT LOCATION.
3. ALL BOLTS AND NUTS SHALL BE TYPE 316 STAINLESS STEEL.
4. BE INSTALLED AS DIRECTED BY DISTRICT PERSONNEL.

NOTES

1. LOCATION SHALL BE SHOWN IN FIELD BY DISTRICT PERSONNEL.
2. ORIENT NOZZLES TO SUIT LOCATION.
3. ALL BOLTS AND NUTS SHALL BE TYPE 316 STAINLESS STEEL.
4. BE INSTALLED AS DIRECTED BY DISTRICT PERSONNEL.

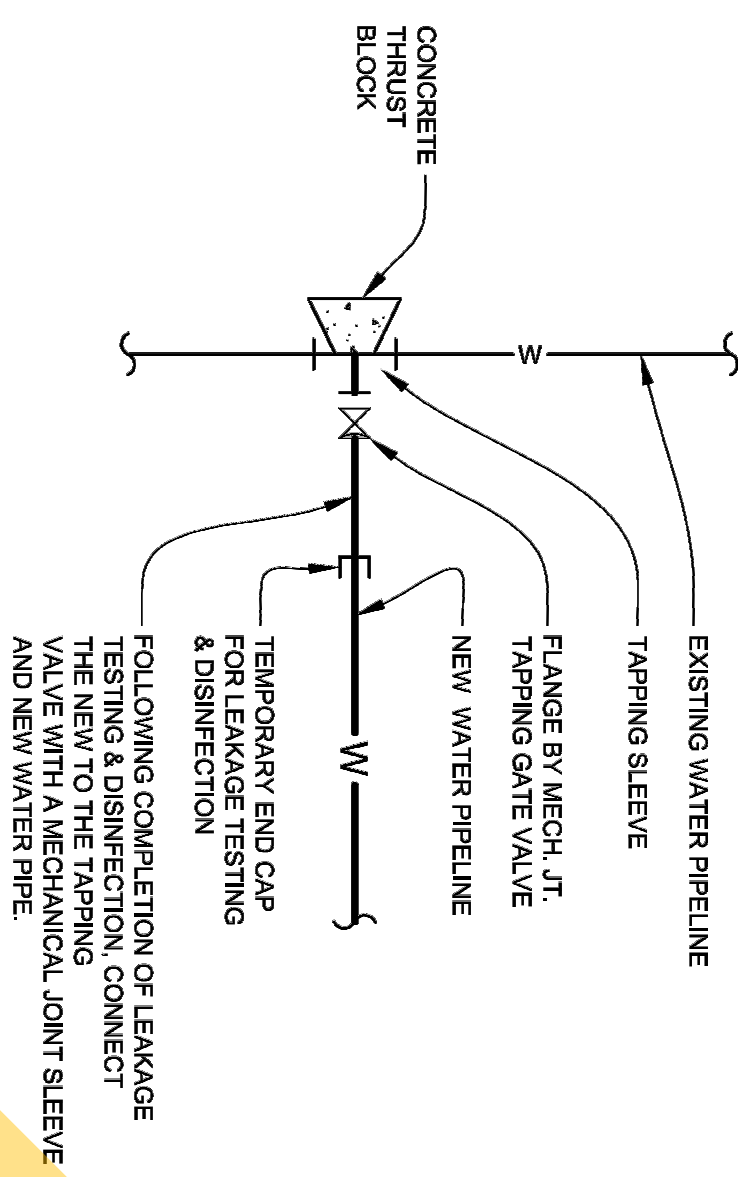


JAMES S. TETTER
Consulting Engineer
15 Bayview Drive
San Rafael, CA 94901
Tel: (415) 453-0754
Fax: (415) 453-0882

DATE: 02/20/18
DESIGN BY: TETTER
DRAWN BY: RITHY
APPROVED BY:
DRAWING NO.:

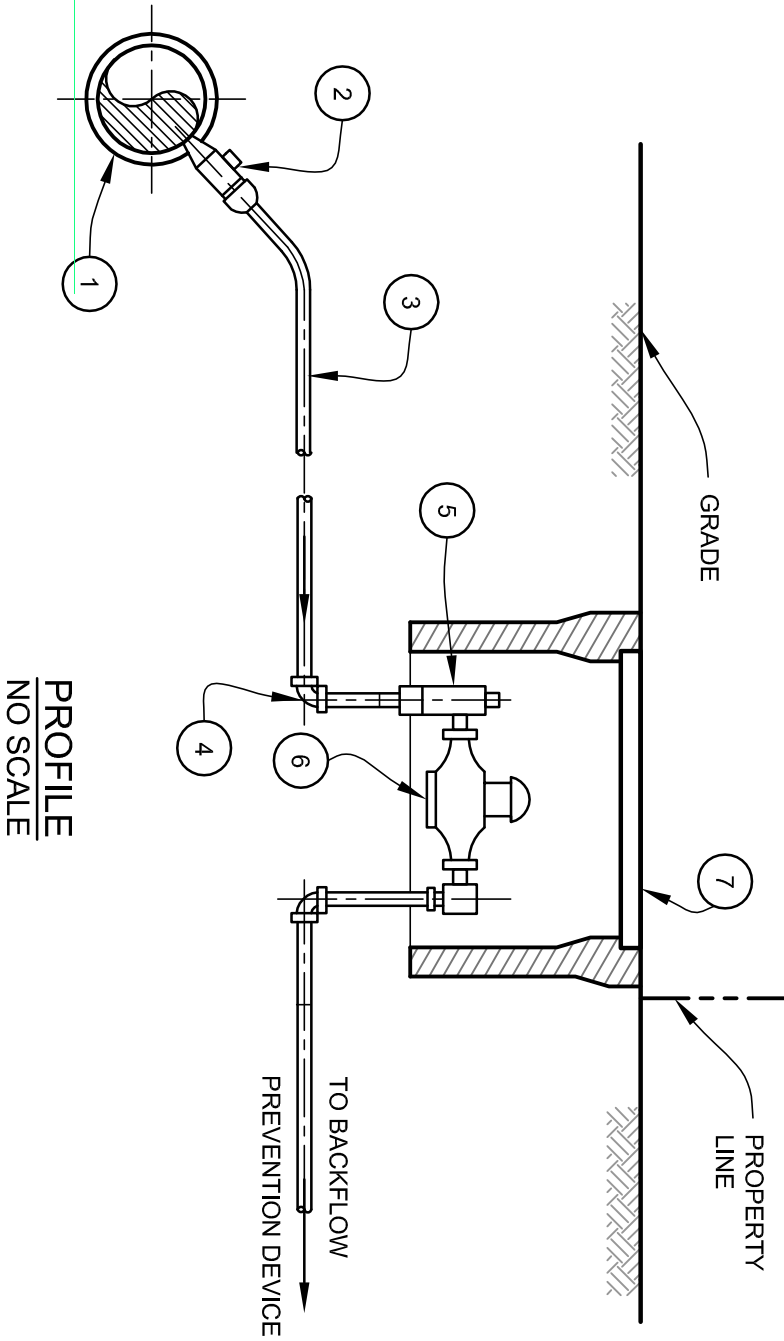
NO.	REVISION	DATE	BY
0	IF NOT ONE IN ORIGINAL DRAWING, THIS SHEET ADJUST SCALES ACCORDINGLY.		

COASTSIDE COUNTY WATER DISTRICT
OBISPO ROAD PIPELINE EXTENSION PROJECT
DETAILS



PLAN
NO SCALE

DATE:	JULY 17	DISTRICT STANDARDS
REV:		COASTSIDE COUNTY WATER DISTRICT
		SAN MATEO COUNTY, CALIFORNIA



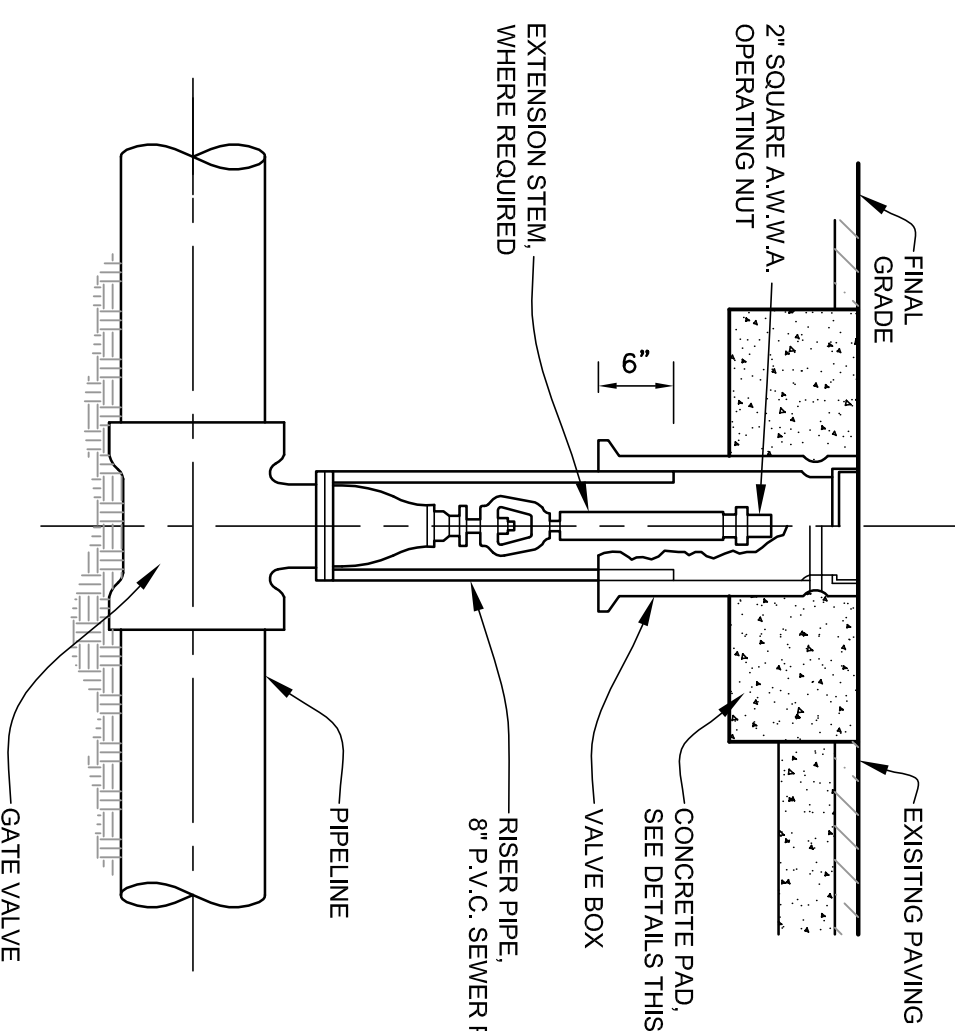
PROFILE
NO SCALE

LEGEND FOR CIRCLED NUMBERS

- | NO. | DESCRIPTION |
|-----|---|
| 1 | WATER PIPELINE AND DOUBLE STRAP SERVICE SADDLE. |
| 2 | BALL CORPORATION VALVE. |
| 3 | TYPE K COPPER TUBING SAME SIZE AS WATER. SLOPE SLIGHTLY UPWARD. |
| 4 | QUARTER BEND UNION. |
| 5 | METER ANGLE BALL VALVE. |
| 6 | WATER METER, FURNISHED AND INSTALLED BY DISTRICT. |
| 7 | METER BOX AND LID. |

