COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

REGULAR MEETING OF THE BOARD OF DIRECTORS

Tuesday, September 08, 2020 - 7:00 p.m.

AGENDA

On March 17, 2020, the Governor issued Executive Order N-29-20 suspending certain provisions of the Ralph M. Brown Act in order to allow for local legislative bodies to conduct their meetings telephonically or by other electronic means. Pursuant to the Shelter-in-Place Order issued by the San Mateo County Health Officer on March 16, 2020, as revised on March 31, 2020, the statewide Shelter-in-Place Order issued by the Governor in Executive Order N-33-20 on March 19, 2020, and the CDC's social distancing guidelines which discourage large public gatherings, the Boardroom will not be open for the September 08, 2020 Regular Meeting of the Coastside County Water District. This meeting will be conducted remotely via teleconference.

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

How to Join Online or by Phone

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

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

ONLINE:

Join Zoom Meeting
https://zoom.us/j/93778260596?pwd=aEpRcFlnaHdQM21PSEJQWjNiN09TQT09

Meeting ID: 937 7826 0596
Passcode: 184355

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

Dial by your location
+1 669 900 6833 US (San Jose)

Meeting ID: 937 7826 0596
Passcode: 184355

Find your local number: https://zoom.us/u/adZt3d9LjB
Procedures to make a public comment with Zoom Video/Conference – As a reminder, all participants except the Board Members and Staff are muted on entry.

- ***From a computer:*** *(1) Using the Zoom App. at the bottom of your screen, click on "Participants" and then "Raise Hand". Participants will be called to comment in the order in which they are received. Begin by stating your name and place of residence.*

  OR

- *(2) Using the Zoom App, at the bottom of your screen click on "Chat" and then type that you wish to make a comment into the Chat Box. Ensure that the "To:" field is populated by either "Everyone" or "the Moderator". Begin by stating your name and place of residence.*

- ***From a phone:*** *Using your keypad, dial *9, and this will notify the Moderator that you have raised your hand. Begin by stating your name and place of residence. The Moderator will call on you by stating the last 4 digits of your phone number. If you wish to block your phone number dial *67 prior to dialing in. If your phone number is not displayed, the Moderator will call you by Caller number.*

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

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

This agenda and accompanying materials can be viewed on Coastside County Water District's website located at: www.coastsidewater.org.

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 August 31, 2020:
Claims: $1,045,582.17; Payroll: $174,431.22 for a total of $1,220,013.39 (attachment)
- *August 2020 Monthly Financial Claims reviewed by and approved by Vice-President Reynolds*

B. Acceptance of Financial Reports (attachment)
C. Approval of Minutes of August 11, 2020 Regular Board of Directors Meeting (attachment)
D. Installed Water Connection Capacity and Water Meters Report (attachment)
E. Total CCWD Production Report (attachment)
F. CCWD Monthly Sales by Category Report-August 2020 (attachment)
G. Monthly Planned Plant or Tank Discharge and New Water Line Flushing Report (attachment)
H. Monthly Rainfall Reports (attachment)
I. Notice of Completion for District Shop Sewer Replacement Project (attachment)
J. Water Service Connection Transfer Report for August 2020 (attachment)

5) MEETINGS ATTENDED / DIRECTOR COMMENTS

6) GENERAL BUSINESS

A. Fiscal Year 2020/21 and Draft Fiscal Year 2021/22 Operations Budgets; Fiscal Year 2020/21 to 2029/30 Capital Improvement Program (CIP); Draft Fiscal Year 2020/21 to 2024/25 Financial Plan; Proposed Rate Increases for Fiscal Years 2020/21 and 2021/22; Draft Water Financial Plan and Rate Update Study Report (attachment)
B. Fiscal Years 2020-2021 and 2021-2022 Budget Process Timeline (attachment)
C. Approval of Procurement of Valve Exercising Equipment and Truck Including 1) Purchase of a Ford F-550 Chassis; 2) Purchase of E.H. Wachs Valve Exercising Equipment; 3) Installation of a Customized Flatbed with E.H. Wachs Equipment Installed on the Chassis (attachment)
D. Approval of Procurement of an Emergency Portable Diesel Pump for Pilarcitos Dam (attachment)
E. Professional Services Agreement with Balance Hydrologics for Dennsiton/San Vicente Stream Gaging, Groundwater Monitoring, and Data Analysis (attachment)
F. Hanson Bridgett Billing Rates – Proposed Increase (attachment)

7) MONTHLY INFORMATIONAL REPORTS

A. General Manager's Report (attachment)
- City of Half Moon Bay Draft Land Use Plan

B. Superintendent of Operation's Report (attachment)

8) DIRECTOR AGENDA ITEMS – REQUESTS FOR FUTURE BOARD MEETINGS

9) ADJOURNMENT

COASTSIDE COUNTY WATER DISTRICT
CLAIMS FOR AUGUST 2020

CHECKS				
CHECK DATE	**CHECK NO.**	**VENDOR**		**AMOUNT**
08/10/2020	28539	HEALTH BENEFITS ACWA-JPIA	$	43,757.20
08/10/2020	28540	COMCAST	$	222.30
08/10/2020	28541	RECORDER'S OFFICE	$	98.00
08/10/2020	28542	JAMES COZZOLINO, TRUSTEE	$	200.00
08/10/2020	28543	DEL GAVIO GROUP	$	1,105.52
08/10/2020	28544	MICHAEL DE MEO	$	187.50
08/10/2020	28545	FALCO CONSTRUCTION	$	5,400.00
08/10/2020	28546	FEDAK & BROWN LLP	$	1,805.00
08/10/2020	28547	HASSETT HARDWARE	$	561.31
08/10/2020	28548	HUE & CRY, INC.	$	444.00
08/10/2020	28549	MASS MUTUAL FINANCIAL GROUP	$	1,050.00
08/10/2020	28550	TRAVIS MENEZES	$	213.04
08/10/2020	28551	NORTH BAY WATERWORKS	$	770.21
08/10/2020	28552	R.D. OFFUTT COMPANY	$	27.33
08/10/2020	28553	REPUBLIC SERVICES	$	562.20
08/10/2020	28554	STANDARD INSURANCE COMPANY	$	577.17
08/10/2020	28555	STEVEN MELO, INC.	$	2,500.00
08/10/2020	28556	TRI COUNTIES BANK	$	3,502.87
08/10/2020	28557	UNITED PARCEL SERVICE INC.	$	111.45
08/10/2020	28558	VALIC	$	3,630.00
08/10/2020	28559	BOSCO OIL COMPANY	$	1,591.51
08/10/2020	28560	US BANK NA	$	1,300.16
08/21/2020	28561	ANDREINI BROS. INC.	$	484.50
08/21/2020	28562	CEL ANALYTICAL INC.	$	1,392.00
08/21/2020	28563	EKI INC.	$	19,987.02
08/21/2020	28564	JUAN CARLOS SALAZAR	$	3,640.00
08/21/2020	28565	ADP, INC.	$	687.95
08/21/2020	28566	ANALYTICAL ENVIRONMENTAL SERVICES	$	15,721.83
08/21/2020	28567	ANDREINI BROS. INC.	$	143,405.34
08/21/2020	28568	AT&T	$	6,134.13
08/21/2020	28569	AT&T LONG DISTANCE	$	768.26
08/21/2020	28570	AT&T	$	698.93
08/21/2020	28571	AZTEC GARDENS, INC.	$	218.00
08/21/2020	28572	BADGER METER, INC.	$	66.00
08/21/2020	28573	BALANCE HYDROLOGICS, INC	$	2,103.33
08/21/2020	28574	BFI OF CALIFORNIA, INC.	$	1,041.48
08/21/2020	28575	CALIFORNIA C.A.D. SOLUTIONS, INC	$	3,075.00
08/21/2020	28576	CALIFORNIA UTILITIES	$	500.00
08/21/2020	28577	CEL ANALYTICAL INC.	$	1,680.00
08/21/2020	28578	CHEMTRADE CHEMICALS US LLC	$	4,651.68
08/21/2020	28579	PETTY CASH	$	26.35
08/21/2020	28580	DATAPROSE, LLC	$	3,623.03
08/21/2020	28581	CASTANEDA & PEREZ INC	$	1,005.10
08/21/2020	28582	GRAINGER, INC.	$	1,706.96
08/21/2020	28583	GRISWOLD INDUSTRIES	$	300.44
08/21/2020	28584	HMB BLDG. & GARDEN INC.	$	1,272.72
08/21/2020	28585	HANSONBRIDGETT. LLP	$	8,001.00
08/21/2020	28586	HDR ENGINEERING, INC	$	106,639.58
08/21/2020	28587	IRON MOUNTAIN	$	789.66
08/21/2020	28588	IRVINE CONSULTING SERVICES, INC.	$	3,784.07
08/21/2020	28589	IRVINE CONSULTING SERVICES, INC.	$	3,731.09

08/21/2020	28590	GLENNA LOMBARDI	$	108.00
08/21/2020	28591	MASS MUTUAL FINANCIAL GROUP	$	1,050.00
08/21/2020	28592	TRAVIS MENEZES	$	86.96
08/21/2020	28593	MTA PARTS, INC.	$	18.09
08/21/2020	28594	O'DELL ENGINEERING	$	22,490.30
08/21/2020	28595	OFFICE DEPOT	$	665.06
08/21/2020	28596	PACIFIC GAS & ELECTRIC CO.	$	59,894.94
08/21/2020	28597	PACIFICA COMMUNITY TV	$	300.00
08/21/2020	28598	PAULO'S AUTO CARE	$	35.00
08/21/2020	28599	FERGUSON ENTERPRISES, INC.	$	407.57
08/21/2020	28600	PUMP REPAIR SERVICE CO. INC.	$	349.60
08/21/2020	28601	RAFTELIS FINANCIAL CONSULTANTS, INC.	$	6,545.00
08/21/2020	28602	R.D. OFFUTT COMPANY	$	3,301.55
08/21/2020	28603	MULTI SERVICE TECHNOLOGY SOLUTIONS, INC.	$	509.54
08/21/2020	28604	ROBERTS & BRUNE CO.	$	3,129.43
08/21/2020	28605	ROGUE WEB WORKS, LLC	$	497.60
08/21/2020	28606	SAN FRANCISCO WATER DEPT.	$	404,198.30
08/21/2020	28607	SAN MATEO CTY PUBLIC HEALTH LAB	$	198.00
08/21/2020	28608	TODD SCHMIDT	$	25.00
08/21/2020	28609	SERVICE PRESS	$	1,133.22
08/21/2020	28610	STETSON ENGINEERS, INC.	$	2,738.76
08/21/2020	28611	RYAN H. STOLL	$	253.97
08/21/2020	28612	STRAWFLOWER ELECTRONICS	$	10.00
08/21/2020	28613	TEAMSTERS LOCAL UNION #856	$	1,277.00
08/21/2020	28614	JAMES TETER	$	4,282.50
08/21/2020	28615	TJC AND ASSOCIATES, INC	$	7,292.75
08/21/2020	28616	TPX COMMUNICATIONS	$	2,012.10
08/21/2020	28617	UGSI CHEMICAL FEED, INC.	$	658.53
08/21/2020	28618	UNDERGROUND SERVICE ALERT	$	719.26
08/21/2020	28619	UNIVAR SOLUTIONS USA INC.	$	1,670.00
08/21/2020	28620	UPS STORE	$	251.28
08/21/2020	28621	USA BLUE BOOK	$	2,021.11
08/21/2020	28622	VALIC	$	6,230.00
08/21/2020	28623	JUAN CARLOS SALAZAR	$	3,640.00
08/21/2020	28624	WRA, INC.	$	6,514.00
08/26/2020	28625	BAY AREA GEOTECHNICAL GROUP	$	2,645.00
08/26/2020	28626	BAY ALARM COMPANY	$	1,245.72
08/26/2020	28627	CALCON SYSTEMS, INC.	$	12,030.00
08/26/2020	28628	CHEMTRADE CHEMICALS US LLC	$	2,501.28
08/26/2020	28629	DE LAGE LANDEN FINANCIAL SERVICES, INC.	$	876.14
08/26/2020	28630	EKI INC.	$	13,828.10
08/26/2020	28631	GRAINGER, INC.	$	255.65
08/26/2020	28632	MONTEREY COUNTY LAB	$	2,016.00
08/26/2020	28633	VERIZON CONNECT NWF, INC.	$	247.00
08/26/2020	28634	ROBERTS & BRUNE CO.	$	473.13
08/26/2020	28635	SERVICE PRESS	$	10,395.25
08/26/2020	28636	STRAWFLOWER ELECTRONICS	$	16.32
08/26/2020	28637	TYLER TECHNOLOGIES, INC	$	6,008.75
08/26/2020	28638	VERIZON WIRELESS	$	2,383.55
08/26/2020	28639	LANETTE QUAN	$	44.62
08/26/2020	28640	IAN MACDONALD	$	5.04
08/26/2020	28641	STAR CREEK LAND STEWARDS, INC.	$	645.19
08/26/2020	28642	TONY UCCELLI	$	42.43
08/26/2020	28643	PACIFIC COAST PLACE	$	44.75
08/26/2020	28644	SIGRID ENDER	$	122.13
08/26/2020	28645	NATALIA LABA	$	222.55

08/26/2020	28646	SAMIRA GUCCIONE	$	28.90
08/26/2020	28647	PERFECT IMAGE ORCHIDS	$	94.20
08/26/2020	28648	PERFECT IMAGE ORCHIDS	$	50.38
08/26/2020	28649	AMIE DUBOIS	$	40.39
08/26/2020	28650	WILLIAM GEHRING	$	6.02
08/26/2020	28651	FAIAL LIVING TRUST	$	50.92
		SUBTOTAL CLAIMS FOR MONTH	$	1,007,586.05

WIRE PAYMENTS

MONTH		VENDOR		AMOUNT
08/06/2020	DFT0000314	PUB. EMP. RETIRE SYSTEM	$	14,227.57
08/04/2020	DFT0000315	CALPERS	$	400.00
08/21/2020	DFT0000316	PUB. EMP. RETIRE SYSTEM	$	14,314.51
08/25/2020	DFT0000317	CALPERS	$	1,050.00
8/31/2020		BANK AND CREDIT CARD FEES	$	8,004.04
		SUBTOTAL WIRE PAYMENTS FOR MONTH	$	37,996.12

TOTAL CLAIMS FOR THE MONTH	**$**	**1,045,582.17**

Coastside County Water District

Monthly Budget Report

Account Summary

For Fiscal: 2020-2021 Period Ending: 08/31/2020

		August Budget	August Activity	Variance Favorable (Unfavorable)	Percent Variance	YTD Budget	YTD Activity	Variance Favorable (Unfavorable)	Percent Variance	Total Budget
Revenue										
RevType: 1 - Operating										
1-4120-00	Water Revenue	1,208,558.00	1,333,419.69	124,861.69	10.33 %	2,473,377.00	2,694,867.01	221,490.01	8.95 %	12,096,000.00
	Total RevType: 1 - Operating:	**1,208,558.00**	**1,333,419.69**	**124,861.69**	**10.33 %**	**2,473,377.00**	**2,694,867.01**	**221,490.01**	**8.95 %**	**12,096,000.00**
RevType: 2 - Non-Operating										
1-4170-00	Water Taken From Hydrants	4,165.00	6,193.33	2,028.33	48.70 %	8,330.00	13,303.09	4,973.09	59.70 %	50,000.00
1-4180-00	Late Notice - 10% Penalty	0.00	0.00	0.00	0.00 %	0.00	-2.89	-2.89	0.00 %	25,000.00
1-4230-00	Service Connections	833.00	429.31	-403.69	-48.46 %	1,666.00	1,111.19	-554.81	-33.30 %	10,000.00
1-4920-00	Interest Earned	4,687.00	4,000.17	-686.83	-14.65 %	9,375.00	8,000.34	-1,374.66	-14.66 %	56,250.00
1-4930-00	Tax Apportionments/County Checks	0.00	0.00	0.00	0.00 %	0.00	7,206.52	7,206.52	0.00 %	750,000.00
1-4950-00	Miscellaneous Income	0.00	0.00	0.00	0.00 %	0.00	96.78	96.78	0.00 %	7,000.00
1-4955-00	Cell Site Lease Income	14,500.00	-5,983.72	-20,483.72	-141.27 %	29,000.00	8,738.35	-20,261.65	-69.87 %	179,000.00
1-4965-00	ERAF Refund - County Taxes	175,000.00	0.00	-175,000.00	-100.00 %	175,000.00	0.00	-175,000.00	-100.00 %	375,000.00
	Total RevType: 2 - Non-Operating:	**199,185.00**	**4,639.09**	**-194,545.91**	**-97.67 %**	**223,371.00**	**38,453.38**	**-184,917.62**	**-82.78 %**	**1,452,250.00**
	Total Revenue:	**1,407,743.00**	**1,338,058.78**	**-69,684.22**	**-4.95 %**	**2,696,748.00**	**2,733,320.39**	**36,572.39**	**1.36 %**	**13,548,250.00**
Expense										
ExpType: 1 - Operating										
1-5130-00	Water Purchased	338,140.00	393,459.30	-55,319.30	-16.36 %	691,160.00	738,232.62	-47,072.62	-6.81 %	2,341,560.00
1-5230-00	Nunes T P Pump Expense	3,416.00	4,464.37	-1,048.37	-30.69 %	6,832.00	8,428.37	-1,596.37	-23.37 %	41,000.00
1-5231-00	CSP Pump Station Pump Expense	55,000.00	57,988.29	-2,988.29	-5.43 %	115,000.00	106,375.29	8,624.71	7.50 %	350,000.00
1-5232-00	Other Trans. & Dist Pump Expense	1,750.00	2,449.04	-699.04	-39.95 %	3,500.00	5,106.04	-1,606.04	-45.89 %	21,000.00
1-5233-00	Pilarcitos Canyon Pump Expense	700.00	739.31	-39.31	-5.62 %	1,400.00	885.31	514.69	36.76 %	43,000.00
1-5234-00	Denniston T P Pump Expense	6,800.00	4,762.97	2,037.03	29.96 %	13,600.00	6,116.97	7,483.03	55.02 %	110,000.00
1-5242-00	CSP Pump Station Operations	1,375.00	502.35	872.65	63.47 %	2,750.00	1,514.35	1,235.65	44.93 %	16,500.00
1-5243-00	CSP Pump Station Maintenance	3,083.00	2,349.60	733.40	23.79 %	6,166.00	3,559.57	2,606.43	42.27 %	37,000.00
1-5246-00	Nunes T P Operations - General	7,500.00	5,332.10	2,167.90	28.91 %	15,000.00	15,653.09	-653.09	-4.35 %	90,000.00
1-5247-00	Nunes T P Maintenance	10,416.00	939.49	9,476.51	90.98 %	20,832.00	6,591.85	14,240.15	68.36 %	125,000.00
1-5248-00	Denniston T P Operations-General	4,584.00	82.69	4,501.31	98.20 %	9,168.00	3,927.71	5,240.29	57.16 %	55,000.00
1-5249-00	Denniston T.P. Maintenance	10,000.00	4,822.33	5,177.67	51.78 %	19,000.00	9,535.34	9,464.66	49.81 %	132,000.00
1-5250-00	Laboratory Expenses	6,250.00	4,931.28	1,318.72	21.10 %	12,500.00	10,307.41	2,192.59	17.54 %	75,000.00
1-5260-00	Maintenance - General	30,000.00	13,178.98	16,821.02	56.07 %	60,000.00	50,892.34	9,107.66	15.18 %	348,500.00
1-5261-00	Maintenance - Well Fields	1,000.00	0.00	1,000.00	100.00 %	2,000.00	0.00	2,000.00	100.00 %	30,000.00
1-5263-00	Uniforms	2,500.00	0.00	2,500.00	100.00 %	2,500.00	0.00	2,500.00	100.00 %	10,000.00
1-5318-00	Studies/Surveys/Consulting	10,000.00	8,545.00	1,455.00	14.55 %	20,000.00	16,545.00	3,455.00	17.28 %	150,000.00
1-5321-00	Water Resources	2,166.00	0.00	2,166.00	100.00 %	4,332.00	110.26	4,221.74	97.45 %	26,000.00

		August Budget	August Activity	Variance Favorable (Unfavorable)	Percent Variance	YTD Budget	YTD Activity	Variance Favorable (Unfavorable)	Percent Variance	Total Budget
1-5322-00	Community Outreach	8,000.00	10,379.12	-2,379.12	-29.74 %	9,000.00	10,379.12	-1,379.12	-15.32 %	58,400.00
1-5381-00	Legal	8,333.00	7,940.00	393.00	4.72 %	16,666.00	15,940.00	726.00	4.36 %	100,000.00
1-5382-00	Engineering	5,500.00	618.80	4,881.20	88.75 %	11,000.00	6,098.80	4,901.20	44.56 %	66,000.00
1-5383-00	Financial Services	2,000.00	0.00	2,000.00	100.00 %	2,000.00	1,805.00	195.00	9.75 %	22,000.00
1-5384-00	Computer Services	17,625.00	21,538.12	-3,913.12	-22.20 %	35,250.00	40,035.40	-4,785.40	-13.58 %	211,500.00
1-5410-00	Salaries/Wages-Administration	101,942.00	80,640.21	21,301.79	20.90 %	203,884.00	162,606.39	41,277.61	20.25 %	1,223,311.00
1-5411-00	Salaries & Wages - Field	125,117.00	122,782.71	2,334.29	1.87 %	250,234.00	244,556.95	5,677.05	2.27 %	1,501,399.00
1-5420-00	Payroll Tax Expense	15,975.00	13,203.62	2,771.38	17.35 %	31,950.00	26,808.42	5,141.58	16.09 %	191,701.00
1-5435-00	Employee Medical Insurance	41,645.00	37,995.90	3,649.10	8.76 %	83,290.00	77,094.14	6,195.86	7.44 %	511,400.00
1-5436-00	Retiree Medical Insurance	5,661.00	4,004.34	1,656.66	29.26 %	11,322.00	9,754.46	1,567.54	13.85 %	69,562.00
1-5440-00	Employees Retirement Plan	41,353.00	42,710.15	-1,357.15	-3.28 %	82,706.00	79,076.54	3,629.46	4.39 %	496,240.00
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	6,250.00	4,036.25	2,213.75	35.42 %	12,500.00	8,223.56	4,276.44	34.21 %	75,000.00
1-5620-00	Office & Billing Expenses	31,791.00	34,531.15	-2,740.15	-8.62 %	63,582.00	57,115.68	6,466.32	10.17 %	363,500.00
1-5625-00	Meetings / Training / Seminars	2,750.00	319.99	2,430.01	88.36 %	5,500.00	424.99	5,075.01	92.27 %	33,000.00
1-5630-00	Insurance	13,250.00	14,387.96	-1,137.96	-8.59 %	26,500.00	26,775.92	-275.92	-1.04 %	159,000.00
1-5687-00	Membership, Dues, Subscript.	7,091.00	3,534.26	3,556.74	50.16 %	14,182.00	16,172.18	-1,990.18	-14.03 %	85,100.00
1-5688-00	Election Expenses	0.00	0.00	0.00	0.00 %	0.00	0.00	0.00	0.00 %	30,000.00
1-5689-00	Labor Relations	500.00	0.00	500.00	100.00 %	1,000.00	0.00	1,000.00	100.00 %	6,000.00
1-5700-00	San Mateo County Fees	2,000.00	0.00	2,000.00	100.00 %	4,000.00	0.00	4,000.00	100.00 %	25,000.00
1-5705-00	State Fees	3,000.00	0.00	3,000.00	100.00 %	6,000.00	0.00	6,000.00	100.00 %	36,500.00
	Total ExpType: 1 - Operating:	**934,463.00**	**903,169.68**	**31,293.32**	**3.35 %**	**1,876,306.00**	**1,766,649.07**	**109,656.93**	**5.84 %**	**9,301,173.00**
ExpType: 4 - Capital Related										
1-5715-00	Debt Service/CIEDB 11-099	0.00	0.00	0.00	0.00 %	268,811.00	268,811.40	-0.40	0.00 %	335,825.00
1-5716-00	Debt Service/CIEDB 2016	0.00	0.00	0.00	0.00 %	234,969.00	234,968.81	0.19	0.00 %	323,357.00
1-5717-00	Chase Bank - 2018 Loan	0.00	0.00	0.00	0.00 %	0.00	0.00	0.00	0.00 %	433,567.00
	Total ExpType: 4 - Capital Related:	**0.00**	**0.00**	**0.00**	**0.00 %**	**503,780.00**	**503,780.21**	**-0.21**	**0.00 %**	**1,092,749.00**
	Total Expense:	**934,463.00**	**903,169.68**	**31,293.32**	**3.35 %**	**2,380,086.00**	**2,270,429.28**	**109,656.72**	**4.61 %**	**10,393,922.00**
	Report Total:	**473,280.00**	**434,889.10**	**-38,390.90**		**316,662.00**	**462,891.11**	**146,229.11**		**3,154,328.00**

COASTSIDE COUNTY WATER DISTRICT
MONTHLY INVESTMENT REPORT
August 31, 2020

RESERVE BALANCES	**Current Year as of 8/31/2020**	**Prior Year as of 8/31/2019**
CAPITAL AND OPERATING RESERVE	$8,617,591.96	$8,748,673.24
RATE STABILIZATION RESERVE	$250,000.00	$250,000.00
TOTAL DISTRICT RESERVES	**$8,867,591.96**	**$8,998,673.24**

ACCOUNT DETAIL

ACCOUNTS WITH TRI COUNTIES BANK		
CHECKING ACCOUNT	$3,485,815.14	$3,779,593.36
CSP T & S ACCOUNT	$120,603.59	$64,419.90
MONEY MARKET GEN. FUND (Opened 7/20/17)	$19,447.53	$19,441.05
LOCAL AGENCY INVESTMENT FUND (LAIF) BALANCE	$5,240,925.70	$5,134,418.93
DISTRICT CASH ON HAND	$800.00	$800.00
TOTAL ACCOUNT BALANCES	**$8,867,591.96**	**$8,998,673.24**

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

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

* Approved June 2020

8/31/2020

		Status	Approved* CIP Budget FY 20/21	Actual To Date FY 20/21	Projected Year-End FY20/21	Variance vs. Budget	% Completed	Project Status/ Comments
Equipment Purchases & Replacement								
06-03	SCADA/Telemetry/Electrical Controls Replacement	ongoing	$ 50,000		$ 50,000	$ -	0%	
19-04	Valve truck	open	$ 225,000		$ 225,000	$ -	0%	
22-05	Planning Software	open	$ 60,000		$ 60,000	$ -	0%	
Facilities & Maintenance								
99-01	Meter Change Program	ongoing	$ 20,000	$ 703	$ 20,000	$ -	4%	
Pipeline Projects								
13-02	Pipeline Replacement Under Creek at Pilarcitos Ave (Strawflower)	In design	$ 750,000	$ 6,813	$ 750,000	$ -	0%	
14-01	Highway 92 - Replacement of Welded Steel Line	Open	$ 100,000	$ 22,490	$ 100,000	$ -	22%	for design only
22-04	El Granada Tank #2 Pipeline Replacement	Open	$ 500,000		$ 500,000	$ -	n/a	
Pump Stations / Tanks / Wells								
21-07	District-Wide Tank Improvement Project	Open	$ 600,000	$ 3,075	$ 600,000	$ -	n/a	
21-02	Pilarcitos Reservoir Spillway-Pump/Emergency Generator	Open	$ 100,000		$ 100,000		0%	
19-05	Tanks - THM Control	Ongoing	$ 60,000		$ 60,000		0%	
22-03	Tank Cathodic Protection Project	Open	$ 40,000		$ 40,000	$ -	0%	
Water Supply Development								
14-25	Denniston/San Vicente Water Supply Development	ongoing	$ 300,000	$ 26,786	$ 300,000	$ -	9%	
Water Treatment Plants								
20-14	Nunes Water Treatment Plant Improvement Project	In Design	$ 700,000	$ 150,827	$ 700,000	$ -	30%	
21-04	Nunes/Denniston Turbidimeter Replacement	Open	$ 35,000		$ 35,000	$ -	0%	
UNSCHEDULED/NEW CIP ITEMS FOR CURRENT FISCAL YEAR 2020/2021								
NN-00	Unscheduled CIP		$ 100,000		$ 100,000	$ -	0%	
NEW FY2020/2021 CIP TOTAL			**$ 3,640,000**	**$ 210,694**	**$ 3,640,000**	**$ -**		
FY2019/2020 CIP Carryover Projects								
21-08	Asset Management/GIS software	in process	$ 60,000	16,500	$ 60,000	$ -	50%	
20-07	District Office Improvements	in process	$ 60,000	5,702	$ 60,000	$ -	60%	
18-13	Denniston WTP and Tank Road Repairs and Paving	in process	$ 400,000	$ 82,749	$ 400,000	$ -	0%	
14-01	Highway 92 - Replacement of Welded Steel Line-Phase 1	open	$ 700,000		$ 700,000	$ -	0%	
20-08	Highway 1 Crossings (Silver/Terrace/Grandview/Spindrift)	pre-design	$ 30,000		$ 30,000	$ -	15%	
13-05	Denniston WTP and Booster Station Standby Power	in process	$ 300,000	220,998	$ 300,000	$ -	10%	

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

8/31/2020

* Approved June 2020

		Status	Approved* CIP Budget FY 20/21	Actual To Date FY 20/21	Projected Year-End FY20/21	Variance vs. Budget	% Completed	Project Status/ Comments
30-00	Computer Software upgrades	ongoing		3,110	$ 3,110	$ (3,110)		
08-08	PRV Replacment Program	in process		1,433	$ 1,433	$ (1,433)		
20-17	Garcia Avenue Emergency Pipeline Replacement	closed		24,951	$ 343	$ (343)	100%	
14-27	Grandview 2 Inch Replacement	in design		1,594	$ 1,594	$ (1,594)		
18-01	Pine Willow Oak Pipeline Replacement	in design		1,841	$ 1,841	$ (1,841)		
	FY2019/2020 CARRYOVER PROJECTS		**$ 1,550,000**	**$ 358,879**	**$ 1,558,321**	**$ (8,321)**		

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	LABOR & EMPLOYMENT	Election (CVRA)	Litigation	Infrastructure Project Review (Reimbursable)	TOTAL
Aug-19	5,535			496						6,031
Sep-19	4,090					455				4,545
Oct-19	3,360				840		4,612			8,812
Nov-19	3,948						6,905		665	11,518
Dec-19	3,801			365			2,814			6,980
Jan-20	12,289						8,071			20,360
Feb-20	4,256	1,855		245			2,527			8,883
Mar-20	3,990	1,295				1,050	840			7,175
Apr-20	6,353	1,085				665				8,103
May-20	4,011					840				4,851
Jun-20	4,248			70		1,085				5,403
Jul-20	6,940			1,061						8,001
TOTAL	**62,819**	**4,235**	**0**	**2,237**	**840**	**4,095**	**25,769**	**0**	**665**	**100,660**

Engineer Cost Tracking Report
12 Months At-A-Glance

Acct. No. 5682
JAMES TETER
Engineer

Month	Admin & Retainer	CIP	Studies & Projects	TOTAL	Reimburseable from Projects
Aug-19	480	10,152	2,891	**13,523**	2,891
Sep-19	480	676	1,268	**2,424**	1,268
Oct-19	480	845	507	**1,832**	507
Nov-19	480	676		**1,156**	
Dec-19	480	676	254	**1,410**	254
Jan-20	480	4,344	2,197	**7,021**	2,197
Feb-20	480	4,563		**5,043**	
Mar-20	480			**480**	
Apr-20	480			**480**	
May-20	480		1,268	**1,748**	1,268
Jun-20	480		1,183	**1,663**	1,183
Jul-20	480		3,803	**4,283**	3,803
TOTAL	**5,760**	**21,931**	**13,369**	**41,061**	**13,370**

Calcon T&M Projects Tracking

7/30/2020

Project No.	Name	Status	Proposal Date	Approved Date	Project Budget	Project Actual thru 6/30/20	Project Billings FY2020-2021
Closed Projects:							
CAL-13-01	EG Tank 2 Recoating Project	Closed	9/30/13	10/8/13	$8,220.00	$ 8,837.50	
CAL-13-02	Nunes Control System Upgrades	Closed	9/30/13	10/8/13	$46,141.00	$ 55,363.60	
CAL-13-03	Win 911 and PLC Software	Closed	9/30/13	10/8/13	$9,717.00	$ 12,231.74	
CAL-13-04	Crystal Springs Surge Tank Retrofit	Closed	11/26/13	11/27/13	$31,912.21	$ 66,572.54	
CAL-13-06	Nunes Legacy Backwash System Removal	Closed	11/25/13	11/26/13	$6,516.75	$ 6,455.00	
CAL-13-07	Denniston Backwash FTW Valves	Closed	11/26/13	11/27/13	$6,914.21	$ 9,518.28	
CAL-14-01	Denniston Wash Water Return Retrofit	Closed	1/28/14	2/14/14	$13,607.00	$ 13,591.60	
CAL-14-02	Denniston Calrifier SCADA Data	Closed	4/2/14	4/7/14	$4,125.00	$ 4,077.50	
CAL-14-03	Nunes Surface Scatter Turbidimeter	Closed	4/2/14	4/7/14	$2,009.50	$ -	
CAL-14-04	Phase I Control System Upgrade	Closed	4/2/14	4/7/14	$75,905.56	$ 44,459.14	
CAL-14-06	Miramar Control Panel	Closed	8/28/14	8/28/14	$37,953.00	$ 27,980.71	
CAL-14-08	SFWater Flow & Data Logger/Cahill Tank	Closed	8/20/2014	8/20/2014	$1,370.00	$ 1,372.00	
CAL-15-01	Main Street Monitors	Closed				$ 6,779.42	
CAL-15-02	Dennistion To Do List	Closed				$ 2,930.00	
CAL-15-03	Nunes & Denniston Turbidity Meters	Closed			$6,612.50	$ 12,536.12	
CAL-15-04	Phase II Control System Upgrade	Closed	6/23/2015	8/11/2015	$195,000.00	$ 202,227.50	
CAL-15-05	Permanganate Water Flow	Closed				$ 1,567.15	
CAL-16-04	Radio Network	Closed	12/9/2016	1/10/2017	$126,246.11	$ 139,200.68	
CAL-16-05	El Granada Tank No. 3 Recoating	Closed	12/16/2016		$6,904.50	$ 6,845.00	
CAL-17-03	Nunes Valve Control	Closed	6/29/2017	7/11/2017	$73,281.80	$ 79,034.35	
CAL-17-04	Denniston Booster Pump Station	Closed	7/27/2017	8/8/2017	$21,643.75	$ 29,760.00	
CAL-17-05	Crystal Springs Pump Station #3 Soft Start	Closed	7/27/2017	8/8/2017	$12,213.53	$ 12,178.13	
CAL-18-04	Tank Levels Calibration Special	Closed	3/5/2018	3/5/2018	$8,388.75	$ 10,700.00	
CAL-18-05	Pilarcitos Stream Flow Gauge -Well 1 120 Service Power	Closed	3/22/2018	3/22/2018	$3,558.13	$ 3,997.40	
CAL-17-06	Nunes Flocculartor & Rapid Mix VFD Panels	Closed	12/6/2017	12/12/2017	$29,250.75	$ 30,695.66	
CAL-17-01	Crystal Springs Leak Valve Control	Closed	2/8/2017	2/14/2017	$8,701.29	$ 18,055.88	
CAL-17-02	Crystal Springs Requirements & Addtl Controls	Closed	2/8/2017	2/14/2017	$38,839.50	$ 41,172.06	
CAL-18-02	Nunes Plant HMI V2	Closed	11/12/2018		$10,913.14	$ 9,434.90	
CAL-18-03	CSP Breakers & Handles		3/7/2018	3/7/2018	$25,471.47	$ 49,837.52	
CAL-18-06	Nunes VFD Project		9/6/2018	9/6/2018	$2,381.51	$ 895.50	
CAL-19-01	CSP Cla-Val Power Checks		2/4/2019	2/4/2019	$15,067.91	$ 40,475.94	
CAL-19-02	CSP Wet Well		4/1/2019	4/1/2019	$12,960.24	$ 12,853.20	
CAL-19-03	Pilarcitos Flow Meter Project		4/1/2019	4/1/2019	$14,493.75	$ 17,616.84	
	CSP Main Breaker						
CAL-19-04	SCADA Systems		10/15/2019	10/15/2019	$104,000.00	$ 114,250.00	
	Spare 350/500 Pumps					$ 3,327.09	
	CSP Main Breaker					$ 5,220.00	
		Closed Projects - Subtotal (pre FY2019-2021)			$960,319.86	$1,102,049.95	
FY 2020-2021 Open Projects:							
		Open Projects - Subtotal			$0.00	$0.00	$0.00
Other: Maintenance							
	Tanks						
	Crystal Springs Maintenance						
	Nunes Maintenance						$ 140.00
	Denniston Maintenance						$ 1,190.00
	Distribution System						$ 10,700.00
	Wells						
		Subtotal Maintenance					$ 12,030.00
		TOTAL FY 2019/20					$ 12,030.00

EKI Environment & Water
Engineering Services Billed Through August 31, 2020

		Contract Date	Not to Exceed Budget	Status	FY 2018-2019	FY 2019-2020	FY2020-2021
CIP Project Management							
Fiscal Year 2018-2019		10.19.2018	$ 25,000.00	Complete			
Fiscal Year 2018-2019		1.14.2019	$ 40,000.00	Complete			
Fiscal Year 2018-2019		3.12.2019	$ 75,000.00	Complete			
Fiscal Year 2019-2020		7.29.2019	$ 180,000.00	Open	$ 123,410.00	$ 104,108.97	$ 1,138.80
Pipeline Projects (Ferdinand) - T2			$ 2,000.00		$ 18,220.42	$ 13,476.55	
Tank Seismic Projects - T3					$ 16,676.92	$ 19,249.53	
Hydraulic Modeling - T4					$ (4,385.04)	$ 20,570.20	
Fiscal Year 2020-2021		8.13.2020	$ 100,000.00				
Sub Total - CIP Project Management Services			$ 422,000.00		$ 163,452.66	$ 157,405.25	$ 1,138.80
Highway 1 South Pipeline Replacement Project	**16-02**	9.20.2018	$ 25,000.00	Complete	$ 17,680.45		
Ferdinand Avenue Pipeline Replacement Design	**14-31**	2.12.2019	$ 29,000.00	Complete	$ 27,824.37	$ 1,169.10	
Casa Del Mar Main Replacement (Phase 1) and Grand Boulevard Pipeline/PRV Loop Design	**14-32**	2.12.2019	$ 28,500.00	Complete	$ 27,297.34	$ 1,195.22	
Denniston Culvert Replacement and Paving Project Design	**18-13**	7.1.2019	$ 16,400.00	Open	$ 804.96	$ 21,296.34	
Denniston Culvert Replacement-Engineering Services during Construction	**18-13**	7.8.2020	$ 19,600.00	Open			$ 8,954.92
Construction Inspection Services for Ferdinand Avenue Water Main Replacement Project	**14-31**	7.1.2019	$ 32,300.00	Complete		$ 32,300.00	
Pine Willow Oak Water Main Replacement Project	**18-01**	7.29.2019	$ 69,700.00	Open		$ 49,906.63	$ 1,841.06
Grandview Water Main Replacement Project (Design, Bid Support, construction support)	**14-27**	7.29.2019	$ 56,100.00	Open		$ 42,095.19	$ 1,594.32
Pilarcitos Creek Crossing Water Main Replacement Preliminary Design	**13-02**	8.27.2019	$ 104,600.00	Open		$ 95,332.59	
Pilarcitos Creek Crossing Water Main Replacement Design	**13-02**	7.14.2020	$ 82,900.00	Open			$ 299.00
Grandview/Silver/Terrace/Spindrift Under Hwy 1 PreDesign	**20-08**	10.15.2019	$ 45,600.00	Open		$ 18,217.30	
Total - All Services			**$ 931,700.00**		**$ 237,059.78**	**$ 418,917.62**	**$ 13,828.10**

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

August 11, 2020

On March 17, 2020, the Governor issued Executive Order N-29-20 suspending certain provisions of the Ralph M. Brown Act in order to allow for local legislative bodies to conduct their meetings telephonically or by other electronic means. Pursuant to the Shelter-in-Place Order issued by the San Mateo County Health Officer on March 16, 2020, as revised on March 31, 2020, the statewide Shelter-in-Place Order issued by the Governor in Executive Order N-33-20 on March 19, 2020, and the CDC's social distancing guidelines which discourage large public gatherings, the Boardroom was not open for the August 11, 2020 Regular Meeting of the Coastside County Water District. The Regular Meeting was conducted remotely via teleconference.