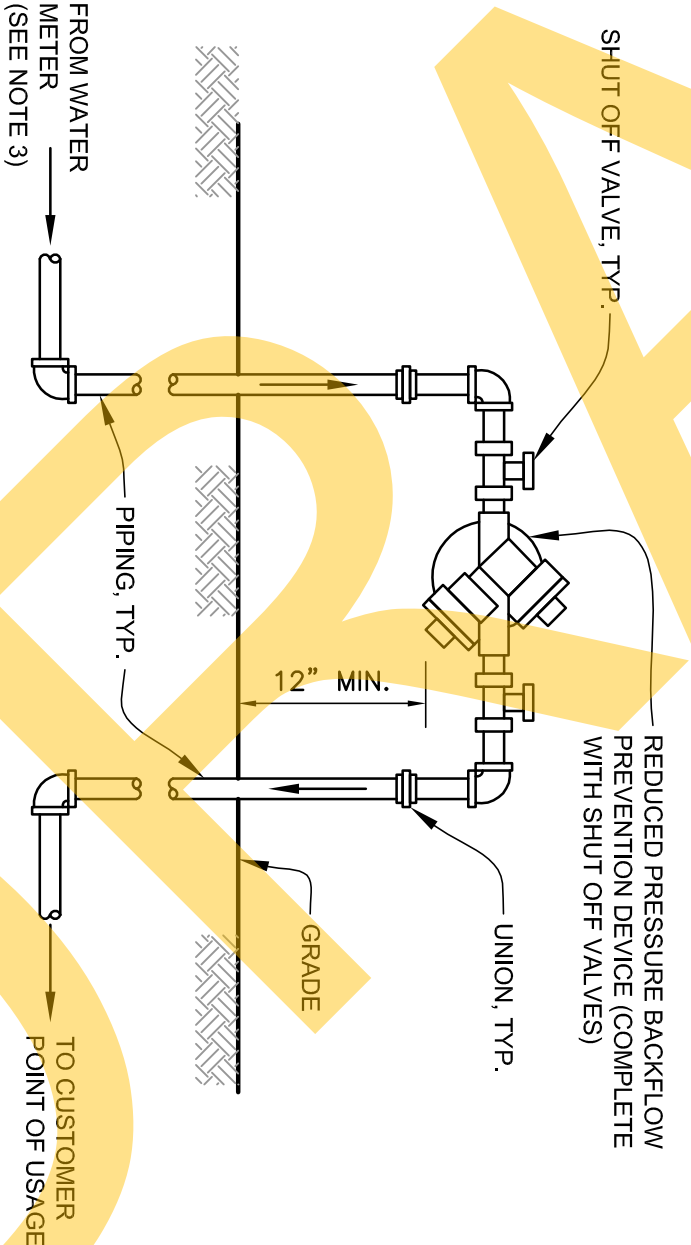
NOTE: MATERIALS AND INSTALLATION SHALL BE IN CONFORMANCE WITH DISTRICT REQUIREMENTS.

STANDARD INSTALLATION DETAIL	DATE:	MAY 16	DISTRICT STANDARDS
3/4" - 2" SIZE IRRIGATION SERVICE CONNECTION	REV:		COASTSIDE COUNTY WATER DISTRICT
			SAN MATEO COUNTY, CALIFORNIA



PROFILE

DATE:	JULY 16	DISTRICT STANDARDS
REV:		COASTSIDE COUNTY WATER DISTRICT
		SAN MATEO COUNTY, CALIFORNIA

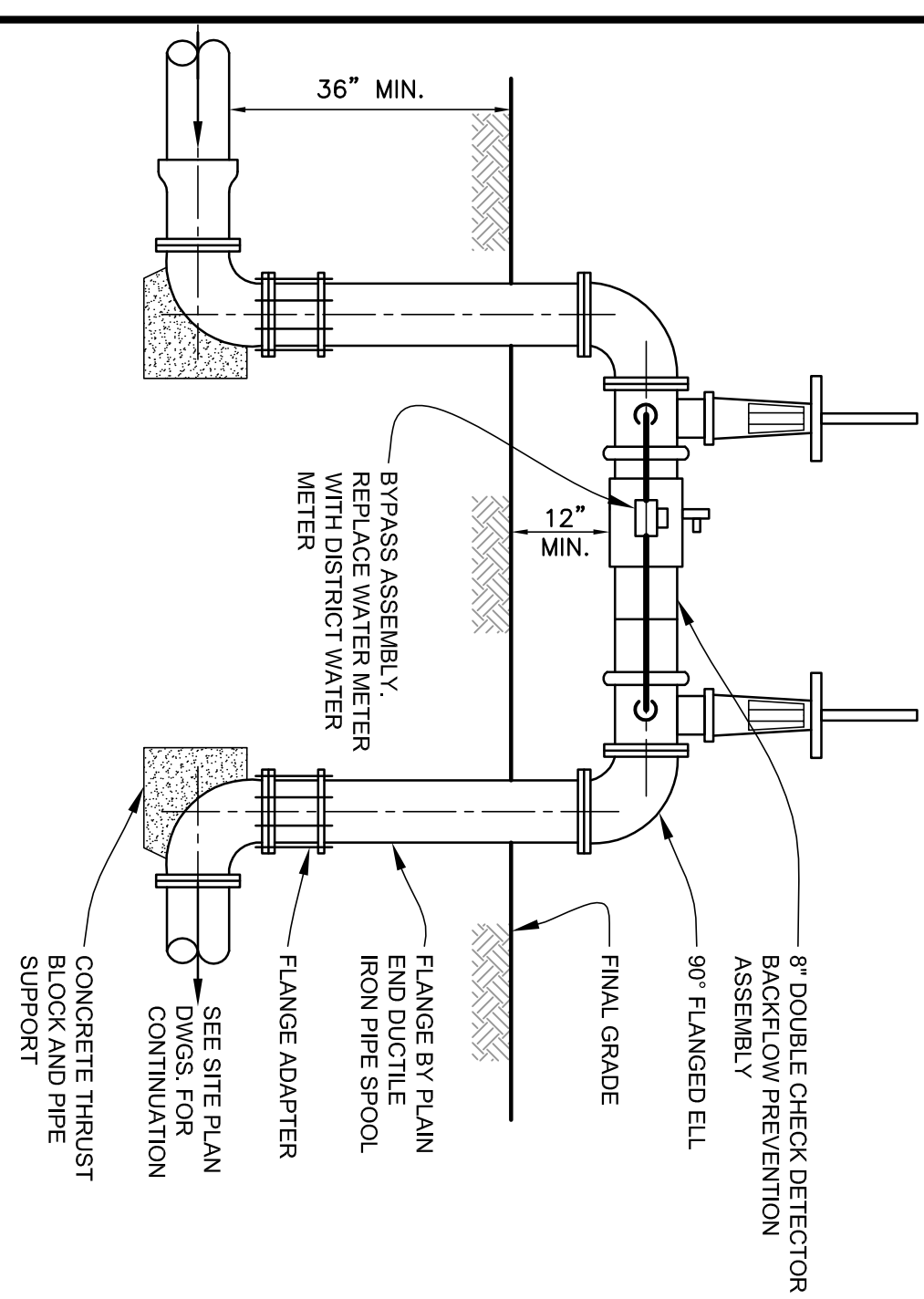


PROFILE OF BACKFLOW PREVENTION DEVICE INSTALLATION
NO SCALE

- NOTES:**
1. BACKFLOW PREVENTION DEVICE MATERIALS AND INSTALLATION SHALL BE IN CONFORMANCE WITH COASTSIDE COUNTY WATER DISTRICT REQUIREMENTS.
 2. BACKFLOW PREVENTION DEVICE AND PIPING SHALL BE CUSTOMER OWNED AND MAINTAINED.
 3. THE BACKFLOW PREVENTION DEVICE ASSEMBLY SHALL BE LOCATED AS CLOSE TO THE WATER METER AS IS PRACTICABLE.
 4. A REMOVABLE ENCLOSURE OVER THE BACKFLOW PREVENTION DEVICE (NOT SHOWN ABOVE) AND/OR INSULATION TO PROTECT AGAINST FREEZING IS RECOMMENDED.
 5. MINIMUM PIPING SIZE SHALL BE THE SAME DIAMETER AS THE INLET PIPING TO THE WATER METER.

REVISED SEPT. 2013

STANDARD INSTALLATION DETAIL	DATE:	MAY 16	DISTRICT STANDARDS
3/4" & 2" BACKFLOW PREVENTION DEVICE	REV:		COASTSIDE COUNTY WATER DISTRICT
			SAN MATEO COUNTY, CALIFORNIA



PROFILE

DETAIL FOR DOUBLE DETECTOR CHECK BACKFLOW PREVENTION ASSEMBLY
NO SCALE



JAMES S. TETTER
Consulting Engineer

15 Bayview Drive
San Rafael, CA 94901

Tel: (415) 453-0754
Fax: (415) 453-0882

DATE:	02/20/18
DESIGN BY:	TETTER
DRAWN BY:	RITHY
APPROVED BY:	
DRAWING NO.:	

SCALE:	AS SHOWN
IF NOT ONE INCH ON THIS SHEET ADJUST SCALES ACCORDINGLY.	

NO.	REVISION	DATE	BY

DATE:	MAY 16	DISTRICT STANDARDS
REV:		COASTSIDE COUNTY WATER DISTRICT
		SAN MATEO COUNTY, CALIFORNIA

COASTSIDE COUNTY WATER DISTRICT
OBISPO ROAD PIPELINE EXTENSION PROJECT
PIPING DETAILS

STAFF REPORT

To: Coastside County Water District Board of Directors

From: David Dickson, General Manager

Agenda: June 12, 2018

Report Date: June 4, 2018

Subject: Resolution 2018-02 Calling for and Giving Notice of a Regular District Election

Recommendation:

Adopt Resolution 2018-02 Calling for and Giving Notice of a Regular District Election to be held on Tuesday, November 6, 2018 and Requesting the County Elections Department to Conduct the Election.

Background:

The regular District election will be held on November 6, 2018. Two offices (4-year terms) are up for election: those held by Director Chris Mickelsen and by Director Robert Feldman. Under state law, the District must submit a formal request to the County Elections Department to perform all of the services required to conduct the District election. Having those services consolidated with other county or statewide elections that may be held on November 6, 2018 results in a substantial cost savings to the District.

Candidates' statements will be included in the ballot materials prepared by the Elections Department. The Board has discretion to determine whether candidate's statements will be a maximum of 200 or 400 words, and whether the cost attributed to the statements will be charged to the District or the candidates. The draft resolution presented here specifies a 200-word limit to be paid by the candidates themselves, in accordance with past District practice.

Candidate filing for the election will be open July 16, 2018 and close on August 10, 2018. All candidates running for office must file a Form 700 Statement of Economic Interest by August 10, 2018. Two Candidate Seminars have been scheduled for Wednesday, July 11 at 10:00 a.m. and Thursday, July 26 at 2:00 p.m. at the Elections Office located at 40 Tower Road in San Mateo.

Fiscal Impact:

Estimated election expense of \$25,000 is included in the Fiscal Year 2018-2019 budget.

RESOLUTION NO. 2018-02

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
COASTSIDE COUNTY WATER DISTRICT CALLING FOR AND GIVING
NOTICE OF A REGULAR DISTRICT ELECTION TO BE HELD ON
TUESDAY NOVEMBER 6, 2018 AND REQUESTING THE COUNTY
ELECTIONS DEPARTMENT TO CONDUCT THE ELECTION**

WHEREAS, pursuant to Elections Code Section 10002, the governing body of any district may by resolution request the Board of Supervisors of the county to permit the county elections official to render specified services to the district relating to the conduct of an election; and

WHEREAS, the resolution of the governing body of the district shall specify the services requested; and

WHEREAS, pursuant to Elections Code Section 10002, the district shall reimburse the county in full for the services performed upon presentation of a bill to the district; and

WHEREAS, pursuant to Elections Code Section 10400, elections may be consolidated; and

WHEREAS, various district, county, state or other political subdivision elections may be or have been called to be held on November 6, 2018.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED THAT the Board of Directors of the Coastside County Water District hereby orders an election be called and consolidated with any and all elections also called to be held on November 6, 2018 insofar as said elections are to be held in the same territory or in territory that is in part of the same as the territory of the Coastside County Water District, and requests the Board of Supervisors of the County of San Mateo to order such consolidation under Elections Code Section 10400 and 10403.