The Public was able to watch and/or participate in the public meeting by joining the meeting through the Zoom Video Conference link provided. The public was also able to join the meeting by calling a provided teleconference phone number.

1) ROLL CALL – President Chris Mickelsen called the meeting to order at 7:00 p.m. participating in roll call via Zoom Video Conference: Directors Jim Larimer, Ken Coverdell, and Bob Feldman. Vice-President Glenn Reynolds was absent at the initial roll call but arrived at 7:07 PM

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

Members of the public: Maureen Fleming

2) **PLEDGE OF ALLEGIANCE**

3) PUBLIC COMMENT

A. Maureen Fleming, of 478 El Granada Blvd., expressed her concern regarding a problem that she believes was initiated with the installation of a new meter on an adjacent property in 2018. President Mickelsen assured her that Staff would look into her issue promptly.

4) CONSENT CALENDAR

A. Approval of disbursements for the month ending July 31, 2020:
   Claims: $1,720,488.25; Payroll: $173,589.31 for a total of $1,894,007.56
B. Acceptance of Financial Reports
C. Approval of Minutes of July 14, 2020 Regular Board of Directors Meeting
D. Installed Water Connection Capacity and Water Meters Report
E. Total CCWD Production Report
F. CCWD Monthly Sales by Category Report-July 2020
G. Monthly Planned Plant or Tank Discharge and New Water Line Flushing Report
H. Monthly Rainfall Reports
I. SFPUC Hydrological Report for the Month of July 2020
J. Notice of Completion – District Office Fascia Board Replacement Project
K. Notice of Completion - Garcia Avenue Emergency Water Main Replacement Project
L. Water Service Connection Transfer Report for July 2020
M. Notice of Non-Complex Pipeline Extension Project-555 Obispo Road, El Granada-Coastside Fire Protection District

Director Larimer 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 Feldman, the Board voted by roll call vote to approve the Consent Calendar:

Director Larimer	**Aye**
Director Coverdell	**Aye**
Director Feldman	**Aye**
President Mickelsen	**Aye**
Vice-President Reynolds	**Absent**

5) MEETINGS ATTENDED/DIRECTOR COMMENTS

Director Feldman attended the Virtual ACWA conference on July 29-30. He commented on how efficient the conference was run.

6) GENERAL BUSINESS

A. <u>Fiscal Year 2020/21 and Draft Fiscal Year 2021/22 Operations Budgets; Fiscal Year 2020/21 to 2029/30 Capital Improvement Program (CIP); Draft Fiscal Year 2020/21 to 2024/25 Financial Plan; Proposed Rate Increase for Fiscal Years 2020/21 and 2021/22; Draft Water Financial Plan and Rate Update Study Report</u>

Ms. Rogren presented to the Board the Fiscal Year 2020/21 Operation Budget, Draft Fiscal Year 2021/22 Budget, Fiscal Year 20/21 to 2029/30 Capital Improvement Program, and Draft Water Financial Plan and Rate Update Study Report prepared by the District's rate consultant, Raftelis Financial Consultants, Inc. The Draft Water Financial Plan and Rate Update Study Report includes the Financing Plan reflecting the proposed rate increases in consideration of targeted reserve balances and the Cost of Service Analysis prepared in 2018 used to develop cost of service-based water rates in order to

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 San Juan Capistrano.

B. Fiscal Years 2020-2021 and 2021-2022 Budget Process Timeline

Ms. Rogren presented a timeline of key past and upcoming milestones for presentation and approval of the Fiscal Year 2020-2021 and Fiscal Year 2021-2022 Budgets, the Fiscal Year 2020/21 – 2029/30 Capital Improvement Program, and Fiscal Year 2020/21 – 2024/25 Financial Plan and for outreach activities.

C. Schedule a Public Hearing on Proposed Rate Increases for Fiscal Years 2020-2021 and 2021-2022 and Authorize Issuance of a Notice of Public Hearing and Proposed Rate Increases to be effective January 1, 2021 and January 1, 2022

Ms. Rogren informed the Board that in order to comply with the requirements of Proposition 218, the recommended Board action would authorize issuance of notice of rate increases for Fiscal Years 2020-21 and 2021-2022 and authorize staff to schedule a public hearing for October 13, 2020 at the regularly scheduled October Board of Directors' meeting. President Mickelsen has voted no on this agenda item because he does not support an approach that involves the District issuing new debt.

ON MOTION BY Director Feldman and seconded by Director Larimer, the Board voted by roll call to schedule a Public Hearing for Tuesday, October 13, 2020 at the regular Board of Directors meeting beginning at 7:00 PM on the proposed rate increases for Fiscal Years 2020-2021 and 2021-2022 and authorize Staff to issue a Notice of Public Hearing and Proposed Rate Increases to be effective January 1, 2021 and January 1, 2022:

Director Larimer	**Aye**
Vice-President Reynolds	**Aye**
Director Coverdell	**Aye**
Director Feldman	**Aye**
President Mickelsen	**Nay**

D. Authorize the GM to Procure Replacement Turbidimeters for the Denniston and Nunes Water Treatment Plants

Mr. Derbin summarized the necessity to purchase new turbidimeters for the Nunes and Denniston Water Treatment Plants from Hach Company. Currently the District uses older Hach Turbidimeters, for monitoring online filter performance with Hach 2100N benchtop turbidimeters. Hach plans to gradually phase out support of the older model turbidimeters and will only stock limited parts for repair. Mr. Derbin explained that this is a sole source procurement pursuant to Resolution No. 2016-09.

ON MOTION BY Vice-President Reynolds and seconded by President Mickelsen, the Board voted by roll call vote to authorize the General Manager to purchase nine (9) online turbidimeters and two new Hach benchtop turbidimeters with calibration supplies for Nunes and Denniston Water Treatment Plants for a total price of $35,600 (including estimated shipping and tax.):

Director Larimer	**Aye**
Vice-President Reynolds	**Aye**
Director Coverdell	**Aye**
Director Feldman	**Aye**
President Mickelsen	**Aye**

E. <u>Approval of Professional Services with EKI Environment and Water, Inc. for Capital Project Management Support and As-Needed Engineering Services</u>

Ms. Rogren explained the desire to continue working with EKI based on their past responsiveness and excellent support provided during the past two fiscal years. In Fiscal Year 2018-2019 and FY 2019-2020, the District engaged EKI to assist with the overall management and planning of the District's CIP projects.

ON MOTION BY Vice-President Reynolds and seconded by President Mickelsen, the Board voted by roll call to authorize the General Manager to retain the professional services of EKI Environment and Water, Inc. (EKI) for capital project management and as needed engineering support, including hydraulic modeling for Fiscal Year 2020-2021 for a not-to-exceed budget of $100,000:

Director Larimer	**Aye**
Vice-President Reynolds	**Aye**
Director Coverdell	**Aye**
Director Feldman	**Aye**
President Mickelsen	**Aye**

7) **MONTHLY INFORMATION REPORTS**

A. <u>Superintendent of Operations Report</u>

Mr. Derbin reviewed the operations highlights for the month of July 2020.

8) DIRECTOR AGENDA ITEMS-REQUESTS FOR FUTURE BOARD MEETINGS

9) ADJOURNMENT-The Board Meeting was adjourned at 7:51 p.m.

Respectfully submitted,

_____
Mary Rogren, General Manager
Secretary to the District

_____
Chris Mickelsen, President
Board of Directors

COASTSIDE COUNTY WATER DISTRICT

Installed Water Connection Capacity & Water Meters

FY 2021 Meters

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

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

FY 2020 Capacity (5/8" connection equivalents)	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Totals
HMB Non-Priority	1												**1**
HMB Priority													
County Non-Priority	1	2											**3**
County Priority													
Total	2	2											**4**

TOTAL CCWD PRODUCTION (MG) ALL SOURCES- FY 2021

	CCWD Sources			SFPUC Sources				
	DENNISTON WELLS	DENNISTON RESERVOIR	PILARCITOS WELLS	PILARCITOS LAKE	CRYSTAL SPRINGS RESERVOIR	RAW WATER TOTAL	UNMETERED WATER	TREATED TOTAL
JUL	0.02	2.83	0.00	28.80	36.06	67.71	2.35	65.36
AUG	0.00	0.00	0.00	49.75	20.27	70.02	2.25	67.78
SEPT								
OCT								
NOV								
DEC								
JAN								
FEB								
MAR								
APR								
MAY								
JUN								
TOTAL	0.02	2.83	0.00	78.55	56.33	137.73	4.60	133.14
% MONTHLY TOTAL	0.0%	0.0%	0.0%	71.1%	28.9%	100.0%	3.2%	96.8%
% ANNUAL TO DATE TOTAL	0.0%	2.1%	0.0%	57.0%	40.9%	100.0%	3.3%	96.7%

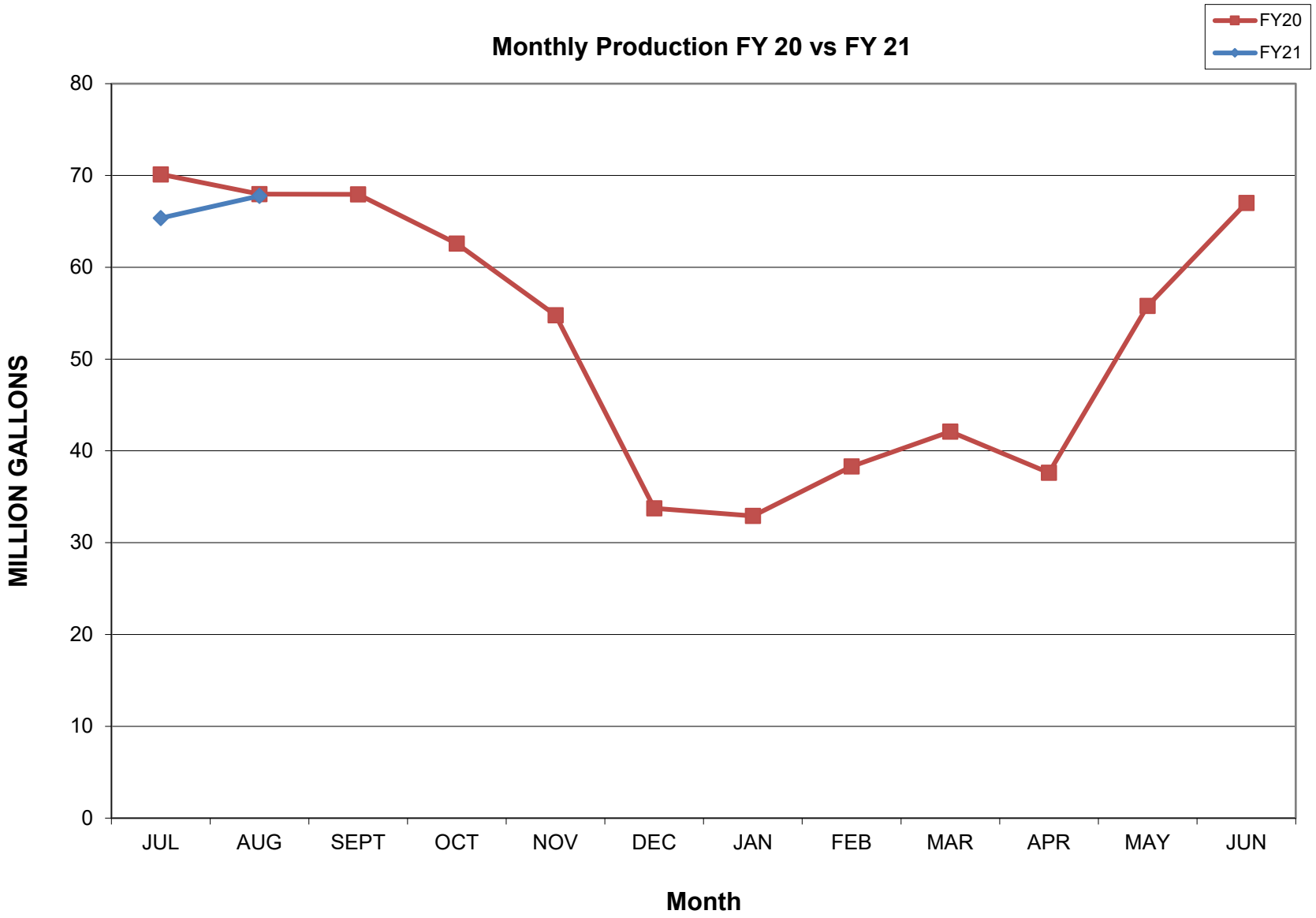
CCWD vs SFPUC- month 0.0%

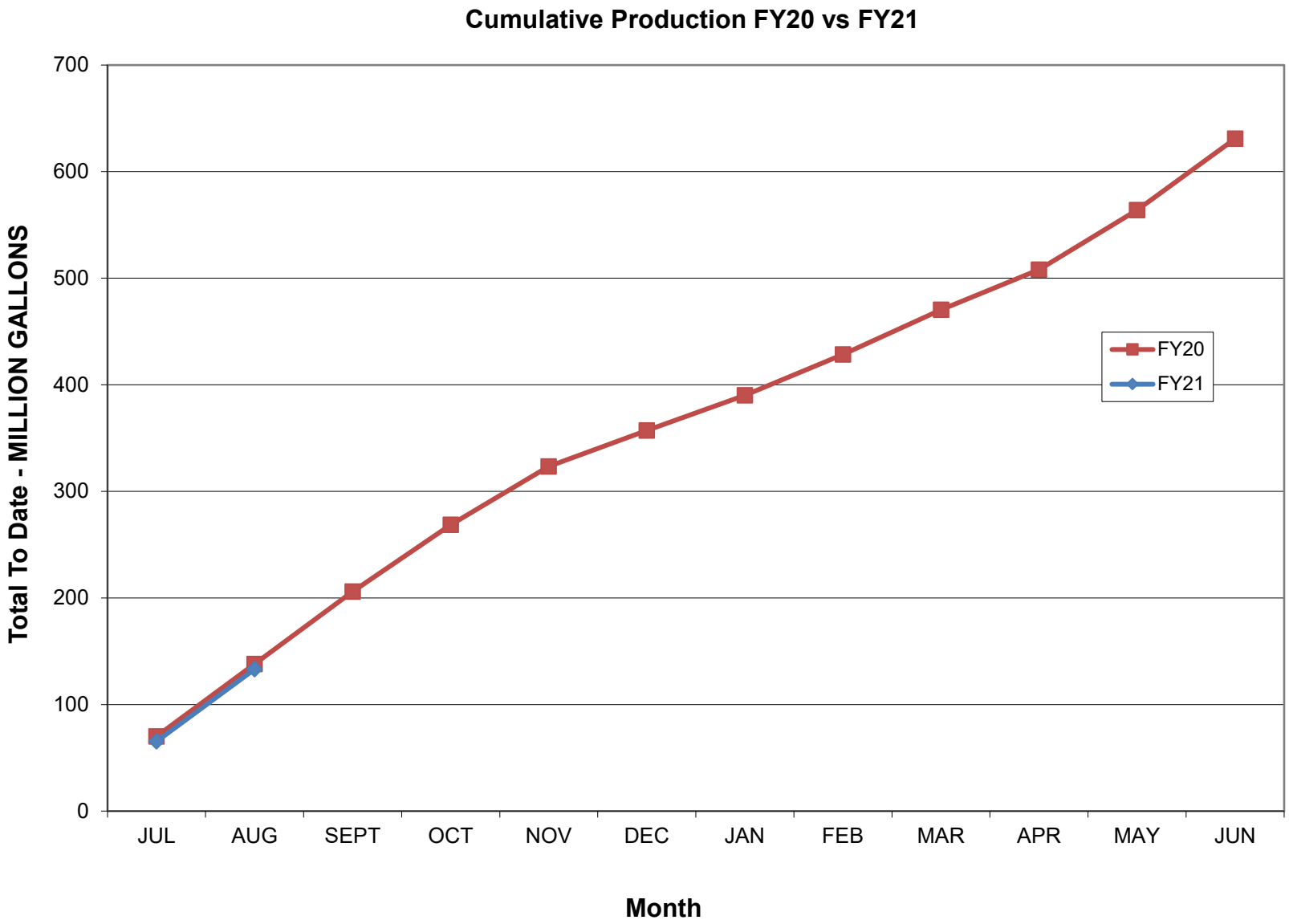
CCWD vs SFPUC- annual 2.1%

12 Month Running Treated Total **625.95**

TOTAL CCWD PRODUCTION (MG) ALL SOURCES- FY 2020

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


Monthly Production FY 20 vs FY 21
FY20
FY21
MILLION GALLONS
80
70
60
50
40
30
20
10
0
JUL
AUG
SEPT
OCT
NOV
DEC
JAN
FEB
MAR
APR
MAY
JUN
Month


Cumulative Production FY20 vs FY21
Total To Date - MILLION GALLONS
700
600
500
400
300
200
100
0
JUL
AUG
SEPT
OCT
NOV
DEC
JAN
FEB
MAR
APR
MAY
JUN
Month
FY20
FY21

Coastside County Water District Monthly Sales By Category (MG)
FY2021

	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	MG to Date
RESIDENTIAL	34.24	32.731											**66.98**
COMMERCIAL	2.86	2.671											**5.54**
RESTAURANT	1.01	1.064											**2.07**
HOTELS/MOTELS	2.19	2.043											**4.23**
SCHOOLS	0.76	0.680											**1.44**
MULTI DWELL	3.14	3.014											**6.16**
BEACHES/PARKS	0.76	0.852											**1.61**
AGRICULTURE	5.31	4.647											**9.96**
RECREATIONAL	0.24	0.244											**0.48**
MARINE	0.64	0.591											**1.23**
RES. IRRIGATION	1.70	1.663											**3.37**
DETECTOR CHECKS	0.01	0.004											**0.01**
NON-RES. IRRIGATION	6.73	5.042											**11.77**
RAW WATER	7.92	6.887											**14.80**
PORTABLE METERS	0.53	0.257											**0.79**
CONSTRUCTION	0.38	0.380											**0.76**
TOTAL - MG	**68.43**	**62.77**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**131.20**

Non Residential Usage	34.19	30.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Running 12 Month Total		**623.15**										
12 mo Residential		**331.59**										
12 mo Non Residential		**291.56**										

FY2020

	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	MG to Date
RESIDENTIAL	21.973	44.430	30.293	31.108	27.585	22.403	22.196	20.322	23.925	25.079	28.618	33.083	**331.01**
COMMERCIAL	3.668	3.290	3.330	3.339	3.071	2.968	2.793	2.699	2.810	2.131	2.271	2.461	**34.83**
RESTAURANT	1.821	1.710	1.574	1.671	1.382	1.233	1.432	1.251	1.183	0.478	0.566	0.800	**15.10**
HOTELS/MOTELS	2.736	2.620	2.700	2.786	2.257	1.927	1.949	1.860	1.780	0.474	0.783	1.427	**23.30**
SCHOOLS	0.615	0.600	0.770	0.939	0.595	0.325	0.161	0.303	0.510	0.311	0.229	0.518	**5.88**
MULTI DWELL	2.743	3.020	2.790	2.892	2.530	2.358	2.512	2.366	2.510	2.652	2.737	2.839	**31.95**
BEACHES/PARKS	0.649	0.900	0.809	0.697	0.604	0.241	0.218	0.195	0.301	0.082	0.092	0.322	**5.11**
AGRICULTURE	6.570	6.340	7.374	9.898	7.570	3.857	3.253	4.348	5.841	4.499	6.843	5.903	**72.30**
RECREATIONAL	0.334	0.260	0.252	0.201	0.208	0.184	0.177	0.169	0.175	0.175	0.187	0.231	**2.55**
MARINE	0.658	0.650	0.649	0.519	0.530	0.426	0.572	0.466	0.428	0.323	0.418	0.536	**6.18**
RES. IRRIGATION	1.408	1.930	1.824	1.539	1.431	0.599	0.402	0.412	1.118	0.630	1.315	1.624	**14.23**
NON-RES. IRRIGATION	4.191	4.970	2.457	2.125	2.166	0.097	0.006	0.086	0.139	0.093	0.279	5.663	**22.27**
DETECTOR CHECKS	0.011	0.010	0.006	0.018	0.025	0.013	0.068	0.004	0.006	0.006	0.005	0.004	**0.18**
RAW WATER	7.063	8.620	9.081	8.090	6.007	1.527	0.000	0.000	1.990	2.085	5.617	7.284	**57.36**
PORTABLE METERS	0.255	0.400	0.295	0.263	0.337	0.107	0.019	0.067	0.144	0.049	0.260	0.027	**2.22**
CONSTRUCTION	0.065	0.110	0.143	0.132	0.117	0.082	0.087	0.243	0.255	0.224	0.275	0.364	**2.10**
TOTAL - MG	**54.76**	**79.86**	**64.35**	**66.22**	**56.42**	**38.35**	**35.84**	**34.79**	**43.12**	**39.29**	**50.49**	**63.09**	**626.57**

Non Residential Usage	32.79	35.43	34.05	35.11	28.83	15.94	13.65	14.47	19.19	14.21	21.88	30.00
Running 12 Month Total												**626.57**
12 mo Residential												**331.01**
12 mo Non Residential												**295.55**

MONTH **Aug-20**

Coastside County Water District Monthly Discharge Report

EMERGENCY MAIN AND SERVICE REPAIRS

	Date Reported Discovered	Date Repaired	Location	Pipe Class	Pipe Size & Type	Estimated Water Loss (MG)
1						
2						
3						
4						
5						
6						
7						
8						
					Totals	**0.000**

OTHER DISCHARGES

Total Volumes (MG)	
Flushing Program	0.042
Reservoir Cleaning	
Automatic Blowoffs	0.105
Dewatering Operations	
Other (includes flow testing)	0.000

PLANNED DISCHARGES GRAND TOTAL (MG)

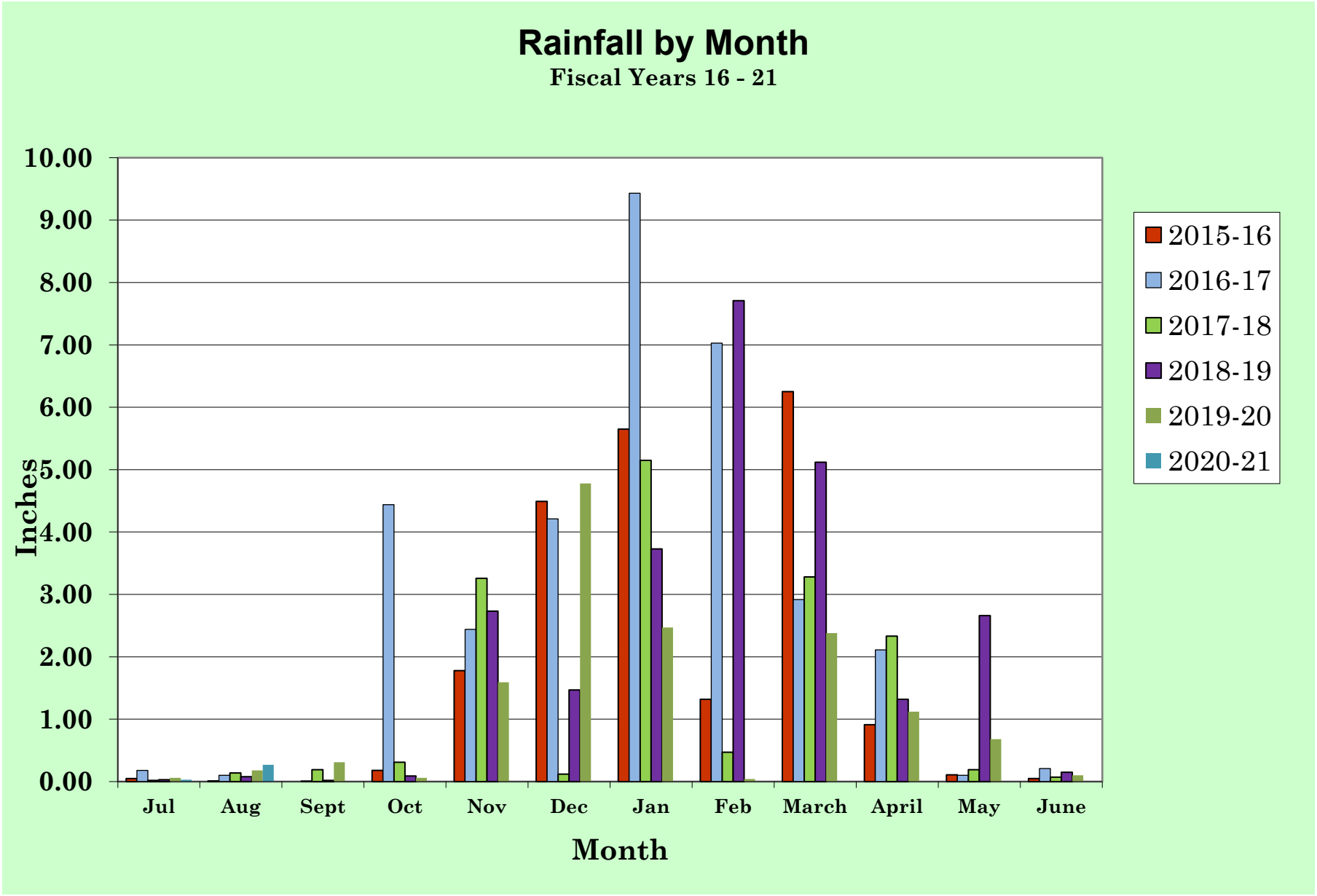
0.147

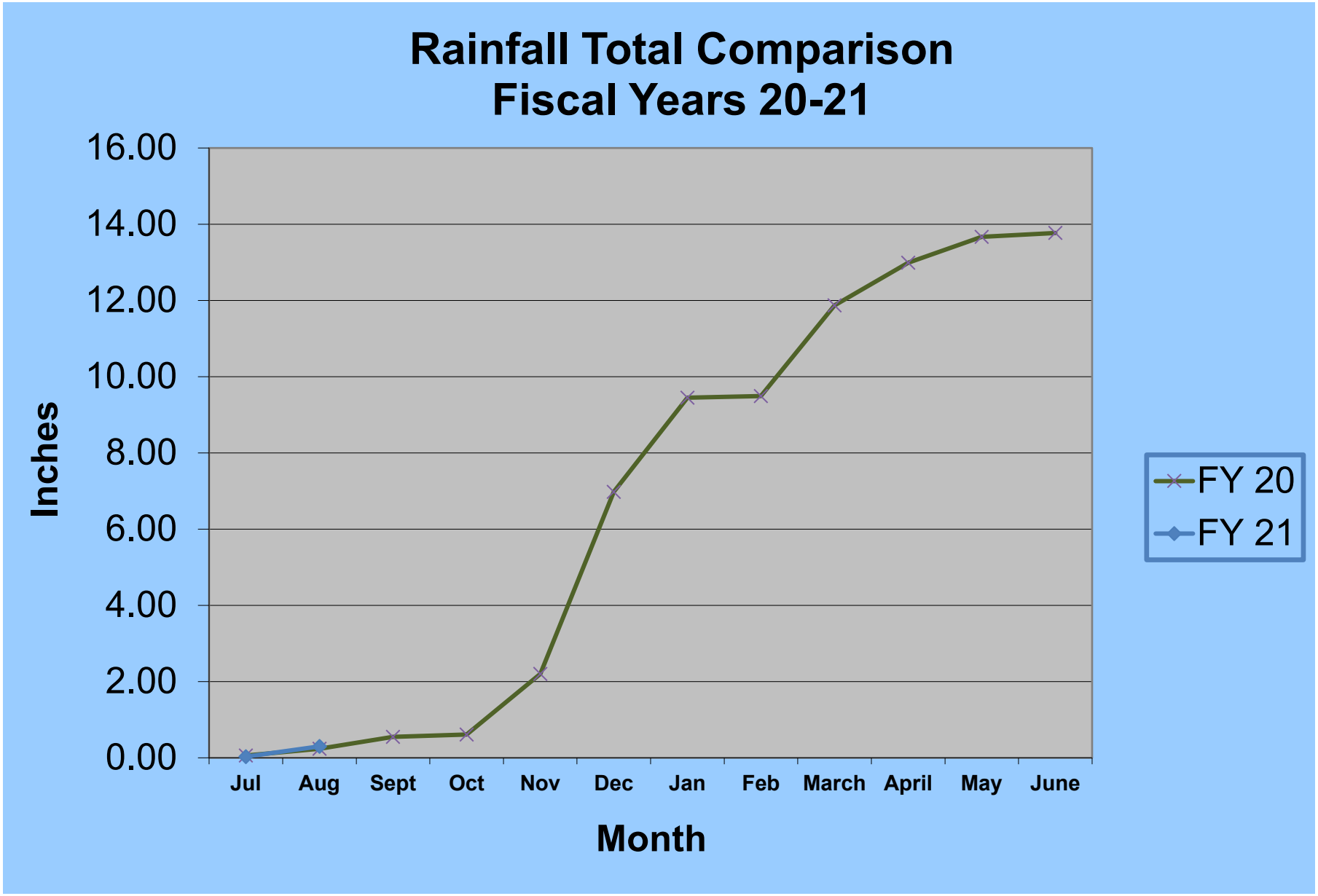
Coastside County Water District
766 Main Street
July 2020 - June 2021

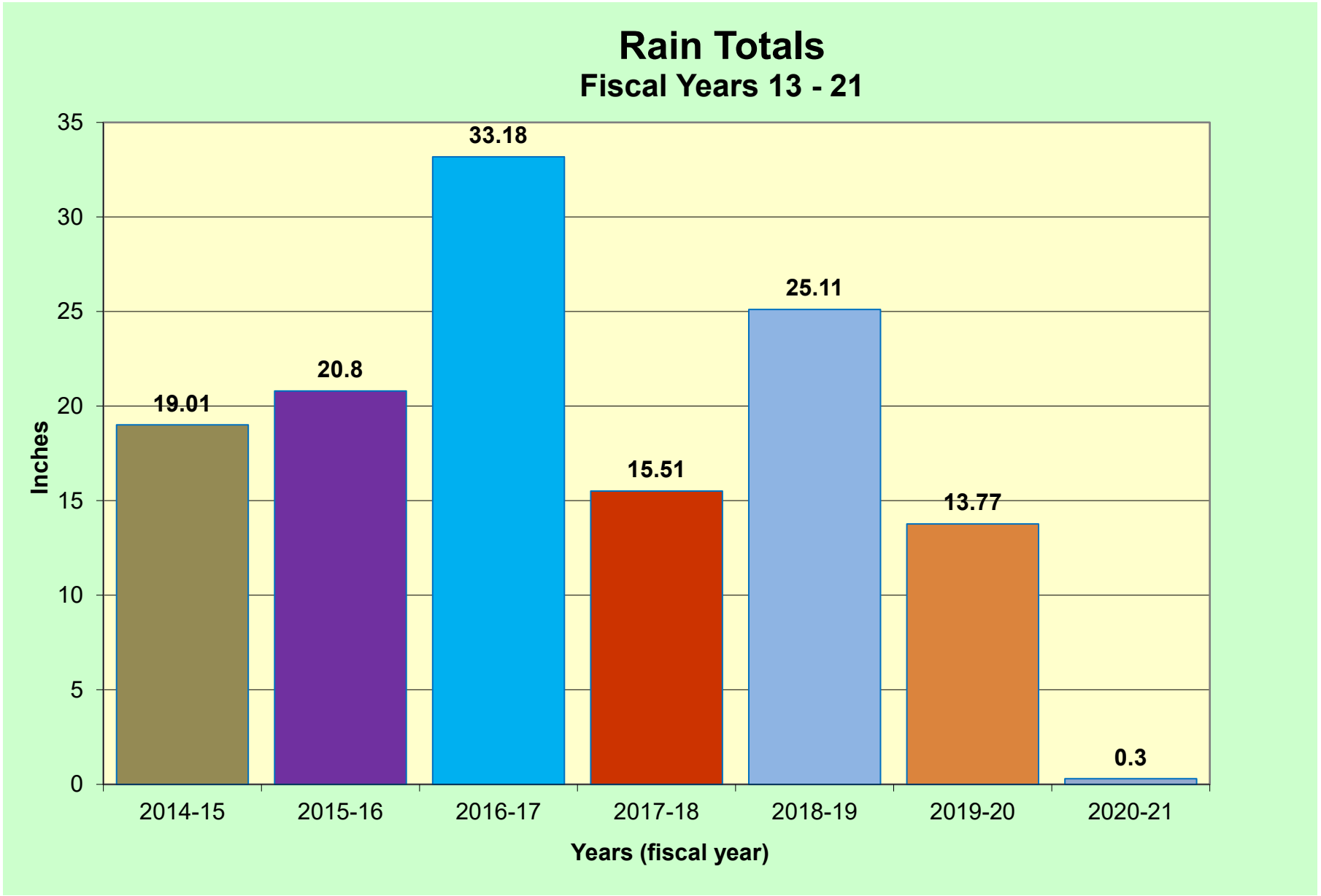
Nunes
Rainfall in Inches

	2020		2021									
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
1	0	0.01										
2	0	0										
3	0	0.03										
4	0	0.03										
5	0	0.02										
6	0	0										
7	0	0										
8	0	0										
9	0	0										
10	0	0										
11	0	0										
12	0	0										
13	0	0										
14	0	0										
15	0	0										
16	0	0.08										
17	0	0										
18	0	0										
19	0	0										
20	0.01	0										
21	0	0.02										
22	0	0.01										
23	0.02	0										
24	0	0										
25	0	0.02										
26	0	0.01										
27	0	0.02										
28	0	0										
29	0	0.02										
30	0	0										
31	0	0										
Mon.Total	0.03	0.27										
Year Total	0.03	0.30										

Coastside County Water District




Rainfall Total Comparison
Fiscal Years 20-21
16.00
14.00
12.00
10.00
8.00
6.00
4.00
2.00
0.00
Inches
Jul
Aug
Sept
Oct
Nov
Dec
Jan
Feb
March
April
May
June
Month
FY 20
FY 21


Rain Totals
Fiscal Years 13 - 21
Inches
35
30
25
20
15
10
5
0
19.01
20.8
33.18
15.51
25.11
13.77
0.3
2014-15
2015-16
2016-17
2017-18
2018-19
2019-20
2020-21
Years (fiscal year)

STAFF REPORT

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

From: **Mary Rogren, General Manager**

Agenda: **September 8, 2020**

Date: **September 3, 2020**

Subject: **Notice of Completion – District Shop Sewer Replacement Project**

Recommendation:

That the Board of Directors take the following actions:

(1) Accept the District Shop Sewer Replacement Project as complete.

(2) Authorize the Notice of Completion to be filed with the County of San Mateo.

(3) Authorize the release of the retention funds when the Notice of Completion has been recorded and returned to the District.

Background

Coastside County Water District entered into a contract with Andreini Bros., Inc. on July 1, 2020 the District Shop Sewer Replacement Project.

The work consisted of replacing approximately forty (40) feet of 4-inch PVC SDR 26 from outside of the shop building to just outside of gate, installed two new cleanouts and asphalt repaving.

All work was within the existing street right of way areas and also within the District owned property situated at 766 Main Street, Half Moon Bay, California, Assessor Parcel Number (APN) 056-191-190.

The work was completed on September 3, 2020. The project was constructed according to District specifications.

Fiscal Impact: None.

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO

Name
Street Address
City & State

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

SPACE ABOVE THIS LINE FOR RECORDER'S USE

RECORD WITHOUT FEE Govt. Code § 6103 & 27383

NOTICE OF COMPLETION

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

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

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

3. On September 8, 2020 there was completed upon the hereinafter described real property a work of improvement as a whole named District Shop Sewer replacement Project. The work consisted of replacing approximately forty (40) feet of 4-inch PVC SDR 26 from outside of the shop building to just outside of gate, installed two new cleanouts and asphalt repaving.

4. The name of the original contractor for the work of improvement as a whole was: Andreini Bros. Inc., 151 Main Street, Half Moon Bay, CA 94019.

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

All work was within the existing street right of way areas and also within the District owned property situated at 766 Main Street, Half Moon Bay, California, Assessor Parcel Number (APN) 056-191-190

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

COASTSIDE COUNTY WATER DISTRICT

BY: _____
Mary Rogren, Secretary

VERIFICATION

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

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

Executed on September 8, 2020 at Half Moon Bay, California
(Date) (Place where signed)

By: _____
Mary Rogren
Secretary of the District

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

DONATING APN	PROPERTY OWNER(S)	RECIPIENT APN	PROPERTY OWNER(S)	# OF CONNECTIONS	DATE
066-670-070	Carnoustie LLC	066-520-120	Ocean Colony Partners LP	9.5 -- 5/8"	August 5, 2020

STAFF REPORT

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

From: **Mary Rogren, General Manager**

Agenda: **September 8, 2020**

Report Date: **September 4, 2020**

Subject: **Fiscal Year 2020/21 and Draft Fiscal Year 2021/22 Operations Budgets; Fiscal Year 2020/21 to 2029/30 Capital Improvement Program (CIP); Draft Fiscal Year 2020/21 to 2024/25 Financial Plan; Proposed Rate Increases for Fiscal Years 2020/21 and 2021/22; Draft Water Financial Plan and Rate Update Study Report**

Recommendation:

No Board action required at this time.

Background:

At the June 9, 2020 Regular Board of Directors' Meeting, the Board approved the Fiscal Year 2020/21 Operations (O&M) Budget and at the July 14, 2020 Regular Board meeting, the Board approved the Fiscal Year 2020/21 to 2029/30 Capital Improvement Program (CIP). Both of these plans were approved with a rate adjustment still to be determined. Leading up to the approvals, drafts of the FY2020/21 O&M Budget and CIP were reviewed in (4) Finance Committee meetings and in (4) Facilities Committee meetings held between January to June 2020, as well in numerous Regular Board meetings as outlined in the Budget Process Timeline (see Agenda Item B.) A summary of the approved Fiscal Year 2020/21 O&M Budget, Draft Fiscal Year 2021/22 O&M Budget and the CIP follows below.

At the March 10, 2020 Regular Board of Directors' Meeting, the District's Rate Consultants, Raftelis Financial Consultants, Inc. ("Raftelis") conducted a Financial Planning and Rate Update Workshop and introduced a Draft Fiscal Year 2020/21 to 2024/25 Financial Plan. At that meeting, given the results of the Financial Planning model, the Board directed Staff to prepare a Proposition 218 notice to be reviewed at the April 14, 2020 meeting for purposes of setting a public hearing for a proposed two year rate increase of 6.5% for each year to be effective July 1, 2020 and July 1, 2021. However, at a Special Meeting on April 3, the District Board voted to table the discussion of the proposed rate increase for three months to the July 2020 Board meeting due to the COVID-19 and the uncertainty of the current economic situation and impact on the District's Coastside customers.

At the July 14, 2020 Regular Board Meeting, Raftelis returned and conducted a second Financial Planning and Rate Update Workshop, utilizing the approved (and updated) Fiscal Year 2020/21 O&M Budget and CIP. At the meeting, Staff was directed to prepare a notice for public hearing (approved at the August 11, 2020 meeting) for "up to 5%" rate increases for the current and the next fiscal years to be effective January 1, 2021 and January 1, 2022 based up the results of the financial model, assuming the District would take on some financing in the next two years. Raftelis has prepared a draft "Water Financial Plan and Rate Update Study" report (See Exhibit A) discussed below.

Fiscal Years 2020/21 and 2021/22 Operations (O&M) Budgets:

Staff has prepared two years of Operations Budgets, Fiscal Year 2020/21 (Exhibit B – approved June 9, 2020) and Draft Fiscal Year 2021/22 (Exhibit C). Two years of budgets are included as Staff recommends that the Board approve two years of rate increases.

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

	FY 2019/20 Approved Budget	FY 2020/21 Approved Budget	% Change from Prior Budget	FY 2021/22 Draft Budget	% Change from Prior Budget
REVENUE					
Water Sales in Million Gallons	***598 MG***	***580 MG***		***603 MG***	
Water Revenue (1)	$ 12,300,000	$ 12,096,000	-1.7%	$ 12,464,294	3.0%
Non-Operating Revenue	$ 1,385,570	$ 1,452,250	4.8%	$ 1,539,250	6.0%
Total Revenue	$ 13,685,570	$ 13,548,250	-1.0%	$ 14,003,544	3.4%
OPERATING EXPENSES	$ 8,630,824	$ 9,301,174	7.8%	$ 9,396,221	1.0%
DEBT SERVICE	$ 1,144,611	$ 1,092,748	-4.5%	$ 1,093,888	0.1%
CONTRIBUTION TO CIP AND RESERVES	$ 3,910,135	$ 3,154,327	-19.3%	$ 3,513,435	11.4%

1) FY 2020/21 and FY 2021/22 Water Revenue does not include a rate increase - still to be determined

The Fiscal Year 2020/21 O&M Budget includes the following changes from the FY2019/2020 budget:

- $200,000 gross revenue reduction or 18 Million Gallons assuming a 25% decrease in commercial/visitor serving revenue and partial loss of revenue from a major agricultural customer
- $400,000 increases in purchased water costs due to the inability to use local sources water for the July-December 2020 timeframe
- $50,000 estimated increase in COVID related bad debt

- $100,000 increases in other costs including personnel, operations and maintenance and administration.

The draft Fiscal Year 2021/22 O&M Budget reflects the assumptions used in the Raftelis Draft Financial Plan and Rate Update Study Report, including:

- Recovery of Water Consumption to 603 MG post COVID-19
- Inflationary adjustments as outlined in the Raftelis report.

Capital Improvement Program (CIP) (Exhibit D):

- $44,930,000 total 10-year CIP (FY2021 dollars)
- $24,825,000 total 5-year CIP (average of $4,965,000 per year)

Coastside County Water District
FY20/21 to FY29/30 Capital Improvement Plan vs. FY18/19 to FY27/28 Plan

Category:	FY20/21 to FY29/30 (approved July 2020)	FY18/19 to FY27/28 (approved June 2018)	Budget Changes
Equipment Purchase & Replacement	$ 1,605,000	$ 1,885,000	$ (280,000)
Facilities and Maintenance	$ 1,460,000	$ 4,550,000	$ (3,090,000)
Pipeline Projects	$ 14,050,000	$ 14,445,000	$ (395,000)
Pipeline Projects Placeholder - Unscheduled CIP in out years	$ 3,800,000	$ 1,000,000	$ 2,800,000
Tanks/Pump Stations/Wells	$ 12,280,000	$ 6,690,000	$ 5,590,000
Water Supply Development	$ 4,000,000	$ 3,400,000	$ 600,000
Water Treatment Plants	$ 7,735,000	$ 990,000	$ 6,745,000
GRAND TOTAL	$ 44,930,000	$ 32,960,000	$ 11,970,000

The Fiscal Year 2020/21 to 2029/30 Capital Improvement Program includes two new significant infrastructure improvement projects (not included in the June 2018 CIP): the District-wide Tank Improvement Project and the Nunes Water Treatment Plant Improvement Project. These projects will significantly enhance the resiliency of the District's infrastructure for the next generation. The result is an increase in the 10 Year CIP of $12M.

Financial Plan, Proposed Rate Increases for Fiscal Years 2020/21 and 2021/22 and Draft Water Financial Plan and Rate Update Study Report (Exhibit A)

In 2018, Raftelis Financial Consultants, Inc. ("Raftelis") prepared a Cost of Service Analysis and Rate Study in order to develop cost of service-based water rates which would meet the requirements of Proposition 218. This Study was used to set the District's rates for Fiscal Years 2018/19 and 2019/20 and to 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.

In December 2019, the District engaged Raftelis to provide the analytical support necessary to conduct an updated Study which began a new two-year rate adoption cycle with an updated financial plan and corresponding rates based on the 2018 Cost of Service and Rate Study. The 2020 Study encompasses a five-year financial planning horizon with two years of proposed rates for Fiscal Years 2020/21 and 2021/22.

As noted above, Raftelis initially held a Financial Planning and Rate Update Workshop with the District Board at the March 10, 2020 Regular Board Meeting. Utilizing the results of the Raftelis Financial Planning model (which is supported by the 2018 Cost of Service Analysis), the Board directed Staff to prepare noticing to plan for a 6.5% rate increase to be effective July 1, 2020, and a year 2 increase of 6.5% to be effective July 1, 2021. Also as noted above, out of concern for the community as the pandemic quickly escalated, on April 3, in a Special Meeting, the Board voted to delay discussions on a rate increase for three months to the July 14, 2020 Board Meeting.

At the July 14, 2020, Raftelis held a second Financial Planning and Rate Update Workshop and presented rate increase scenarios of 6.5% per year for the next two years without financing, or 5% per year with financing of capital projects in year 2. Both options can be supported by the Financial Planning model. The Board also asked Raftelis to model the rate increase with a 6-month delay to January 1, 2021 (originally planned for July 1, 2020) and January 1, 2022 (originally planned for July 1, 2021) in order to provide some relief to the District's customers.

At the conclusion of the meeting, the Board directed Staff to prepare noticing for a public hearing for "up to 5%" rate increases to be effective January 1, 2021 and January 1, 2022. Please reference the backup for the rate increase recommendation in the Draft "Water Financial Plan and Rate Study Update" included as Exhibit A.

Please note that due to the volume of paper 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.

Exhibit A

Coastside County Water District

Water Financial Plan and Rate Update Study

Draft Report / August 3, 2020

RAFTELIS

COASTSIDE COUNTY WATER DISTRICT

RAFTELIS

August 3, 2020

Mary Rogren
General Manager
Coastside County Water District
766 Main Street
Half Moon Bay, CA 94019

Subject: 2020 Water Financial Plan & Rate Update Study

Dear Ms. Rogren,

Raftelis is pleased to provide this Water Financial Plan and Rate Update Study Report (Report) for Coastside County Water District (District). The Study develops a financial plan for the District's General Fund and calculates water rates for Fiscal Year End (FYE) 2021 through FYE 2025 (Study period).

The major objectives of the study include the following:

1. Develop a financial plan to ensure financial sufficiency, meet operation and maintenance (O&M) costs, and ensure sufficient funding for debt obligations and capital repair and replacement (R&R) needs.
2. Calculate water rates.
3. Conduct a customer impact analysis for the proposed rates.

This report details changes to the Water financial plan that include an updated capital improvement plan, operating budgets, customer billing and water demand data, and future growth and inflationary assumptions for the Study period. This Report summarizes the key findings and recommendations related to the development of the financial plan, the resulting proposed rates, and the customer impact analysis.

It has been a pleasure working with you and we thank you and District staff for the support provided during the course of this study.

Sincerely,

Sanjay Gaur
Vice President

Lauren Demine
Consultant

445 Figueroa Street, Suite 1925
Los Angeles, CA 90071
www.raftelis.com

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1. Executive Summary

1.1. STUDY BACKGROUND

The District provides treated water service to the City of Half Moon Bay and the communities of Princeton, Miramar, and El Granada. The service area is approximately 14 square miles with service provided to roughly 6,400 connections across a population of 17,000. The service area is predominantly residential with other customers including commercial and governmental users, landscape irrigators, and agricultural users.

Raw water is provided from two sources: a mix of local surface water and groundwater and imported water purchased from the San Francisco Public Utility Commission (SFPUC). The long term water supply mix is projected to be comprised of approximately 35 percent local source water and 65 percent purchased water. Raw water from 20 miles of transmission pipelines is treated at one of two treatment plants before distribution through the District's 83 miles of pipeline.

Raftelis conducted the last Cost of Service and Water Rate Study in 2018, included in Appendix A, which resulted in proposed and approved rates for Fiscal Year End (FYE) 2019 and 2020. The District engaged Raftelis to provide the analytical support necessary to conduct the current Study which begins a new two-year rate adoption cycle with an updated financial plan and corresponding rates, based on the 2018 Cost of Service and Rate Study. The 2020 Study encompasses a five-year financial planning horizon with two years of proposed rates in FYE 2021 and 2022.

The major objectives of the study include the following:

1. Develop a financial plan to ensure financial sufficiency, meet operation and maintenance (O&M) costs, and ensure sufficient funding for debt obligations and capital repair and replacement (R&R) needs.
2. Calculate water rates.
3. Conduct a customer impact analysis for the proposed rates.

Findings from the analysis were presented to the District Board of Directors Board Meeting held on July 14, 2020. This Report provides an overview of the study and includes findings and recommendations for the District's financial plan and water rates. This Report incorporates input provided by the District Board of Directors at the July 14, 2020 meeting.

1.2. FINANCIAL PLAN DEVELOPMENT

In this Study, a financial plan model was developed by Raftelis using current financial plan information including: the FYE 2020 and FYE 2021 Operating Budgets, the 10-year Capital Improvement Plan (CIP), updated water supply costs, assumptions associated with cost escalations, available fund balances, and current reserve targets. Use of the financial plan model enables the District to set rates and charges to generate sufficient water revenues to meet the District's short-term and long-term obligations. It also shows the level of revenues that will maintain appropriate reserves and provide adequate debt service coverage.

Raftelis and District staff initially presented three financial plan scenarios to the District Board at a meeting held on March 10, 2020. The financial plan scenarios outlined varying annual increases, CIP expenditures, and debt issuance and Raftelis utilized the financial plan model to illustrate the financial impact for each corresponding scenario to the District Board. At the conclusion of the meeting, the Board gave direction to District staff for water rates based on a 5-year financial plan with revenue adjustments of 6.5 percent in FYE 2021 and FYE 2022 and 7 percent in FYE 2023

through FYE 2025. However, at a special meeting on April 3, 2020, the Board decided to delay discussions of a rate increase until July of 2020 due to the unforeseen circumstances brought upon by the COVID-19 pandemic.

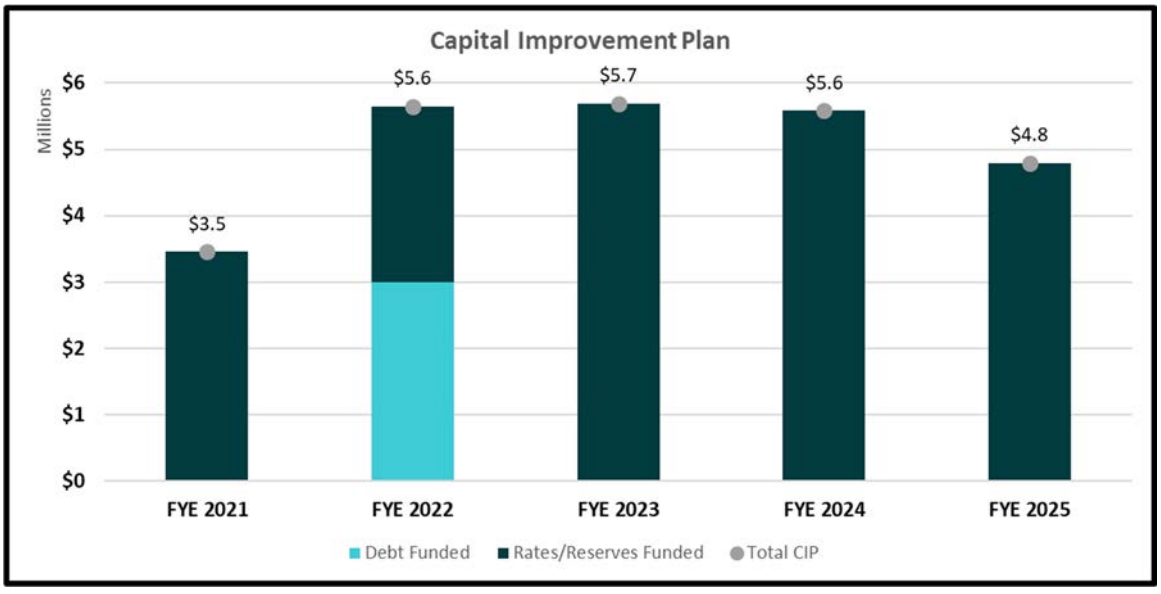
In July of 2020, the District provided Raftelis with an updated FYE 2021 Operating Budget, 10-year CIP, and updated water supply assumptions. Raftelis and District staff presented two revised financial plan scenarios to the District Board at a Board meeting held on July 14, 2020 and utilized the financial plan model to illustrate the financial impact for each corresponding scenario. The revised financial plans aimed to minimize the increase to rate payers while maintaining the financial health of the District. The District Board elected to delay a rate increase until January of 2021, allowing rate payers to recover from the impacts of the COVID-19 pandemic. At the conclusion of the meeting, the Board gave direction to District staff for water rates based on a 5-year financial plan with revenue adjustments of 5 percent in January of FYE 2021 and FYE 2022 and 5 percent in July of FYE 2023 through FYE 2025, as shown in Table 1-1. Details of the financial plan and the District's revenue needs for the next two years are presented in Section 4 of this report.

Table 1-1: Proposed Revenue Adjustments

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Effective Month	January	January	July	July	July
Revenue Adjustment	5.0%	5.0%	5.0%	5.0%	5.0%

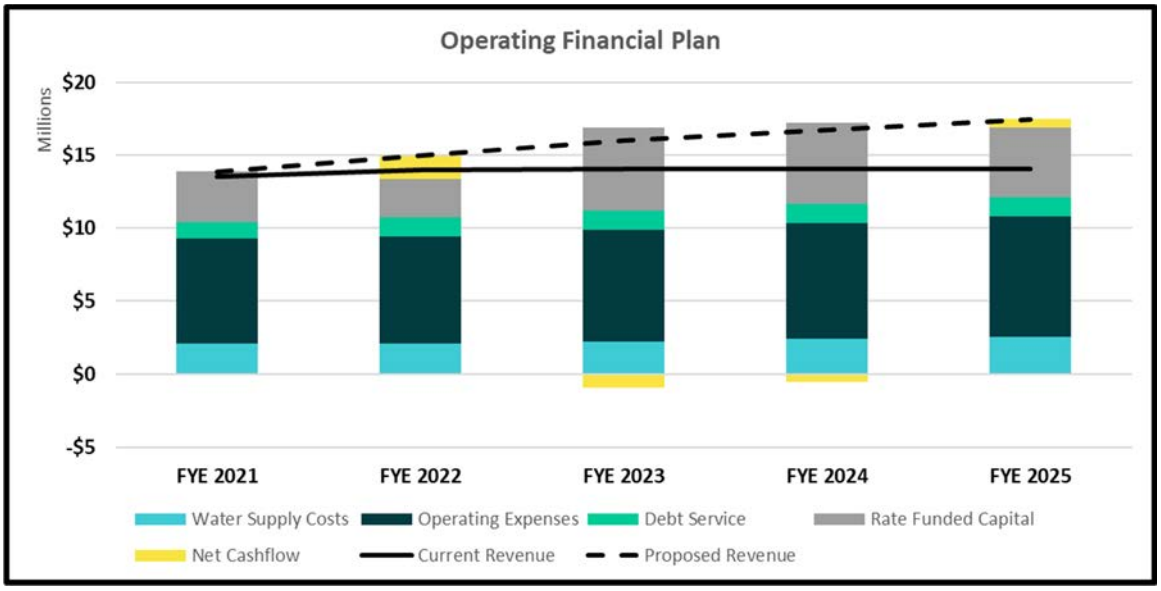
Figure 1-1 shows the District's five-year capital improvement plan (CIP). The average annual CIP is approximately $5 million. The CIP shown in Figure 1-1 is 95 percent of the District's planned CIP for each fiscal year. The District decided to fund less than 100 percent of its CIP because, historically, the District has experienced some carry over of its planned capital projects each year.. Planned capital projects are anticipated to be funded through a combination of cash reserves from rates and the issuance of new debt. The proposed $3 million debt issuance to be used to finance capital projects in FYE 2022 is denoted by the light blue bar in Figure 1-1.

Figure 1-1: Capital Improvement Plan



The proposed 5-year revenue adjustments will help to ensure that the District can cover its operating and capital expenditures. Figure 1-2 shows that the proposed operating financial plan will adequately fund O&M expenses, debt service, and capital improvements, while funding reserves. Current and proposed revenues are indicated by the solid and dashed lines, respectively.

Figure 1-2: Projected Operating Financial Plan



With the proposed financial plan, the District will maintain a debt coverage ratio[1] greater than 120%, which will help the District to maintain its credit rating, as shown in Figure 1-3

Figure 1-3: Projected Water Debt Coverage Ratios

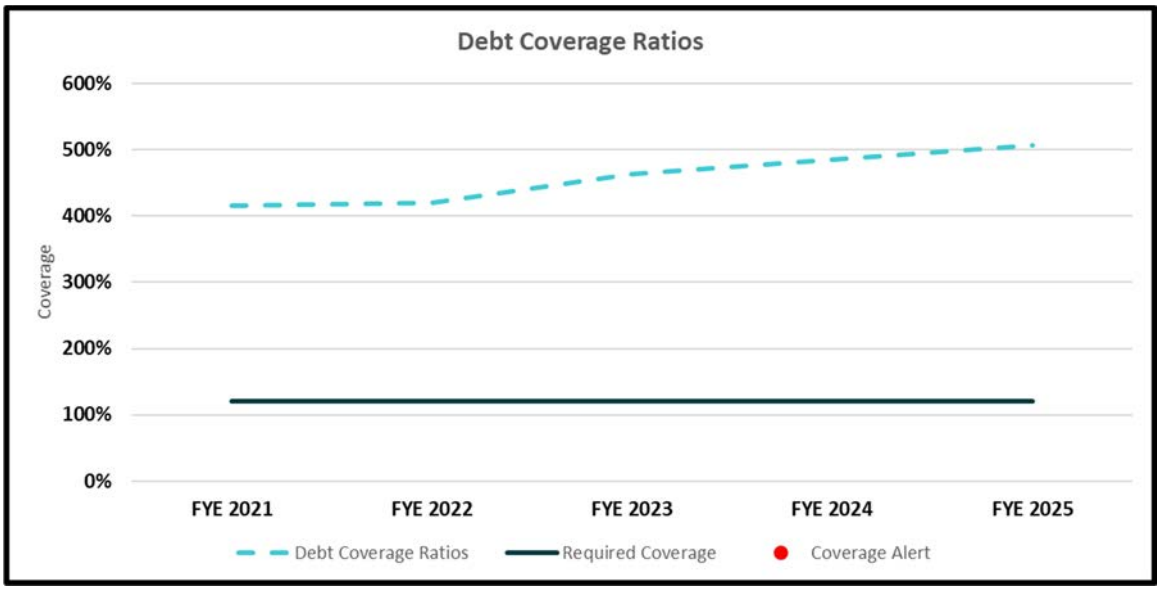
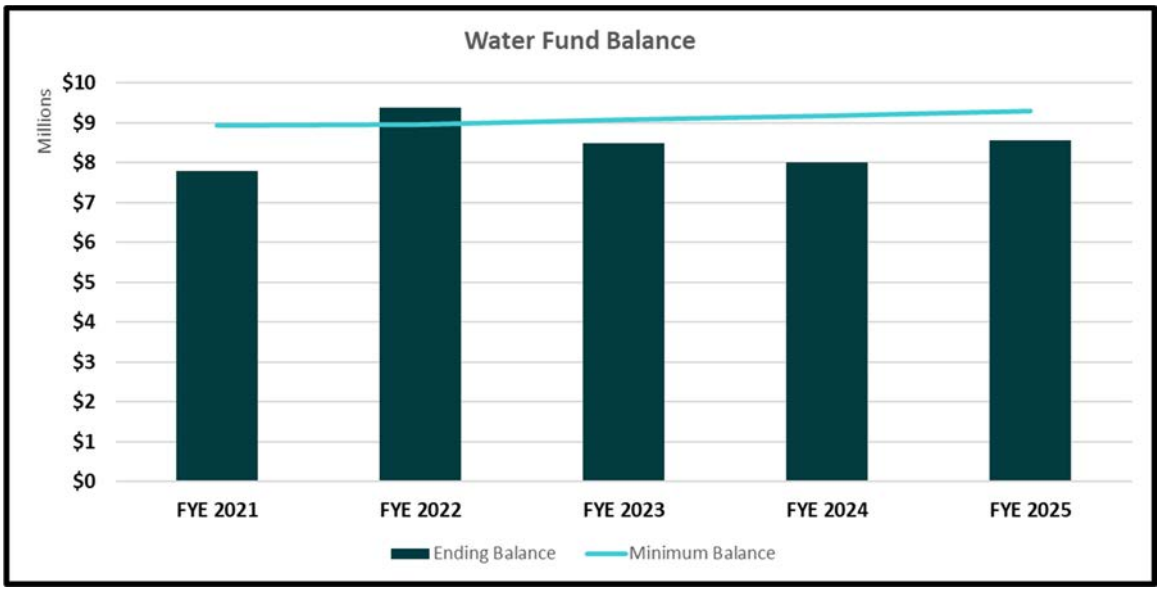


Figure 1-4 shows the projected water fund ending balances, represented by dark blue columns, for each fiscal year of the Study period. Reserve balances are expected to grow during the Study period to meet reserve targets[2], shown by the light blue line.

[1] Debt coverage = (Total Revenues – Total O&M expenses) / Total debt service
[2] Established by the District's current financial policy.

Figure 1-4: Projected Water Fund Ending Balances



1.3. PROPOSED TWO-YEAR RATES

Government Code §54999.7(c) requires that water and wastewater agencies must conduct a cost-of-service study a minimum of every 10 years. The District conducted a comprehensive cost-of-service rate study for its water service in 2018 and documented the results and findings in the "CCWD Cost of Service and Rate Study Report" dated May 15, 2018 (Appendix A). This Study focuses on updating the financial plan to incorporate the latest financial information and cost projections for the next five years. The proposed revenue adjustments of 5% for January of FYE 2021 and FYE 2022 recommended in the financial plan were applied across current rates proportionately to calculate the proposed rates for FYE 2021 and FYE 2022.

1.3.1. FIXED MONTHLY SERVICE CHARGES

Table 1-2 shows the current and proposed charges for meter-based monthly fixed charges and Table 1-3 shows the current and proposed fire service charges. The proposed fire service charges apply to all customers with private fire service. The rates for the current and proposed monthly service charges and fire service charges are calculated based on the meter size and diameter of the fireline serving a property, respectively. All rates are rounded up to the nearest whole penny.

Table 1-2: Proposed FYE 2021-2022 Monthly Service Charges

Meter Size	Current	FYE 2021 January	FYE 2022 January
5/8"	$28.90	$30.35	$31.87
3/4"	$42.70	$44.84	$47.09
1"	$70.30	$73.82	$77.52
1 1/2"	$139.31	$146.28	$153.60
2"	$222.13	$233.24	$244.91
3"	$484.37	$508.59	$534.02
4"	$870.85	$914.40	$960.12

Table 1-3: Proposed FYE 2021-2022 Fire Service Charges

Fire Line Size	Current	FYE 2020 January	FYE 2021 January
3/4"	$4.85	$5.09	$5.35
1"	$6.46	$6.79	$7.13
1 1/2"	$9.69	$10.18	$10.69
2"	$12.92	$13.57	$14.25
3"	$19.38	$20.35	$21.37
4"	$25.84	$27.14	$28.50
6"	$38.76	$40.70	$42.74
8"	$51.68	$54.27	$56.99
10"	$64.60	$67.83	$71.23

1.3.2. COMMODITY RATES

Two years of variable commodity, or volumetric, water rates are shown in Table 1-4. All rates are rounded up to the nearest whole penny.

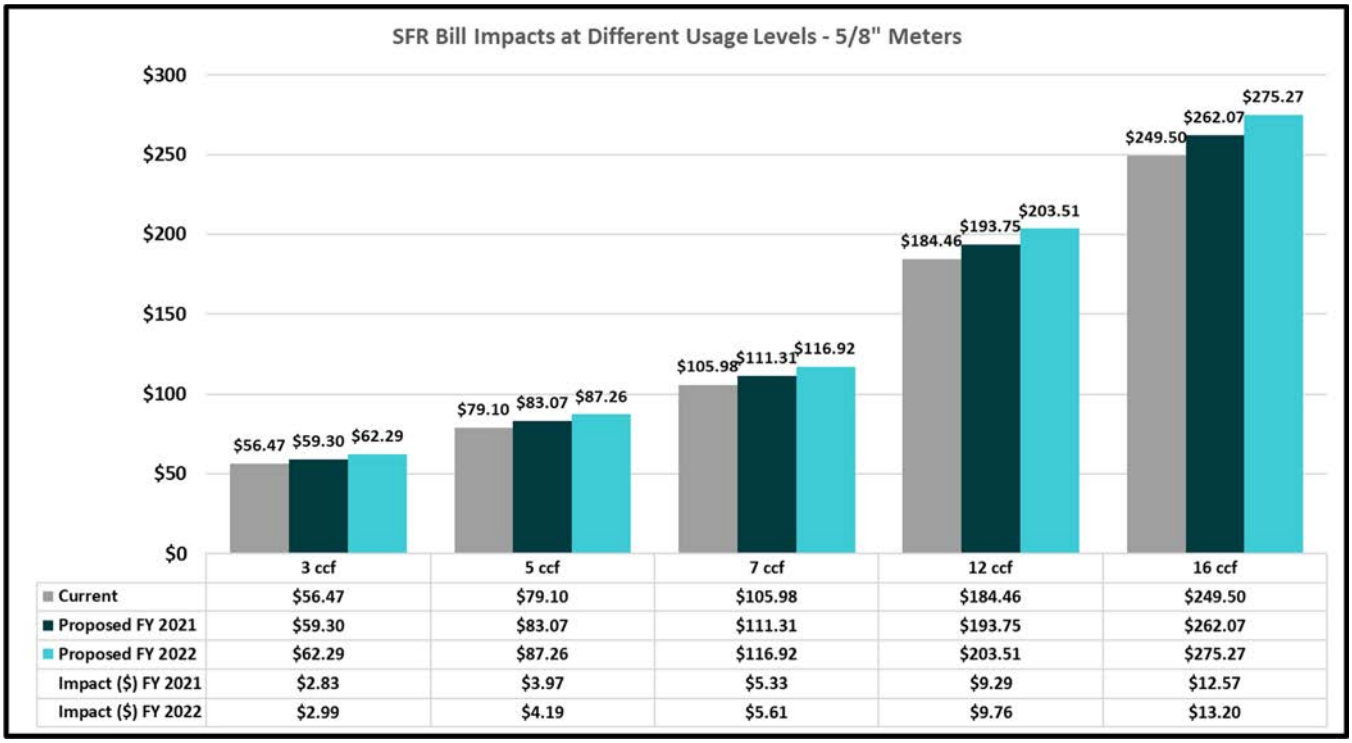
Table 1-4: Proposed FYE 2021-2022 Commodity Rates

Customer Class	Tier Width (hcf)	Current	FYE 2020 January	FYE 2021 January
Single Family Residential				
Tier 1	0 - 4	$9.19	$9.65	$10.14
Tier 2	5 - 8	$13.44	$14.12	$14.83
Tier 3	9+	$16.26	$17.08	$17.94
Multi-Family Residential	Uniform	$12.25	$12.87	$13.52
Non-Residential	Uniform	$13.06	$13.72	$14.41

1.4. CUSTOMER IMPACT ANALYSIS

It is important to understand how the proposed rates would impact the District's customers. Figure 1-5 shows the water bills of typical Single Family Residential (SFR) customers with ⅝" meter for a monthly billing period at various water consumption levels under current and proposed rates. The monthly water bills under the current rates are illustrated by the gray bars and the monthly water bills assuming the proposed rates are shown by the dark blue bars for FYE 2021 and light blue bars for FYE 2022.

Figure 1-5: Single Family Residential Customer Bill Impacts



	3 ccf	5 ccf	7 ccf	12 ccf	16 ccf
Current	$56.47	$79.10	$105.98	$184.46	$249.50
Proposed FY 2021	$59.30	$83.07	$111.31	$193.75	$262.07
Proposed FY 2022	$62.29	$87.26	$116.92	$203.51	$275.27
Impact ($) FY 2021	$2.83	$3.97	$5.33	$9.29	$12.57
Impact ($) FY 2022	$2.99	$4.19	$5.61	$9.76	$13.20

2. Introduction

2.1. STUDY BACKGROUND

The District provides treated water service to the City of Half Moon Bay and the communities of Princeton, Miramar, and El Granada. The service area is approximately 14 square miles with service provided to roughly 6,400 connections across a population of 17,000. The service area is predominantly residential with other customers including commercial and governmental users, landscape irrigators, and agricultural users.

Raw water is provided from two sources: a mix of local surface water and groundwater and imported water purchased from the San Francisco Public Utility Commission (SFPUC). The long term water supply mix is projected to be comprised of approximately 35 percent locally sourced water and 65 percent purchased water. Raw water from 20 miles of transmission pipelines is treated at one of two treatment plants before distribution through the District's 83 miles of pipeline.