BE IT FURTHER RESOLVED AND ORDERED that the Board of Directors requests the Board of Supervisors to permit the San Mateo County Elections Department to provide any and all services necessary for conducting the election and agrees to pay for said services.

BE IT FURTHER RESOLVED AND ORDERED that the Board of Directors requests that the San Mateo County Elections Department conduct the election for the following offices up for election all of which are "at-large" offices:

SEATS OPEN	OFFICE	TERM
Robert Feldman	Director	4 Year
Chris Mickelsen	Director	4 Year

BE IT FURTHER RESOLVED that the Board of Directors adopts the following policies effective for the November 6, 2018 election:

1. The word limit on each candidate's statement for the position shall be a maximum of 200 words.
2. The candidate shall be charged for the candidate's statement sent to each voter.
3. Pursuant to Government Code Section 87302.3, all candidates running for office must file a Form 700 Statement of Economic Interest with the County Elections Department no later than the deadline for filing a Declaration of Candidacy, unless the candidate has filed a Form 700 Statement within sixty (60) days from filing a Declaration of Candidacy.

BE IT FURTHER RESOLVED AND ORDERED that the Secretary of the District shall transmit to the County, a copy of this Resolution, along with a map showing the District's boundaries effective for the election on or before July 5, 2018.

PASSED AND ADOPTED by the Board of Directors of the Coastside County Water District this 12th day of June 2018, by the following vote:

AYES:

NOES:

ABSENT:

Robert C. Feldman, President
Board of Directors

ATTEST:

David R. Dickson, General Manager
Secretary of the District

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, Assistant General Manager

Agenda: June 12, 2018

Report

Date: June 7, 2018

Subject: Resolution Adopting a Debt Management Policy for the Coastside County Water District ("the District")

Recommendation:

Approve Resolution No. 2018-03, A Resolution of the Board of Directors of the Coastside County Water District Adopting a Debt Management Policy.

Background:

Senate Bill 1029 (SB 1029), which became effective on January 1, 2017, amended California Government Code 8855 to add certain requirements related to the issuance and administration of debt by local agencies, including requiring the adoption of a debt policy meeting the requirements of California Government Code 8855. This impacts the District.

In connection with the issuance of new debt by District (including a refunding of the District's 2006 Series B Bonds), the District will need to submit to the California Debt and Investment Advisory Commission (CDIAC) a preliminary report of debt issuance which will include a certification that the District has adopted a debt policy that meets the requirements of the new legislation, which are found in California Government Code 8855. Adoption of the debt policies by the Board is required for compliance with the new legislation.

In accordance with Government Code 8855, a local debt policy must include all of the following:

1. The purposes for which the debt proceeds may be used.
2. The types of debt that may be issued.
3. The relationship of the debt to, and integration with, the issuer's capital improvement program or budget, if applicable.
4. Policy goals related to the issuer's planning goals and objectives.

5. The internal control procedures that the issuer has implemented, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use.

The contemplated debt management policy (provided by our Bond Counsel, Jones Hall) meets all of these requirements.

FISCAL IMPACT

None.

Attachments:

- (A) Resolution No. 2018-03
- (B) Debt Management Policy

RESOLUTION NO. 2018-03

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
COASTSIDE COUNTY WATER DISTRICT ADOPTING A DEBT
MANAGEMENT POLICY**

WHEREAS, Senate Bill 1029 (SB 1029), which became effective on January 1, 2017, amended California Government Code 8855 to add certain requirements related to the issuance and administration of debt by local agencies such as the District, including the adoption of a debt policy meeting the requirements of California Government Code 8855; and

WHEREAS, the Board of Directors of the District wishes at this time to approve a debt policy that is compliant with California Government Code 8855 to govern future issuances of debt by the District.

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

Section 1. Adoption of Policy. The Board hereby approves and adopts the Debt Management Policy in the form presented. The Debt Management Policy shall govern the issuance and administration of debt issued by the District, all in accordance and subject to the conditions set forth in such policy.

Section 2. Effective Date. This Resolution shall take effect immediately upon its passage and adoption.

APPROVED AND ADOPTED this 12th day of June 2018 by the following votes of the Board of Directors:

AYES:

NOES:

ABSENT:

Robert C. Feldman, President
Board of Directors

ATTEST:

David Dickson, General Manager
Secretary of the District

Coastside County Water District

Debt Management Policy

(Resolution 2018-03 Approved_____)

This Debt Management Policy (the “Debt Policy”) of the Coastside County Water District (the “District”) was approved by the Board of Directors to be effective as of the date first set forth above. The Debt Policy may be amended by the District Board as it deems appropriate from time to time in the prudent management of the debt and capital financing needs of the District.

1. Findings

This Debt Policy is intended to comply with Government Code Section 8855(i), and shall govern all debt undertaken by the District. The District hereby recognizes that a fiscally prudent debt policy is required in order to:

- Maintain the District’s sound financial position.
- Ensure the District has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect the District’s credit-worthiness.
- Ensure that all debt is structured in order to protect both current and future ratepayers and constituents of the District.
- Ensure that the District’s debt is consistent with the District’s planning goals and objectives and capital improvement program or budget, as applicable.

2. Policies

A. Purposes For Which Debt May Be Issued

Long-Term Debt. Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and operated by the District. Long-term debt financings are appropriate when the following conditions exist:

- When the project to be financed is necessary to provide basic services.
- When the project to be financed will provide benefit to constituents over multiple years.
- When total debt does not constitute an unreasonable burden to the District and its ratepayers.
- When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.

Long-term debt financings will not generally be considered appropriate for current

operating expenses and routine maintenance expenses. The District may use long-term debt financings subject to the following conditions:

- The project to be financed must be approved by the District Board.
- The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%.
- The District estimates that sufficient revenues will be available to service the debt through its maturity.
- The District determines that the issuance of the debt will comply with the applicable state and federal law.

Short-term debt. Short-term debt may be issued to provide financing for the District's operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the District may undertake lease-purchase financing for equipment.

Financings on Behalf of Other Entities. The District may also find it beneficial to issue debt on behalf of other governmental agencies or private third parties in order to further the public purposes of District. In such cases, the District shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with the policies set forth herein.

B. Types of Debt

The following types of debt are allowable under this Debt Policy:

- General obligation bonds (GO Bonds)
- Bond or grant anticipation notes (BANs)
- Lease revenue bonds, certificates of participation (COPs) and lease-purchase transactions
- Revenue bonds and other obligations secured by revenues
- Tax and revenue anticipation notes (TRANs)
- Land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes
- Refunding loans and other obligations
- State Revolving Loan Funds

- Lines of Credit

The District Board may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy. Debt shall be issued as fixed rate debt unless the District makes a specific determination as to why a variable rate issue would be beneficial to the District in a specific circumstance.

C. Relationship of Debt to Capital Improvement Program and Budget

The District is committed to long-term capital planning. The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District's capital budget and the capital improvement plan.

The District shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues. The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.

The District shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the District's public purposes.

The District shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund.

D. Policy Goals Related to Planning Goals and Objectives

The District is committed to long-term financial planning, maintaining appropriate reserves levels and employing prudent practices in governance, management and budget administration. The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District's annual operations budget.

It is a policy goal of the District to serve ratepayers and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The District will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.

When refinancing debt, it shall be the policy goal of the District to realize, whenever possible, and subject to any overriding non-financial policy considerations, minimum net present value debt service savings equal to or greater than 3.0%.

E. Internal Control Procedures

When issuing debt, in addition to complying with the terms of this Debt Policy, the District shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds. Without limiting the foregoing, the District will periodically review the requirements of and

will remain in compliance with the following:

- Any continuing disclosure undertakings entered into by the District in accordance with SEC Rule 15c2-12.
- Any federal tax compliance requirements, including, without limitation, arbitrage and rebate compliance.
- The District's investment policies as they relate to the use and investment of bond proceeds.

Proceeds of debt will be held either (a) by a third-party trustee or fiscal agent, which will disburse such proceeds to or upon the order of the District upon the submission of one or more written requisitions by the General Manager of the District (or his or her written designee), or (b) by the District, to be held and accounted for in a separate fund or account, the expenditure of which will be carefully documented by the District.

END OF DEBT MANAGEMENT POLICY

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, Assistant General Manager

Agenda: June 12, 2018

Report

Date: June 7, 2018

Subject: Resolution Authorizing the Refinancing of an Outstanding Obligation of the Water System, and Approving Loan Agreement and Related Documents

Recommendation:

Approve Resolution No. 2018-04, A Resolution of the Board of Directors of the Coastside County Water District Authorizing the Refinancing of an Outstanding Obligation of the Water System (the District's 2006 Series B Bonds), and approving the loan agreement and related documents

Background:

At the May 8 Board Meeting, the Board authorized the General Manager to enter into a Placement Agent Services Agreement with Backstrom McCarley Berry & Co., LLC (BMcB) to refinance the District's 2006 B Bonds, and also authorized the General Manager to enter into an agreement with Bond Counsel to assist with the refinancing.

The District has selected Jones Hall, a Professional Law Corporation, as the District's Bond Counsel. Jones Hall has prepared the attached Resolution for the Board's action, as follows:

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

FISCAL IMPACT

With the refinancing of the 2006 Series B Bonds, the District could potentially save \$450,000 (net present value) over the remaining 14 years of the term of the bonds.

The District has final approval of the refinancing. If the refinancing is not completed, the District is not responsible for the payment of any fees.

Attachments:

- (A) Resolution No. 2018-04
- (B) Loan Agreement between the District and Lender (to be selected based on requests for proposals)
- (C) Irrevocable Refunding Instructions

RESOLUTION NO. 2018-04

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE COASTSIDE COUNTY WATER DISTRICT AUTHORIZING THE REFINANCING OF AN OUTSTANDING OBLIGATION OF THE WATER SYSTEM, AND APPROVING LOAN AGREEMENT AND RELATED DOCUMENTS

WHEREAS, the Coastside County Water District (the "District") owns and operates a system for the supply, treatment and distribution of water within the service area of the District (the "Water System"); and

WHEREAS, in order to finance improvements to the Water System, the District has previously entered into an installment purchase agreement, dated as of June 1, 2006, with the California Statewide Communities Development Authority ("CSCDA") (the "Prior Obligation"); and

WHEREAS, the District desires to refinance the Prior Obligation by entering into a loan agreement or similar instrument (the "Loan Agreement"), on a private placement basis, with a bank or other financial institution to be selected pursuant to a request for proposals undertaken by District staff (the "Lender"); and

WHEREAS, the District is authorized to borrow amounts for the purpose of refinancing the Prior Obligation under the laws of the State of California, including the provisions of Article 10, Chapter 3, Part 1, Division 2 of Title 5 of the California Government Code, commencing with Section 53570 of said Code; and

WHEREAS, pursuant to Section 265 of the Internal Revenue Code of 1986 (the "Tax Code"), issuers of not-to-exceed \$10 million of governmental purpose bonds or other obligations may designate such obligations as "bank qualified," thereby stimulating the demand for said obligations by financial institutions who would otherwise have to disallow the tax-exempt interest paid on such obligations under Section 265 of the Tax Code; and

WHEREAS, the Board of Directors desires to authorize and direct District staff to enter into services contracts with consultants to the District to assist with the refinancing of the Prior Obligation and finalize the Loan Agreement and related financing documents with the Lender.

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

Section 1. Approval of Loan and Loan Agreement. The Board of Directors hereby approves the refinancing of the Prior Obligation with funds obtained under the Loan Agreement; provided, that maximum principal amount of the Loan Agreement shall not exceed \$5,500,000, the net present value savings of the refinancing transaction shall be equal to at least 3% of the outstanding principal amount of the Prior Obligation, and the final payment on the Loan Agreement shall be no later than October 1, 2032 (which is the final maturity of the Prior Obligation).

In furtherance of the foregoing, the Board hereby approves the Loan Agreement between the District and the Lender (the "Loan Agreement"), in substantially the form on file with the Board, together with any changes therein or additions thereto deemed advisable by the General Manager, in consultation with the District's special counsel, Jones Hall, A Professional Law Corporation, and placement agent, Backstrom McCarley Berry & Co., LLC. The Board of Directors hereby authorizes and directs the General Manager to execute the final form of the Loan Agreement for and in the name of the District.

Section 2. Bank Qualification. The Board of Directors hereby designates the Loan Agreement as "bank qualified" for purposes of Section 265(b)(3) of the Tax Code.

Section 3. Refunding Instructions. The Board hereby approves the Irrevocable Refunding Instructions to be given by the District to MUFG Union Bank, N.A., as trustee of the prior bonds issued by CSCDA, in substantially the form on file with the Board, together with any changes therein or additions thereto deemed advisable by the General Manager, in consultation with the District's special counsel, Jones Hall, A Professional Law Corporation, and placement agent, Backstrom McCarley Berry & Co., LLC. The Board of Directors hereby authorizes and directs the General Manager to execute and deliver the final form of the Irrevocable Refunding Instructions for and in the name of the District.

Section 4. Professional Services. In connection with the refinancing transaction described in this Resolution, the firm of Backstrom McCarley Berry & Co., LLC has previously been designated to serve as placement agent to the District, and the firm of Jones Hall, A Professional Law Corporation, is hereby designated to serve as special counsel to the District. Compensation to said firms shall be contingent upon the successful execution and delivery of the Loan Agreement, and paid from a portion of the proceeds received by the District pursuant thereto. The Board of Directors hereby authorizes and/or ratifies the execution by the General Manager of an agreement with each of said firms, in the respective forms on file with the Board.

Section 5. Official Actions. The General Manager and the Assistant General Manager are each hereby authorized and directed to execute and deliver such additional certificates, consents and agreements as may be necessary to accomplish the refinancing of the Prior Obligation as contemplated by this Resolution, including with respect to the District's agreements with the California Infrastructure and Economic Development Bank, which will remain outstanding. Whenever in this Resolution any officer of the District is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

Section 6. Effective Date. This Resolution shall take effect immediately upon its passage and adoption.

APPROVED AND ADOPTED this 12th day of June 2018 by the following votes of the Board of Directors:

Attachment A

AYES:

NOES:

ABSENT:

Robert C. Feldman, President
Board of Directors

ATTEST:

David Dickson, General Manager
Secretary of the District

LOAN AGREEMENT

This LOAN AGREEMENT (this "Loan Agreement"), dated _____, 2018, is between _____, a _____, as lender (the "Lender"), and the COASTSIDE COUNTY WATER DISTRICT, a county water district duly organized and existing under the County Water District Law of the State of California, as borrower (the "District").

BACKGROUND:

1. The District owns and operates a system for the supply, treatment and distribution of water within the service area of the District (as further defined herein, the "System").
2. In order to finance improvements to the System, the District has previously enter into an installment purchase agreement, dated as of June 1, 2006, with the California Statewide Communities Development Authority (the "Prior Obligation").
3. In order to provide funds to refinance the Prior Obligation, the District has determined to borrow the amount of \$_____ from the Lender under this Loan Agreement and to make loan repayments (the "Loan Repayments") to the Lender, to be secured by a pledge of and lien on the Net System Revenues of the System as set forth in this Loan Agreement, which pledge and lien shall be on a parity with the 2011 IBank ISA and the 2016 IBank ISA (as such terms are defined herein).
4. The District is authorized to enter into this Loan Agreement and to borrow amounts hereunder for the foregoing purposes under the laws of the State of California, including the provisions of Article 10, Chapter 3, Part 1, Division 2 of Title 5 of the California Government Code, commencing with Section 53570 of said Code.

AGREEMENT:

In consideration of the foregoing and the material covenants hereinafter contained, the District and the Lender formally covenant, agree and bind themselves as follows:

ARTICLE I DEFINITIONS AND APPENDICES

SECTION 1.1. *Definitions.* All terms defined in this Section 1.1 have the meanings herein specified for all purposes of this Loan Agreement.

"Average Annual Debt Service" means, as of the date of any calculation, the sum obtained for the current and all future Fiscal Years during the Term of this Loan Agreement by totaling the aggregate amount of (i) the Loan Repayments coming due in such Fiscal Years, and (ii) the principal and interest coming due and payable in such Fiscal Years on all existing and proposed Parity Debt, including in each case the principal amounts coming due and payable by operation of mandatory sinking fund redemption, and dividing such sum by the total number of Fiscal Years from and including the current Fiscal Year through the Term of this Loan Agreement. There shall be excluded from such calculation any principal of and

interest on any obligations which have been defeased or discharged, or for the payment of which a security deposit has been posted.

“Closing Date” means the date of execution and delivery of this Loan Agreement by the District and the Lender, being _____, 2018.

“District” means the Coastside County Water District, a county water district formed under the County Water District Law of the State of California (constituting Division 12 of the California Water Code, commencing with Section 30000).

“Enterprise Fund” means the water enterprise fund established by the District and in which all System Revenues are deposited and maintained by the District pursuant to the 2011 IBank ISA and/or the 2016 IBank ISA, and in which the Lender has a certain security interest pursuant to the terms of this Agreement. The District’s Enterprise Fund is composed of the funds received from the water production, storage, treatment, transmission, distribution and delivery services provided to the District’s customers.

“Event of Default” means any of the events of default as defined in Section 5.1.

“Federal Securities” means any direct general non-callable obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), or obligations the timely payment of principal of and interest on which are directly guaranteed by the United States of America.

“Fiscal Consultant” means any consultant or firm of such consultants appointed by the District and who, or each of whom: (a) is judged by the District to have experience in matters relating to the financing of water system enterprises; (b) is in fact independent and not under domination of the District; (c) does not have any substantial interest, direct or indirect, with the District other than as purchaser of any debt obligations of the District; and (d) is not connected with the District as an officer or employee of the District, but who may be regularly retained to make reports to the District.

“Fiscal Year” means each twelve-month period during the Term of this Loan Agreement commencing on July 1 in any calendar year and ending on June 30 in the next succeeding calendar year, or any other twelve-month period selected by the District as its fiscal year period.

“IBank” means the California Infrastructure and Economic Development Bank, and its successors or assigns.

“Lender” means _____, a _____, or its successors or assigns.

“Loan” means the loan made by the Lender to the District in the aggregate principal amount of \$_____ under Section 3.1.

“Loan Agreement” means this Loan Agreement dated as of _____, 2018, between the Lender and the District, as may be amended in accordance with the terms hereof.

“Loan Repayment Date” means October 1, 2018, and each succeeding April 1 and October 1 until repayment of the Loan in full.

“Loan Repayments” means all payments required to be paid by the District under Section 3.4, including any prepayment thereof under Section 6.1.

“Net System Revenues” means, for any Fiscal Year, all System Revenues received by the District for such Fiscal Year, less the Operations and Maintenance Costs for such Fiscal Year.

“Operations and Maintenance Costs” means the reasonable and necessary costs paid or incurred by the District for maintaining and operating the System, determined in accordance with generally accepted accounting principles, consistently applied, including all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the System in good repair and working order, and including all administrative costs of the District that are charged directly or apportioned to the operation of the System, such as salaries and wages of employees, overhead, taxes (if any), the cost of permits and licenses to operate the System and insurance premiums, and including all other reasonable and necessary costs of the District or charges required to be paid by it to comply with the terms hereof or of any Parity Debt Instruments, but excluding, in all cases depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles.

“Parity Debt” means (a) the District’s obligations under the 2011 IBank ISA, (b) the District’s obligations under the 2016 IBank ISA and (c) any bonds, notes or other obligations of the District payable from and secured by a pledge of and lien of Net System Revenues on a parity with the Loan Repayments, which are issued or incurred by the District in accordance with Section 4.7.

“Parity Debt Instruments” means (a) the 2011 IBank ISA, (b) the 2016 IBank ISA and (c) any other documents authorizing any Parity Debt hereafter issued or incurred by the District in accordance with Section 4.7.

“Prior Obligation” means the Installment Purchase Agreement, dated June 1, 2006, between the District and the California Statewide Communities Development Authority.

“Prior Trustee” means MUFG Union Bank, N.A., as trustee for the \$19,715,000 original principal amount of California Statewide Communities Development Authority Water Revenue Bonds, Series 2006B, a portion of which will be refunded in connection with the optional prepayment of the Prior Obligation.

“System” means the entire water production, storage, treatment, transmission, distribution, and delivery system owned or operated by the District, including but not limited to all facilities, properties, works and improvements at any time owned, operated or determined to be part of the System by the District for the production, storage, treatment, transmission, distribution, and delivery of water within the service area of the District, together with all necessary lands, rights, entitlements and other property useful in connection therewith, together with all extensions thereof and improvements or additions thereto hereafter acquired, constructed or installed by the District.

“System Revenues” means, for each Fiscal Year, all gross income and revenue received or receivable by the District from the ownership or operation of the System, determined in accordance with generally accepted accounting principles, consistently applied, including all rates, fees and charges (including connection fees and charges) received by the District for the services of the System, and all other income and revenue howsoever derived by the District from the ownership or operation of the System or arising from the System, and also including all legally available income from the deposit or investment of any money in the Enterprise Fund or any rate stabilization fund, and the proceeds of any taxes, but excluding in all cases any refundable deposits made to establish credit, and advances or contributions in aid of construction.

“Tax Code” means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published thereunder.

“Term of this Loan Agreement” or “Term” means the time during which this Loan Agreement is in effect, as provided in Section 3.3.

“2011 IBank ISA” means the Enterprise Fund Installment Sale Agreement, by and between the District and IBank, dated as of October 10, 2011, Agreement No. CIEDB-11-099, as amended.

“2016 IBank ISA” means the Installment Sale Agreement, dated as of May 1, 2016, by and between the District and IBank, Agreement No. ISRF 16-111.

SECTION 1.2. *Appendix A.* The following Appendix is attached to, and by reference made a part of, this Loan Agreement:

APPENDIX A: The schedule of Loan Repayments to be paid by the District during the Term.

ARTICLE II REPRESENTATIONS, WARRANTIES AND COVENANTS

The District represents, warrants and covenants to the Lender as follows:

- (a) Due Organization and Existence. The District is a county water district, duly organized and existing under the County Water District Law (being Section 30000 et seq. of the Water Code of the State of California).
- (b) Authorization. The District is authorized under the laws of the State of California to enter into this Loan Agreement, to enter into the transactions contemplated hereby and to carry out its obligations hereunder, and the Board of Directors of the District has duly adopted its resolution authorizing the execution and delivery of this Loan Agreement.