Raftelis conducted the last Cost of Service and Water Rate Study in 2018, included in Appendix A, which resulted in proposed and approved rates for FYE 2019 and FYE 2020. The District engaged Raftelis to provide the analytical support necessary to conduct the current study which begins a new two-year rate adoption cycle with an updated financial plan and corresponding rates, based on the 2018 Cost of Service and Rate Study. The 2020 Study encompasses a five-year financial planning horizon with two years of proposed rates in FYE 2021 and FYE 2022.

The major objectives of the study include the following:

1. Develop a financial plan to ensure financial sufficiency, meet operation and maintenance (O&M) costs, and ensure sufficient funding for debt obligations and capital repair and replacement (R&R) needs.
2. Calculate water rates.
3. Conduct a customer impact analysis for the proposed rates.

Findings from the initial analysis were presented to the District Board of Directors Board Meeting held on March 10, 2020. However, at a special meeting on April 3, 2020, the Board decided to delay discussions of a rate increase until July of 2020 due to the unforeseen circumstances brought upon by the COVID-19 pandemic.

In July of 2020, the District provided Raftelis with an updated FYE 2021 Operating Budget, 10-year CIP, and updated water supply assumptions. Findings from the updated analysis were presented to the District Board of Directors Board Meeting held on July 14, 2020. This Report provides an overview of the study and includes findings and recommendations for the District's financial plan and water rates. This Report incorporates input provided by the District Board of Directors at the July 14, 2020 meeting.

2.2. KEY INFORMATION USED IN THE STUDY

The Study utilized the following key information provided by the District:

1. FYE 2020 and FYE 2021 budgets provided by District staff
2. Current reserve policies provided by District staff
3. 10-year CIP provided by District staff
4. Water supply mix and cost projections provided by District staff
5. Beginning fund balances as of July 1, 2019 provided by District staff
6. Required debt coverage assumptions
7. Adjustments to costs and revenue based on updated information

Raftelis used the District's FYE 2020 and FYE 2021 budgets as the baseline for future projections, consistent with best practices. Additional current data[3] concerning water demand, water supply costs, and development activity are also included in the baseline.

2.3. KEY ASSUMPTIONS USED IN THE STUDY

The Study period is from FYE 2021 to FYE 2025. Various types of assumptions and inputs were incorporated into the Study based on directions from District staff. The cost escalation factors utilized in the Study are shown in Table 2-1.

Table 2-1: Cost Escalation Factors

Escalation Factor	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
General	2.7%	2.7%	2.7%	2.7%	2.7%
Salary	4.5%	4.5%	4.5%	4.5%	4.5%
Benefits	6.0%	6.0%	6.0%	6.0%	6.0%
Energy	5.0%	5.0%	5.0%	5.0%	5.0%
SFPUC Water Purchases	0.0%	0.0%	7.1%	7.7%	6.8%
Capital	0.0%	3.2%	3.2%	3.2%	3.2%
Interest	1.5%	1.5%	1.5%	1.5%	1.5%
Non-Rate Revenues	2.0%	2.0%	2.0%	2.0%	2.0%

The general inflation rate of 2.7 percent is based on a 20-year historical average of the Consumer Price Index (CPI) for all urban consumers in San Francisco, Oakland, and Hayward. A salary inflation rate of 4.5 percent, benefits inflation rate of 6 percent, and an energy inflation rate of 5 percent are based on District estimates. SFPUC water cost increases are based on SFPUC's FYE 2019 projections and input from District staff. The capital inflation rate of 3.2 percent is based on a 20-year historical average of the Engineering News Record (ENR) Construction Cost Indices (CCI) for 20 cities. Conservative inflationary factors were applied to non-rate revenues and reserve interest earnings to ensure the District is not relying on these other revenues to occur to meet its revenue requirements. An interest rate of 1.5 percent was used based on District estimates and an inflation rate of 2 percent was used for non-rate revenues since these include property taxes.

2.4. ACCOUNTS AND GROWTH ASSUMPTIONS

To estimate future water rate revenue two factors are used – new connection growth and changes in annual water demand. As shown in Table 2-2, the financial plan projects no growth in new water service connections for the Study period. This is a reasonable assumption given the District is nearly built out with only small in-fill developments remaining.

Table 2-2 also shows the 5-year water demand forecast provided by District staff. District staff projects water sales to decrease to 580 MG in FYE 2021. A portion of this decrease in water demand is due to an anticipated reduction in water sales to the District's Non-residential customer class due to the COVID-19 pandemic. Water sales are projected to increase to approximately 603 MG beginning in FYE 2022. Water demand estimates are based on changes experienced in FYE 2020 and best estimates on per capita demand in coming years.

[3] Based on data available to the District as of July 2020.

Table 2-2: Growth and Demand Assumptions

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Account Growth (%)	0.0%	0.0%	0.0%	0.0%	0.0%
Water Sales (MG)	580	603	603	603	603

3. Legal Framework

3.1. CALIFORNIA CONSTITUTION – ARTICLE XIII D, SECTION 6 (PROP 218)

Proposition 218, reflected in the California Constitution as Article XIII D, was enacted in 1996 to ensure that rates and fees are proportional to the cost of providing service. The principal requirements for fairness of the fees, as they relate to public water service, are as follows:

1. A property-related charge (such as water and recycled water rates) imposed by a public agency on a parcel shall not exceed the costs required to provide the property related service.
2. Revenues derived by the charge shall not be used for any purpose other than that for which the charge was imposed.
3. The amount of the charge imposed upon any parcel shall not exceed the proportional cost of service attributable to the parcel.
4. No charge may be imposed for a service unless that service is actually used or immediately available to the owner of property.
5. A written notice of the proposed charge shall be mailed to the record owner of each parcel at least 45 days prior to the public hearing, when the agency considers all written protests against the charge.

As stated in AWWA's Principles of Water Rates, Fees, and Charges: Manual of Water Supply Practices M1, 6th edition (M1 Manual), "water rates and charges should be recovered from classes of customers in proportion to the cost of serving those customers." Proposition 218 requires that water rates cannot be "arbitrary and capricious," meaning that the rate-setting methodology must be sound and that there must be a nexus between the costs and the rates charged. This study follows industry-standard rate-setting methodologies set forth by the M1 Manual, adhering to Proposition 218 requirements by developing rates that do not exceed the proportionate cost of providing water services.

3.2. CALIFORNIA CONSTITUTION – ARTICLE X, SECTION 2

Article X, Section 2 of the California Constitution (established in 1976) states the following:

> *"It is hereby declared that because of the conditions prevailing in this State the general welfare requires that the water resources of the State be put to beneficial use to the fullest extent of which they are capable, and that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and for the public welfare."*

Article X, Section 2 of the State Constitution institutes the need to preserve the State's water supplies and to discourage the wasteful or unreasonable use of water by encouraging conservation. As such, public agencies are constitutionally mandated to maximize the beneficial use of water, prevent waste, and encourage conservation.

3.3. COST-BASED RATE-SETTING METHODOLOGY

As stated in the M1 Manual, "the costs of water rates and charges should be recovered from classes of customers in proportion to the cost of serving those customers." The four major steps to develop utility rates that comply with Proposition 218 and industry standards, while meeting other emerging goals and objectives of the utility, are discussed below.

Calculate Revenue Requirement

The rate-making process starts by determining the test year (rate-setting year) revenue requirement. The revenue requirement should sufficiently fund the utility's O&M, debt service, capital expenses, and other identified costs with funding to reserves (positive cash) or using reserves (negative cash), all based on a long-term financial plan.

Cost-of-Service Analysis (COS)

The annual cost of providing water service is distributed among customer classes commensurate with their service requirements. A COS analysis involves the following:

1. Functionalize costs. Examples of functions include storage, treatment, and distribution.
2. Allocate functionalized costs to cost components. Examples of cost components include supply, base delivery, peaking, and meter servicing.
3. Distribute the cost components. Distribute cost components, using unit costs, to customer classes in proportion to their burden on the water system.

Rate Design and Calculations

Rates do more than simply recover costs. Within the legal framework and industry standards, properly designed rates should support and optimize a blend of various utility objectives, such as promoting water conservation, affordability for essential needs, and revenue stability, among other objectives. Rates may also act as a public information tool in communicating these objectives to customers.

Rate Adoption

Rate adoption is the last step of the rate-making process and is part of the procedural requirements of Proposition 218. Raftelis documents the rate study results in this Report to serve as the utility's administrative record and a public education tool about the proposed changes, the rationale and justifications behind the changes, and their anticipated financial impacts.

Government Code §54999.7(c) requires that water and wastewater agencies must conduct a cost-of-service study a minimum of every 10 years. Raftelis conducted a comprehensive cost-of-service rate study for its water service in 2018 and documented the results and findings in the "CCWD Cost of Service and Rate Study Report" dated May 15, 2018 (Appendix A). As the District is retaining the same rate structure and because a cost-of-service study was conducted for the District so recently, an updated cost-of-service study is not needed at this time. Rather, this Study focuses on financial plan development to incorporate the latest financial information and cost projections for the next five years and uses the methodology developed in the 2018 Cost of Service and Rate Study Report as the basis for the proposed rate and charge increases. The proposed revenue adjustments resulting from the financial plan will be applied across all categories of the current rates to calculate the proposed rates for FYE 2021 and FYE 2022.

4. Financial Plan

This section describes the assumptions used in projecting operating and capital expenses as well as reserve policies and debt coverage requirements that determine the overall revenue adjustments required to ensure the financial stability of the District. Revenue adjustments represent the average increase in rates for the District as a whole.

4.1. REVENUES FROM CURRENT RATES

The current water rates were last approved in June 2018 and went into effect in July 2018 and in July 2019. The current rates were originally developed in the 2018 Cost of Service and Rate Study. The District's rate structure has two components – a fixed service charge (monthly service charge) by meter size and a variable volumetric charge for water consumption. The revenues generated from existing rates and charges are assessed for the ability to meet the District's projected revenue requirements. This serves as the basis for any required revenue adjustments.

The District charges customers a monthly service charge based on the customer's meter size. The current charges for FYE 2020 are listed in Table 4-1.

Table 4-1: Current Monthly Service Charges

Meter Size	Current Charge
5/8"	$28.90
3/4"	$42.70
1"	$70.30
1 1/2"	$139.31
2"	$222.13
3"	$484.37
4"	$870.85

Some customers pay a monthly fire line charge for private fire protection. The rates for the monthly fire service charge are calculated to recover the costs associated with private fire service capacity in the water distribution system. The current rates for the fire service charge for private fire lines are shown in Table 4-2.

Table 4-2: Current Monthly Fire Service Charges

Fire Line Size	Current Charge
3/4"	$4.85
1"	$6.46
1 1/2"	$9.69
2"	$12.92
3"	$19.38
4"	$25.84
6"	$38.76
8"	$51.68
10"	$64.60

The District charges customers per hundred cubic feet (hcf) of water consumption. For all Single Family Residential customers, the District employs an inclining 3-tiered rate structure. Multi-Family Residential and Non-Residential customers are charged a uniform rate, by class, for all water use. Volumetric rates are shown in Table 4-3.

Table 4-3: Current Commodity Tiers and Rates

Customer Class	Tier Width (hcf)	Rate
Single Family Residential		
Tier 1	0 - 4	$9.19
Tier 2	5 - 8	$13.44
Tier 3	9+	$16.26
Multi-Family Residential	Uniform	$12.25
Non-Residential	Uniform	$13.06

Table 4-4 shows the projected number of water connections by meter size for each fiscal year of the Study period. The number of connections each year remains the same based on the assumption that the District will experience no growth in new water service connections for the Study period, as discussed in Section 2.4 and Table 2-2. Similarly, Table 4-5 shows the projected number of private fire lines using a zero percent growth assumption. The number of accounts by meter size and fire line size are used to forecast the fixed revenue from monthly service charges.

Table 4-4: Current and Projected Water Accounts

Meter Size	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
5/8"	6,033	6,033	6,033	6,033	6,033
3/4"	197	197	197	197	197
1"	178	178	178	178	178
1 1/2"	28	28	28	28	28
2"	34	34	34	34	34
3"	5	5	5	5	5
4"	2	2	2	2	2
Total	**6,477**	**6,477**	**6,477**	**6,477**	**6,477**

Table 4-5: Current and Projected Private Fire Lines

Fire Line Size	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
3/4"	10	10	10	10	10
1"	677	677	677	677	677
1 1/2"	50	50	50	50	50
2"	88	88	88	88	88
3"	4	4	4	4	4
4"	122	122	122	122	122
6"	59	59	59	59	59
8"	15	15	15	15	15
10"	1	1	1	1	1
Total	**1,026**	**1,026**	**1,026**	**1,026**	**1,026**

As previously shown in Table 2-2, the projected water sales are lower in FYE 2021, but increase beginning in FYE 2022. The total estimated annual usage, measured in hcf, is shown on the last line of Table 4-6.

Table 4-6: Projected Water Usage by Customer Class and Tiers

Class	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Single Family Residential					
Tier 1	232,876	242,191	242,191	242,191	242,191
Tier 2	108,558	112,900	112,900	112,900	112,900
Tier 3	57,204	59,492	59,492	59,492	59,492
Multi-Family Residential	40,069	41,671	41,671	41,671	41,671
Non-Residential	336,009	349,450	349,450	349,450	349,450
Total Water Sales (hcf)	**774,716**	**805,705**	**805,705**	**805,705**	**805,705**

Table 4-7 summarizes the projected revenues from current rates. Annual service charge revenues are calculated by multiplying the current monthly service charge (shown in Table 4-1) and the number of accounts (shown in Table 4-4) by twelve billing periods. The calculation for service charge revenues for ⅝" meters is shown below:

$$M \quad hl\cdot\ s \quad cha \quad \times nı \quad o \ a \quad w \ \ h\ ⅝''\ me \quad \times 12\ b \quad p \quad p \ \ y$$
$$\$28.90 \times 6{,}033\ a \quad \times 12\ b \quad p \quad = \$2{,}092{,}244$$

This calculation is repeated for all meter sizes and then summed to arrive at the total meter service charge revenues, as shown in Table 4-7. The same process is used to calculate annual fire service charge revenues using the current monthly fire service charges shown in Table 4-2 and the number of private fire line accounts shown in Table 4-5.

Revenues from consumption charges are calculated by multiplying the current consumption charge (shown in Table 4-3) by the projected water use in hcf (shown in Table 4-6). This calculation is repeated for all customer classes and tiers and then summed to arrive at the total commodity rate revenues shown in Table 4-7. The overall adequacy of water revenues is measured by comparing the total projected annual revenue required from rates with projected revenues from the existing rates.

Table 4-7: Projected Revenues from Current Rates

Revenue Source	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Meter Service Charges	$2,530,748	$2,530,748	$2,530,748	$2,530,748	$2,530,748
Fire Service Charges	$148,800	$148,800	$148,800	$148,800	$148,800
Commodity Charges	$9,408,411	$9,784,747	$9,784,747	$9,784,747	$9,784,747
Total Rate Revenue	**$12,087,958**	**$12,464,294**	**$12,464,294**	**$12,464,294**	**$12,464,294**

4.2. MISCELLANEOUS REVENUES

In addition to revenue from rates, the District also receives miscellaneous revenues from different sources such as property taxes, other revenues (including other service charges such as late fees), interest revenues, etc. to offset the water operating costs. These revenues are shown in Table 4-8.

Table 4-8: Projected Miscellaneous Revenues

Revenue Source	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Fees	$35,000	$35,000	$35,000	$35,000	$35,000
Interest	$56,250	$95,391	$59,207	$16,405	$0
Taxes	$750,000	$765,000	$780,300	$795,906	$811,824
Other	$611,000	$611,000	$611,000	$611,000	$611,000
Total Miscellaneous Revenues	**$1,452,250**	**$1,506,391**	**$1,485,507**	**$1,458,311**	**$1,457,824**

4.3. OPERATING AND MAINTENANCE EXPENSES

4.3.1. WATER SUPPLY COSTS

Table 4-9 shows the total water demand (sales) estimated in each year of the Study period (from Table 4-6). Water is lost in the transmission and distribution of water due to a variety of factors, such as real losses from leaks in distribution pipelines and paper losses from meter reading and billing errors. The District must account for this loss in estimating the supply needed to meet its customers' demand. The District has an approximate 8.1 percent water loss on average. To project the required water supply (Line 3), the following equation is used to calculate water production:

Total Water Sales (Line 1) / [1 - Water Loss (Line 2)] = Total Water Production (Line 3)

Table 4-9: Projected Water Supply and Demand (hcf)

Line #		FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
1	Total Water Sales (hcf)	774,716	805,705	805,705	805,705	805,705
2	Water Loss	8.1%	8.1%	8.1%	8.1%	8.1%
3	**Total Water Production (hcf)**	**842,999**	**876,719**	**876,719**	**876,719**	**876,719**

The District currently has two primary sources of water supply to meet customers' demand:

- Local surface water and groundwater
- Purchased water from San Francisco Public Utilities Commission (SFPUC)

Based on projections and inputs from District staff, it is anticipated that the water supply mix for the Study period will consist of 35 to 38 percent of local District water sources and 62 to 65 percent of SFPUC water sources. Table 4-10 shows the supply mix required to meet the projected demand from Table 4-9 over the Study period. The amount for each water source is calculated by multiplying the percent available from each source times the total water production shown in Line 3 of Table 4-9.

Table 4-10: Projected Water Supply by Source

Line #		FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
1	Water Supply to Meet Demand (%)					
2	District Sources	35%	38%	38%	38%	38%
3	SFPUC Sources	65%	62%	62%	62%	62%
4	Water Supply to Meet Demand (hcf)					
5	District Sources	295,050	333,153	333,153	333,153	333,153
6	SFPUC Sources	547,949	543,566	543,566	543,566	543,566
7	**Total Water Production (hcf)**	**842,999**	**876,719**	**876,719**	**876,719**	**876,719**

Table 4-11 shows the fixed and volumetric unit costs associated with the District's water purchases from SFPUC. The unit costs for FYE 2023 and beyond are escalated based on the SFPUC water purchases inflationary assumptions shown in Table 2-1.

Table 4-11: Purchased Water Supply Unit Costs

Line #		FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
1	SFPUC Fixed Monthly Charge	$6,782	$6,782	$7,264	$7,823	$8,355
2	SFPUC Variable Rate ($/hcf)	$3.71	$3.71	$3.97	$4.28	$4.57

Table 4-12 shows the total estimated costs associated with the District's water purchases from SFPUC. The fixed charges are calculated by multiplying the fixed monthly charge in Line 1 of Table 4-11 by twelve billing periods. The variable charges are calculated by multiplying the unit price in Line 2 of Table 4-11 by the quantity of SFPUC water purchases shown in Line 6 of Table 4-10. For the purposes of these calculations, District staff assumes that there will be sufficient water supply from existing sources and, therefore, no supply reduction during the Study period.

Table 4-12: Purchased Water Costs

Line #		FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
1	**SFPUC Fixed Charge**	$81,384	$81,384	$87,162	$93,874	$100,257
2	**SFPUC Variable Charges**	$2,032,892	$2,016,629	$2,159,809	$2,326,114	$2,484,290
3	**Total Purchased Water Supply Costs**	**$2,114,276**	**$2,098,013**	**$2,246,971**	**$2,419,988**	**$2,584,547**

4.3.2. O&M EXPENSES

Using the District's FYE 2021 budget values and inflation factors from Table 2-1, future operations and maintenance (O&M) costs are forecast. Table 4-13 summarizes budgeted and projected O&M expenses during the Study period. Water supply costs are those derived in Table 4-12.

Table 4-13: Budgeted and Projected O&M Expenses[4]

O&M Expense	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Purchased Water Supply Costs	$2,114,276	$2,098,013	$2,246,971	$2,419,988	$2,584,547
Salary	$3,220,950	$3,365,893	$3,517,358	$3,675,639	$3,841,043
Benefits	$580,963	$615,820	$652,770	$691,936	$733,452
Energy	$565,000	$509,780	$535,269	$562,032	$590,134
Other O&M Costs	$2,819,321	$2,806,963	$2,906,451	$2,947,836	$3,051,170
Total Operating Expenses	**$9,300,510**	**$9,396,469**	**$9,858,819**	**$10,297,431**	**$10,800,346**

4.4. DEBT SERVICE

The District currently has existing debt service payments for three revenue bonds:

- CIEDB 11-099
- CIEDB 16-111
- Chase – 2018 Loan (Refunding of 2006B Bonds)

The existing annual debt service schedule for each is shown in Table 4-14.

Table 4-14: Existing Debt Service

Debt Service	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Existing Bond-CIEDB 11-099	$335,825	$335,669	$335,508	$335,343	$335,173
CIEDB 16-111	$323,357	$322,895	$322,417	$321,923	$321,412
Chase - 2018 Loan (Refunding of 2006B Bonds)	$433,567	$435,168	$436,027	$437,233	$432,821
Total Existing Debt Service	**$1,092,748**	**$1,093,732**	**$1,093,952**	**$1,094,498**	**$1,089,406**

[4] The amounts in this table are rounded to the nearest dollar.

The District is considering a new debt issuance to fund a total of $3 million in capital expenditures in FYE 2022 and to mitigate rate increases to customers. The proposed new debt incorporates the proposed debt and financing assumptions shown in Table 4-15.

Table 4-15: Proposed Debt

	FYE 2022
Debt Assumptions	
Interest	3.5%
Term (# of Years)	20
Issuance Cost	1.5%
Debt Reserve Requirement	7.0%
Proposed Debt Issue	$3,279,983
Debt Proceeds for CIP	$3,000,000
Proposed Annual Debt Service	$230,783

The proposed debt issuance balances rate adjustments and moderate debt obligations. Issuing debt not only allows the District to provide a more immediate response to infrastructure needs, but also stabilizes the financial impact of such expenses. Rather than requiring larger rate increases in the short term in order to pay as they go (PAYGO), loan repayments are equally spread over a longer period and thereby spread costs amongst future users. This supports the District's ability to provide a more stable rate schedule with generally lower rate increases. This is the only additional debt issuance assumed in the analysis at this time. The Board of Directors will review the need to issue additional debt in FYE 2022.

4.5. CAPITAL IMPROVEMENT PLAN

The District has proposed approximately $25.2 million in capital expenditures over the Study period. These capital expenditures are shown in Table 4-16. The CIP shown below represents 95 percent of the District's planned CIP for each fiscal year. The District decided to fund less than 100 percent of its CIP because, historically, the District has experienced some carry over of its planned capital projects each year. Table 4-16 shows the total anticipated CIP for each fiscal year, the cumulative inflationary factor[5], and the resulting total anticipated CIP costs. Raftelis indexed the capital expenditures by the compounding inflationary rate shown in Table 2-1 to account for increased construction costs in future years.

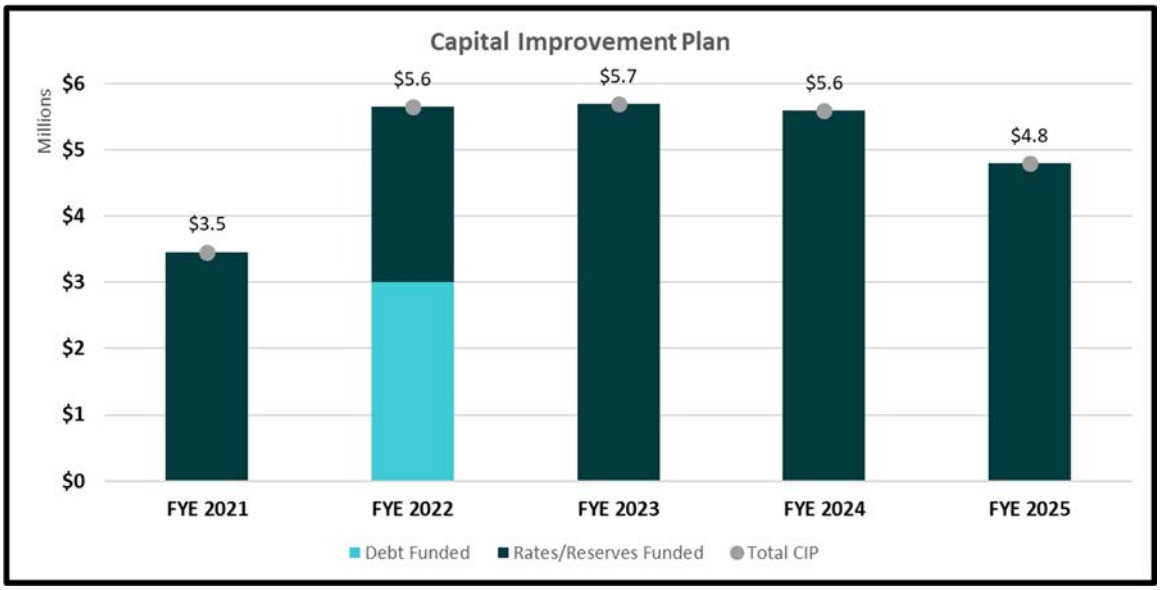
[5] Note that the cumulative inflationary factors used in the financial plan model were determined based on an annual inflationary factor of 3.2% and were not rounded to the nearest whole percentage. There may be differences due to rounding.

Table 4-16: Projected Capital Improvement Plan

CIP Expense	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Equipment Purchase & Replacement	$318,250	$47,500	$85,500	$85,500	$85,500
Facilities & Maintenance	$19,000	$152,000	$152,000	$152,000	$152,000
Pipeline Projects	$1,377,500	$1,662,500	$688,750	$95,000	$95,000
Pump Stations/Tanks/Wells	$722,000	$570,000	$237,500	$3,800,000	$1,995,000
Water Supply Development	$285,000	$285,000	$285,000	$950,000	$1,900,000
Water Treatment Plants	$736,250	$2,755,000	$3,895,000	$0	$0
Total CIP	**$3,458,000**	**$5,472,000**	**$5,343,750**	**$5,082,500**	**$4,227,500**
Cumulative Inflationary Factor	100.0%	103.2%	106.5%	109.9%	113.4%
Inflated CIP	**$3,458,000**	**$5,647,104**	**$5,691,222**	**$5,586,200**	**$4,795,152**

Figure 4-1 summarizes the projected capital expenditures during the Study period. The District plans to fund its CIP through a combination of cash reserves from rates and the issuance of new debt. The proposed $3 million debt issuance to be used to finance capital projects in FYE 2022 is denoted by the light blue bar in Figure 4-1.

Figure 4-1: Projected CIP and Funding Sources



4.6. FINANCIAL RESERVES POLICY TARGETS

The target reserves for the District are summarized below in Table 4-17. The current reserve targets consist of four components: an operating reserve to provide working capital for routine expenses; a rate stabilization reserve to guard against periods of reduced demand or mandatory water conservation; a capital reserve to provide funds for planned capital expenditures; and a debt service reserve for repaying previously issued bonds.

Table 4-17: Reserve Policies

Reserve	Policy	Reserve Target FYE 2021
Operating Reserve	25% of Annual O&M expenses	$2.33 million
Rate Stabilization Reserve	$250,000	$250,000
Capital Reserve	Average Annual CIP over 5 years	$5.04 million
Debt Service Reserve	Following Year's Debt Service	$1.32 million
Total Reserves		**$8.94 million**

4.7. STATUS QUO FINANCIAL PLAN (NO REVENUE INCREASE)

Table 4-18 displays the operating cash flow detail for the District from current rates over the Study period. The cash flow incorporates the revenues from current rates (Table 4-7), miscellaneous revenues (Table 4-8), O&M expenses (Table 4-13), existing annual debt service payments (Table 4-14) and capital improvement projects (Table 4-16) for the District to project the debt coverage ratio and projected ending balances for the Study period. All projections shown in the table are based upon the District's current rate structure and do not include rate adjustments. Under the "status-quo" financial plan scenario, the District will face negative net income[6] starting in FYE 2021. Revenues generated from rates and other miscellaneous revenues will be inadequate to sufficiently recover operating expenses, capital expenditures, debt obligations, and to maintain adequate reserves throughout the Study period, as shown by negative net cash balance in Table 4-18. The District will be unable to maintain fiscal sustainability and solvency under the current rates.

[6] Net Income = Total Revenues – Total Expenses

Table 4-18: Status Quo Financial Plan

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Revenues					
Revenue from Existing Rates	$12,087,958	$12,464,294	$12,464,294	$12,464,294	$12,464,294
Total Revenue Adjustments	$0	$0	$0	$0	$0
Fees	$35,000	$35,000	$35,000	$35,000	$35,000
Interest Income	$56,250	$95,391	$59,207	$16,405	$0
Taxes	$750,000	$765,000	$780,300	$795,906	$811,824
Other Revenue	$611,000	$611,000	$611,000	$611,000	$611,000
Total Revenues	**$13,540,208**	**$13,970,686**	**$13,949,801**	**$13,922,605**	**$13,922,119**
Expenses					
Water Purchases	$2,114,276	$2,098,013	$2,246,971	$2,419,988	$2,584,547
Other O&M Expenses	$7,186,234	$7,298,456	$7,611,847	$7,877,443	$8,215,798
Existing Debt Service	$1,092,748	$1,093,732	$1,093,952	$1,094,498	$1,089,406
Proposed Debt Service	$0	$0	$0	$0	$0
CIP Expenditures (Rate Funded)	$3,458,000	$5,647,104	$5,691,222	$5,586,200	$4,795,152
Total Expenses	**$13,851,258**	**$16,137,304**	**$16,643,992**	**$16,978,130**	**$16,684,904**
Net Cash Balance (Net Income)	**($311,050)**	**($2,166,618)**	**($2,694,191)**	**($3,055,524)**	**($2,762,785)**
Beginning Balance	$7,801,475	$7,490,425	$5,323,806	$2,629,615	($425,909)
Net Cashflow	($311,050)	($2,166,618)	($2,694,191)	($3,055,524)	($2,762,785)
Ending Balance	**$7,490,425**	**$5,323,806**	**$2,629,615**	**($425,909)**	**($3,188,695)**
Target Balance[7]	*$8,704,395*	*$8,728,605*	*$8,844,739*	*$8,949,299*	*$9,074,384*
Calculated Debt Coverage Ratio[8]	**388%**	**418%**	**374%**	**331%**	**287%**
Required Debt Coverage Ratio	120%	120%	120%	120%	120%

4.8. PROPOSED FINANCIAL PLAN

The proposed financial plan calls for the adoption of 5 percent revenue adjustments to be implemented in January of the first two fiscal years (FYE 2021 and FYE 2022), with corresponding 5 percent rate increases. The District Board elected to delay the rate increase in until January of the first two fiscal years to allow rate payers to recover from the impact of the COVID-19 pandemic. For the remaining fiscal years (FYE 2023 through FYE 2025), 5 percent revenue adjustments are proposed to be implemented in July of each fiscal year. The use of the financial plan model enables the District to set rates and charges to generate sufficient water revenues to meet the District's short-term and long-term obligations and to avoid significant rate fluctuations. It also shows the level of revenues that will maintain appropriate reserves and provide adequate debt service coverage. During the Board Meeting, the Board directed District staff and Raftelis to proceed with the Proposition 218 rate adoption process necessary to adopt the two-year rates consistent with the financial plan for the five-year revenue adjustments shown below in Table 4-19. The revenue adjustments shown for FYE 2023 through FYE 2025 are for planning purposes only and are subject to the District Board's approval in future years.

Table 4-19: Proposed Revenue Adjustments

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Effective Month	January	January	July	July	July
Revenue Adjustment	5.0%	5.0%	5.0%	5.0%	5.0%

[7] Based on the District's current reserve policies.
[8] Debt coverage = (Total Revenues – Total O&M Expenses) / Total Debt Service

Similar to the Status Quo Financial Plan (Table 4-18), Table 4-20 shows the proposed financial plan but with the revenue adjustments shown in Table 4-19. The cash flow incorporates the revenues from current rates (Table 4-7), the revenue from increases in rates consistent with the proposed adjustments (Table 4-19), miscellaneous revenues (Table 4-8), O&M expenses (Table 4-13), existing and proposed annual debt service payments (Table 4-14 and Table 4-15), and capital improvement projects (Table 4-16) for the District to project the debt coverage ratio and projected ending balances for the Study period.

Although the net cash balance shows a deficit in FYE 2021, FYE 2023, and FYE 2024 due to the planned expenditures in capital facilities during those years, the overall reserve account balance will remain within a fiscally healthy range. Additionally, the debt coverage ratio exceeds the target debt coverage ratio of 120%, allowing the District to maintain its financial bond rating. In summary, the proposed financial plan ensures financial sufficiency and solvency for the District to meet projected expenditures and financial obligations including debt service, debt coverage, and reserve targets while funding CIP projects.

Table 4-20: Proposed Financial Plan

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Revenues					
Revenue from Existing Rates	$12,087,958	$12,464,294	$12,464,294	$12,464,294	$12,464,294
Total Revenue Adjustments	$302,199	$950,402	$1,964,684	$2,686,133	$3,443,655
Fees	$35,000	$35,000	$35,000	$35,000	$35,000
Interest Income	$56,250	$127,821	$133,025	$122,749	$123,342
Taxes	$750,000	$765,000	$780,300	$795,906	$811,824
Other Revenue	$611,000	$611,000	$611,000	$611,000	$611,000
Total Revenues	**$13,842,407**	**$14,953,518**	**$15,988,303**	**$16,715,083**	**$17,489,115**
Expenses					
Water Purchases	$2,114,276	$2,098,013	$2,246,971	$2,419,988	$2,584,547
Other O&M Expenses	$7,186,234	$7,298,456	$7,611,847	$7,877,443	$8,215,798
Existing Debt Service	$1,092,748	$1,093,732	$1,093,952	$1,094,498	$1,089,406
Proposed Debt Service	$0	$230,783	$230,783	$230,783	$230,783
CIP Expenditures (Rate Funded)	$3,458,000	$2,647,104	$5,691,222	$5,586,200	$4,795,152
Total Expenses	**$13,851,258**	**$13,368,087**	**$16,874,776**	**$17,208,913**	**$16,915,687**
Net Cash Balance (Net Income)	**($8,851)**	**$1,585,431**	**($886,472)**	**($493,830)**	**$573,428**
Beginning Balance	$7,801,475	$7,792,624	$9,378,055	$8,491,583	$7,997,753
Net Cashflow	($8,851)	$1,585,431	($886,472)	($493,830)	$573,428
Ending Balance	**$7,792,624**	**$9,378,055**	**$8,491,583**	**$7,997,753**	**$8,571,181**
Target Balance[9]	*$8,935,178*	*$8,959,388*	*$9,075,522*	*$9,180,083*	*$9,305,167*
Calculated Debt Coverage Ratio[10]	**416%**	**420%**	**463%**	**484%**	**507%**
Required Debt Coverage Ratio	120%	120%	120%	120%	120%

Aspects of the proposed financial plan are also displayed graphically in Figure 4-2, Figure 4-3, and Figure 4-4, below. Figure 4-2 shows how the proposed revenue adjustments along with revenues from current rates and other miscellaneous revenues are projected to generate adequate revenues to fund O&M expenses, including water supply costs, debt service obligations for current bonds, and the proposed capital projects. Current revenues (shown by the solid black line) are inadequate to recover O&M expenses, debt service, and capital expenditures starting in FYE

[9] Based on the District's current reserve policies.
[10] Debt coverage = (Total Revenues – Total O&M Expenses) / Total Debt Service

2021, as shown by the black line falling below the combined height of light blue, dark blue, green, and gray bars in Figure 4-2.

Figure 4-2: Proposed Operating Financial Plan

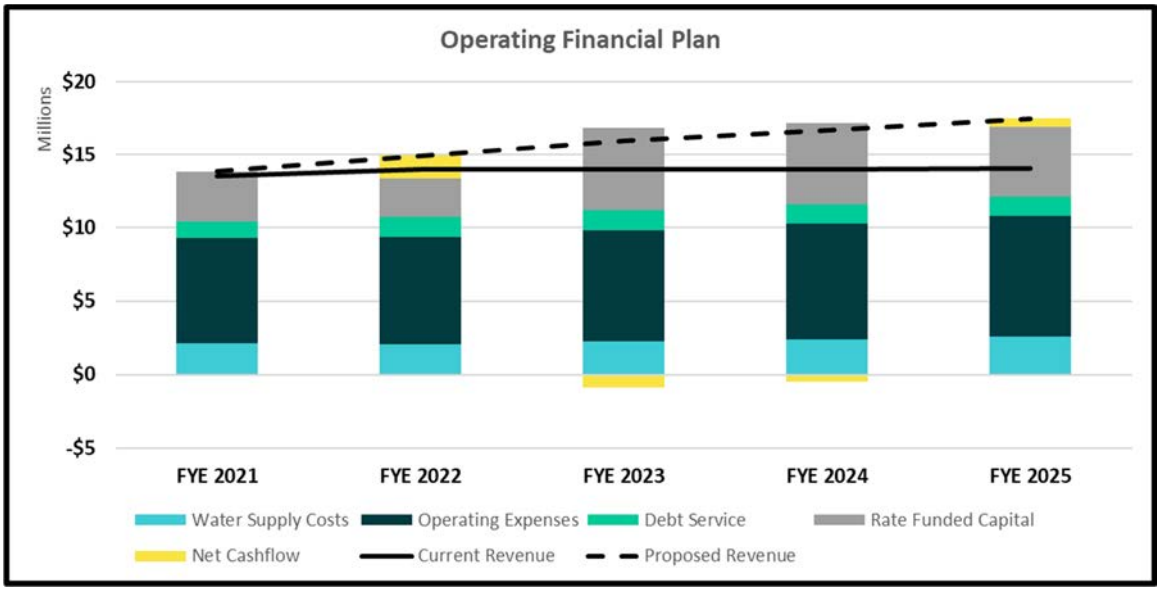
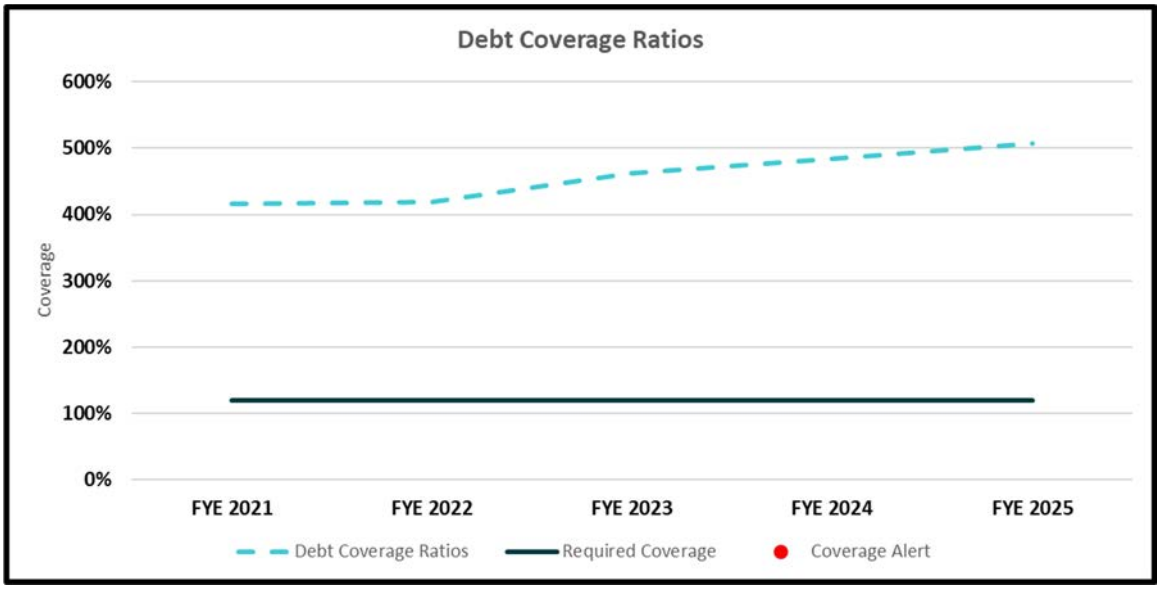


Figure 4-3 illustrates how the proposed revenue adjustments ensure that the District will meet its bond covenants by maintaining at least a 120% debt coverage ratio. Thus, these proposed adjustments will also assist in maintaining the District's current credit ratings.

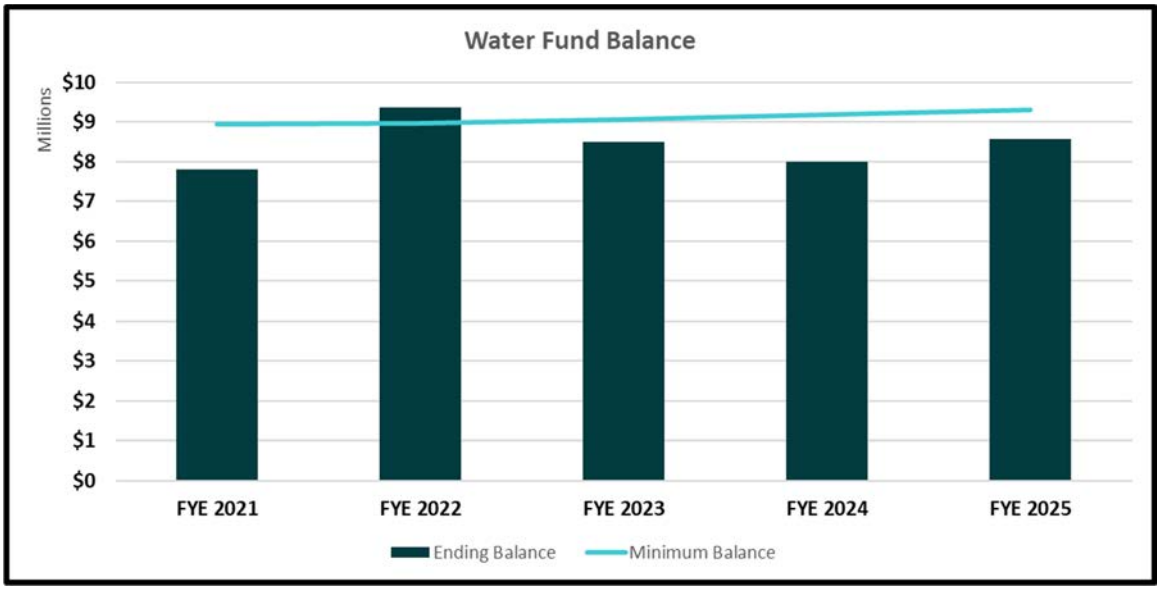
Figure 4-3: Projected Debt Coverage Ratios



Finally, Figure 4-4 shows the District's ending fund balance by fiscal year. The dark blue bars indicate the total ending balance under the proposed financial plan while the light blue line indicates the total target balance. Reserve balances are expected to grow during the Study period to meet the minimum target balances[11] (light blue line)..

[11] Established by the District's current financial policy.

Figure 4-4: Projected Water Fund Ending Balances



5. Proposed Water Rates & Customer Impact Analysis

Government Code §54999.7(c) requires that water agencies must conduct a cost-of-service study a minimum of every 10 years. The District conducted a comprehensive cost-of-service rate study for its water service in 2018 and documented the results and findings in the "CCWD Cost of Service and Rate Study Report" dated May 10, 2018 (Appendix A). The proposed revenue adjustments resulting from the financial plan, shown in Table 5-1, will be applied across all categories of the current rates to calculate the proposed rates, resulting in a 5 percent rate increase for FYE 2021 and FYE 2022.

Table 5-1: Proposed Revenue Adjustments

	FYE 2021	FYE 2022
Effective Month	January	January
Revenue Adjustment	5.0%	5.0%

5.1. PROPOSED TWO-YEAR RATES

5.1.1. FIXED MONTHLY SERVICE CHARGES

Two years of monthly service charge rates are shown in Table 5-2 and Table 5-3 shows the current and proposed fire service charges. The proposed fire service charges apply to all customers with private fire service connections. The rates for the current and proposed monthly service charges and fire service charges are calculated based on the meter size and diameter of the fire line serving a property, respectively. All rates are rounded up to the nearest whole penny.

Table 5-2: Proposed FYE 2021-2022 Monthly Service Charges

Meter Size	Current	FYE 2021 January	FYE 2022 January
5/8"	$28.90	$30.35	$31.87
3/4"	$42.70	$44.84	$47.09
1"	$70.30	$73.82	$77.52
1 1/2"	$139.31	$146.28	$153.60
2"	$222.13	$233.24	$244.91
3"	$484.37	$508.59	$534.02
4"	$870.85	$914.40	$960.12

Table 5-3: Proposed FYE 2021-2022 Fire Service Charges

Fire Line Size	Current	FYE 2021 January	FYE 2022 January
3/4"	$4.85	$5.09	$5.35
1"	$6.46	$6.79	$7.13
1 1/2"	$9.69	$10.18	$10.69
2"	$12.92	$13.57	$14.25
3"	$19.38	$20.35	$21.37
4"	$25.84	$27.14	$28.50
6"	$38.76	$40.70	$42.74
8"	$51.68	$54.27	$56.99
10"	$64.60	$67.83	$71.23

5.1.2. COMMODITY RATES

Two years of variable commodity, or volumetric, water rates are shown in Table 5-4. Volumetric rates are charged for each unit (hcf) of water. All rates are rounded up to the nearest whole penny.

Table 5-4: Proposed FYE 2021-2022 Commodity Rates

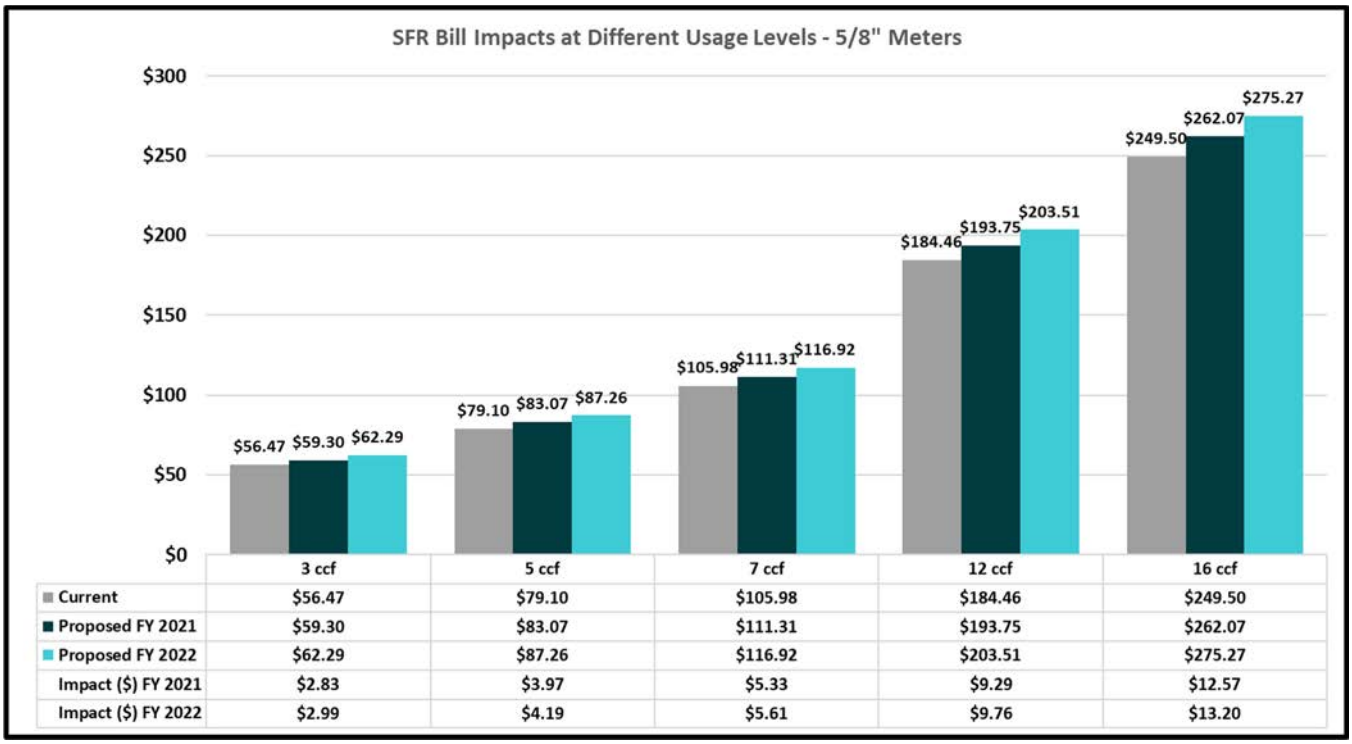
Customer Class	Tier Width (hcf)	Current	FYE 2021 January	FYE 2022 January
Single Family Residential				
Tier 1	0 - 4	$9.19	$9.65	$10.14
Tier 2	5 - 8	$13.44	$14.12	$14.83
Tier 3	9+	$16.26	$17.08	$17.94
Multi-Family Residential	Uniform	$12.25	$12.87	$13.52
Non-Residential	Uniform	$13.06	$13.72	$14.41

5.2. CUSTOMER IMPACT ANALYSIS

It is important to understand how the proposed rates would impact the District's customers. The customer impact analysis is a powerful tool, which can be used to assist elected officials in making informed decisions.

Figure 5-1 shows the water bills for typical Single Family residential (SFR) customers with a ⅝" meter for a monthly billing period at various water consumption levels under current and proposed rates. The monthly water bills under the current rates are illustrated by the gray bars and the monthly water bills assuming the proposed rates are shown by the dark blue bars for FYE 2021 and light blue bars for FYE 2022.

Figure 5-1: Single Family Residential Customer Bill Impacts



	3 ccf	5 ccf	7 ccf	12 ccf	16 ccf
Current	$56.47	$79.10	$105.98	$184.46	$249.50
Proposed FY 2021	$59.30	$83.07	$111.31	$193.75	$262.07
Proposed FY 2022	$62.29	$87.26	$116.92	$203.51	$275.27
Impact ($) FY 2021	$2.83	$3.97	$5.33	$9.29	$12.57
Impact ($) FY 2022	$2.99	$4.19	$5.61	$9.76	$13.20

APPENDIX A:

CCWD Cost of Service and Rate Study Report

COASTSIDE COUNTY WATER DISTRICT

Cost of Service and Rate Study

Final Report / May 15, 2018

RAFTELIS

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May 15, 2018

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

Subject: Cost of Service and Rate Study Report

Dear Ms. Rogren,

Raftelis Financial Consultants, Inc. (Raftelis) is pleased to provide this Cost of Service and Rate Study Report (Study) for Coastside County Water District (CCWD or District) to develop cost of service based water rates with a technically sound methodology which meets the requirements of California Constitution Article XIII D, Section 6 (commonly referred to as "Proposition 218"). In particular, this Study contains thorough details on the following:

1. The legal framework surrounding Proposition 218, particularly with respect to potable water service
2. Recommended revisions and modifications to rate structures and customer classes
3. Equitable cost of service based potable water commodity rates, bi-monthly fixed charges, and private fire service charges that meet the requirements of Proposition 218

The Study summarizes the key findings and results related to the cost allocations to customer classes and development of rates and charges for water service.

It has been a pleasure working with you and we thank you, Mr. David Dickson, and District staff for the support provided during the course of this Study.

Sincerely,
Raftelis Financial Consultants, Inc.

Sanjay Gaur
Vice President

Kevin Kostiuk
Senior Consultant

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1. EXECUTIVE SUMMARY

1.1 STUDY BACKGROUND

In 2018, Coastside County Water District (CCWD or District) contracted with Raftelis to conduct a Cost of Service and Rate Study (Study) across all water services. This Study presents the cost allocations for the respective customer classes and services and resulting water rates for implementation in July 2018.

This Executive Summary compiles the proposed water rates and charges and contains a description of the rate study process, methodology, results, and recommendations for CCWD rates. CCWD's last rate adjustment was effective July 1, 2017. CCWD wishes to establish fair and equitable rates that:

- Proportionately allocate the costs of providing service in accordance with California Constitution Article XIII D, Section 6 (commonly referred to as Proposition 218)
- Meet the District's fiscal needs in terms of operational expenses, reserve targets, and capital investment to maintain the water system
- Maintain affordable charges for customers that are fair and equitable
- Preserve an indirect price signal for those whose higher usage creates greater demands and burdens on CCWD's water system
- Are easy for customers to understand and easy for CCWD staff to implement and update in the future

1.2 STUDY OBJECTIVES

The major objectives of the Study include the following:

1. Evaluate the existing rate structures and propose revisions to tiered rate structures
2. Ensure recovery of all operations and maintenance (O&M) costs, ensure sufficient funding of financial reserves, and funding of capital repair and replacement (R&R) collectively
3. Conduct a cost of service analysis for the water system
4. Allocate costs between user classes
5. Develop fair and equitable water rates that adequately recover costs, provide revenue stability for recovering fixed costs, and maintain affordable water service while remaining compliant with the requirements of Proposition 218

This Study was prepared using the principles established by the American Water Works Association's (AWWA) *Principles of Water Rates, Fees, and Charges: Manual of Water Supply Practices M1*, *Sixth Edition* (M1 Manual). The M1 Manual's general principles of rate structure design and the objectives of the Study are described in Section 1.3.3.

1.3 WATER SYSTEM AND SERVICE AREA CHARACTERISTICS

The District provides treated water service to the City of Half Moon Bay and the communities of Princeton, Miramar, and El Granada. The service area is approximately 14 square miles with service provided to roughly 6,400 connections across a population of 17,000. The service area is heavily residential with other customers including commercial and governmental users, landscape irrigators, and agricultural users.

Raw water is provided from two sources: a mix of local surface water and groundwater and imported water purchased from the San Francisco Public Utility Commission (SFPUC). Long term water supply

mix is approximately 50 percent local source and 50 percent purchased water. Raw water from 20 miles of transmission pipelines is treated at one of two treatment plants before distribution through the District's 83 miles of pipeline.

1.4 LEGAL REQUIREMENTS AND RATE SETTING METHODOLOGY

1.4.1 *California Constitution - Article XIII D, Section 6 (Proposition 218)*

Proposition 218 was enacted by voters in 1996 to ensure, in part, that fees and charges imposed for ongoing delivery of a service to a property (property-related fees and charges) are proportional to, and do not exceed, the cost of providing service. Water service fees and charges are property-related fees and charges subject to the provisions of California Constitution Article XIII D, Section 6. The principal requirements, as they relate to public water service fees and charges are as follows:

1. Revenues derived from the fee or charge shall not exceed the costs required to provide the property-related service.
2. Revenues derived by the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed.
3. The amount of the fee or charge imposed upon any parcel shall not exceed the proportional cost of service attributable to the parcel.
4. No fee or charge may be imposed for a service unless that service is actually used or immediately available to the owner of property.
5. A written notice of the proposed fee or charge shall be mailed to the record owner of each parcel not less than 45 days prior to a public hearing, when the agency considers all written protests against the charge.

The restructured tiered rates presented in this report comply with the substantive requirements of Proposition 218 as interpreted by the courts, including the April 2015 appellate court decision Capistrano Taxpayers Association, Inc. v. City of San Juan Capistrano (2015) 235 Cal.App.4th 1493., which requires calculating the cost of providing service among the different tiers for tiered rate structures.

As stated in AWWA's M1 Manual, "water rates and charges should be recovered from classes of customers in proportion to the cost of serving those customers." Raftelis follows industry standard rate setting methodologies set forth by the AWWA M1 Manual to ensure this Study meets Proposition 218 requirements for potable customers and creates rates that do not exceed the proportionate cost of providing water services on a parcel basis.

1.4.2 *California Constitution - Article X, Section 2*

Article X, Section 2 of the California Constitution states the following:

> *"It is hereby declared that because of the conditions prevailing in this State the general welfare requires that the water resources of the State be put to beneficial use to the fullest extent of which they are capable, and that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and for the public welfare."*

Article X, Section 2 of the State Constitution acknowledges the need to preserve the State's water supplies and to discourage the waste or unreasonable use of water by encouraging conservation. Accordingly, public agencies are constitutionally mandated to maximize the beneficial use of water, prevent waste, and encourage conservation.

To meet the objectives of Article X, Section 2 a water purveyor may utilize its water rate design to incentivize the efficient use of water. CCWD utilizes inclining tier (also known as "conservation based" or simply "tiered") water rates to incentivize customers to use water in an efficient manner. The tiered rates (as well as rates for uniform rate classes) need to be based on the proportionate costs incurred to provide water to customer classes and on a parcel basis within each customer class to achieve compliance with Proposition 218.

CCWD is a signatory to the Memorandum of Understanding (MOU) of the California Water Efficiency Partnership, formerly the California Urban Water Conservation Council (CUWCC). As a member agency, CCWD recognizes the importance of water conservation in its portfolio of water supplies and is committed to use water efficiently throughout its service area.

In addition to being a member of the California Water Efficiency Partnership, CCWD is charged with mandates by the State of California to achieve reduced per capita water use. In 2008, Governor Schwarzenegger signed into law a bill referred to as SBX7-7. In addition to providing a plan for improving the Sacramento-San Joaquin Delta through co-equal goals for the environment and people, SBX7-7 required all urban water suppliers to reduce per capita water use by 20 percent by the year 2020. CCWD's rate structure is one of the means by which the District is able to achieve this mandate.

When properly designed and differentiated by customer class, tiered rates allow a water utility to send indirect conservation price signals to customers while proportionately allocating the costs of service. Due to heightened interest in water use efficiency and conservation, tiered water rates are ubiquitous, especially in California. Tiered rates meet the requirements of Proposition 218 as long as the tiers reasonably reflect the proportionate cost of providing service on a parcel basis in each tier.

1.4.3 *Cost-Based Rate-Setting Methodology*

As stated in the AWWA M1 Manual, "the costs of water rates and charges should be recovered from classes of customers in proportion to the cost of serving those customers." To develop utility rates that comply with Proposition 218 and industry standards while meeting other emerging goals and objectives of the utility, there are four major steps discussed below and previously addressed in Section 1.2.

1) Calculate the Revenue Requirement

The rate-making process starts by determining the base year (rate setting year) revenue requirement, which for this Study is Fiscal Year (FY) 2018-2019. The revenue requirement should sufficiently fund the utility's operations and maintenance (O&M), debt service, capital expenses (Repair and Replacement abbreviated as R&R), and reserve funding.

2) Cost of Service Analysis (COS)

The annual cost of providing water service is distributed among customer classes commensurate with their service requirements. A COS analysis involves the following:

1. Functionalize costs. Examples of functions are supply, treatment, transmission, distribution, storage, meter servicing, and customer billing and collection.
2. Allocate functionalized costs to cost components. Cost components include variable supply, base delivery, maximum day, maximum hour[1], conservation, public fire protection, meter service, and customer servicing and billing costs.
3. Develop unit costs for each cost component using appropriate units of service for each component.
4. Distribute the cost components. Distribute cost components, using unit costs, to customer classes in proportion to their demands and burdens on the water system. This is described in the M1 Manual published by AWWA.

A COS analysis considers both the average quantity of water consumed (base costs) and the peak rate at which it is consumed (peaking or capacity costs as identified by maximum day and maximum hour demands)[2]. Peaking costs are costs that are incurred during peak times of consumption. There are additional costs associated with designing, constructing, operating and maintaining, and replacing facilities to meet peak demands. These peak demand costs need to be allocated to those customers whose water usage patterns generate additional costs for the utility. In other words, not all customer classes and not all customers share the same responsibility for peaking related costs.

3) Rate Design and Calculations

Rates do more than simply recover costs. Within the legal framework and industry standards, properly designed rates should support and optimize a blend of various utility objectives, such as conservation, affordability for essential needs, and revenue stability, among others. Rates may also act as a public information tool in communicating these objectives to customers.

4) Rate Adoption

Rate adoption is the last step of the rate-making process. Raftelis documents the rate study results in this Study which reflect the basis upon which the rates were calculated, the rationale and justifications behind the proposed changes, and their anticipated financial impacts to ratepayers.

1.5 RESULTS AND RECOMMENDATIONS

1.5.1 Factors Affecting Revenue Adjustments

The following items affect the water system's revenue requirement (i.e., costs), thus its water rates. CCWD's expenses include Operation and Maintenance (O&M) expenses and capital expenses (including debt service).

[1] Collectively maximum day and maximum hour costs are known as peaking costs or capacity costs.

[2] System capacity is the system's ability to supply water to all delivery points at the time when demanded. Coincident peaking factors are calculated for each customer class at the time of greatest system demand. The time of greatest demand is known as peak demand. Both the operating costs and capital asset related costs incurred to accommodate the peak flows are generally allocated to each customer class based upon the class's relative demands during the peak month, day, and hour event.

- **Operating & Maintenance Expenses:** CCWD incurs costs to operate and maintain the water system including water supply costs, personnel and customer service costs, water pumping and treatment facilities costs, and technical services costs. Inflationary pressure on these expenses is generally between two and four percent per year. This is comparable to the long-term consumer price index (CPI) of approximately 2.8 percent per year.

  Water supply costs have increased substantially in the past several years as the cost of imported purchased water from the San Francisco Public Utility Commission (SFPUC) increased by 41 percent from FY 2012-2013 to FY 2016-2017.

- **Capital Funding:** CCWD requires approximately $3.6 million in annual capital expenditures to maintain the existing system at the same level of service. These capital expenditures include both capital projects and capitalized expenses. For the purpose of this Study, capital projects are expected to be fully funded by rate revenue (cash reserves). Management may elect to expedite or postpone annual Capital Improvement Projects (CIP) based on system demand, funding availability, and other conditions.

- **Reserve Funding:** CCWD has adopted reserve policies for the utility to meet cash flow needs (operating), ensure adequate funding of capital repairs and replacements (capital), and to fund certain liabilities as part of bond covenants (debt). The targeted reserve policy for the Operating Reserve is 25 percent of annual expenses to fund short term variations in operating costs and for unanticipated changes in revenues and expenses. The Operating Reserve for FY 2018-2019 is $2.09 million. The capital reserve allows the utility to award contracts and provide flexibility in the timing of projects. The defined policy for the Capital Reserve is one year of long term annual CIP or $3.63 million. The Debt Service Reserve policy is one year of debt service which is $1.14 million for the District. The total target for all reserves is approximately $6.86 million in FY 2018-2019. The District's current reserve balance is approximately $5.1 million. Modest additions in annual reserve funding will allow the District to achieve the target over a long horizon.

- **Conservation:** The recent drought, mandated water conservation, and public outreach efforts have reduced water demand within CCWD's service area and, therefore, the revenues of the utility. Customers reduced water use by approximately 20 percent when comparing FY 2016-2017 to FY 2012-2013. CCWD anticipates permanent demand reductions from behavioral changes, increased efficiencies, and permanent conservation actions and measures taken during the drought, such as the installation of water efficient appliances and landscape changes that have occurred. Total long-term demand is estimated at 1,810 acre-feet per year.

Given the factors detailed above and the FY 2018-2019 revenue requirement of $11.71 million, CCWD has proposed a revenue adjustment of 2.3 percent for FY 2018-2019 when compared to FY 2017-2018. Table 1-1 shows the proposed revenue adjustment, which is used to allocate costs to the service classes and calculate proposed rates. The revenue adjustment is proposed for implementation on July 1, 2018 with a second-year increase of 4 percent on July 1, 2019 based on the District's FY 2019-2020 budget. The assumptions used in calculating the FY 2018-2019 revenue adjustments are described in more detail in Section 2 and the rationale for the FY 2019-2020 revenue requirement is discussed in Section 7.

Table 1-1: Proposed Revenue Adjustments

Year	Revenue Requirement	Revenue Adjustment
FY 2018-2019	$11.71 Million	2.3%
FY 2019-2020	$12.18 Million	4.0%

1.5.2 *Proposed Rates and Charges*

The following subsections summarize the final rates and charges derived through the cost of service study. All rates are proposed to be implemented on July 1, 2018.

Table 1-2 shows the current and proposed meter-based fixed charges. The proposed rates are applicable to all metered users. The rates for the current and proposed fixed charge are calculated on the basis of a property's meter size. The proposed FY 2018-2019 rates account for the revenue adjustment found in Table 1-1.

Table 1-2: Current and Proposed Rates for Bi-Monthly Base Charges ($/Meter Size)

Meter Size	Proposed Base Charge	Current Base Charge	$ Difference	% Difference
5/8"	$55.55	$52.20	$3.35	6%
3/4"	$82.09	$78.45	$3.64	5%
1"	$135.18	$130.76	$4.42	3%
1-1/2"	$267.90	$252.52	$15.38	6%
2"	$427.16	$418.48	$8.68	2%
3"	$931.48	$915.50	$15.98	2%
4"	$1,674.70	$3,139.22	($1,464.52)	-47%

Table 1-3 shows the current and proposed charges for private fire service customers. The proposed rates are applicable to all users with private fire service. The rates for the current and proposed fire service charge are calculated on the basis of the diameter of the fireline serving a property. The proposed FY 2018-2019 rates are inclusive of the revenue adjustment found in Table 1-1.

Table 1-3: Current and Proposed Rates for Bi-Monthly Private Fire Service Charges ($/Line Size)

Fireline Size	Proposed Fire Service Charge	Current Fire Service Charge	$ Difference	% Difference
3/4"	$9.31	$8.57	$0.74	9%
1"	$12.42	$11.43	$0.99	9%
1-1/2"	$18.62	$17.15	$1.48	9%
2"	$24.83	$22.86	$1.97	9%
3"	$37.24	$34.29	$2.95	9%
4"	$49.65	$45.72	$3.93	9%
5”	$62.07	$57.15	$4.92	9%
6"	$74.48	$68.58	$5.90	9%
8"	$99.30	$91.44	$7.86	9%
10"	$124.13	$114.30	$9.83	9%

Table 1-4 shows the current and proposed water rates (commodity charges) for all customers. The rates for the current and proposed commodity charges are calculated on the basis of customer class and tier and are expressed in dollars per hundred cubic feet ($/hcf).

Raftelis recommends certain rate structure changes to better reflect similarities and differences across customer classes as well as usage characteristics within customer classes. In addition to the class rate structure modifications, Raftelis recommends new tier definitions as shown in Table 1-4. Changes to the existing customer classes and tier definition modifications are discussed in detail in Section 5. The proposed FY 2018-2019 rates are inclusive of the revenue adjustment found in Table 1-1.

Table 1-4: Current and Proposed Rates for the Water Commodity Charges ($/hcf)

Customer Class & Tier	Proposed Tier Definition	Current Tier Definition	Proposed Rate	Current Rate
SFR				
Tier 1	0-8	0-4	$8.83	$9.65
Tier 2	9-16	5-16	$12.92	$10.77
Tier 3	>16	17-30	$15.63	$13.89
Tier 4		>30	N/A	$18.41
MFR	Uniform	N/A	$11.77	$11.88
All Other Customers	Uniform	Uniform	$12.55	$11.88

Together, the components of the proposed water service charges are structured to recover the proportionate costs of providing water service to each customer class and each connection within the service area.

2. DISTRICT BUDGET

The Study year is Fiscal Year (FY) 2018-2019[3], with proposed revenue adjustments and rates presented for the same year. CCWD staff provided Raftelis with budgeted FY 2018-2019 operating expenditures and estimated capital and reserve contribution (net cash). The combination of the two becomes the total revenue required to operate and maintain the utility at the existing level of service. For FY 2018-2019 the operating requirement is $8.19 million. The capital requirement is $3.52 million[4]. The total revenue required from rates is $11.71 million and is summarized in Table 2-1. The revenue requirement is discussed in detail in Table 4-1 in Section 4: Cost of Service Analysis.

Table 2-1: FY 2018-2019 Proposed Budget

REVENUE REQUIREMENTS	FY 2018-2019 BUDGET
REVENUES	
Operating Revenues	
Water Sales	$11,450,000
Total Operating Revenues	***$11,450,000***
Non-Operating Revenues	
Hydrant Sales	$50,000
Late Penalty	$60,000
Service Connections	$10,000
Interest Earned	$6,236
Property Taxes	$725,000
Miscellaneous	$25,000
Cell Site Lease Income	$165,000
ERAF Refund	$325,000
Total Non-Operating Revenues	**$1,366,236**
TOTAL REVENUES	**$12,816,236**
OPERATING EXPENDITURES	
Water Purchased	$1,900,998
Electrical Exp. Nunes WTP	$42,697
Electrical Expenses, CSP	$337,080
Electrical Expenses/Trans. & Dist.	$26,966
Elec Exp/Pilarcitos Cyn	$39,248
Electrical Exp., Denn	$130,000
CSP - Operation	$10,700
CSP - Maintenance	$37,000
Nunes WTP Oper	$77,850
Nunes WTP Maint	$122,500

[3] CCWD's fiscal year is July 1 through June 30.

[4] The capital requirement includes $3.62 million in long term annual CIP repair and replacement and use of $100,000 in reserves in FY 2018-2019.

Denn. WTP Oper.	$47,000
Denn WTP Maint	$101,850
Laboratory Expenses	$71,450
Maintenance Expenses	$291,700
Maintenance, Wells	$40,000
Uniforms	$12,500
Studies/Surveys/Consulting	$160,000
Water Resources	$25,200
Community Outreach	$54,700
Legal	$100,000
Engineering	$60,000
Financial Services	$20,000
Computer Services	$163,600
Salaries, Admin.	$1,133,881
Salaries - Field	$1,400,505
Payroll Taxes	$177,733
Employee Medical Insurance	$444,246
Retiree Medical Insurance	$50,659
Employee Retirement	$598,859
SIP 401a Plan	$35,000
Motor Vehicle Exp.	$60,000
Office & Billing Expenses	$261,600
Meetings/Training/Seminars	$26,000
Insurance	$129,000
Memberships & Subscriptions	$75,970
Election Expense	$25,000
Union Expenses	$6,000
County Fees	$20,000
State Fees	$36,500
TOTAL OPERATING EXPENDITURES	**$8,353,991**
REVENUES LESS OPERATING EXPENSES	**$4,462,245**
DEBT SERVICE	
Existing Bonds - 2006B	$486,383
Existing Bond-CIEDB 11-099	$336,126
CIEDB 16-111	$324,235
TOTAL DEBT SERVICE	**$1,146,744**
Net Revenue to CIP & Reserves Contribution	**$3,315,501**

3. PROJECTED WATER DEMAND AND ACCOUNT INFORMATION

FY 2018-2019 is the baseline consumption year within the cost of service and rate model using billed water consumption for FY 2016-2017. Table 3-1 through Table 3-3 shows the total number of connections and water demand. Total potable water demand is assumed to increase by seven and a half percent relative to FY 2016-2017, based on District staff estimates.

Table 3-1 shows the count of meters by meter size. The overwhelming majority of customers are Single Family Residential (SFR) and the most common meter size is 5/8". The District has 6,439 active meters subject to the bi-monthly base charge[5]. No growth in meters or customer accounts is assumed.

Table 3-1: FY 2018-2019 Potable Meter Count

Meter Size	Total by Meter Size
5/8"	6,000
3/4"	194
1"	175
1-1/2"	28
2"	34
3"	5
4"	3
Total	**6,439**

Table 3-2 shows the firelines and sizes subject to private fire service charges. The vast majority of firelines are 1" in diameter. The District has 995 firelines subject to charges. No growth in fireline accounts is assumed.

Table 3-2: FY 2018-2019 Private Fireline Count

Fireline Size	Total by Fireline Size
3/4"	10
1"	658
1-1/2"	49
2"	82
3"	4
4"	123
5"	0
6"	55
8"	13
10"	1
Total	**995**

Table 3-3 shows estimated water demand for FY 2018-2019, by customer class. FY 2016-2017 actual water sales are increased by seven and a half percent to arrive at staff's estimated FY 2018-2019

[5] Certain customers are billed by the District monthly instead of bi-monthly

water sales. Total estimated water deliveries in FY 2018-2019 are 788,525 hundred cubic feet (hcf) or 1,810 acre-feet (AF). FY 2018-2019 represents the estimate for long term baseline demand. The totals do not account for system water loss, which is discussed in Section 6.

Table 3-3: Annual Water Demand by Proposed Rate Class

Delivery	Water Sales FY 2016-2017 (Actual) hcf	Water Demand Factor	Water Sales FY 2018-2019 (Estimated) hcf	Water Sales FY 2018-2019 (Estimated) AF
Single Family Residential (SFR)	386,887	107.5%	415,904	955
Multi-Family Residential (MFR)	40,919	107.5%	43,988	101
All Other Customers	305,706	107.5%	328,634	754
Total	**733,512**		**788,525**	**1,810**

4. COST OF SERVICE ANALYSIS

4.1 METHODOLOGY

The principles and methodology of a cost of service analysis were described in Section 1.4 and are summarized in this sub-section. The annual cost of providing water service is distributed among customer classes commensurate with their service requirements. A COS analysis involves the following:

1. Functionalize costs. Examples of functions are supply, treatment, transmission, distribution, storage, meter servicing, and customer billing and collection.
2. Allocate functionalized costs to cost components. Cost components include variable supply, base delivery, maximum day, maximum hour, conservation, public fire protection, meter service, and customer servicing and billing costs.
3. Develop unit costs for each cost component using appropriate units of service for each component.
4. Distribute the cost components. Distribute cost components, using unit costs, to customer classes in proportion to their demands and burdens on the water system. This is described in the M1 Manual published by AWWA.