- (c) No Violations. Neither the execution and delivery of this Loan Agreement, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the District is now a party or by which the District is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrances whatsoever upon any of the property or assets of the District, other than as set forth herein.
- (d) Prior Indebtedness. The District has not issued or incurred any obligations which are currently outstanding having any priority in payment out of the System Revenues or Net System Revenues over the payment of the Loan Repayments. The 2011 IBank ISA and the 2016 IBank ISA are secured by a pledge of Net System Revenues on a parity basis with the pledge in favor of the Lender under this Loan Agreement.
- (e) Financial Condition. The financial statements of the District for the year ended June 30, 2017, supplied to the Lender (i) were prepared in accordance with generally accepted accounting principles, consistently applied, and (ii) fairly present the District's financial condition as of the date of the statements. Other than as described in such financial statements or otherwise disclosed to the Lender, there has been no material adverse change in the District's financial condition subsequent to June 30, 2017.
- (f) No Financial Advisory or Fiduciary Relationship. The District represents, warrants and covenants that: (i) the transaction contemplated herein is an arm's length commercial transaction among the District and the Lender and its affiliates, (ii) in connection with such transaction, the Lender and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), agent or a fiduciary of the District, (iii) the Lender and its affiliates are relying on the bank exemption in the Municipal Advisor Rules, (iv) the Lender and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the District with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Lender, or any affiliate of the Lender, has provided other services or advised, or is currently providing other services or advising the District on other matters), (v) the Lender and its affiliates have financial and other interests that differ from those of the District, and (vi) the District has consulted with their own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.

ARTICLE III TERMS OF THE LOAN

SECTION 3.1. *Obligation to Make Loan; Amount of Loan.* The Lender hereby agrees to lend to the District, and the District hereby agrees to borrow from the Lender, the Loan in the amount of \$_____ under the terms and provisions set forth in this Loan Agreement.

SECTION 3.2. *Application of Loan Proceeds.*

(a) Transfers to Prior Trustee and Costs of Issuance. The Lender hereby agrees on the Closing Date to wire:

(i) \$_____ to the Prior Trustee, for the defeasance and optional prepayment of the Prior Obligation in accordance with the terms thereof; and

(ii) \$_____, constituting the remainder of the proceeds of the Loan, to the payees set forth in a written certificate signed by an authorized officer of the District and delivered to the Lender, as costs of issuance of the Loan Agreement.

The fees and disbursements of counsel to the District, the fees and disbursements of the placement agent, fees of the California Debt and Investment Advisory Commission ("CDIAC"), fees of Lender's counsel, and other miscellaneous expenses of the District incurred in connection with this Loan Agreement (if any) shall all be the obligation of the District. The Lender shall have no responsibility for any expenses incurred by the District associated with this Loan Agreement, including, but not limited to, the expenses identified above as the obligation of the District.

SECTION 3.3. *Term.* The Term of this Loan Agreement commences on the Closing Date, and ends on the date on which the Loan is paid in full or provision for such payment is made as provided herein.

SECTION 3.4. *Loan Repayments.*

(a) Obligation to Pay. The District hereby agrees to repay the Loan to the Lender in the aggregate principal amount of \$_____, together with interest on the unpaid principal balance thereof.

(b) Payments. Interest on the unpaid principal balance of the Loan shall be calculated at a rate of interest of _____% on the basis of a 360-day year of twelve 30-day months, and the Loan Repayments shall be payable in semi-annual Loan Repayments on Loan Repayment Dates in the amounts set forth on Appendix A.

(c) Optional Prepayment. Without limiting the provisions of Section 6.1, the Loan Repayments shall be subject to optional prepayment by the District on any date from and after _____ 20_, upon 30 days' prior written notice to the Lender, at a prepayment price equal to the amount of principal to be prepaid, without premium. In the event of an optional

prepayment by the District, the Lender shall supply the District with an updated Appendix A (Schedule of Loan Repayments).

SECTION 3.5. *Nature of District's Obligations.*

(a) Special Obligation. The District's obligation to pay the Loan Repayments is a special obligation of the District limited solely to the Net System Revenues. Under no circumstances is the District required to advance moneys derived from any source of income other than the Net System Revenues for the payment of the Loan Repayments, and no other funds or property of the District are liable for the payment of the Loan Repayments. Notwithstanding the foregoing provisions of this Section, however, nothing herein prohibits the District voluntarily from making any payment hereunder from any source of available funds of the District.

(b) Obligations Absolute. The obligation of the District to pay the Loan Repayments from the Net System Revenues and the obligation of the District to perform and observe the other agreements contained herein, are absolute and unconditional and are not subject to any defense or any right of setoff, counterclaim or recoupment arising out of any breach of the District or the Lender of any obligation to the District or otherwise with respect to the System, whether hereunder or otherwise, or out of indebtedness or liability at any time owing to the District by the Lender. Until such time as all of the Loan Repayments have been fully paid or prepaid, the District:

- (i) will not suspend or discontinue payment of any Loan Repayments,
- (ii) will perform and observe all other agreements contained in this Loan Agreement, and
- (iii) will not terminate this Loan Agreement for any cause, including, without limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the System, sale of the System, the taking by eminent domain of title to or temporary use of any component of the System, commercial frustration of purpose, any change in the tax or other laws of the United States of America or the State of California or any political subdivision of either thereof or any failure of the Lender to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Loan Agreement.

SECTION 3.6. *Pledge and Application of Net System Revenues.*

(a) Pledge. All of the Net System Revenues are hereby irrevocably pledged to the punctual payment of the Loan Repayments, on a parity with the pledge and lien which secures all Parity Debt. The Net System Revenues may not be used for any other purpose so long as the Loan Repayments remain unpaid; except that out of the Net System Revenues there may be apportioned such sums, for such purposes, as are expressly permitted by this Section 3.6.

Pursuant to Section 5451 of the Government Code of the State of California, the pledge of the Net System Revenues by the District for the repayment of the principal and interest components of the Loan Repayments constitutes a first lien and security interest which immediately attaches to the Net System Revenues, and is effective and binding against the District and its successors and creditors and all others asserting rights therein irrespective of whether those parties have notice of the pledge, irrespective of whether such amounts are or may be deemed to be a fixture and without the need for physical delivery, recordation, filing or further act.

(b) Deposit of System Revenues; Transfers to Make Loan Repayments. The District has heretofore established a special fund designated the "Enterprise Fund," which the District agrees to continue to maintain so long as any Loan Repayments remain unpaid. The District shall continue to deposit all System Revenues in the Enterprise Fund promptly upon the receipt thereof. All System Revenues will be held by the District in the Enterprise Fund in trust for the benefit of the Lender and for the benefit of the holders of Parity Debt, subject to the prior application thereof for Operations and Maintenance Costs. The District shall apply amounts in the Enterprise Fund as set forth in this Loan Agreement, and in the Parity Debt Instruments. The District shall apply amounts on deposit in the Enterprise Fund to pay when due the following amounts in the following order of priority:

- (i) all Operations and Maintenance Costs;
- (ii) the Loan Repayments, and all payments of principal of and interest on any Parity Debt;
- (iii) any other payments required to comply with the provisions of this Loan Agreement, and the Parity Debt Instruments; and
- (iv) any other purposes authorized under subsection (d) of this Section.

(c) No Preference or Priority. Payment of the Loan Repayments and the principal of and interest on any Parity Debt shall be made without preference or priority. If the amount of Net System Revenues on deposit in the Enterprise Fund is any time insufficient to enable the District to pay when due the Loan Repayments and the principal of and/or interest on any Parity Debt, such payments shall be made by the District on a pro rata basis.

(d) Other Uses Permitted. The District shall manage, conserve and apply the System Revenues in such a manner that all deposits required to be made under the preceding provisions of this Section 3.6 will be made at the times and in the amounts so required. Subject to the foregoing sentence and Section 4.7, so long as no Event of Default has occurred and is continuing hereunder, the District may at any time and from time to time use and apply the System Revenues for (i) the acquisition and construction of improvements to the System; (ii) the prepayment of any Parity Debt to the extent permitted by the applicable Parity Debt Instruments, or (iii) any other lawful purpose of the District.

ARTICLE IV COVENANTS OF THE DISTRICT

SECTION 4.1. *Release and Indemnification Covenants.* The District shall indemnify and hold the Lender and its officers, agents, successors and assigns harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of the following:

- (a) the use, maintenance, condition or management of, or from any work or thing done on or about the System by the District,
- (b) any breach or default on the part of the District in the performance of any of its obligations under this Loan Agreement,
- (c) any intentional misconduct or negligence of the District or of any of its agents, contractors, servants, employees or licensees with respect to the System, and
- (d) any intentional misconduct or negligence of any lessee of the District with respect to the System.

No indemnification is made under this Section 4.1 or elsewhere in this Loan Agreement for willful misconduct, gross negligence, or breach of duty under this Loan Agreement by the Lender, its officers, agents, employees, successors or assigns.

SECTION 4.2. *Sale or Eminent Domain of System.* Except as provided herein, the District covenants that the System will not be encumbered, sold, leased, pledged, any charge placed thereon, or otherwise disposed of, as a whole or substantially as a whole if such encumbrance, sale, lease, pledge, charge or other disposition would materially impair the ability of the District to pay the Loan Repayments or would materially adversely affect its ability to comply with the terms of this Loan Agreement and the Parity Debt Instruments. The District shall not enter into any agreement which impairs the operation of the System or any part of it necessary to secure adequate Net System Revenues to pay the Loan Repayments or any Parity Debt, or which otherwise would impair the rights of the Lender with respect to the Net System Revenues. If any substantial part of the System is sold, the payment therefor must either (a) be used for the acquisition or construction of improvements and extensions or replacement facilities or (b) be applied to prepay or fund a security deposit for the Loan Repayments and any Parity Debt.

Any amounts received as awards as a result of the taking of all or any part of the System by the lawful exercise of eminent domain, if and to the extent that such right can be exercised against such property of the District, shall either (a) be used for the acquisition or construction of improvements and extension of the System, or (b) be applied to prepay or fund a security deposit for the Loan Repayments and any Parity Debt.

SECTION 4.3. *Insurance.* The District shall at all times maintain with responsible insurers all such insurance on the System as is customarily maintained with respect to works and properties of like character against accident to, loss of or damage to the System. If any useful part of the System is damaged or destroyed, such part shall be restored to usable condition. All amounts collected from insurance against accident to or

destruction of any portion of the System shall be used to repair or rebuild such damaged or destroyed portion of the System, and to the extent not so applied, shall be applied to pay the Loan Repayments or any Parity Debt in the manner provided in this Loan Agreement and the Parity Debt Instruments. The District shall also maintain, with responsible insurers, worker's compensation insurance and insurance against public liability and property damage to the extent reasonably necessary to protect the District and the Lender. Any insurance required to be maintained hereunder may be maintained by the District in the form of self-insurance or in the form of participation by the District in a program of pooled insurance.

SECTION 4.4. *Records and Accounts; Audited Financials; Budget.* The District shall keep proper books of records and accounts of the System, separate from all other records and accounts, in which complete and correct entries are made of all transactions relating to the System. Said books shall, upon prior request, be subject to the reasonable inspection of the Lender. The District shall cause the books and accounts of the System to be audited annually by an independent certified public accountant or firm of certified public accountants, not more than 270 days after the close of each Fiscal Year, and shall furnish a copy of such report to the Lender; provided, that the audit of the accounts of the System may be included as part of a general District-wide audit. In addition, the District shall provide to the Lender (a) a copy of the District's annual budget, as adopted or amended, within 30 days of such adoption or amendment and (b) in a reasonably timely manner, such other financial or operational information of the District as requested by the Lender from time-to-time (for example, long-term capital improvement plans).