A COS analysis considers both the average quantity of water consumed (base costs) and the peak rate at which it is consumed (peaking or capacity costs as identified by maximum day and maximum hour demands). Peaking costs are costs that are incurred during peak times of consumption. There are additional costs associated with designing, constructing, and operating and maintaining facilities to meet peak demands. These peak demand costs need to be allocated to those customers whose water usage patterns generate additional costs for the utility. In other words, not all customer classes and not all customers share the same responsibility for peaking related costs.

The functionalization of costs allows us to better allocate to the **cost causation components** (plainly, cost components). Organizing the costs in terms of end function allows direct correlation between the cost component and the rate, coupling the cost incurred by the utility to the demand and burden that the customer places on the utility's system and/or water resources. The costs incurred are generally responsive to the specific service requirements or cost drivers imposed on the system and its water resources by its customers. The **functions** (i.e., cost categories) for the cost of service analysis include:

1. Water Supply
2. Reservoir
3. Pumping
4. Transmission
5. Treatment
6. Distribution
7. Meters
8. Hydrants
9. Conservation
10. Operations, Meters, and Customer[6]

[6] This function reflects the specific accounting of District cost categories which include personnel and costs related to water operations, meter maintenance, and customer service duties.

11. General

The functionalized costs are then allocated to the **cost causation components** which become the rate components in Section 6.[7] The cost components include:

1. **Supply** costs are related to the production of local raw water and purchase of imported raw water supplies. As explained in previous sections, CCWD acquires water from two primary sources of supply, local and imported.
2. **Base** (average) costs vary with the total quantity of water used within the water system under average conditions. These costs may include treatment, transmission and distribution facilities, storage costs, and capital costs associated with serving customers at a constant, or average, annual rate of use. Base costs are, therefore, spread over all units of water equally.
3. **Peaking** (maximum day and maximum hour) costs are divided into maximum day and maximum hour demand. The maximum day demand is the maximum amount of water used in a single day in a year. The maximum hour demand is the maximum usage in an hour on the maximum usage day. Different facilities, such as distribution and storage facilities, and the capital and O&M costs associated with those facilities, are designed to meet the peak demands placed on the system by customers. Therefore, extra capacity costs include the O&M and capital costs associated with meeting peak customer demand in excess of average annual rate of use, or base use, requirements.
4. **Meter Service** costs include maintenance and capital costs related to meters and associated services.
5. **Customer** costs are directly associated with serving customers, irrespective of the amount of water used, and generally include meter reading, bill generation, accounting, customer service, and collection expenses.
6. **Fire Protection** are costs of providing public and private fire protection service. They include both direct and indirect capital and maintenance costs for fire hydrants and private fire connections, as well as indirect costs for source of supply, treatment, transmission, and distribution of water as these facilities and infrastructure must be upsized to meet fire flow demand.
7. **Conservation** costs include all costs of funding, administering, and executing water conservation and efficiency related programs and services, as well as development of alternative and/or supplemental water supplies.
8. **General** and administrative costs are incurred in operating and maintaining the water system not otherwise recovered in the other functionalized cost components. These costs are distributed to the other cost components in proportion to the cost responsibility of the other components.

This method of functionalizing costs is consistent with the AWWA M1 Manual and is widely used in the water industry to perform cost of service analyses.

4.2 REVENUE REQUIREMENT

Table 4-1 shows the FY 2018-2019 revenue requirement of $11,710,499. The total represents all O&M and capital revenue requirements. O&M expenses include costs directly related to the supply, treatment, and distribution of water, as well as routine maintenance of system facilities. To arrive at the rate revenue requirement, we subtract revenue offsets (non-rate revenues) and adjustment for

[7] This Study uses the Base-Extra Capacity methodology set forth in the M1 Manual for functionalizing and allocating costs.

annual net cash balances which fund R&R capital and District reserves. The result is the total revenue required from rates. This total is the amount that meter base charges, private fire service charges, and commodity rates are designed to collect.

Table 4-1: FY 2018-2019 Revenue Required from Rates

Revenue Requirements	Operating	Capital	Total
Operating Expenses	$8,353,991		$8,353,991
Debt Service		$1,146,744	$1,146,744
Sub-total Revenue Requirements	**$8,353,991**	**$1,146,744**	**$9,500,735**
Rate Revenue Offsets			
Property Taxes		$725,000	$725,000
Cell Site Lease Income	$165,000		$165,000
Other Non-Rate Revenue		$426,236	$426,236
Total Rate Revenue Offsets	**$165,000**	**$1,151,236**	**$1,316,236**
Adjustments			
Annual Capital Funding		$3,626,000	$3,626,000
Annual Reserve Funding[8]		($100,000)	($100,000)
Total Adjustments	**$0**	**$3,526,000**	**$3,726,000**
COS to be Recovered from Water Rates	**$8,188,991**	**$3,521,508**	**$11,710,499**

4.1 FUNCTIONALIZATION OF O&M EXPENSES

Table 4-2 shows the functionalization of CCWD O&M expenses for the rate setting year, FY 2018-2019. Functionalizing O&M expenses allows Raftelis to follow the principles of rate setting theory in which the goal is to allocate the O&M expenses to cost causation components. The totals by function are presented in Table 4-2.

Table 4-2: Functionalization of O&M Expenses

Cost Category	O&M Expenses by Function ($)
Supply	$2,238,078
Pumping	$169,247
Transmission	$74,666
Treatment	$503,347
Distribution	$424,200
Conservation	$79,900
Ops/Meters/Customer	$1,133,881
General	$3,730,672
Total	**$8,353,991**

[8] The District anticipates drawing upon $100,000 in reserves in FY 2018-2019 to help fund capital during the fiscal year. Annual Reserve Funding is, therefore, shown as a negative number.

4.2 ALLOCATION OF FUNCTIONALIZED EXPENSES TO COST COMPONENTS

After functionalizing expenses, the next step is to allocate the functionalized expenses to cost components. To do so, we must identify system-wide peaking factors. The system-wide factors for base and max day were calculated using CCWD daily water production records. Daily production record values and ratios are shown in Table 4-3. The ratio in the column furthest right is the maximum day production in million gallons per day (mgd) divided by the average production in million gallons per day.

Table 4-3: Water Production Factors

	Max Day (mgd)	Avg Day (mgd)	Min Day (mgd)	Max Day/ Avg Day
FY 2016	2.28	1.54	0.79	1.49
FY 2017	2.64	1.51	0.77	1.75
Average	**2.46**	**1.52**	**0.78**	**1.62**

Calculated water system peaking factors are shown in column B of Table 4-4. The system-wide peaking factors are used to derive the cost causation component allocation bases (i.e., percentages) shown in columns C, D, and E of Table 4-4. Line 1 "Base" represents the average day demand throughout the year and is, therefore, a factor of 1.00. Line 2 "Max day" is the ratio of maximum day demand (calculated in Table 4-3) to base demand or 1.62. The incremental responsibility due to max day is therefore 0.62 (1.62-1.00)/1.62) or 38 percent. Similarly, Line 3, "max hour" is the ratio of maximum hour demand, on the maximum day, to base demand. In the absence of hourly data, we rely on industry standards for similarly sized systems of 1.66 times the max day demand. The max hour factor is, therefore, 1.66 X 1.62 or 2.68. 1.00 out of 2.68 of the max hour factor is attributable to base demand (1.00/2.68 or 37 percent) and 0.62 out of 2.68 or 23 percent is attributable to max day. The remainder ((2.68-1.62)/2.68 or 1.06) represents the incremental amount attributable to max hour (1.06/2.68 or 40 percent). These factors indicate how much additional capacity is required to meet demand above average daily use. As demand, and therefore capacity, increases, so must the sizing of facilities and pipelines, which incur greater costs to construct, maintain, and replace. Functionalized expenses are then allocated to the cost components using these bases. To understand the interpretation of the percentages shown in columns C through E we must first establish the base use as the average daily demand during the year.

These allocation bases are used to assign certain functionalized costs to the cost causation components including reservoir, transmission, treatment, distribution, and Ops/Meters/Customer functions.

Table 4-4: System-Wide Peaking Factors

		System Wide Factors	Base	Max Day	Max Hour
	A	B	C	D	E
1	Base	1.00	100%		
2	Max Day	1.62[9]	62%	38%	
3	Max Hour	2.68[10]	37%	23%	40%

Table 4-5 shows the allocation basis for CCWD O&M costs. The top row of Table 4-5 shows the cost causation components and the leftmost column shows the cost functions. For example, transmission related costs are allocated 62 percent to base and 38 percent to max day (allocation based upon the max day calculation in Table 4-4). This means that 62 percent of transmission costs are due to meeting base customer demands and 38 percent of costs are due to meeting max day demands.

[9] Max Day to Average Day from Table 4-3

[10] Max Hour factor is estimated using the calculated Max Day factor multiplied by an industry standard of 1.66. 1.66 represents the increase in demand on the maximum day during the maximum hour

Table 4-5: Allocation of Functionalized O&M Expenses to Cost Causation Components

Function	FY 2018-2019	Supply	Base	Max Day	Max Hour	Fire Protection	Meters	Customer	Conservation	General
Supply	$2,238,078	100%								
Pumping	$169,247	100%								
Transmission	$74,666		62%	38%						
Treatment	$503,347		62%	38%						
Distribution	$424,200		31%	19%	33%	18%				
Conservation	$79,900								100%	
Ops/Meters/Customer	$1,133,881		35.3%	21.8%	37.7%			5.2%		
General	$3,730,672									100%
Total	**$8,353,991**	**$2,407,325**	**$887,686**	**$547,696**	**$565,863**	**$76,356**	**$0**	**$58,493**	**$79,900**	**$3,730,672**

4.1 ALLOCATION OF FUNCTIONALIZED EXPENSES TO COST COMPONENTS

A similar allocation is performed for the District's capitalized assets. Capital costs are allocated based on the asset base of the system in recognition that assets need to be replaced over time. Correspondingly, capital expenses over time should correlate to the asset base. This ensures that the allocations to the cost causation components, and ultimately the rates, remain relatively stable over time. Table 4-6 shows the functionalized assets allocated to the cost components in both dollar and percentage terms.

Table 4-6: Allocation of Functionalized Asset Valuation to Cost Causation Components

Function	Value ($)	Supply	Base	Max Day	Max Hour	Fire Protection	Meters	General
Supply	$1,269,937	100%	0%	0%	0%	0%	0%	0%
Treatment	$11,642,869	0%	62%	38%	0%	0%	0%	0%
Reservoir	$4,475,361	0%	51%	31%	0%	18%	0%	0%
Distribution	$20,200,260	0%	31%	19%	33%	18%	0%	0%
Transmission	$10,895,890	0%	62%	38%	0%	0%	0%	0%
Meters	$865,783	0%	0%	0%	0%	0%	100%	0%
General	$1,685,904	0%	0%	0%	0%	0%	0%	100%
Wells	$246,949	100%	0%	0%	0%	0%	0%	0%
Fire	$390,647	0%	0%	0%	0%	100%	0%	0%
Total ($)	**$51,673,601**	**$1,516,886**	**$22,379,195**	**$13,807,803**	**$6,585,772**	**$4,832,259**	**$865,783**	**$1,685,904**
Total (%)		2.9%	43.3%	26.7%	12.7%	9.4%	1.7%	3.3%

4.1 PRELIMINARY COST ALLOCATION OF REVENUE REQUIREMENT

Table 4-7 shows the revenue requirement, by cost component, before adjustments for public fire protection and capacity costs (discussed further in the next sub-section). The operating expenses come directly from the allocation in Table 4-5. The capital expense allocation uses the capital revenue requirement[11] from Table 4-1 and the percentages from the bottom of Table 4-6. General costs are distributed to the cost causation components on a pro rata basis.

Table 4-7: Preliminary Revenue Requirement by Cost Component

Cost of Service	Supply	Base	Max Day	Max Hour	Fire Protection	Meters	Customer	Conservation	General	Revenue Offsets	Total
Operating Expenses	$2,407,325	$887,686	$547,696	$565,863	$76,356	$0	$58,493	$79,900	$3,730,672		$8,353,991
Capital Expenses	$124,657	$1,839,110	$1,134,718	$541,215	$397,112	$71,150	$0	$0	$138,547		$4,246,508
Revenue Offsets	$0	$0	$0	$0	$0	$0	$0	$0	$0	($890,000)	($890,000)
Sub-total Cost of Service	**$2,531,982**	**$2,726,796**	**$1,682,413**	**$1,107,078**	**$473,468**	**$71,150**	**$58,493**	**$79,900**	**$3,869,219**	**($890,000)**	**$11,710,499**
Allocation of General Cost		$1,701,897	$1,050,059	$690,970	$295,510	$44,407	$36,507	$49,869	($3,869,219)		$0
Allocated Cost of Service	**$2,531,982**	**$4,428,693**	**$2,732,472**	**$1,798,048**	**$768,978**	**$115,557**	**$95,000**	**$129,769**	**$0**	**($890,000)**	**$11,710,499**

4.2 REVENUE RECOVERY BY COST COMPONENTS

The cost components are recovered from customers through fixed bi-monthly base service charges and variable volumetric commodity charges. Table 4-8 shows the total revenue requirement, calculated in Table 4-1, to be collected through rates in the second column from

[11] The capital revenue requirement in Table 4-1 is reduced by the amount of property taxes ($725,000), which is added back to Table 4-7 to show the gross capital requirement. The property tax and cell site lease income from Table 4-1 ($165,000) represent the revenue offset in Table 4-7 and are shown as their own cost component.

the left (and transposed from the bottom of Table 4-7). While Table 4-8 shows the allocation to rate components in percentage terms, Table 4-9 shows the allocation in dollars. The sum of all rate components under the blue header represents the revenue required from commodity charges. The sum of all rate components under the orange header represents the revenue required from service charges. Max day and max hour capacity cost recovery is split between the variable components (max day and max hour columns) and the fixed charge components (meter column) to balance between affordability and revenue stability. Service Charge components include the two fixed charge components, meter and customer, as well as the private fire protection costs. In total, commodity charge revenue represents 78.1 percent of the total revenue requirement, while bi-monthly service charges and private fire service charges account for the remaining 21.9 percent. This proposed revenue split reduces the revenue recovery from fixed charges relative to current rates. The District currently recovers approximately 22.5 percent of revenue from fixed charges.

Table 4-8: Cost Recovery, Cost Components (Percentage)

Cost Components	FY 2018-2019	Commodity Rate Components (78.1%)						Service Charge Components (21.9%)		
	Revenue Requirement	Supply	Base Delivery	Max Day	Max Hour	Conservation	Rev Offsets	Meters	Customer	Fire Protection
Supply	$2,531,982	100%								
Base Delivery	$4,428,693		100%							
Max Day	$2,732,472			65%				35%		
Max Hour	$1,798,048				65%			35%		
Fire Protection	$768,978									100%
Meters	$115,557							$100		
Customer	$95,000								100%	
Conservation	$129,769					100%				
Rev. Offsets	($890,000)						100%			
Total	**$11,710,499**	**$2,531,982**	**$4,428,693**	**$1,776,107**	**$1,168,731**	**$129,769**	**($890,000)**	**$1,701,239**	**$95,000**	**$768,978**

Table 4-9: Cost Recovery, Cost Components (Values)

Cost Components	FY 2018-2019	Commodity Rate Components (78.1%)						Service Charge Components (21.9%)		
	Revenue Requirement	Supply	Base Delivery	Max Day	Max Hour	Conservation	Rev Offsets	Meters	Customer	Fire Protection
Supply	$2,531,982	$2,531,982								
Base Delivery	$4,428,693		$4,428,693							
Max Day	$2,732,472			$1,776,107				$956,365		
Max Hour	$1,798,048				$1,168,731			$629,317		
Fire Protection	$768,978									$768,978
Meters	$115,557							$115,557		
Customer	$95,000								$95,000	
Conservation	$129,769					$129,769				
Rev. Offsets	($890,000)						($890,000)			
Total	**$11,710,499**	**$2,531,982**	**$4,428,693**	**$1,776,107**	**$1,168,731**	**$129,769**	**($890,000)**	**$1,701,239**	**$95,000**	**$768,978**

4.1 ALLOCATION OF FIRE PROTECTION COSTS – PUBLIC VERSUS PRIVATE

Water systems provide two types of fire protection: public fire protection for firefighting, which is generally visible as hydrants on a street, and private fire protection which provides fire flow to building and other structure sprinkler systems for fire suppression within private improvements. To determine the share of total fire costs responsible to each, Raftelis performs an analysis of the public hydrants and private firelines. Table 4-10 shows the steps of allocating costs between public and private. Each connection size has a fire flow demand factor similar to a hydraulic capacity factor of potable meters. The diameter of the connection is raised to the 2.63 power to determine the fire flow demand factor. The count of connections of a specific size is multiplied by the fire flow demand factor to derive total equivalent connections. Total fire costs of $768,978 are allocated based on the percentage share of total equivalent fire connections between public and private. From the analysis it is determined that 82 percent of fire costs relate to public fire and will be included and recovered on the bi-monthly fixed charges. The remaining 18 percent is attributable to private fire and will be recovered through private fire protection charges.

Table 4-10: Fire Analysis

Connection Size	Demand Factor	Unit Counts	Equivalent Connections	Percent Allocation	Fire Protection Costs	Fire Exponent
					$768,978	**2.63**
Public Hydrants						
2.5"	11.1					
4"	38.3					
6"	111.3	647	72,018			
10"	426.6					
Total Public Hydrants		**647**	**72,018**	82%	**$631,127**	
(Private Fire Lines)						
3/4"	0.47	10	5			
1"	1	658	658			
1 1/2"	3	49	142			
2"	6	82	508			
3"	18	4	72			
4"	38	123	4,713			
5"	69					
6"	111	55	6,122			
8"	237	13	3,084			
10"	427	1	427			
Total Private Lines		**995**	**15,730**	18%	**$137,851**	
Total Fire Connections		**1,642**	**87,748**	100%	**$768,978**	

4.1 FINAL COST ALLOCATION OF REVENUE REQUIREMENT

The total revenue recoverable from each cost causation component through water rates is shown in Table 4-11 using the revenue requirement from Table 4-1, the O&M and asset allocations in Table 4-5 and Table 4-6, the capacity cost recovery adjustment in Table 4-8 and Table 4-9, and the fire cost analysis in Table 4-10. Public fire protection costs are reallocated to the meter component, along with a portion of the max day and max hour peaking costs.

Table 4-11: Revenue Requirement by Cost Component

Cost of Service	Supply	Base	Max Day	Max Hour	Fire Protection	Meters	Customer	Conservation	General	Revenue Offsets	Total
Operating Expenses	$2,407,325	$887,686	$547,696	$565,863	$76,356	$0	$58,493	$79,900	$3,730,672		$8,353,991
Capital Expenses	$124,657	$1,839,110	$1,134,718	$541,215	$397,112	$71,150	$0	$0	$138,547		$4,246,508
Revenue Offsets	$0	$0	$0	$0	$0	$0	$0	$0	$0	($890,000)	($890,000)
Sub-total Cost of Service	**$2,531,982**	**$2,726,796**	**$1,682,413**	**$1,107,078**	**$473,468**	**$71,150**	**$58,493**	**$79,900**	**$3,869,219**	**($890,000)**	**$11,710,499**
Allocation of General Cost		$1,701,897	$1,050,059	$690,970	$295,510	$44,407	$36,507	$49,869	($3,869,219)		$0
Allocated Cost of Service	**$2,531,982**	**$4,428,693**	**$2,732,472**	**$1,798,048**	**$768,978**	**$115,557**	**$95,000**	**$129,769**	**$0**	**($890,000)**	**$11,710,499**
Re-allocation of Public Fire					**($631,127)**	**$631,127**					
Reallocation of Capacity Components			**($956,365)**	**($629,317)**		**$1,585,682**					
Adjusted Cost of Service	**$2,531,982**	**$4,428,693**	**$1,776,107**	**$1,168,731**	**$137,851**	**$2,332,366**	**$95,000**	**$129,769**	**$0**	**($890,000)**	**$11,710,499**

4.2 UNIT COST COMPONENT DERIVATION

The end goal of a cost of service analysis is to proportionately distribute the cost components to each user class and tier. To do so, we must first calculate the cost component unit costs, which starts by assessing the total water demanded (or equivalent service units) for each cost component. Projected usage (base units of service) for FY 2018-2019 is shown in Table 4-12. Demand is detailed by proposed rate class.

Table 4-12: FY 2018-2019 Projected Water Usage by Class

Class	hcf/year
SFR	415,904
MFR	43,988
All Other Customers	328,634
Total	**788,525**

Second, peaking factors are established for the maximum day and maximum hour requirements, which become the basis for the peaking unit rate differentials developed in Section 6.

Analyzing usage characteristics gives a better understanding of how the peaking costs should be allocated. In the absence of maximum day data, the maximum billing period values are used. Since peaking costs are proportional to the peaking experienced by each tier, the relative values are more important than the actual values. Therefore, max billing period data derived from the usage patterns are a good proxy for the max day factors. The max day factor is equal to the max month factor. Similarly, since max hour factors are not available, we use the District's system wide max hour factor to approximate the max hour factor.

Table 4-13 shows the calculation of cost component units for average (daily) demand, max day demand, and max hour demand, for each class.

Daily use is calculated as annual use divided by 365 days. For example, SFR is estimated to use 415,904 hcf annually, or 1,139 hcf daily. The max day demand is then calculated as the daily demand multiplied by the max day factor (1,139 X 1.97). However, we must subtract the anticipated daily usage (1,139) from the max day usage (2,247) to calculate the incremental max day units of service (1,108). Max hour units of service are calculated similarly and the same calculations are completed for the MFR and All Other Customers classes.

Table 4-13: Derivation of Cost Component Units of Service

Tier	Annual Usage (hcf)	Daily Usage (hcf)	Max Day Factor	Max Day Demand (hcf)	Max Day Units (hcf)	Max Hour Factor	Max Hour Demand (hcf)	Max Hour Units (hcf)
SFR	415,904	1,139	1.97	2,247	1,108	3.27	3,730	1,483
MFR	43,988	121	1.73	209	88	2.88	347	138
All Other Customers	328,634	900	2.06	1,851	950	3.41	3,072	1,221
Total	**788,525**	**2,160**		**4,307**	**2,146**		**7,149**	**2,842**

Table 4-14 shows the total equivalent meters (discussed in detail in Section 6.2) and annual number of bills issued (also discussed in Section 6.2). Table 4-15 shows the total equivalent fireline connections (further discussed in Section 6.3.) These totals are used as the denominator in developing unit costs for the rate components of the bi-monthly base charges and private fire service charges.

Table 4-14: Derivation of Equivalent Meters

Meter Size	Meter Count	Hydraulic Capacity Factor	Equivalent Meters	Annual Bills
5/8"	6,000	1.00	6,000	36,000
3/4"	194	1.50	291	1,164
1"	175	2.50	438	1,050
1.5"	28	5.00	140	168
2"	34	8.00	272	204
3"	5	17.50	88	30
4”	3	31.50	95	18
Total	**6,439**		**7,323**	**38,634**

Table 4-15: Derivation of Equivalent Firelines

Fireline Size	Fireline Count	Inch-Diameter Demand Factor	Equivalent Firelines
3/4"	10	0.75	8
1"	658	1.00	658
1 1/2"	49	1.50	74
2"	82	2.00	164
3"	4	3.00	12
4"	123	4.00	492
5"	-	5.00	-
6"	55	6.00	330
8"	13	8.00	104
10"	1	10.00	10
Total	**995**		**1,851**

Utilizing the adjusted cost of service at the bottom of Table 4-11 as the numerator and Table 4-13, Table 4-14, and Table 4-15 as the denominators allows us to derive unit costs of service in Table 4-16. The total cost of service is divided by the respective units of service to calculate the unit cost of each cost component. For example, the unit cost for the base component is determined by dividing the total base cost ($4,428,693) by total water use (788,525 hcf) to derive a base unit cost of $5.62. Max day and max hour costs are divided by the total max day and max hour requirements to determine a unit rate in hcf/day. Meter costs are divided by total meter equivalencies from Table 4-14 to determine a cost per equivalent meter and annual customer costs are divided by the estimated number of annual bi-monthly bills, also from Table 4-14. Fire protection costs are divided by total fire equivalencies from Table 4-15 to determine a cost per inch of fireline. The unit costs are used to distribute the cost components to the meter classes and commodity classes and tiers.

Table 4-16: Cost Causation Component Unit Cost Calculation

Cost of Service	Supply	Base Delivery	Max Day	Max Hour	Fire Protection	Meters	Customer	Conserv -ation	Revenue Offsets	Total
Cost of Service	$2,531,982	$4,428,693	$1,776,107	$1,168,731	$137,851	$2,332,366	$95,000	$129,769	($890,000)	$11,710,499
Unit of Measure	hcf	hcf	hcf/day	hcf/day	Equivalent Firelines	Equivalent Meters	Number of Bills	hcf	hcf	
Units of Service	788,525	788,525	2,146	2,842	1,851	7,323	38,634	788,525	788,525	
Unit Cost	**$3.21**	**$5.62**	**$827.56**	**$411.19**	**$12.41**	**$53.09**	**$2.46**	**$0.16**	**($1.13)**	

4.3 DISTRIBUTION OF COST COMPONENTS TO CUSTOMER CLASSES

The final step in a cost of service analysis is to distribute the cost components to the customer classes using the unit costs derived in Table 4-16. This is the end goal of a cost of service analysis and yields the cost to serve each class. Table 4-17 shows the derivation of the cost to serve (i.e., cost of service) for each class. The cost components from Supply through Revenue Offsets are collected through the commodity (volumetric) charges ($/hcf). Fire Protection, Meters, and Customer components are collected through the District's bi-monthly base service and private fire service charges.

To derive the cost to serve each class, the unit costs from Table 4-16 are multiplied by the respective units of service for each class. For example, the base costs for the Single Family Residential (SFR) class are calculated by multiplying the base unit cost ($5.62) by the annual SFR use (415,904 hcf) to arrive at a total of $2,335,891. Similar calculations for each of the remaining user classes and cost components yield the total cost to serve each user class shown in the furthest right column of Table 4-17. Note that the total cost of service is equal to the revenue requirement in Table 4-1 as intended. With the cost to serve each user class calculated we can proceed to derive rates to collect the cost to serve each commodity class, tier, and meter size.

Table 4-17: Derivation of the Cost to Serve Each Class

Customer Class	Supply	Base	Max Day	Max Hour	Conservation	Revenue Offsets	Fire Protection	Meters	Customer	Total
SFR	$1,335,480	$2,335,891	$916,662	$609,838	$68,446	($469,426)				$4,796,891
MFR	$141,247	$247,055	$73,007	$56,647	$7,239	($49,649)				$475,546
All Other Customers	$1,055,255	$1,845,748	$786,438	$502,246	$54,084	($370,926)				$3,872,845
Meters								$2,332,366	$95,000	$2,427,366
Private Fire							$137,851			$137,851
Total	**$2,531,982**	**$4,428,693**	**$1,776,107**	**$1,168,731**	**$129,769**	**($890,000)**	**$137,851**	**$2,332,366**	**$95,000**	**$11,710,499**

5. RATE STRUCTURE DEFINITIONS AND PROPOSED REVISIONS

CCWD has an inclining tier rate structure for residential users (SFR and some MFR) and a uniform rate for all other users[12]. The most recent update to these rate structures occurred with the last Cost of Service Study in May 2015. Existing rates and charges were implemented July 1, 2017.

5.1 EXISTING RATE STRUCTURE AND RATES

CCWD water service charges have two components for most customers – a fixed bi-monthly base meter service charge and a volumetric charge (water use). Some customers requiring fire protection have a third charge related to private firelines serviced by CCWD. The bi-monthly fixed charge and private fire service charge increases with meter size or fireline size as larger meters/fire conduits consume more water on average and tend to have higher rates of peaking (required for instantaneous demand in terms of irrigation of firefighting); therefore, the costs to provide service to these customers are higher.

A typical single family home with a 5/8" meter has a bi-monthly fixed charge of $52.20. CCWD has a different bi-monthly base charge for certain Multi-Family Residential (MFR) customers with two dwelling units. Current base meter charges are shown in Table 5-1. Current private fire service charges are shown in Table 5-2.

Table 5-1: Existing Bi-Monthly Base Charges

Meter Size	Fixed Charge
5/8"	$52.20
3/4"	$78.45
1"	$130.76
1-1/2"	$252.52
2"	$418.48
3"	$915.50
4"	$3,139.22
5/8" MFR	$104.39
3/4" MFR	$156.89

[12] Multi-Family residential accounts are billed on either the tiered residential structure or the uniform "all other customer" structure dependent on the type of multi-family customer and meter type serving the connection.

Table 5-2: Existing Bi-Monthly Private Fire Service Charges

Fireline Size	Fixed Charge
3/4"	$8.57
1"	$11.43
1-1/2"	$17.15
2"	$22.86
3"	$34.29
4"	$45.72
5”	$57.15
6"	$68.58
8"	$91.44
10"	$114.30

The volumetric component of a customer’s water charge is the number of units delivered in one hundred cubic feet, or “hcf”, multiplied by rates that vary by customer class and tier. Single Family Residential (SFR) refers to stand alone houses with a single dwelling unit. MFR refers to residential housing with two or more dwelling units, such as duplexes, triplexes, certain condominiums, and apartment complexes.

Table 5-3: Existing Commodity Rates and Tiers

Current Commodity Rates	Definition (hcf)	Rate ($/hcf)
Residential		
Tier 1	0-4	$9.65
Tier 2	5-16	$10.77
Tier 3	17-30	$13.89
Tier 4	31+	$18.41
All Other Customer Classes	N/A	$11.88

5.2 PROPOSED CHANGES TO RATE STRUCTURES

Raftelis has identified several recommendations for the District. Throughout the Study, Raftelis worked with CCWD staff and Board direction to refine proposed revisions to the rate structures.

Raftelis recommends changes to the rate structures and tier definitions for the commodity charges. Raftelis proposes to reduce the Residential (proposed SFR rate class) rate structure from four tiers to three and justify those tiers based upon usage characteristics of the class consistent with how water is used. The proposed changes and rationale are detailed in the following subsections.

5.2.1 *SFR Class*

The existing Residential rate structure includes SFR and some MFR customers. While tiering works well for SFR customers due to fairly homogenous use across the class, MFR customers exhibit different characteristics. For example, MFR customers may or may not be individually metered, MFR customers may have separate domestic and landscape meters, and one domestic meter may serve many dwelling units. Therefore, a tiered rate structure for MFR customers is only fair and equitable when considering the number of dwelling units served by each metered connection. Raftelis

recommends separating the existing Residential class into one rate structure for SFR and one rate structure for MFR. The proposed tiers and rationale are as follows:

5.2.1.1 *Tier 1 Definition – 0-8 hcf monthly*

Raftelis recommends using average low winter use as the Tier 1 definition. The average low winter use isolates the effects of outdoor irrigation in the warmer and drier use periods. Raftelis calculated approximately 8 hcf bi-monthly (4 hcf monthly) as the average low winter use for residential customers using FY 2016-2017 data.

5.2.1.2 *Tier 2 Definition – 8-16 hcf monthly*

Raftelis recommends using an efficiency standard for an average user to define Tier 2. An additional eight units (16 units total in Tier 2) represents the efficient summer water demand of a median size parcel in the District's service area. To derive the volume of water for efficient outdoor use Raftelis makes assumptions of the percent of irrigated area and incorporates local evapotranspiration data and a crop coefficient

The irrigable landscape area is measured as the square footage of landscape surface on a customer's property that is being actively irrigated. The weather data are based on the reference evapotranspiration (ET_0), which is the amount of water lost to the atmosphere over a given time period at given specific atmospheric conditions. ET_0 is the amount of water (in inches of water) needed for a reference crop (in this case cool season turf grass). The ET Adjustment Factor (ETAF) is a coefficient that adjusts the ET_0 values based on plant factor and irrigation system efficiency. The formula to calculate the eight units of water is as follows:

$$\text{hcf} = \left(\frac{\text{Lot Size} * \% \text{ Lot Size} * ET_0 * \text{ETAF}}{1200} \right)$$

Where:

- Lot Size is the median parcel area identified for the service area in square feet. The median lot size is estimated at 8,398 square feet.
- % of lot size – is the estimated area of a median sized parcel that is actively irrigated which is assumed at 25 percent. % of lot size multiplied by the median lot size yields an estimate for actively irrigated landscape area of 1,470 square feet .
- ET_0 is measured in inches of water during the billing period based on actual ET measurements taken from California Irrigation Management Information System (CIMIS) Station 253 at Pescadero, CA.
- ETAF (% of ET_0): The current California Model Water Efficient Landscape Ordinance[13] is 70 percent. It is based upon plant factor divided by irrigation efficiency.
- 1,200 is the conversion unit from inch*ft^2 to billing unit of hundred cubic feet (hcf).

5.2.1.3 *Tier 3 Definition – Greater than 16 hcf monthly*

All water use greater than Tier 2. Tier 3 represents demand in excess of peak summer demands for the average SFR user.

[13] *California Code of Regulations Title 23, Division 2, Chapter 2.7. Model Water Efficient Landscape Ordinance.*

5.2.1 *MFR*

The vast majority of MFR customers are currently billed using the All Other Customers uniform rate, with a minority billed on the tiered Residential rate structure. MFR customers have very low peaking compared to commercial or irrigation customers as most use is domestic and consistent throughout the year; and MFR customers are distinct from SFR users which have seasonal peaking due to irrigation demands. To increase equity between the customer classes, Raftelis recommends the class be charged a MFR specific uniform rate derived using MFR usage and peaking data.

5.2.2 *All Other Customer Classes*

The existing structure charges a uniform rate to all customer classes that are not residential. These accounts consist of commercial users, landscape irrigators, and agricultural users. Raftelis analyzed water use and peaking characteristics of non-residential customers. The usage patterns and peaking characteristics among commercial, irrigation, and agricultural users are very similar and we propose to keep the existing uniform rate structure for all users that are not SFR or MFR.

5.2.3 *Multi-Family Residential Fixed Charge*

The existing rate structure charges two dwelling unit (duplex) multi-family accounts a fixed charge that is two times that of a comparable 5/8" or 3/4" meter. Raftelis proposes to eliminate the per-dwelling unit charge in favor of a charge based solely on the size of the meter. This eliminates the conflict of some customers being charged by capacity (i.e, meter size) and some by dwelling unit counts. The effect is to simplify the rate structure so that all connections are charged based on the capacity- utilized or potential- of their connection.

Table 5-4 summarizes the proposed changes to the commodity rate structures.

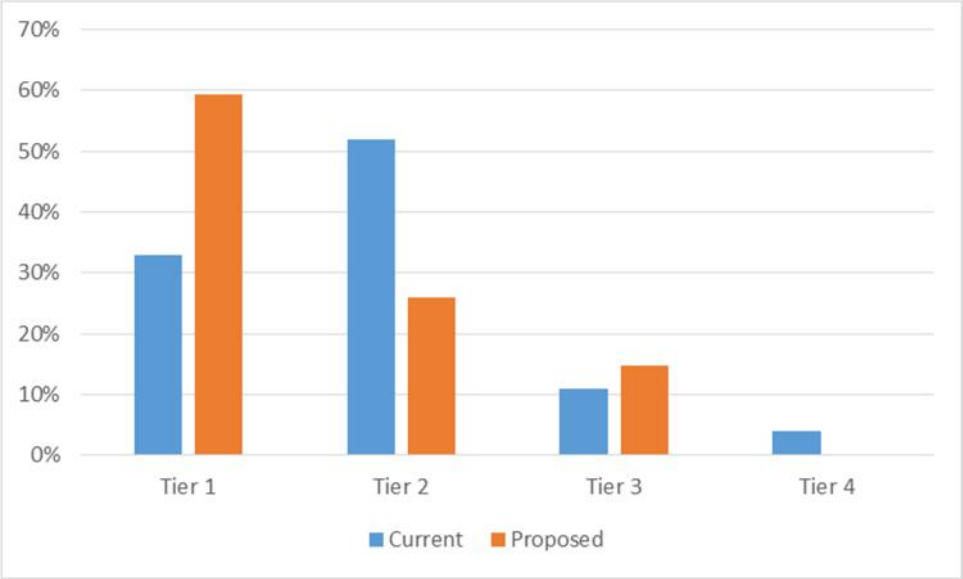
Table 5-4: Existing and Proposed Water Commodity Definitions

Proposed Rate Classes	Current Definition (hcf)	Proposed Definition (hcf)
SFR		
Tier 1	0-4	0-8
Tier 2	5-16	8-16
Tier 3	17-30	17+
Tier 4	31+	N/A
MFR		
Tier 1	0-4	Uniform
Tier 2	5-16	
Tier 3	17-30	
Tier 4	31+	
All Other Customer Classes (Commercial, Irrigation, Agriculture)	Uniform	Uniform

5.3 USAGE ANALYSIS AND USAGE PROJECTIONS

Figure 5-1 compares the distribution of SFR usage under the existing rate structure to the proposed structure. Under the revised tiers, 59 percent of use will occur in Tier 1 versus 33 percent in the current structure. Since the proposed definition doubles the allotment in Tier 1, more use will fall in the first tier. The opposite is true for the proposed Tier 2 versus the current Tier 2, since Tier 2 will now have a width of eight hcf versus the current 12 hcf. The proposed Tier 3 includes all the use in the current Tier 3 and Tier 4 (15 percent). Note, the comparisons in Figure 5-1 utilize historical water use. Predicting future water use relies on several factors and is difficult to determine. Therefore, this analysis does not attempt to forecast changes by customers due to changes in tier definition or price.

Figure 5-1: Current and Proposed SFR Usage Distribution



5.3.1 *Projected Water Use FY 2018-2019*

Using the proposed tier definitions, projected usage in FY 2018-2019 for all classes and tiers is shown in Table 5-5. FY 2018-2019 demand includes an assumed seven and a half percent demand increase from FY 2016-2017 water use. Any sales from fire flow or construction/temporary meters is not counted since revenue from these sources is variable and unreliable.

Table 5-5: Projected FY 2018-2019 Demand by Customer Class (Proposed Tier Definitions)

Class	FY 2018-2019 Demand (hcf)
SFR	
Tier 1	246,360
Tier 2	108,265
Tier 3	61,278
MFR	43,988
All Other Customers	328,634
Total	**788,525**

6. WATER RATE DERIVATION

6.1 EXISTING RATE STRUCTURE AND RATES

As previously explained, the rate structure for CCWD's water service charges have three components – a fixed base charge by meter size, a variable volumetric commodity charge, and, for certain customers, a fixed charge by fireline diameter. The rates for the bi-monthly fixed meter charge are determined on the basis of the size of the water meter serving a property and increase with meter size. Larger meters generally consume more water on average and tend to have higher rates of peaking. Therefore, the costs to provide service to these customers are higher. The rates for the current commodity charges are calculated on the basis of the amount of water delivered in hcf.

6.2 PROPOSED FIXED METER CHARGES

Utilities invest in and continuously maintain facilities to provide capacity to meet all levels of water consumption, including peak demand plus fire protection. These costs must be recovered regardless of the amount of water used during a given period. Generally, an agency with access to a significant portion of local water sources have high fixed costs. In many cases, greater than 80 percent of total costs are fixed water system costs and do not vary based on the amount of water sold. To balance between affordability and revenue stability, it is a common practice that a portion of the capacity related costs are recovered in the bi-monthly service charge, along with customer-related costs and meter-related costs. The cost of service analysis allocates 35 percent of peak capacity costs (max day and max hour) to the base meter charge, along with all meter, customer, and public fire protection costs.

There are two components that comprise the fixed meter charge: meter servicing costs and customer service costs. The meter service charge recognizes the fact that even when a customer does not use water, CCWD incurs ongoing costs in order to operate and maintain the system for each connection at all times.

6.2.1 *Meter Services Component*

The meter services component collects service related costs as well as a portion of system capacity costs. Larger meters are more expensive to maintain and replace and have the potential to demand more capacity, or, said differently, larger meters exert greater peaking demand compared to smaller meters. The capacity (peaking) is proportional to the potential flow through each meter size as established by the American Water Works Association (AWWA) hydraulic capacity ratios. For example, the flow through a 4" meter is 31.5 times that of a 5/8" meter and, therefore, the meter capacity component of the fixed meter charge should be 31.5 times that of the 5/8" meter.

In order to create parity across the various meter sizes, each meter size is assigned a factor relative to a 5/8" meter, which has a value of 1.00. This establishes the "base" meter size. A given meter size's ratio of meter servicing costs relative to the base (that of a 5/8" meter) determines the *meter equivalency*. Summation of all meter equivalencies for a given size yields total equivalent meters. For this Study, Raftelis uses standard AWWA hydraulic capacity ratios as found in the *Manual M22 – Sizing Water Service Lines and Meters, Third Edition*.

Table 6-1 shows total meter equivalencies in the system. The total equivalent meters are derived by multiplying the number of meters at each size by the respective capacity ratio (relative to the 5/8" base meter) and summing across all meter sizes. The total number of equivalent meters within CCWD's system is 7,323.

Table 6-1: Meter Equivalents Calculation

Meter Size	Meter Count (a)	Capacity Ratio (5/8" Base) (b)	Equivalent Meters (Capacity) (a)*(b)
5/8"	6,000	1.00	6,000
3/4"	194	1.50	291
1"	175	2.50	438
1-1/2"	28	5.00	140
2"	34	8.00	272
3"	5	17.50	88
4"	3	31.50	95
Total Count/ Equivalencies	**6,439**		**7,323**

Table 6-2 shows the calculation of the meter service component of the fixed meter charge. It is calculated by dividing the total meter costs (inclusive of meter servicing costs and the portion of capacity costs previously discussed) from Table 4-16 by the total number of equivalent meters in Table 6-1 and the total number of billing periods (six). The cost is $53.09 per equivalent meter per billing period rounded up to the nearest penny.

Table 6-2: Fixed Base Charge Meter Service Component Calculation

	FY 2018-2019
Meter Services Costs	$2,332,366
Equivalent Meters	7,323
Cost per Equivalent Meter (per bill)	**$53.09**

6.2.2 *Billing and Customer Service Component*

The customer service component recovers costs associated with meter reading, customer billing and collection, as well as answering customer service calls. These costs are uniform for all meter sizes as it costs the same to bill a small meter as it does a large meter.

Table 6-3 shows the customer service component calculation. To calculate the customer component, Raftelis divides the total billing and customer service costs from Table 4-16 by the total annual bills (active meters multiplied by six billing periods) prepared by CCWD to determine the bi-monthly customer service charge component of $2.46.

Table 6-3: Billing and Customer Service Component Calculation

	FY 2018-2019
Customer Service Costs	$95,000
Annual Bills	38,634
Customer Component (per bill)[14]	**$2.46**

[14] Billing & Customer Service calculation includes all potable water accounts.

Table 6-4 shows the calculation of the proposed FY 2018-2019 rates for the fixed meter charges. The proposed rates are the sum of the meter service component and the billing and customer service component (shown as customer component). The customer component is uniform for all meter sizes. The meter services component is the cost per equivalent meter calculated in Table 6-2 multiplied by the respective meter ratio in Table 6-1. The rate comparison is relative to existing rates implemented in July 2017. The most common meter size of 5/8" experiences an increase of $3.35 relative to the current charge. All other meter sizes other than the 4" also experience increases due to recovering more rate revenue overall. The varying differences are due to harmonizing the hydraulic capacity ratios across all meter sizes using the most current industry guidance as well as the inclusion of the uniform customer component which is currently not included in the District's fixed charge calculation. While Raftelis has calculated meter charges up to 8", charges are only shown up to 4", the largest meter size currently active in the water system.

Table 6-4: Calculation of Fixed Base Charges

Meter Size	Meter Service Component	Customer Component	Proposed FY 2018-2019 Fixed Charge	Current Charge	Difference ($)	Difference (%)
5/8"	$53.09	$2.46	$55.55	$52.20	$3.35	6%
3/4"	$79.63	$2.46	$82.09	$78.45	$3.64	5%
1"	$132.72	$2.46	$135.18	$130.76	$4.42	3%
1 1/2"	$265.43	$2.46	$267.90	$252.52	$15.38	6%
2"	$424.69	$2.46	$427.16	$418.48	$8.68	2%
3"	$929.02	$2.46	$931.48	$915.50	$15.98	2%
4"	$1,672.23	$2.46	$1,674.70	$3,139.22	($1,464.52)	-47%

6.3 PROPOSED PRIVATE FIRE SERVICE CHARGES

Table 6-5 shows the derivation of the private fire service charges. The private fire costs are determined to be $137,851 (see Table 4-16). This cost is divided by the total equivalent firelines calculated in Table 4-15. Similar to rates for the fixed meter charges, private firelines use the count of total firelines (995 lines) and the ratio between the various fireline sizes to determine total equivalent lines. The fireline ratios are similar to the hydraulic capacity ratios used to determine the fixed meter charges. The fireline factor is the ratio of the specific fireline diameter relative to the base fireline diameter of 3/4". The calculated total equivalent fireline inches is 1,851.

Table 6-5: Fireline Equivalents Calculation

Fireline Diameter	Fireline Count (a)	Fire Ratio (3/4" Base) (b)	Equiv. Lines (Capacity) (a)*(b)
3/4"	10	0.75	8
1"	658	1.00	658
1 1/2"	49	1.50	74
2"	82	2.00	164
3"	4	3.00	12
4"	123	4.00	492
5"	-	5.00	-
6"	55	6.00	330
8"	13	8.00	104
10"	1	10.00	10
Total Count/ Equivalencies	**995**		**1,851**

Table 6-6 shows the calculation of the fireline service component. Dividing the total private fireline costs ($137,851) by total equivalent lines (1,851) yields the bi-monthly cost per equivalent fireline inch of $12.42 (rounded up to the nearest whole penny).

Table 6-6: Fire Service Component Calculation

	FY 2018-2019
Fire Protection Costs	$137,851
Equivalent Lines	1,851
Cost per Equivalent Fireline Inch (per bill)	**$12.42**

Table 6-7 shows the derivation of the bi-monthly rates by fireline size for the fire service charges. The cost per inch ($12.42) is multiplied by the respective fireline ratio to derive the charge for each fireline size. All firelines experience the same increase in rates due to using the same methodology in the fire flow analysis as from the prior rate study.

Table 6-7: Calculation of Private Fire Service Charges

Fireline Size	Fire Ratio (1" Base)	Proposed Fire Service Charge FY 2018-2019	Current Fire Service Charge	Difference ($)	Difference (%)
3/4"	0.75	$9.31	$8.57	$0.74	9%
1"	1.00	$12.42	$11.43	$0.99	9%
1 1/2"	1.50	$18.62	$17.15	$1.48	9%
2"	2.00	$24.83	$22.86	$1.97	9%
3"	3.00	$37.24	$34.29	$2.95	9%
4"	4.00	$49.65	$45.72	$3.93	9%
5"	5.00	$62.07	$57.15	$4.92	9%
6"	6.00	$74.48	$68.58	$5.90	9%
8"	8.00	$99.30	$91.44	$7.86	9%
10"	10.00	$124.13	$114.30	$9.83	9%

6.4 PROPOSED RATES FOR COMMODITY CHARGES

6.4.1 *Unit Cost Components Definitions*

The rates for the commodity charges for each customer class and tier are derived by summation of the unit rates ($/hcf) for:

1. Supply costs (Variable Supply cost component)
2. Delivery costs (Base cost component)
3. Max Day and Max Hour capacity costs (Peaking component)
4. Conservation costs (Conservation component)
5. Revenue Offsets (Non-Rate revenue component)

Variable Supply are costs related to the production of local water and purchase of imported water to meet customer demand. CCWD maintains two sources of supply. These variable supply costs form the foundation of the rate components.

Delivery, also known as base, are the costs associated with obtaining and treating water to make it ready for transmission and distribution, as well as the operating costs associated with delivering water to all customers at a constant and average rate of use – also known as serving customers under average daily demand conditions. Therefore, base costs are spread over all units of water uniformly, irrespective of customer class or tier.

Peaking, or extra-capacity, costs are costs incurred to meet customer peak demands in excess of base use (or average daily demand). Total extra capacity costs are comprised of maximum day and maximum hour demands. The peaking costs are distributed to each class and tier using peaking factors derived from customer use data.

Conservation costs cover water conservation and efficiency programs and efforts. These programs are targeted to high volume water users. Allocation of conservation costs to the commodity rates helps provide a price signal for conservation, consistent with Article X Section 2 of the State of California Constitution

Revenue Offsets are the non-rate revenues available to the District to reduce the commodity rates in the lower tiers to promote affordability and efficient use. Revenue offsets consist of direct property tax revenue and cell site lease income. These funds allow flexibility in the rate design process to achieve policy objectives while maintaining cost of service principles.

6.4.1.1 Variable Supply Unit Cost

The variable supply cost is the cost to produce and purchase water supply. The costs in Table 6-8 are based on FY 2018-2019 water supply costs from the respective sources and were provided by CCWD staff as part of the draft budget. The water unit cost is the cost of purchasing SFPUC water and includes estimated fixed and variable charges from the purveyor. Additional supply costs to SFPUC relate to Crystal Springs Reservoir pump station. Additional supply costs to surface water and groundwater represent the remainder of the supply component from Table 4-16 not attributable to SFPUC purchases. These costs include operations and maintenance of the District's local intakes and wells as well as capital facilities associated with the Denniston water supplies.

Table 6-8: Water Supply Costs, FY 2018-2019

Source of Supply	Average Production/ Purchase (AF)	Average Production/ Purchase (hcf)	Water Cost ($)	Additional Supply Costs ($/AF)	Total Cost ($/AF)
Surface Water	598	260,556	$0	$203,964	$341
Groundwater	264	114,896	$0	$89,940	$341
SFPUC	1,039	452,500	$1,900,998	$337,080	$2,155

The water supply unit cost converts the cost per AF to cost per hcf (748 gallons). The unit cost for each source is calculated to include a five percent water system loss. The water supply costs and water availability in Table 6-9 are used in the water supply unit cost calculation for each class and tier.

Table 6-9: Water Supply Unit Costs, FY 2018-2019

	Surface Water	Groundwater	Purchased SFPUC
Supply to Meet Demand (hcf)	260,556	114,896	452,500
Cost ($/AF)	$341	$341	$2,155
Unit Cost ($/hcf)	$0.78	$0.78	$4.95
Unit Cost ($/hcf) after loss[15]	$0.83	$0.83	$5.21

Table 6-10 shows estimated total demand in FY 2018-2019 for all customer classes and tiers.

Table 6-10: Estimated Water Demand in FY 2018-2019

Class	hcf
SFR	
Tier 1	246,360
Tier 2	108,265
Tier 3	61,278
MFR	43,988
All Other Customers	328,634
Total	**788,525**

Given the water available from each source (Table 6-9), and allocating available water proportional to the demands of each class, the estimated water required to meet demand for each class is shown in Table 6-11.

Table 6-11: Supply to Meet Demand, by Source

	Annual Usage	Surface Water	Groundwater	Purchased SFPUC
SFR	415,904	130,557	57,571	227,775
MFR	43,988	13,808	6,089	24,091
All Other Customers	328,634	103,162	45,491	179,981
Total	**788,525**	**247,528**	**109,151**	**431,846**

[15] Unit cost accounts for an estimated 5 percent system-wide water loss. The loss is allocated to all sources.

The unit rates for variable supply costs are derived in Table 6-12. Total costs are determined as the sum-products of the unit rates (after loss) from Table 6-9 and the water required in each tier from Table 6-12. For example, meeting demand in SFR Tier 1 requires all local surface and groundwater allocated to the class (130,557 hcf surface and 57,571 hcf groundwater) as well as SFPUC purchased water (58,231 hcf) with respective unit costs of $0.83, $0.83, and $5.21 per hcf, respectively. The blended cost of meeting demand in Tier 1 is $1.87 per hcf.

Table 6-12: Variable Supply Unit Cost Calculation, by Class and Tier ($/hcf)

Class	Annual Usage	Surface Water	Groundwater	Purchased SFPUC	Unit Cost ($/hcf)
Unit Cost of Supply		$0.83	$0.83	$5.21	
SFR					
Tier 1	246,360	130,557	57,571	58,231	$1.87
Tier 2	108,265	-	-	108,265	$5.21
Tier 3	61,278	-	-	61,278	$5.21
Total	**415,904**	**130,557**	**57,571**	**227,775**	
MFR	**43,988**	**13,808**	**6,089**	**24,091**	**$3.23**
All Other Customers	**328,634**	**103,162**	**45,491**	**179,981**	**$3.23**
Total	**788,525**	**247,528**	**109,151**	**431,846**	

6.4.1.2 *Delivery Unit Cost*

Base delivery costs are the costs to deliver water under average daily demand conditions. Dividing estimated annual usage by total base costs (Table 4-16) derives the cost to provide water delivery during average conditions. The calculated base unit cost is presented in Table 6-13. The base unit cost is the same for all classes and tiers. The unit cost is rounded up to the nearest whole penny.

Table 6-13: Base Delivery Unit Cost Calculation

Class and Tier	Projected Demand
SFR	
Tier 1	246,360
Tier 2	108,265
Tier 3	61,278
MFR	43,988
All Other Customers	328,634
Total	**788,525**
Delivery Costs ($)	**$4,763,701**
Delivery Unit Cost ($/hcf)	**$5.62**

6.4.1.3 *Peaking Unit Cost*

Table 6-14 provides customer class peaking factors. These factors are determined by analyzing FY 2016-2017 data and identifying the maximum billing period of use and dividing that amount by the average period use. For the derivation of intra-class peaking cost components, we must derive peaking factors *within* the tiers. The peaking ratios shown are derived by analyzing CCWD water

usage while utilizing the revised tier definitions (Table 5-4). As with calculating the class peaking factor, the tier factors are calculated by dividing the maximum period of use by the average period of use. For each tier, Raftelis determined the average use within the tier throughout the year (six billing periods). Next, Raftelis identified the maximum use period for the tier during the year. Dividing the maximum and average gives a factor of max-to-average. Table 6-14 shows the calculated class and tier peaking factors.

Table 6-14: Class and Tier Peaking Factors

Usage	Max Billing Period Use	Average Billing Period Use	Max / Average
Residential			
Tier 1	39,777	38,195	1.04
Tier 2	21,644	16,785	1.29
Tier 3	17,221	9,500	1.81
MFR	7,305	6,820	1.07
All Other Customers[16]	51,983	40,890	1.27

Table 6-15 shows the unit cost calculation for peaking. Projected demand in each class (Column A) is multiplied by the respective peaking factor (Column B) to derive total weighted units (peaking units) in Column C for each class. The relative share of peaking units (Column D) is calculated for each class which allows the total peaking costs ($2,944,838) to be distributed in proportion to peak demand. Once the peaking costs are distributed to each class, the unit cost is calculated by dividing the revenue required (column E) by the water demanded by each class (Column A). The same process is repeated to determine the unit cost for each tier of the SFR class. Unit costs are rounded to the nearest whole penny.

[16] Excludes demand from the District's single raw water customer as their use is highly variable and not representative of other commercial or irrigation users.

Table 6-15: Peaking Unit Cost Calculation

Customer Class/Tier	Annual Usage	Peaking Factor	Weighted Use	% Allocated	Revenue Requirement	Unit Rate ($/hcf)
	A	B	C = A x B	D = C_i/C_{Total}	E = D_i x Peaking Costs[17]	F = E/A
SFR	415,904	1.97	820,205	52.2%	$1,536,601	$3.70
MFR	43,988	1.73	76,188	4.8%	$142,734	$3.25
All Other Customers	328,634	2.06	675,499	43.0%	$1,265,503	$3.86
Total	**788,525**		**1,571,892**	**100%**	**$2,944,838**	**$3.73**
Residential	**Usage by Tier**	**Peaking Factor**	**Weighted Use**	**% Allocated**	**Revenue Requirement**	**Unit Rate ($/hcf)**
SFR Tier 1	246,360	1.04	256,562	50.6%	$777,210	$3.16
SFR Tier 2	108,265	1.29	139,604	27.5%	$422,906	$3.91
SFR Tier 3	61,278	1.81	111,075	21.9%	$336,484	$5.50
Total	**415,904**		**507,241**	**100%**	**$1,536,601**	**$3.69**

6.4.1.4 *Conservation Unit Cost*

CCWD's water conservation programs offer a variety of solutions to reduce water use for all customers served by the District. Water conservation offsets the demand for potable water and more expensive imported water and is a low-cost water supply available to all utilities. These programs ensure reliable future water supply for all rate payers and reduce expensive imported water purchases. Accordingly, CCWD finds it appropriate to allocate conservation costs to SFR Tier 3 use, MFR use, and All Other Customers use. Conservation unit costs are derived similarly to peaking unit costs by distributing the conservation revenue requirement first to the class and then to the SFR tier based on units demanded. Table 6-16 shows the calculation for the conservation unit cost, with each unit rate rounded to the nearest whole penny.

[17] Max Day and Max Hour costs from Table 4-16

Table 6-16: Conservation Unit Cost Calculation

Customer Class/Tier	Annual Usage	% Allocated	Revenue Requirement	Unit Rate ($/hcf)
	A	B	C = B_i x Conserv. Costs[18]	D = C/A
SFR	415,904	53%	$68,446	$0.17
MFR	43,988	6%	$7,239	$0.17
All Other Customers	328,634	42%	$54,084	$0.17
Total	**788,525**	**100%**	**$129,769**	
Residential	**Usage by Tier**	**% Allocated**	**Revenue Requirement**	**Unit Rate ($/hcf)**
SFR Tier 1		0%	$0	$0.00
SFR Tier 2		0%	$0	$0.00
SFR Tier 3	61,278	100%	$68,446	$1.12
Total	**61,278**	**100%**	**$68,446**	

[18] Max Day and Max Hour costs from Table 4-16

6.4.1.5 *Revenue Offset Unit Cost*

Revenue offsets are applied to all units of water demanded by all classes and tiers. Table 6-17 shows the revenue offset unit cost and revenue offset component rate calculation. Revenue offsets are allocated based on the share of accounts in each of the three customer classes. For example, SFR accounts represent 85 percent of total accounts and, therefore, receive 85 percent of the revenue offset value. The amount of revenue offset for each class is divided by the respective annual usage to derive the unit cost. Unit costs are rounded to the nearest whole penny.

Table 6-17: Revenue Offset Unit Cost Calculation

Class and Tier	Allocation %	Revenue Offset ($)	Annual Usage (hcf)	Unit Cost ($/hcf)
SFR	85%	($758,837)	415,904	($1.82)
MFR	3%	($22,257)	43,988	($0.50)
All Other Customers	12%	($108,907)	328,634	($0.33)
Total	**100%**	**($890,000)**	**788,525**	

6.4.2 *Final Commodity Rates Derivation*

The cost of service based rates are shown in Column H of Table 6-18. To determine the commodity rates, the components detailed above are added together. The summation of columns C through G of Table 6-18 constitutes the final rates. Note the COS rates represent FY 2018-2019 rates inclusive of the proposed increase in revenue over FY 2017-2018.

Table 6-18: Proposed Commodity Rates ($/hcf)

Class and Tier	Tier Definition	Supply	Base	Peaking	Conservation	Revenue Offset	COS Rates ($/hcf)
A	B	C	D	E	F	G	H
	Table 5-4	Table 6-12	Table 6-13	Table 6-15	Table 6-16	Table 6-17	
SFR							
Tier 1	0-8	$1.87	$5.62	$3.16	$0.00	($1.82)	**$8.83**
Tier 2	9-16	$5.21	$5.62	$3.91	$0.00	($1.82)	**$12.92**
Tier 3	>16	$5.21	$5.62	$5.50	$1.12	($1.82)	**$15.63**
MFR	Uniform	$3.23	$5.62	$3.25	$0.17	($0.50)	**$11.77**
All Other Customers	Uniform	$3.23	$5.62	$3.86	$0.17	($0.33)	**$12.55**

6.5 WATER CUSTOMER IMPACTS

The rate model calculates water customer impacts for all classes and meter sizes. Customer impacts from the proposed new rates are presented below for each class.

Figure 6-1 illustrates the current and proposed tier breakpoints and corresponding rate per hcf. The proposed structure has three tiers versus the existing structure of four tiers. The proposed rate structure doubles Tier 1 from 4 hcf to 8 hcf bi-monthly and has the same breakpoint for Tier 2 (16 hcf bi-monthly). The proposed Tier 3 is all units greater than 16 hcf bi-monthly with a price that is between that of the existing Tier 3 and Tier 4.

Figure 6-1: Current and Proposed SFR Tiers

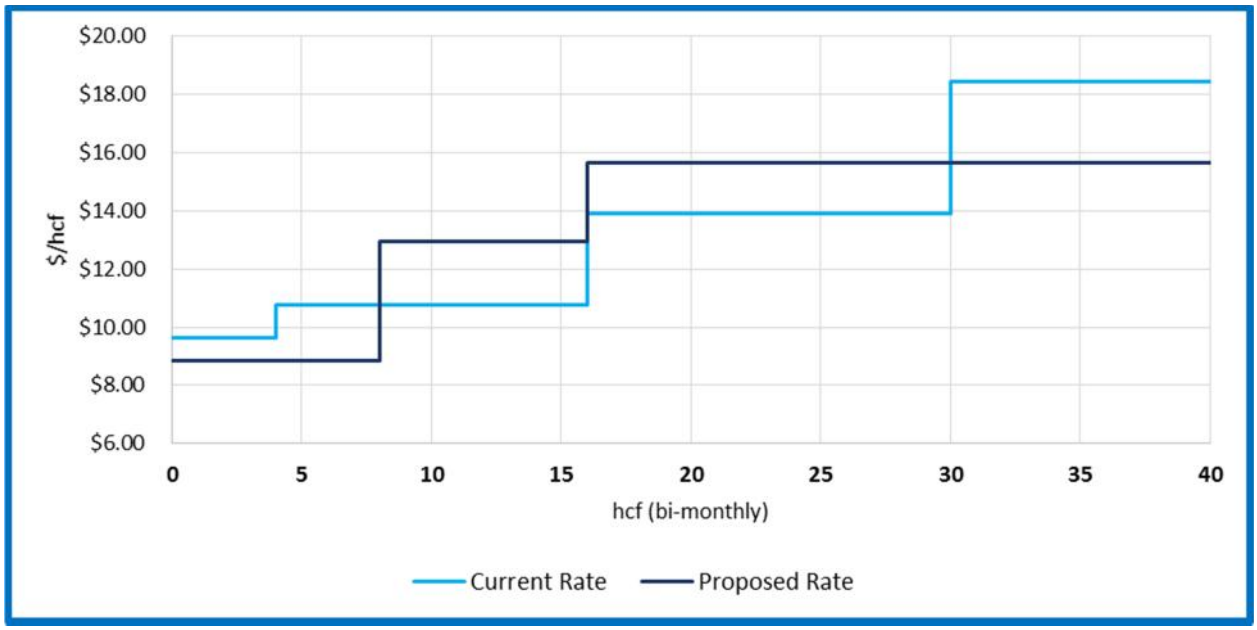


Figure 6-2 shows a range of bill impacts to SFR customers. Raftelis recalculates each bill for every customer using FY 2017-2018 rates to determine the billed amount under current and proposed rates. This allows us to calculate the difference between the two for every bill generated and provide a distribution across the class.

Figure 6-2: Bill Impacts - SFR

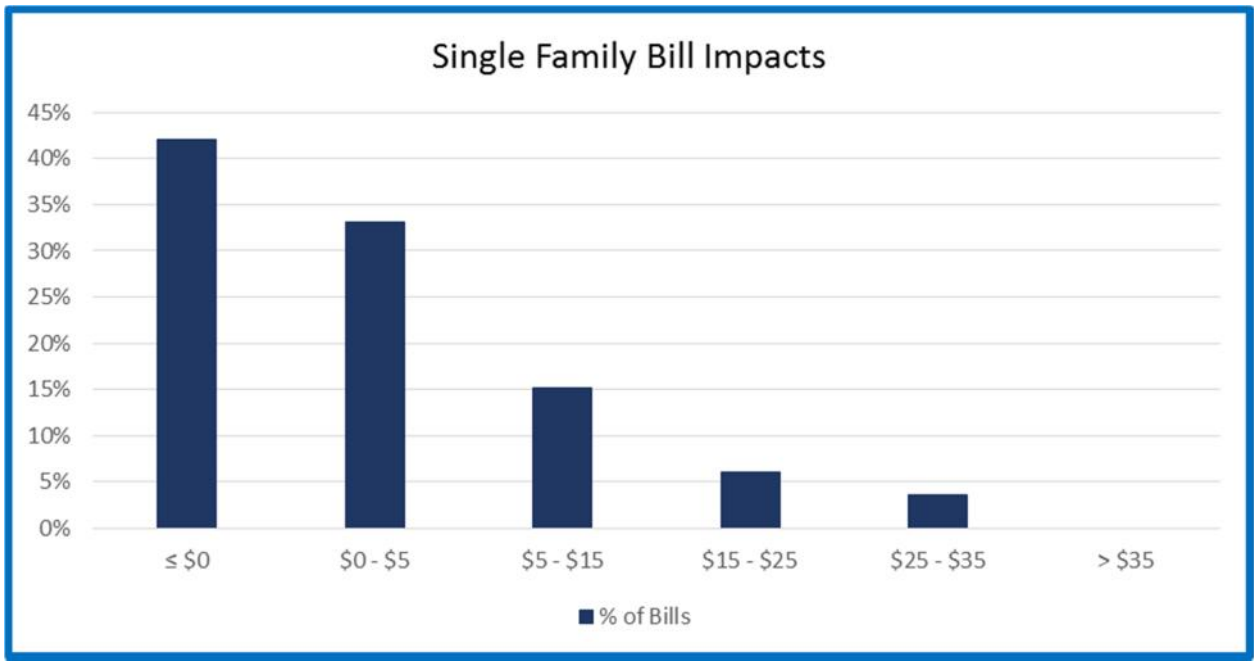
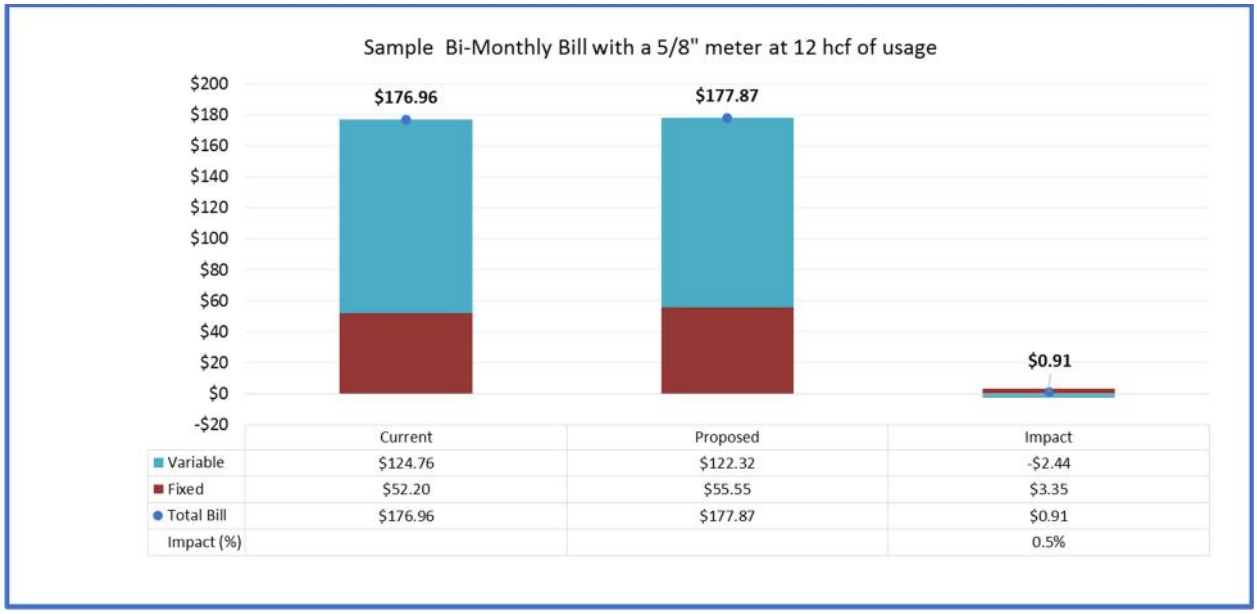


Figure 6-3 shows the impacts to a SFR customer with a 5/8" meter using 12 hcf bi-monthly, near the District' median. With the proposed rates, the customer will experience an increase of $0.91 or 0.5 percent bi-monthly compared to existing rates. This is due to a $3.35 increase in the base charge and a $2.44 decrease in the commodity charge.

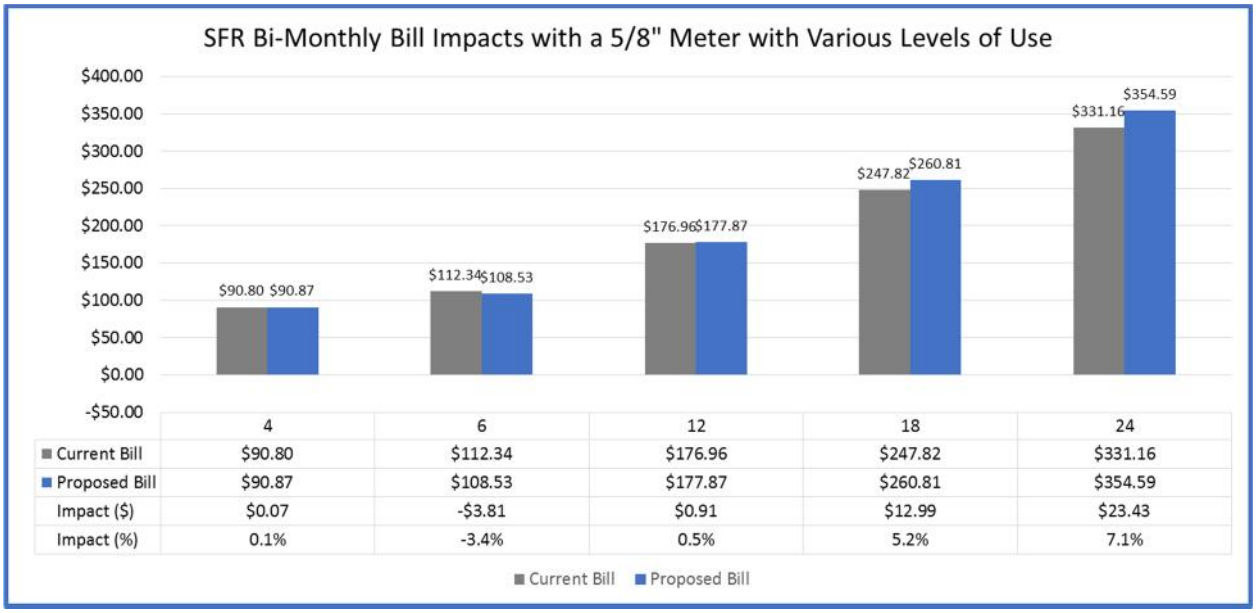
Figure 6-3: Bill Impacts – Median SFR Use



	Current	Proposed	Impact
Variable	$124.76	$122.32	-$2.44
Fixed	$52.20	$55.55	$3.35
Total Bill	$176.96	$177.87	$0.91
Impact (%)			0.5%

Figure 6-4 calculates bills for a SFR account with a 5/8" meter at different levels of use. Bills are calculated at current rates and tiers and compared to proposed rates and tiers. The figure shows the percentage and dollar change between current and proposed rates and tiers. The levels of use shown represent very low, low, median, high, and very high users.

Figure 6-4: Bill Impacts - Single Family Residential with 5/8" Meter



	4	6	12	18	24
Current Bill	$90.80	$112.34	$176.96	$247.82	$331.16
Proposed Bill	$90.87	$108.53	$177.87	$260.81	$354.59
Impact ($)	$0.07	-$3.81	$0.91	$12.99	$23.43
Impact (%)	0.1%	-3.4%	0.5%	5.2%	7.1%

7. SECOND YEAR RATES

The District has adopted a budget for FY 2019-2020 which estimates a four percent increase in revenue requirement. This increase is due in part to inflationary pressures on operating and capital costs and in part due to additional reserve funding to achieve the District's financial reserves policies over the long term.

The second year rates will use the cost of service and rates developed in Section 4 and Section 6 as the basis and will increase all rates "across the board" by four percent relative to FY 2018-2019 rates. Major cost drivers of an agency generally do not change year to year. That is, sources of supply, supply mix, customer base, and usage characteristics among others may change slowly over time necessitating an updated cost of service. From our experience, a best practice is to perform an updated cost of service every three to five years to ensure system costs are recovered appropriately and adequately.