SECTION 4.5. *Rates and Charges.* The District shall fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the System during each Fiscal Year which are sufficient to yield Net System Revenues which are at least equal to 120% of the Loan Repayments and the principal of and interest on all outstanding Parity Debt coming due and payable during such Fiscal Year.

SECTION 4.6. *No Priority for Additional Obligations; Compliance with Parity Debt Instruments.* The District may not issue or incur any bonds or other obligations having any priority in payment of principal or interest out of the Net System Revenues over the Loan Repayments. The District shall observe and perform all of the covenants, agreements and conditions on its part required to be observed and performed under the Parity Debt Instruments. The District shall not take or omit to take any action within its control which would, or which if not corrected with the passage of time would, constitute an event of default under any Parity Debt Instruments.

SECTION 4.7. *Issuance of Additional Parity Debt.* The District may not issue or incur any bonds or other obligations having any priority in payment of principal or interest out of the Net System Revenues over the Loan Repayments. In addition, except for obligations incurred to post a security deposit for the Loan Repayments, the District may not issue or incur any Parity Debt unless:

- (a) The District is not then in default under the terms of this Loan Agreement.
- (b) The amount of Net System Revenues as shown by the books of the District for the latest Fiscal Year for which audited financial statements are available, or as shown by the books of the District for

any more recent 12-month period selected by the District, are at least equal to 120% of Average Annual Debt Service. For purposes of determining the amount of Net System Revenues under this subsection (b), such amount may be increased by any or all of the following amounts as determined by the District:

- (i) an allowance for Net System Revenues from any additions or improvements to or extensions of the System to be made by the District during the 36 month period following the issuance of such Parity Debt, in an amount equal to 90% of the estimated additional average annual Net System Revenues to be derived from all properties which are improved with a structure the construction of which has been completed prior to the date of issuance of such Parity Debt and to which service will be provided by such additions, improvements and extensions, all as shown by the certificate or opinion of a Fiscal Consultant; and
- (ii) an allowance for Net System Revenues arising from any increase in the charges made for service from the System which has become effective prior to the incurring of such Parity Debt but which was not in effect during the Fiscal Year or other 12-month period described above, in an amount equal to the total amount by which the Net System Revenues would have been increased if such increase in charges had been in effect during the whole of such Fiscal Year or other 12-month period, all as shown by the certificate or opinion of a Fiscal Consultant.
- (c) All conditions to the issuance of such Parity Debt as set forth in the Parity Debt Instruments shall be met, and the District shall file with the Lender a written certificate to such effect, signed on behalf of the District by an authorized officer of the District.

SECTION 4.8. *Assignment by the Lender.* The Lender has the right to assign its interests herein, but no such assignment will be effective as against the District unless and until the Lender provides the District written notice thereof. The District shall pay all Loan Repayments hereunder under the written direction of the Lender named in the most recent assignment or notice of assignment provided to the District. During the Term of this Loan Agreement, the District shall keep a complete and accurate record of all such notices of assignment.

SECTION 4.9. *Assignment by the District.* Neither the Loan nor this Loan Agreement may be assigned by the District, other than to a public agency which succeeds to the interests of the District in and to the System and which (by operation of law, by contract or otherwise) becomes legally bound to all of the terms and provisions hereof.

SECTION 4.10. *Amendment of this Loan Agreement.* This Loan Agreement may be amended pursuant to a written amendment by and between the District and the Lender.

SECTION 4.11. *Tax Covenants.*

(a) Generally. The District shall not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, the interest components of the Loan Repayments to become includable in gross income for federal income tax purposes.

(b) Private Activity Bond Limitation. The District shall assure that the proceeds of the Loan are not so used as to cause the Loan to satisfy the private business tests of section 141(b) of the Tax Code or the private loan financing test of section 141(c) of the Tax Code.

(c) Federal Guarantee Prohibition. The District may not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Loan Repayments to be “federally guaranteed” within the meaning of Section 149(b) of the Tax Code.

(d) No Arbitrage. The District may not take, or permit or suffer to be taken, any action with respect to the proceeds of the Loan Repayments which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Loan Repayments to be “arbitrage bonds” within the meaning of Section 148(a) of the Tax Code.

(e) Small Issuer Exemption from Bank Nondeductibility Restriction. The District hereby designates this Loan Agreement for purposes of paragraph (3) of Section 265(b) of the Tax Code and represents that not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Tax Code) from gross income for federal income tax purposes (excluding (i) private activity bonds, as defined in Section 141 of the Tax Code, except qualified 501(c)(3) bonds as defined in Section 145 of the Tax Code and (ii) current refunding obligations to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation), including this Loan Agreement, has been or will be issued by the District, including all subordinate entities of the District, during the calendar year 2018.

(f) Arbitrage Rebate. The District shall take any and all actions necessary to assure compliance with section 148(f) of the Tax Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Loan.

(g) Acquisition, Disposition and Valuation of Investments. Except as otherwise provided in the following sentence, the District covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Loan Agreement, or otherwise containing gross proceeds of the Loan (within the meaning of section 148 of the Tax Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Loan Agreement or the Tax Code) at Fair Market Value. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Tax Code shall be valued at their present value (within the meaning of section 148 of the Tax Code).

For purposes of this subsection (g), the term “Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide,

arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Tax Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, (iii) the investment is a United States Treasury Security – State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the District and related parties do not own more than 10% beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

ARTICLE V EVENTS OF DEFAULT AND REMEDIES

SECTION 5.1. *Events of Default Defined.* The following are Events of Default under this Loan Agreement:

- (a) Failure by the District to pay any Loan Repayment or other payment required hereunder within 5 days after the date on which such Loan Repayment or other payment becomes due, and the continuation of such failure for a period of 5 days after written notice specifying such failure and requesting that it be remedied has been given to the District by the Lender.
- (b) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, other than as referred to in the preceding clause (a) of this Section, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the District by the Lender.
- (c) The filing by the District of a voluntary petition in bankruptcy, or failure by the District promptly to lift any execution, garnishment or attachment, or adjudication of the District as a bankrupt, or assignment by the District for the benefit of creditors, or the entry by the District into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the District in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar acts which may hereafter be enacted.
- (d) The occurrence of any event of default under and as defined in any of the Parity Debt Instruments.

SECTION 5.2. *Remedies on Default.* Upon the occurrence and during the continuation of an Event of Default, the Lender may, at its option and without any further demand or notice:

- (a) declare all principal components of the unpaid Loan Repayments, together with accrued interest thereon, to be immediately due and payable, whereupon the same will immediately become due and payable; and
- (b) take whatever action at law or in equity may appear necessary or desirable to collect the Loan Repayments then due or thereafter to become due during the Term of this Loan Agreement, or enforce performance and observance of any obligation, agreement or covenant of the District under this Loan Agreement.

The provisions of the preceding clause (a) are subject to the condition that if, at any time after the principal components of the unpaid Loan Repayments have been so declared due and payable under the preceding clause (a), and before any judgment or decree for the payment of the moneys due have been obtained or entered, the District deposits with the Lender a sum sufficient to pay all principal components of the Loan Repayments coming due prior to such declaration and all matured interest components (if any) of the Loan Repayments, with interest on such overdue principal and interest components calculated at the rate set forth in the applicable provisions of Section 3.4, and a sum sufficient to pay all reasonable costs and expenses incurred by the Lender in the exercise of its rights and remedies hereunder, and any and all other defaults known to the Lender (other than in the payment of the principal and interest components of the Loan Repayments due and payable solely by reason of such declaration) have been made good, then, and in every such case, the Lender shall, by written notice to the District, rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

SECTION 5.3. *No Remedy Exclusive.* No remedy herein conferred upon or reserved to the Lender is exclusive, and every such remedy is cumulative and in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default impairs any such right or power or operates as a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lender to exercise any remedy reserved to it in this Article V it is not necessary to give any notice, other than such notice as may be required in this Article V or by law.

SECTION 5.4. *Agreement to Pay Attorneys' Fees and Expenses.* If either party to this Loan Agreement defaults under any of the provisions hereof and the nondefaulting party employs attorneys (including in-house counsel) or incurs other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party will on demand therefor pay to the nondefaulting party the reasonable fees of such attorneys (including those of in-house counsel) and such other expenses so incurred by the nondefaulting party.

SECTION 5.5. *No Additional Waiver Implied by One Waiver.* If any agreement contained in this Loan Agreement is breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE VI
SECURITY DEPOSIT;
DISCHARGE OF DISTRICT'S OBLIGATIONS

SECTION 6.1. *Security Deposit; Discharge of District's Obligations.* Notwithstanding any other provision of this Loan Agreement, the District may (but is not required to) on any date secure the payment of Loan Repayments in whole or in part, by irrevocably depositing with a trustee, escrow agent or other fiduciary an amount of cash which, together with other available amounts, is invested in whole or in part in Federal Securities in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and together with any cash which is so deposited, be fully sufficient to pay all such Loan Repayments when due, as the District instructs at the time of the deposit.

In the event of a security deposit under this Section 6.1 for the payment in full of all remaining Loan Repayments, (i) the District hereby grants a first priority security interest in and lien on the security deposit and all proceeds thereof in favor of the Lender, and (ii) the pledge of Net System Revenues and all other security provided by this Loan Agreement for said obligations will cease and terminate, excepting only the obligation of the District to make, or cause to be made, all of Loan Repayments from such security deposit.

ARTICLE VII
MISCELLANEOUS

SECTION 7.1. *Notices; Address for Loan Repayments.* Any notice, request, complaint, demand or other communication under this Loan Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by telecopier or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by telecopier or other form of telecommunication, (b) 48 hours after deposit in the United States of America first class mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Lender or the District may, by written notice to the other, from time to time modify the address or number to which communications are to be given hereunder.

If to the District:

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

If to the Lender:

Attention: _____

SECTION 7.2. *Binding Effect.* This Loan Agreement inures to the benefit of and is binding upon the Lender and the District and their respective successors and assigns.

SECTION 7.3. *Severability.* If any provision of this Loan Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

SECTION 7.4. *Further Assurances and Corrective Instruments.* The Lender and the District shall, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Loan Agreement.

SECTION 7.5. *Execution in Counterparts.* This Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 7.6. *Applicable Law.* This Loan Agreement shall be governed by and construed in accordance with the laws of the State of California.

SECTION 7.7. *Captions.* The captions or headings in this Loan Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Loan Agreement.

IN WITNESS WHEREOF, the Lender has caused this Loan Agreement to be executed in its name by its duly authorized officer and the District has caused this Loan Agreement to be executed in its name by its duly authorized officer, as of the date first above written.

_____, *as lender*

By: _____
Authorized Officer

COASTSIDE COUNTY WATER DISTRICT,
as borrower

By: _____
David Dickson
General Manager

Attest:

By: _____
Secretary

**Appendix A
Schedule of Loan Repayments**

<u>Loan Repayment Date</u>	<u>Principal Payable</u>	<u>Interest Payable</u>	<u>Total Loan Repayment</u>
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Total

IRREVOCABLE REFUNDING INSTRUCTIONS

Relating to:

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
Water Revenue Bonds Series 2006B**

and

**COASTSIDE COUNTY WATER DISTRICT
CSCDA Installment Purchase Agreement, dated as of June 1, 2006**

These IRREVOCABLE REFUNDING INSTRUCTIONS (these "Instructions"), dated _____, 2018, are given by the COASTSIDE COUNTY WATER DISTRICT, a county water district duly organized and existing under the laws of the State of California (the "District") and the CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, a joint exercise of powers authority organized and existing under the Constitution and laws of the State of California (the "Authority"), to MUFG UNION BANK, N.A., a national banking association organized and existing under the laws of the United States of America, as Prior Trustee (defined below).

BACKGROUND:

WHEREAS, the District previously entered into an Installment Purchase Agreement, dated as of June 1, 2006 with the Authority, pursuant to which the District agreed to make certain installment payments in the aggregate principal amount of \$_____ (the "**Prior Installment Payments**") for the purpose of financing certain improvements to the District's water system, and in connection therewith the Authority issued its Water Revenue Bonds, Series 2006B (the "**Prior Bonds**"), pursuant to an Indenture, dated as of June 1, 2006 (the "**Prior Indenture**"), between the Authority and Union Bank of California, N.A. (now known as MUFG Union Bank, N.A.), as trustee (the "**Prior Trustee**"); and

WHEREAS, the Prior Installment Payments and Prior Bonds may be prepaid on any date at a prepayment price equal to 100% of the principal amount of thereof to be prepaid, plus accrued interest to the date of prepayment, without premium; and

WHEREAS, in order to take advantage of prevailing bond market conditions, the District desires to refinance and prepay, in full, the Prior Installment Payments, which will, in turn, result in the partial redemption of a portion of the Prior Bonds; and

WHEREAS, in order to refinance the Prior Installment Payments and other obligations of the District, the District is entering into a Loan Agreement, dated as of _____ 1, 2018 (the "**Refunding Loan Agreement**"); and

WHEREAS, the District and the Authority desire to provide these Instructions to the Prior Trustee for the purpose of establishing an irrevocable Refunding Fund to be funded, invested, held and administered for the purpose of prepaying the Prior Installment Payments and a corresponding amount of the Prior Bonds.

NOW, THEREFORE, the District and the Authority hereby irrevocably instruct the Prior Trustee as follows:

SECTION 1. *Establishment of Refunding Fund.* The Prior Trustee is directed to establish a separate fund under the Prior Indenture, entitled the "Refunding Fund" (the "**Refunding Fund**"), to be held by the Prior Trustee for the purposes set forth in these Instructions. All amounts in the Refunding Fund are hereby irrevocably pledged as a special fund for the payment of the Prior Installment Payments and a corresponding amount of the Prior Bonds.

SECTION 2. *Deposit and Investment of Amounts in Refunding Fund.*

(a) On _____, 2018 (the "**Closing Date**"), the District and/or the Authority will cause to be transferred to the Prior Trustee for deposit into the Refunding Fund the amount of \$_____ in immediately available funds, comprised of the following:

(i) \$_____ received from the District derived from the proceeds of the Refunding Loan Agreement; and

(ii) \$_____ from the other funds and accounts held by the Prior Trustee under the Prior Indenture related to the Prior Installment Payments.

(b) The Prior Trustee shall hold such amount in cash, uninvested.

SECTION 3. *Application of Amounts in Refunding Fund.* The total amount of cash deposited in the Refunding Fund pursuant to Section 2 shall be applied by the Prior Trustee for the sole purpose of prepaying the Prior Installment Payments and a corresponding amount of the Prior Bonds, at the times and in the amounts set forth in the schedules shown in Exhibit A attached hereto and by this reference incorporated herein.

If at any time the Prior Trustee shall receive actual knowledge that the amounts in the Refunding Fund will not be sufficient to make any payment required by this Section 3, the Prior Trustee shall notify the Authority and the District of such fact and the District shall immediately cure such deficiency from any source of legally available funds. The Prior Trustee has no liability for any such insufficiency.

Following the payment and prepayment of the Prior Installment Payments and a corresponding amount of the Prior Bonds as set forth above in this Section 3, the Prior Trustee shall transfer any amounts remaining on deposit in the Refunding Fund to the District, to be applied to pay interest next coming due and payable under the Refunding Loan Agreement.

SECTION 4. *Irrevocable Election to Prepay Prior Installment Payments and a Corresponding Amount of the Prior Bonds.* The District has irrevocably elected to pay and prepay all of the Prior Installment Payments, which will result in a partial redemption of a corresponding amount of the Prior Bonds. The District has previously given notice of the prepayment of the Prior Installment Payments to the Prior Trustee, which notice was acknowledged by the Authority.

The Authority has previously directed the Prior Trustee to notify the holders of the Prior Bonds that the Prior Bonds will be partially redeemed, in the amount set forth on Exhibit A, on _____, 2018, which notice was sent on or before _____, 2018.

SECTION 5. *Amendments.* These Instructions shall be irrevocable by the District and the Authority; provided, that they may be amended or supplemented by the District and the Authority, but only if the District shall file with the Prior Trustee (a) a certification of an independent accountant or independent financial adviser engaged by the District stating that such amendment or supplement will not affect the sufficiency of funds held hereunder to make the payments required by Section 3 and (b) the written consent of Assured Guaranty Ltd. (as successor to Financial Security Assurance Inc.), as insurer of the Prior Bonds.

SECTION 6. *Application of Certain Terms of the Prior Indenture.* All of the terms of the Prior Indenture relating to the payment of principal of and interest and repayment premium, if any, on the Prior Bonds and the redemption thereof, and the protections, immunities and limitations from liability afforded the Prior Trustee, are incorporated in these Instructions for the benefit of the Prior Trustee as if set forth in full herein.

SECTION 7. *Governing Law.* These Instructions shall be construed in accordance with and governed by the laws of the State of California.

COASTSIDE COUNTY WATER DISTRICT

By: _____
David Dickson
General Manager

**CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT
AUTHORITY**

By: _____
Authorized Officer

MUFG UNION BANK, N.A.,
as Prior Trustee

By: _____
Authorized Officer

EXHIBIT A

Identification of Prior Installment Payments to be Prepaid

Payments to be Prepaid (October 1)	Amount Prepaid	Prepayment Date	Prepayment Price (% of Par Amount Prepaid)
2018			100%
2019 - 2021			100
2022 - 2026			100
2027 - 2032			100
TOTAL			

Identification of Prior Bonds to be Partially Redeemed Via Optional Redemption

Bond Maturity (October 1)	Principal Amount Redeemed	Redemption Date	Redemption Price (% of Par Amount Redeemed)
2018			100%
2021			100
2026			100
2032			100
TOTAL			

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, Assistant General Manager

Agenda: June 12, 2018

Report

Date: June 6, 2018

Subject: Approve Salary Schedule with a Cost of Living Adjustment increase for FY2018-2019 effective July 1, 2018

Recommendation:

Approval of Salary Schedule with a Cost of Living Adjustment increase for FY2018-2019 effective July 1, 2018.

Background:

CalPERS requires Board approval of the salary schedule. The proposed schedule reflects a 3.8% Cost of Living Adjustment based upon the change in the Consumer Price Index - Urban Wage Earners and Clerical Workers - San Francisco-Oakland-San Jose, CA from February to February.

**COASTSIDE COUNTY WATER DISTRICT
SALARY SCHEDULE FOR FISCAL YEAR 2018-2019
EFFECTIVE: July 1, 2018 (includes 3.8% COLA)
Approved at Board Meeting:**

JOB TITLE	HOURLY RANGE BOTTOM	ANNUAL	HOURLY RANGE TOP	ANNUAL
MANAGEMENT				
GENERAL MANAGER				\$ 234,125.00
ASSISTANT GENERAL MANAGER				\$ 184,661.00
SUPERINTENDENT OF OPERATIONS		\$ 132,080.00		\$ 160,940.00
ADMINISTRATIVE				
ADMINISTRATIVE ASSISTANT	\$ 39.83	\$ 82,844.00	\$ 47.90	\$ 99,637.00
OFFICE MANAGER	\$ 40.66	\$ 84,579.00	\$ 49.57	\$ 103,102.00
CUSTOMER SERVICE SPECIALIST I	\$ 28.13	\$ 58,500.00	\$ 34.27	\$ 71,290.00
CUSTOMER SERVICE SPECIALIST II	\$ 31.04	\$ 64,558.00	\$ 37.81	\$ 78,645.00
UTILITY BILLING SPECIALST	\$ 35.99	\$ 74,854.00	\$ 43.85	\$ 91,204.00
WATER RESOURCE ANALYST	\$ 41.18	\$ 85,659.00	\$ 50.20	\$ 104,418.00
WATER EFFICIENCY SPECIALIST	\$ 34.25	\$ 71,240.00	\$ 41.74	\$ 86,810.00
OPERATIONS				
DISTRIBUTION SUPERVISOR	\$ 49.61	\$ 103,194.00	\$ 60.45	\$ 125,726.00
MAINTENANCE WORKER	\$ 28.13	\$ 58,500.00	\$ 34.27	\$ 71,290.00
MAINTENANCE WORKER II	\$ 29.54	\$ 61,438.00	\$ 35.99	\$ 74,856.00
TREATMENT/DISTRIBUTION OPERATOR	\$ 33.41	\$ 69,498.00	\$ 40.72	\$ 84,692.00
TREATMENT PLANT SUPERVISOR	\$ 56.13	\$ 116,740.00	\$ 68.39	\$ 142,248.00
SR. TREATMENT OPERATOR	\$ 46.06	\$ 95,810.00	\$ 56.13	\$ 116,749.00

* All Coastside County Water District employees are paid on a bi-weekly schedule.

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, Assistant General Manager

Agenda: June 12, 2018

Report

Date: June 7, 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

June 12, 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 11, 2018
Prop 218 Notice published in the Half Moon Bay Review	May 16, 2018 & May 23, 2018
Customer Outreach – E-Newsletter – Shared with Facebook and Twitter Message: Finance Plan for Fiscal Year 2018-2019 and 2019-2020. Invitation to customers to attend public meetings that consider two years of rate increases.	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

June 12, 2018

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, Assistant General Manager

Agenda: June 12, 2018

Report

Date: June 7, 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; Cost of Service and Rate Study; 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.

A Public Hearing is set for June 28, 2018 at 7:00 PM for the Board to consider the adoption of the proposed rate adjustments for Fiscal Years 2018-2019 and 2019-2020.

Draft 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. Note that there have been no changes in the Draft Operations Budgets and Capital Improvement Program (CIP) since the May 3 Special Meeting and May 8 Regular Board Meeting.

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: June 7, 2018

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

Page Two

	FY 2017/18 Approved Budget	FY2018/19 Draft Budget	% Change from Prior Year' Budget	FY2019/20 Draft Budget	% Change from Prior Year' Budget
REVENUE					
<i>Water Sales in Million Gallons</i>	560 MG	590 MG		596 MG	
Water Sales (1)	\$10,805,600	\$11,450,000	6.0%	\$11,565,000	1.0%
Non-Operating Revenue	\$1,267,174	\$1,366,236	7.8%	\$1,385,570	1.4%
Total Revenue	<u>\$12,072,774</u>	<u>\$12,816,236</u>	6.2%	<u>\$12,950,570</u>	1.0%
OPERATING EXPENSES	\$8,179,756	\$8,354,018	2.1%	\$8,639,805	3.4%
DEBT SERVICE	\$1,147,697	\$1,146,744	-0.1%	\$1,144,611	-0.2%
CONTRIBUTION TO CIP AND RESERVES	<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 Notice of Public Hearing – Proposed FY 2018-2019 and FY 2019-2020 Rate Adjustments for Water Services (Exhibit E.)

Other Changes

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

Please note that due to the volume of paper, the Raftelis Cost of Service Analysis and Rate Study and the individual detailed sheets for the CIP and Operations Budgets are not included in this agenda packet. The study and budget sheets are available in electronic form on the District's website at www.coastsidewater.org or hard copies may be obtained at the District's office.

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	
OPERATING REVENUE									
4120	Water Sales *	\$11,300,000	\$10,805,600	\$494,400	4.6%	\$11,300,000	\$0	0.0%	\$7,853,216
Total Operating Revenue		\$11,300,000	\$10,805,600	\$494,400	4.6%	\$11,300,000	\$0	0.0%	\$7,853,216
NON-OPERATING REVENUE									
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
Total Non-Operating Revenue		\$1,366,236	\$1,267,174	\$99,062	7.8%	\$1,396,825	-\$30,589	-2.2%	\$1,086,456
TOTAL REVENUES		\$12,666,236	\$12,072,774	\$593,462	4.9%	\$12,696,825	-\$30,589	-0.2%	\$8,939,672
OPERATING EXPENSES									
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	
Total Operating Expenses		\$8,265,411	\$8,179,756	\$85,655	1.0%	\$7,822,229	\$443,182	5.7%	\$4,902,704	
CAPITAL ACCOUNTS										
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	
Total Capital Accounts		\$1,146,744	\$1,147,697	-\$953	-0.1%	\$1,147,697	-\$953	-0.1%	\$1,023,436	
TOTAL REVENUE LESS TOTAL EXPENSE		\$3,254,081	\$2,745,322	\$508,760	18.5%	\$3,726,899	-\$472,818	-12.7%	\$3,013,532	
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
OPERATING REVENUE						
4120	Water Sales *	\$11,413,000	\$11,300,000	\$113,000	1.0%	\$10,805,600
Total Operating Revenue		\$11,413,000	\$11,300,000	\$113,000	1.0%	\$10,805,600
NON-OPERATING REVENUE						
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
Total Non-Operating Revenue		\$1,385,600	\$1,366,236	\$19,364	1.4%	\$1,267,174
TOTAL REVENUES		\$12,798,600	\$12,666,236	\$132,364	1.0%	\$12,072,774
OPERATING EXPENSES						
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	
<i>03-Apr-18</i>						Approved FY 17/18
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
Total Operating Expenses		\$8,541,971	\$8,265,411	\$276,560	3.2%	\$8,179,756
CAPITAL ACCOUNTS						
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
Total Capital Accounts		\$1,144,611	\$1,146,744	-\$2,133	-0.2%	\$1,147,697
TOTAL REVENUE LESS TOTAL EXPENSE		\$3,112,018	\$3,254,081	-\$142,063	-4.4%	\$2,745,322
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
Equipment Purchase & Replacement													
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
Equipment Purchase & Replacement Totals			\$ 150,000	\$ 290,000	\$ 315,000	\$ 90,000	\$ 90,000	\$ 590,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 1,885,000

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
Facilities and Maintenance Totals			\$ 420,000	\$ 190,000	\$ 190,000	\$ 190,000	\$ 160,000	\$ 160,000	\$ 60,000	\$ 3,060,000	\$ 60,000	\$ 60,000	\$ 4,550,000

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
Pipeline Projects Totals			\$ 1,230,000	\$ 1,400,000	\$ 1,025,000	\$ 1,500,000	\$ 100,000	\$ 2,790,000	\$ 2,100,000	\$ 2,100,000	\$ 1,600,000	\$ 1,600,000	\$ 15,195,000

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

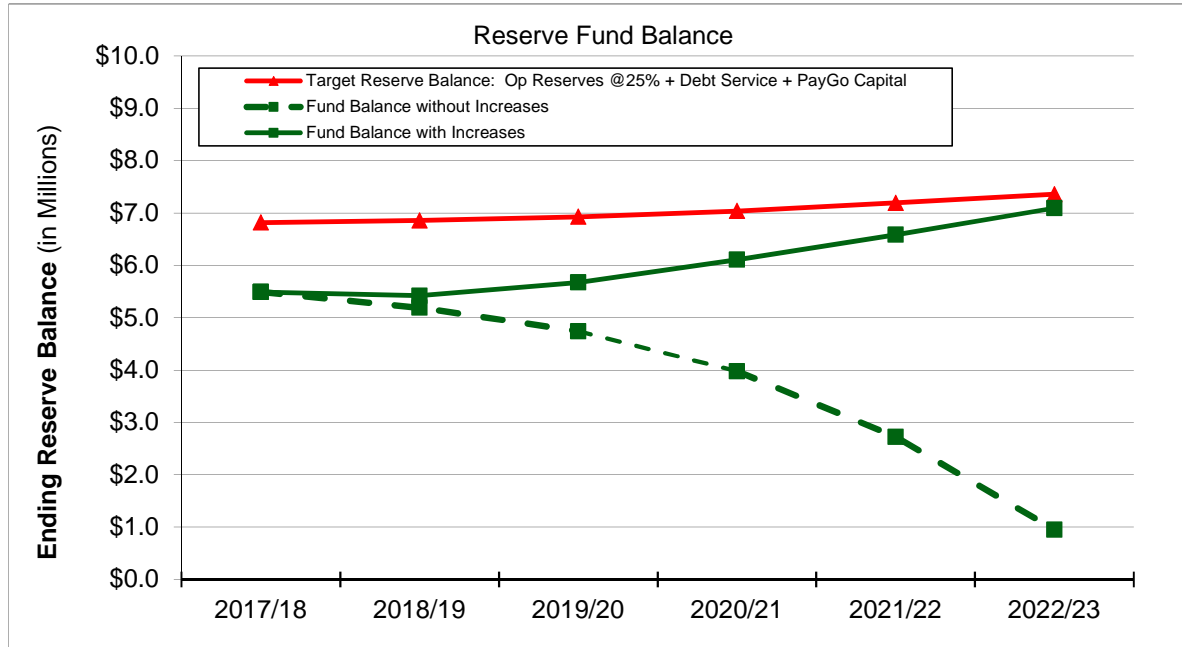
MEMO - Prior CIP Difference \$ 3,598,000 \$ 2,238,000 \$ 2,628,000 \$ 4,148,000 \$ 3,128,000 \$ 2,483,000 \$ 1,683,000 \$ 4,683,000 \$ 1,683,000 \$ 30,180,000
 \$ 2,000 \$ 2,732,000 \$ 2,052,000 \$ (618,000) \$ (1,778,000) \$ 1,347,000 \$ 567,000 \$ 567,000 \$ 67,000

5 year change Recap	\$ 2,390,000	5 year average	\$ 3,626,000
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		
			\$ 2,390,000

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 11, 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.

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

MONTHLY REPORT

To: David Dickson, General Manager
From: James Derbin, Superintendent of Operations
Agenda: June 12, 2018

Report
Date: June 5, 2018

Monthly Highlights

- Staff is making progress on chemical containment structure at Denniston WTP for storing two chemical totes
- Staff installed new Air Relief Valves on the CSP pumps
- All District owned backflow prevention devices tested in house
- ERS conducted biennial filter surveillance at NWTP, as required by our DDW operating permit

Source of Supply

The Denniston Wells and Reservoir, Crystal Springs and Pilarcitos Reservoirs were the sources of supply in May.

Projects

Calcon

Motorized main valve was replaced by staff in preparation for Calcon to integrate into the control strategy of the station. Breakers for all three pumps replaced in preparation for new motors due to arrive end of June.

Downtown 2" Main Replacement Project

Andreini Brothers completed night work for abandoning old 2" and 4" mains on Kelly Ave. Contractor has also finished work on Purissima St. and has since mobilized to Miramontes Avenue between Main and Purissima Street. This project is still on track to be complete in June/July.

STAFF REPORT








To: Board of Directors
From: Cathleen Brennan, Water Resources Analyst
Agenda: June 12, 2018

Report: June 6, 2018
Subject: Water Resources Informational Report

New Statewide Water Efficiency Goals

Water agencies have been anticipating new legislation to establish new water efficiency standards. These standards support Governor Brown's efforts to make water conservation a way of life in California and build upon the 20 percent reductions currently required by the year 2020.

Senate Bill 608 and Senate Bill 1668 accomplished this together by establishing indoor per capita goals and a frame work for non-residential urban use. In addition, there are agricultural requirements and new reporting requirements for water agencies. The table below summarizes some of the new standards and requirements to be implemented by the Department of Water Resources and water agencies.

	Residential – 55 gallons per day per person (R-gpcd) from 2020 to 2025.
	Residential – 50 gallons per day per person (R-gpcd) from 2025 – 2030.
	Non-Residential (Commercial, Industrial and Institutional) performance measures for water efficiency by 2022.
	Total Irrigation (Water) Budget for Service Area (residential and non-residential).
	Long term standards for water agency water loss.
	Water loss will be identified and included in water use.
	Potable reuse credit for existing facilities and incentive for new facilities.
	Urban Water Management Plans to be updated on or before July 1 in years ending in 6 and 1. It shall cover the previous 5 years.
	Five year drought risk assessment plan to be included in Urban Water Management Plans in the Water Shortage Contingency Planning Section.
	Customer Communication Plan – Enforcement Plan and Financial Plan required to be in Water Shortage Contingency Planning Section of UWMP.
	Standardized shortage levels from 10% to 50%.
	Starting November 1, 2023 and annually thereafter, a report to DWR on actual urban water use, urban water use goals, documentation on implementation of non-residential performance measures.
	Annual water supply and demand assessment report due to DWR on June 1 st .

Staff will continue to study the requirements and follow the state’s implementation of this new legislation.

Sustainable Groundwater Management Act (SGMA) Update

Alluvial groundwater basins have been re-prioritized under SGMA. Initially, under the California Groundwater Elevation Monitoring (CASGEM) program, the Half Moon Bay Terrace Basin was prioritized as very low. This was because the total estimated volume of groundwater withdrawn annually was less than or equal to 2,000 ac-ft. The Department of Water Resources has estimated the total annual withdrawal of groundwater in the basin as 2,100 ac-ft under the re-prioritization, which has triggered the application of the points under specified components. With the re-prioritization efforts under SGMA, the Half Moon Bay Terrace has been placed in the high priority category of alluvial groundwater basins in DWR Bulletin 118- Interim Update 2016.

The re-prioritization is in draft form and comments are accepted until July 18, 2018. Staff plans on providing comments on the Half Moon Bay Terrace Basin re-prioritization.

Based on 8 components, including new components not originally considered in the CASGEM prioritization, the Half Moon Bay Terrace Basin scored 22.5 points. Any basin scoring over 21 points is considered high priority. Medium and high priority basins must form a Groundwater Sustainability Agency (GSA) and develop a Groundwater Sustainability Plan (GSP).

Below are the components and their points.

Component 1	Population	3
Component 2	Population Growth	4
Component 3	Public Supply Wells	4
Component 4	Total Wells	5
Component 5	Irrigated Acres	3
Component 6	Groundwater Reliance	2.5
Component 7	Impacts	1
Component 8	Habitat and Other Information	0
Total		22.5

The affected water agencies in the Half Moon Bay Terrace are Coastside County Water District and Montara Water and Sanitary District. The affected land use agencies in the Half Moon Bay Terrace are the City of Half Moon Bay and the County of San Mateo. Other affected parties (stakeholders) are agriculture and any property owner with a well within the basin.

The state entities involved with implementation and enforcement are the California Department of Water Resources, the California Water Commission, and the State Water Resources Control Board (SWRCB). Also, the California Department of Fish and Wildlife (CDFW) has a role in SGMA implementation and enforcement.

The financial impact of being prioritized as medium or high is significant and at this time, although it may change, there aren't any grants available from the state. The costs involved are in forming the GSA and developing a GSP. Staff assumes that it would require the services of attorneys for the formation of the GSA and groundwater consultants for the development of the GSP. These costs could be substantial, and it is not clear how they will be funded.

A GSA would need to be formed within two years of the re-prioritization and the GSP would need to be developed within five years of the re-prioritization. Considering the scope and the number of agencies involved in the process, this is a very ambitious time table for compliance.