Table 7-1, Table 7-2, and Table 7-3 show all proposed rates and charges for FY 2018-2019 and FY 2020.

Table 7-1: Proposed Two-Year Rates for Bi-Monthly Base Charges ($/Meter Size)

Meter Size	FY 2018-2019	FY 2020	$ Difference	% Difference
5/8"	$55.55	$57.78	$2.23	4%
3/4"	$82.09	$85.38	$3.29	4%
1"	$135.18	$140.59	$5.41	4%
1-1/2"	$267.90	$278.62	$10.72	4%
2"	$427.16	$444.25	$17.09	4%
3"	$931.48	$968.74	$37.26	4%
4"	$1,674.70	$1,741.69	$66.99	4%

Table 7-2: Proposed Two-Year for the Water Commodity Rates ($/hcf)

Customer Class & Tier	FY 2018-2019	FY 2020	$ Difference	% Difference
SFR				
Tier 1	$8.83	$9.19	$0.36	4%
Tier 2	$12.92	$13.44	$0.52	4%
Tier 3	$15.63	$16.26	$0.63	4%
MFR	$11.77	$12.25	$0.48	4%
All Other Customers	$12.55	$13.06	**$0.51**	4%

Table 7-3: Proposed Two-Year Rates for Private Fire Service Charges ($/Line Size)

Fireline Size	FY 2018-2019	FY 2020	$ Difference	% Difference
3/4"	$9.31	$9.69	$0.38	4%
1"	$12.42	$12.92	$0.50	4%
1-1/2"	$18.62	$19.37	$0.75	4%
2"	$24.83	$25.83	$1.00	4%
3"	$37.24	$38.73	$1.49	4%
4"	$49.65	$51.64	$1.99	4%
5”	$62.07	$64.56	$2.49	4%
6"	$74.48	$77.46	$2.98	4%
8"	$99.30	$103.28	$3.98	4%
10"	$124.13	$129.10	$4.97	4%

8. APPENDICES

8.1 FY 2018-2019 O&M EXPENSE ALLOCATION DETAIL

Description	Function	Supply	Base	Max Day	Max Hour	Fire Protection	Meters	Customer	Conservation	General	Total
Water Purchased	Supply	100%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Electrical Exp. Nunes WTP	Treatment	0%	62%	38%	0%	0%	0%	0%	0%	0%	100%
Electrical Expenses, CSP	Supply	100%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Electrical Expenses/Trans. & Dist.	Transmission	0%	62%	38%	0%	0%	0%	0%	0%	0%	100%
Elec Exp/Pilarcitos Cyn	Pumping	100%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Electrical Exp., Denn	Pumping	100%	0%	0%	0%	0%	0%	0%	0%	0%	100%
CSP - Operation	Transmission	0%	62%	38%	0%	0%	0%	0%	0%	0%	100%
CSP - Maintenance	Transmission	0%	62%	38%	0%	0%	0%	0%	0%	0%	100%
Nunes WTP Oper	Treatment	0%	62%	38%	0%	0%	0%	0%	0%	0%	100%
Nunes WTP Maint	Treatment	0%	62%	38%	0%	0%	0%	0%	0%	0%	100%
Denn. WTP Oper.	Treatment	0%	62%	38%	0%	0%	0%	0%	0%	0%	100%
Denn WTP Maint	Treatment	0%	62%	38%	0%	0%	0%	0%	0%	0%	100%
Laboratory Expenses	Treatment	0%	62%	38%	0%	0%	0%	0%	0%	0%	100%
Maintenance Expenses	Distribution	0%	31%	19%	33%	18%	0%	0%	0%	0%	100%
Maintenance, Wells	Treatment	0%	62%	38%	0%	0%	0%	0%	0%	0%	100%
Uniforms	Distribution	0%	31%	19%	33%	18%	0%	0%	0%	0%	100%
Studies/Surveys/Consulting	General	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
Water Resources	Conservation	0%	0%	0%	0%	0%	0%	0%	100%	0%	100%
Community Outreach	Conservation	0%	0%	0%	0%	0%	0%	0%	100%	0%	100%
Legal	General	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
Engineering	Distribution	0%	31%	19%	33%	18%	0%	0%	0%	0%	100%
Financial Services	General	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
Computer Services	General	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
Salaries, Admin.	Ops/Meters/Customer	0%	35%	22%	38%	0%	0%	5%	0%	0%	100%
Salaries - Field	General	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
Payroll Taxes	General	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
Employee Medical Insurance	General	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
Retiree Medical Insurance	General	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
Employee Retirement	General	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
SIP 401a Plan	General	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
Motor Vehicle Exp.	Distribution	0%	31%	19%	33%	18%	0%	0%	0%	0%	100%
Office & Billing Expenses	General	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
Meetings/Training/Seminars	General	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
Insurance	General	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
Memberships & Subscriptions	General	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
Election Expense	General	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
Union Expenses	General	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
County Fees	General	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
State Fees	General	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%

8.1 FY 2018-2019 O&M EXPENSE ALLOCATION DETAIL

Description		Supply	Base	Max Day	Max Hour	Fire Protection	Meters	Customer	Conservation	General	Total
Water Purchased	Supply	$1,900,998	$0	$0	$0	$0	$0	$0	$0	$0	$1,900,998
Electrical Exp. Nunes WTP	Treatment	$0	$26,405	$16,292	$0	$0	$0	$0	$0	$0	$42,697
Electrical Expenses, CSP	Supply	$337,080	$0	$0	$0	$0	$0	$0	$0	$0	$337,080
Electrical Expenses/Trans. & Dist.	Transmission	$0	$16,677	$10,290	$0	$0	$0	$0	$0	$0	$26,966
Elec Exp/Pilarcitos Cyn	Pumping	$39,248	$0	$0	$0	$0	$0	$0	$0	$0	$39,248
Electrical Exp., Denn	Pumping	$130,000	$0	$0	$0	$0	$0	$0	$0	$0	$130,000
CSP - Operation	Transmission	$0	$6,617	$4,083	$0	$0	$0	$0	$0	$0	$10,700
CSP - Maintenance	Transmission	$0	$22,882	$14,118	$0	$0	$0	$0	$0	$0	$37,000
Nunes WTP Oper	Treatment	$0	$48,145	$29,705	$0	$0	$0	$0	$0	$0	$77,850
Nunes WTP Maint	Treatment	$0	$75,758	$46,742	$0	$0	$0	$0	$0	$0	$122,500
Denn. WTP Oper.	Treatment	$0	$29,066	$17,934	$0	$0	$0	$0	$0	$0	$47,000
Denn WTP Maint	Treatment	$0	$62,987	$38,863	$0	$0	$0	$0	$0	$0	$101,850
Laboratory Expenses	Treatment	$0	$44,187	$27,263	$0	$0	$0	$0	$0	$0	$71,450
Maintenance Expenses	Distribution	$0	$89,112	$54,981	$95,101	$52,506	$0	$0	$0	$0	$291,700
Maintenance, Wells	Treatment	$0	$24,737	$15,263	$0	$0	$0	$0	$0	$0	$40,000
Uniforms	Distribution	$0	$3,819	$2,356	$4,075	$2,250	$0	$0	$0	$0	$12,500
Studies/Surveys/Consulting	General	$0	$0	$0	$0	$0	$0	$0	$0	$160,000	$160,000
Water Resources	Conservation	$0	$0	$0	$0	$0	$0	$0	$25,200	$0	$25,200
Community Outreach	Conservation	$0	$0	$0	$0	$0	$0	$0	$54,700	$0	$54,700
Legal	General	$0	$0	$0	$0	$0	$0	$0	$0	$100,000	$100,000
Engineering	Distribution	$0	$18,329	$11,309	$19,561	$10,800	$0	$0	$0	$0	$60,000
Financial Services	General	$0	$0	$0	$0	$0	$0	$0	$0	$20,000	$20,000
Computer Services	General	$0	$0	$0	$0	$0	$0	$0	$0	$163,600	$163,600
Salaries, Admin.	Ops/Meters/Customer	$0	$400,635	$247,189	$427,564	$0	$0	$58,493	$0	$0	$1,133,881
Salaries - Field	General	$0	$0	$0	$0	$0	$0	$0	$0	$1,400,505	$1,400,505
Payroll Taxes	General	$0	$0	$0	$0	$0	$0	$0	$0	$177,733	$177,733
Employee Medical Insurance	General	$0	$0	$0	$0	$0	$0	$0	$0	$444,246	$444,246
Retiree Medical Insurance	General	$0	$0	$0	$0	$0	$0	$0	$0	$50,659	$50,659
Employee Retirement	General	$0	$0	$0	$0	$0	$0	$0	$0	$598,859	$598,859
SIP 401a Plan	General	$0	$0	$0	$0	$0	$0	$0	$0	$35,000	$35,000
Motor Vehicle Exp.	Distribution	$0	$18,329	$11,309	$19,561	$10,800	$0	$0	$0	$0	$60,000
Office & Billing Expenses	General	$0	$0	$0	$0	$0	$0	$0	$0	$261,600	$261,600
Meetings/Training/Seminars	General	$0	$0	$0	$0	$0	$0	$0	$0	$26,000	$26,000
Insurance	General	$0	$0	$0	$0	$0	$0	$0	$0	$129,000	$129,000
Memberships & Subscriptions	General	$0	$0	$0	$0	$0	$0	$0	$0	$75,970	$75,970
Election Expense	General	$0	$0	$0	$0	$0	$0	$0	$0	$25,000	$25,000
Union Expenses	General	$0	$0	$0	$0	$0	$0	$0	$0	$6,000	$6,000
County Fees	General	$0	$0	$0	$0	$0	$0	$0	$0	$20,000	$20,000
State Fees	General	$0	$0	$0	$0	$0	$0	$0	$0	$36,500	$36,500
Total O&M Allocated		**$2,407,325**	**$887,686**	**$547,696**	**$565,863**	**$76,356**	**$0**	**$58,493**	**$79,900**	**$3,730,672**	**$8,353,991**
% O&M Allocated		28.8%	10.6%	6.6%	6.8%	0.9%	0.0%	0.7%	1.0%	44.7%	100%
		Supply	Base	Max Day	Max Hour	Fire Protection	Meters	Customer	Conservation	General	Total

8.1 ASSET SCHEDULE SUMMARY (AS OF FY 2018-2019)

Asset Category	Function	Original Cost (OC)	Accumulated Depreciation (AD)	Book Value (OC -AC)	Work In Progress	Net Value
breakout	GENERAL	$0	$0	$0		$0
BUILDINGS	GENERAL	$1,006,051	$310,014	$696,037		$696,037
DISTRIBUTION	DISTRIBUTION	$26,439,163	$8,772,503	$17,666,659	$2,533,601	$20,200,260
FIRE	HYDRANTS	$526,726	$136,078	$390,647		$390,647
GENERAL	GENERAL	$1,400,458	$495,638	$904,821		$904,821
Land/Easements	N/A	$138,975	$0	$138,975		$138,975
METERS	METERS	$546,266	$125,715	$420,552	$445,231	$865,783
TANKS	RESERVOIR	$5,267,330	$1,539,410	$3,727,920	$747,441	$4,475,361
TRANSMISSION	TRANSMISSION	$19,111,820	$8,683,403	$10,428,416	$467,474	$10,895,890
TREATMENT	TREATMENT	$19,499,091	$8,366,281	$11,132,810	$510,059	$11,642,869
VEHICLES	GENERAL	$491,834	$406,787	$85,046		$85,046
WATER SUPPLY	PUMPING	$188,217	$111,913	$76,304	$1,193,633	$1,269,937
WELLS	PUMPING	$568,499	$321,550	$246,949		$246,949
	Total	**$75,184,429**	**$29,269,292**	**$45,915,136**	**$5,897,439**	**$51,812,575**
		TRUE	TRUE	TRUE	Less Land	$51,673,601

EXHIBIT B

FINAL - APPROVED 6.9.2020

Updated: 7/29/2020 4:22 PM

YEAR 1 Operations & Maintenance Budget - FY 2020-2021

Account Number	Description	Approved 6.9.2020 FY2020/21 Budget	Approved FY 2019/20 Budget	FY20/21 Budget Vs. FY 19/20 Budget $ Change	FY20/21 Budget Vs. FY 19/20 Budget % Change	Proj Year End FY19/20	FY 20/21 Budget Vs. FY 19/20 Projected Actual $ Change	FY 20/21 Budget Vs. FY 19/20 Projected Actual % Change	YTD Actual FY 19/20 as of May 31, 2020
OPERATING REVENUE									
4120	*Water Sales **	***$12,096,000***	***$12,300,000***	*-$204,000*	-1.7%	**$12,300,000**	-$204,000	**-1.7%**	$11,388,827
	Water Sales in MG	*580 MG*	*598 MG*						
Total Operating Revenue		***$12,096,000***	***$12,300,000***	***-$204,000***	**-1.7%**	**$12,300,000**	**-$204,000**	**-1.7%**	**$11,388,827**
NON-OPERATING REVENUE									
4170	Hydrant Sales	**$50,000**	$50,000	$0	0.0%	$55,000	-$5,000	-9.1%	$53,501
4180	Late Penalty	**$25,000**	$60,000	-$35,000	-58.3%	$52,889	-$27,889	-52.7%	$52,889
4230	Service Connections	**$10,000**	$10,000	$0	0.0%	$10,494	-$494	-4.7%	$10,494
4920	Interest Earned	**$56,250**	$6,270	$49,980	797.1%	$80,000	-$23,750	-29.7%	$87,461
4930	Property Taxes	**$750,000**	$725,000	$25,000	3.4%	$860,647	-$110,647	-12.9%	$860,647
4950	Miscellaneous	**$7,000**	$25,000	-$18,000	-72.0%	$28,863	-$21,863	-75.7%	$28,863
4955	Cell Site Lease Income	**$179,000**	$171,300	$7,700	4.5%	$171,300	$7,700	4.5%	$154,113
4965	ERAF Refund	**$375,000**	$338,000	$37,000	10.9%	$501,486	-$126,486	-25.2%	$501,487
Total Non-Operating Revenue		**$1,452,250**	**$1,385,570**	**$66,680**	**4.8%**	**$1,760,679**	**-$308,429**	**-17.5%**	**$1,749,455**
TOTAL REVENUES		**$13,548,250**	**$13,685,570**	**-$137,320**	**-1.0%**	**$14,060,679**	**-$512,429**	**-3.6%**	**$13,138,282**
OPERATING EXPENSES									
5130	Water Purchased	**$ 2,114,940**	$1,771,945	$342,995	19.4%	$1,842,720	$272,220	14.8%	$1,620,822
5130A	BAWSCA Bond Surcharge	**$226,620**	$170,003	$56,617	33.3%	$107,280	$119,340	111.2%	$98,340
5230	Electrical Exp. Nunes WTP	**$41,000**	$45,259	-$4,259	-9.4%	$39,000	$2,000	5.1%	$34,614
5231	Electrical Expenses, CSP	**$350,000**	$357,305	-$7,305	-2.0%	$300,000	$50,000	16.7%	$256,689
5232	Electrical Expenses/Trans. & Dist.	**$21,000**	$28,584	-$7,584	-26.5%	$20,000	$1,000	5.0%	$15,680
5233	Elec Exp/Pilarcitos Cyn	**$43,000**	$42,000	$1,000	2.4%	$42,000	$1,000	2.4%	$32,322
5234	Electrical Exp., Denn	**$110,000**	$137,800	-$27,800	-20.2%	$120,000	-$10,000	-8.3%	$107,310
5242	CSP - Operation	**$16,500**	$11,128	$5,372	48.3%	$16,000	$500	3.1%	$14,270
5243	CSP - Maintenance	**$37,000**	$37,000	$0	0.0%	$37,000	$0	0.0%	$29,419
5246	Nunes WTP Oper	**$90,000**	$80,964	$9,036	11.2%	$85,000	$5,000	5.9%	$70,857
5247	Nunes WTP Maint	**$125,000**	$122,500	$2,500	2.0%	$85,000	$40,000	47.1%	$90,365
5248	Denn. WTP Oper.	**$55,000**	$49,000	$6,000	12.2%	$60,000	-$5,000	-8.3%	$57,829
5249	Denn WTP Maint	**$132,000**	$104,000	$28,000	26.9%	$150,000	-$18,000	-12.0%	$141,670
5250	Laboratory Expenses	**$75,000**	$75,000	$0	0.0%	$75,000	$0	0.0%	$54,594
5260	Maintenance Expenses	**$348,500**	$300,000	$48,500	16.2%	$335,000	$13,500	4.0%	$295,904
5261	Maintenance, Wells	**$30,000**	$40,000	-$10,000	-25.0%	$44,630	-$14,630	-32.8%	$44,630
5263	Uniforms	**$10,000**	$12,500	-$2,500	-20.0%	$10,000	$0	0.0%	$5,230
5318	Studies/Surveys/Consulting	**$150,000**	$160,000	-$10,000	-6.3%	$125,000	$25,000	20.0%	$87,171
5321	Water Resources	**$26,000**	$26,200	-$200	-0.8%	$6,000	$20,000	333.3%	$3,399
5322	Community Outreach	**$58,400**	$56,900	$1,500	2.6%	$55,000	$3,400	6.2%	$33,630
5381	Legal	**$100,000**	$100,000	$0	0.0%	$145,000	-$45,000	-31.0%	$128,985
5382	Engineering	**$66,000**	$62,000	$4,000	6.5%	$100,000	-$34,000	-34.0%	$74,495
5383	Financial Services	**$22,000**	$22,000	$0	0.0%	$22,000	$0	0.0%	$11,382
5384	Computer Services	**$211,500**	$167,600	$43,900	26.2%	$195,000	$16,500	8.5%	$152,638
5410	Salaries, Admin.	**$1,223,311**	$1,179,832	$43,479	3.7%	$1,050,000	$173,311	16.5%	$922,333
5411	Salaries - Field	**$1,501,399**	$1,461,020	$40,380	2.8%	$1,450,000	$51,399	3.5%	$1,280,906
5420	Payroll Taxes	**$191,701**	$183,582	$8,119	4.4%	$190,000	$1,701	0.9%	$163,561
5435	Employee Medical Insurance	**$511,400**	$481,419	$29,982	6.2%	$455,000	$56,400	12.4%	$410,372
5436	Retiree Medical Insurance	**$69,562**	$55,274	$14,288	25.8%	$54,000	$15,562	28.8%	$46,335
5440	Employee Retirement	**$496,240**	$619,321	-$123,082	-19.9%	$450,000	$46,240	10.3%	$398,523

FINAL - APPROVED 6.9.2020

Updated: 7/29/2020 4:22 PM

YEAR 1 Operations & Maintenance Budget - FY 2020-2021

Account Number	Description	Approved 6.9.2020 FY2020/21 Budget	Approved FY 2019/20 Budget	FY20/21 Budget Vs. FY 19/20 Budget $ Change	FY20/21 Budget Vs. FY 19/20 Budget % Change	Proj Year End FY19/20	FY 20/21 Budget Vs. FY 19/20 Projected Actual $ Change	FY 20/21 Budget Vs. FY 19/20 Projected Actual % Change	YTD Actual FY 19/20 as of May 31, 2020
5445	SIP 401a Plan	**$35,000**	$35,000	$0	0.0%	$35,000	$0	0.0%	$0
5510	Motor Vehicle Exp.	**$75,000**	$63,000	$12,000	19.0%	$95,000	-$20,000	-21.1%	$88,104
5620	Office & Facilities Expenses	**$163,500**	$146,219	$17,281	11.8%	$170,000	-$6,500	-3.8%	$157,203
5620A	Credit Card/bank Fees & Billing Expenses	**$150,000**	$107,000	$43,000	40.2%	$140,000	$10,000	7.1%	$122,453
5620B	Bad Debt Expense	**$50,000**	$10,000	$40,000	400.0%	$10,000	$40,000	400.0%	$6,424
5625	Meetings/Training/Seminars	**$33,000**	$27,000	$6,000	22.2%	$23,000	$10,000	43.5%	$19,940
5630	Insurance	**$159,000**	$137,000	$22,000	16.1%	$135,000	$24,000	17.8%	$114,610
5687	Memberships & Subscriptions	**$85,100**	$78,970	$6,130	7.8%	$78,970	$6,130	7.8%	$74,035
5688	Election Expense	**$30,000**	$0	$30,000		$0	$30,000		$0
5689	Labor Relations	**$6,000**	$6,000	$0	0.0%	$0	$6,000		$0
5700	County Fees	**$25,000**	$24,000	$1,000	4.2%	$24,000	$1,000	4.2%	$17,349
5705	State Fees	**$36,500**	$36,500	$0	0.0%	$36,500	$0	0.0%	$32,453
Total Operating Expenses		**$9,301,174**	**$8,630,824**	**$670,351**	**7.8%**	**$8,413,100**	**$888,074**	**10.6%**	**$7,316,846**
	CAPITAL ACCOUNTS								
5712	Existing Bonds - 2006B	**$0**	$484,831	-$484,831	-100.0%	$0	$0		$0
5715	Existing Bond-CIEDB 11-099	**$335,825**	$335,977	-$152	0.0%	$335,977	-$152	0.0%	$335,977
5716	CIEDB 16-111	**$323,357**	$323,803	-$446	-0.1%	$323,803	-$446		$323,803
5717	Chase-2018 Loan	**$433,567**		$433,567		$433,567	$0		$435,951
Total Capital Accounts		**$1,092,748**	**$1,144,611**	**-$51,863**	**-4.5%**	**$1,093,347**	**-$598**	**-0.1%**	**$1,095,731**
TOTAL REVENUE LESS TOTAL EXPENSE		**$3,154,327**	**$3,910,135**	**-$755,808**	**-19.3%**	**$4,554,232**	**-$1,399,905**	**-30.7%**	**$4,725,705**
5713	Cont. to CIP & Reserves	**$3,154,327**							

% Budgeted Increase *0%*

EXHIBIT C

Draft FY 2020/2021

Updated: 8/6/2020 11:32 AM

DRAFT Year 2 Operations & Maintenance Budget - FY 2021-2022

Account Number	Description	DRAFT FY2021/22 Budget	Approved 6.9.2020 FY2020/21 Budget	FY21/22 Budget Vs. FY 20/21 Budget $ Change	FY21/22 Budget Vs. FY 20/21 Budget % % Change
OPERATING REVENUE					
4120	*Water Sales **	***$12,464,294***	***$12,096,000***	*$368,294*	3.0%
	Water Sales in MG	*603 MG*	*580 MG*		
Total Operating Revenue		***$12,464,294***	***$12,096,000***	***$368,294***	**3.0%**
NON-OPERATING REVENUE					
4170	Hydrant Sales	**$52,000**	$50,000	$2,000	4.0%
4180	Late Penalty	**$50,000**	$25,000	$25,000	100.0%
4230	Service Connections	**$10,000**	$10,000	$0	0.0%
4920	Interest Earned	**$56,250**	$56,250	$0	0.0%
4930	Property Taxes	**$780,000**	$750,000	$30,000	4.0%
4950	Miscellaneous	**$7,000**	$7,000	$0	0.0%
4955	Cell Site Lease Income	**$184,000**	$179,000	$5,000	2.8%
4965	ERAF Refund	**$400,000**	$375,000	$25,000	6.7%
Total Non-Operating Revenue		**$1,539,250**	**$1,452,250**	**$87,000**	**6.0%**
TOTAL REVENUES		**$14,003,544**	**$13,548,250**	**$455,294**	**3.4%**
OPERATING EXPENSES					
5130	Water Purchased	**$ 2,095,101**	$2,114,940	-$19,840	-0.9%
5130A	BAWSCA Bond Surcharge	**$226,620**	$226,620	$0	0.0%
5230	Electrical Exp. Nunes WTP	**$44,800**	$41,000	$3,800	9.3%
5231	Electrical Expenses, CSP	**$275,000**	$350,000	-$75,000	-21.4%
5232	Electrical Expenses/Trans. & Dist.	**$23,000**	$21,000	$2,000	9.5%
5233	Elec Exp/Pilarcitos Cyn	**$47,000**	$43,000	$4,000	9.3%
5234	Electrical Exp., Denn	**$120,000**	$110,000	$10,000	9.1%
5242	CSP - Operation	**$17,000**	$16,500	$500	3.0%
5243	CSP - Maintenance	**$38,000**	$37,000	$1,000	2.7%
5246	Nunes WTP Oper	**$92,500**	$90,000	$2,500	2.8%
5247	Nunes WTP Maint	**$128,400**	$125,000	$3,400	2.7%
5248	Denn. WTP Oper.	**$56,500**	$55,000	$1,500	2.7%
5249	Denn WTP Maint	**$135,600**	$132,000	$3,600	2.7%
5250	Laboratory Expenses	**$77,000**	$75,000	$2,000	2.7%
5260	Maintenance Expenses	**$358,000**	$348,500	$9,500	2.7%
5261	Maintenance, Wells	**$30,800**	$30,000	$800	2.7%
5263	Uniforms	**$10,300**	$10,000	$300	3.0%
5318	Studies/Surveys/Consulting	**$154,000**	$150,000	$4,000	2.7%
5321	Water Resources	**$26,700**	$26,000	$700	2.7%
5322	Community Outreach	**$60,000**	$58,400	$1,600	2.7%
5381	Legal	**$100,000**	$100,000	$0	0.0%
5382	Engineering	**$67,800**	$66,000	$1,800	2.7%
5383	Financial Services	**$22,600**	$22,000	$600	2.7%
5384	Computer Services	**$217,300**	$211,500	$5,800	2.7%

Draft FY 2020/2021

Updated: 8/6/2020 11:32 AM

DRAFT Year 2 Operations & Maintenance Budget - FY 2021-2022

Account Number	Description	DRAFT FY2021/22 Budget	Approved 6.9.2020 FY2020/21 Budget	FY21/22 Budget Vs. FY 20/21 Budget $ Change	FY21/22 Budget Vs. FY 20/21 Budget % % Change
5410	Salaries, Admin.	**$1,278,400**	$1,223,311	$55,089	4.5%
5411	Salaries - Field	**$1,569,000**	$1,501,399	$67,601	4.5%
5420	Payroll Taxes	**$196,900**	$191,701	$5,199	2.7%
5435	Employee Medical Insurance	**$542,100**	$511,400	$30,700	6.0%
5436	Retiree Medical Insurance	**$73,700**	$69,562	$4,138	5.9%
5440	Employee Retirement	**$518,600**	$496,240	$22,360	4.5%
5445	SIP 401a Plan	**$35,000**	$35,000	$0	0.0%
5510	Motor Vehicle Exp.	**$77,100**	$75,000	$2,100	2.8%
5620	Office & Facilities Expenses	**$168,500**	$163,500	$5,000	3.1%
5620A	Credit Card/bank Fees & Billing Expenses	**$150,000**	$150,000	$0	0.0%
5620B	Bad Debt Expense	**$10,000**	$50,000	-$40,000	-80.0%
5625	Meetings/Training/Seminars	**$33,000**	$33,000	$0	0.0%
5630	Insurance	**$163,300**	$159,000	$4,300	2.7%
5687	Memberships & Subscriptions	**$87,400**	$85,100	$2,300	2.7%
5688	Election Expense	**$0**	$30,000	-$30,000	-100.0%
5689	Labor Relations	**$6,000**	$6,000	$0	0.0%
5700	County Fees	**$25,700**	$25,000	$700	2.8%
5705	State Fees	**$37,500**	$36,500	$1,000	2.7%
Total Operating Expenses		**$9,396,221**	**$9,301,174**	**$95,046**	**1.0%**
	CAPITAL ACCOUNTS				
5712	Existing Bonds - 2006B	**$0**	$0	$0	#DIV/0!
5715	Existing Bond-CIEDB 11-099	**$335,825**	$335,825	$0	0.0%
5716	CIEDB 16-111	**$322,895**	$323,357	-$462	-0.1%
5717	Chase-2018 Loan	**$435,168**	$433,567	$1,601	
Total Capital Accounts		**$1,093,888**	**$1,092,748**	**$1,140**	**0.1%**
TOTAL REVENUE LESS TOTAL EXPENSE		**$3,513,435**	**$3,154,327**	**$359,108**	**11.4%**
5713	Cont. to CIP & Reserves	**$3,513,435**			

** Water Revenue reflect 0% rate adjustments for FY2020-2021 and FY2021-2022 pending rate increases.*
Budget will be adjusted at a future date with approved rate increases.

COASTSIDE COUNTY WATER DISTRICT
CIP Projects FY 20/21 to FY 29/30

FINAL - APPROVED July 14, 2020
FY20/21 to FY29/30

EXHIBIT D
8/6/2020

Project #	Project Name	FY19/20 Carryover to FY 20/21	Projected FY 20/21 to FY 29/30 Total	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY26/27	FY27/28	FY28/29	FY 29/30	Projected FY 20/21 to FY 29/30 Total
Equipment Purchase & Replacement														
06-03	SCADA/Telemetry/Electric Controls Replacement		**$ 500,000**	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 500,000
15-04	Vactor Truck/Trailer		**$ 500,000**						$ 500,000					$ 500,000
19-04	Valve truck		**$ 225,000**	$ 225,000										$ 225,000
21-08/22-05	Asset Management/ESRI GIS Software/Planning Software	$ 60,000	**$ 60,000**	$ 60,000										$ 60,000
99-02	Vehicle Fleet Replacement		**$ 320,000**			$ 40,000	$ 40,000	$ 40,000	$ 40,000	$ 40,000	$ 40,000	$ 40,000	$ 40,000	$ 320,000
	Equipment Purchase & Replacement Totals	**$ 60,000**	**$ 1,605,000**	**$ 335,000**	**$ 50,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 590,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 1,605,000**
Facilities & Maintenance														
09-09	Fire Hydrant Replacement		**$ 1,260,000**		$ 140,000	$ 140,000	$ 140,000	$ 140,000	$ 140,000	$ 140,000	$ 140,000	$ 140,000	$ 140,000	$ 1,260,000
15-03	*District Admin/Operations Center (moved from FY25/26 to 10+ years)*		**$ -**											$ -
20-07	District Office Improvements	$ 60,000	**$ -**											$ -
18-13	Denniston WTP and Tank Road Repairs and Paving	$ 400,000	**$ -**											$ -
99-01	Meter Change Program		**$ 200,000**	$ 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	**$ 460,000**	**$ 1,460,000**	**$ 20,000**	**$ 160,000**	**$ 160,000**	**$ 160,000**	**$ 160,000**	**$ 160,000**	**$ 160,000**	**$ 160,000**	**$ 160,000**	**$ 160,000**	**$ 1,460,000**
Pipeline Projects														
13-02	Pipeline Replacement Under Creek at Pilarcitos Ave. (Strawflower)		**$ 750,000**	$ 750,000										$ 750,000
14-01	Highway 92 - Replacement of Welded Steel Line	$ 700,000	**$ 3,100,000**	$ 100,000					$ 1,000,000	$ 2,000,000				$ 3,100,000
14-27	Grandview Pipeline Replacement Project		**$ 1,650,000**		$ 1,650,000									$ 1,650,000
14-29	Replacement of Galvanized Steel Pipeline - Purissima Way		**$ 125,000**								$ 125,000			$ 125,000
14-33	Miramar Cast Iron Pipeline Replacement		**$ 2,550,000**							$ 50,000	$ 1,000,000	$ 1,500,000		$ 2,550,000
16-09	Magellan at Hwy 1/Miramar Dead Ends		**$ 450,000**								$ 450,000			$ 450,000
18-01	Pine Willow Oak Pipeline Replacement		**$ 2,300,000**							$ 2,300,000				$ 2,300,000
20-08	Highway 1 (Silver/Terrace/Grandview/Spindrift) -Replacement of Highway 1 crossings	$ 30,000	**$ 2,000,000**								$ 200,000	$ 1,800,000		$ 2,000,000
21-01	Redondo Beach Loop to St Andrews Road		**$ 125,000**			$ 125,000								$ 125,000
21-09	Miramar Tank/Pipeline Replacement (700 ft)		**$ 500,000**			$ 500,000								$ 500,000
21-10	El Granada Tank #2 Pipeline Replacement		**$ 500,000**	$ 500,000										$ 500,000
NN-00	Unscheduled CIP		**$ 3,800,000**	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 1,000,000	$ 100,000	$ 2,000,000	$ 3,800,000
	Pipeline Projects Totals	**$ 730,000**	**$ 17,850,000**	**$ 1,450,000**	**$ 1,750,000**	**$ 725,000**	**$ 100,000**	**$ 100,000**	**$ 1,100,000**	**$ 4,450,000**	**$ 2,775,000**	**$ 3,400,000**	**$ 2,000,000**	**$ 17,850,000**

COASTSIDE COUNTY WATER DISTRICT
CIP Projects FY 20/21 to FY 29/30

FINAL - APPROVED July 14, 2020
FY20/21 to FY29/30

EXHIBIT D
8/6/2020

Project #	Project Name	FY19/20 Carryover to FY 20/21	Projected FY 20/21 to FY 29/30 Total	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY26/27	FY27/28	FY28/29	FY 29/30	Projected FY 20/21 to FY 29/30 Total
Pump Stations/Tanks/Wells														
21-07	Carter Hill Tank Improvement Project		**$ 6,700,000**	$ 600,000			$ 4,000,000	$ 2,100,000						$ 6,700,000
08-14	Alves Tank Rehabilitation/Replacement		**$ 3,300,000**		$ 300,000				$ 3,000,000					$ 3,300,000
19-01	EG#1 Tank Improvement Project/New Pump Station		**$ 1,000,000**							$ 1,000,000				$ 1,000,000
14-33	Miramar Tank Rehabilitation		**$ 200,000**									$ 200,000		$ 200,000
08-16	Cahill Tank Rehabilitation		**$ 125,000**		$ 125,000									$ 125,000
20-16	Denniston Tank Rehabilitation		**$ 125,000**		$ 125,000									$ 125,000
09-18	Pilarcitos Well Field Improvements		**$ 250,000**			$ 250,000								$ 250,000
16-08	Denniston Well Field Improvements		**$ 150,000**						$ 150,000					$ 150,000
21-02	Pilarcitos Reservoir Spillway - Pump/Emergency Generator		**$ 100,000**	$ 100,000										$ 100,000
20-01	CSP Pump #1 Replacement		**$ 100,000**								$ 100,000			$ 100,000
21-03	CSP Pump #3 Replacement		**$ 80,000**								$ 80,000			$ 80,000
19-05	Tanks - THM Control		**$ 110,000**	$ 60,000	$ 50,000									$ 110,000
21-11	Tank Cathodic Protection Project		**$ 40,000**	$ 40,000										$ 40,000
	Pump Stations/Tanks/Wells Totals	$ -	**$ 12,280,000**	**$ 800,000**	**$ 600,000**	**$ 250,000**	**$ 4,000,000**	**$ 2,100,000**	**$ 3,150,000**	**$ 1,000,000**	**$ 180,000**	**$ 200,000**	$ -	**$ 12,280,000**
Water Supply Development														
12-12	San Vicente/Denniston Water Supply Project		**$ 2,900,000**	$ 300,000	$ 300,000	$ 300,000	$ 1,000,000	$ 1,000,000						$ 2,900,000
13-04	Denniston Reservoir Restoration		**$ 1,000,000**					$ 1,000,000						$ 1,000,000
17-12	Recycled Water Project Development		**$ 100,000**						$ 100,000					$ 100,000
			$ -											
	Water Supply Development Totals	$ -	**$ 4,000,000**	**$ 300,000**	**$ 300,000**	**$ 300,000**	**$ 1,000,000**	**$ 2,000,000**	**$ 100,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 4,000,000**
Water Treatment Plants														
20-14	Nunes Water Treatment Plant Improvement Project		**$ 7,600,000**	$ 700,000	$ 2,900,000	$ 4,000,000								$ 7,600,000
21-04	Nunes/Denniston Turbidimeter Replacement		**$ 35,000**	$ 35,000										$ 35,000
21-06	Nunes - Effluent Meter		**$ 100,000**			$ 100,000								$ 100,000
13-05	Denniston WTP and Booster Standby Power	$ 300,000	**$ -**	$ -										$ -
	Water Treatment Plants Totals	**$ 300,000**	**$ 7,735,000**	**$ 735,000**	**$ 2,900,000**	**$ 4,100,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**		**$ 7,735,000**
	GRAND TOTAL	**$ 1,550,000**	**$ 44,930,000**	**$ 3,640,000**	**$ 5,760,000**	**$ 5,625,000**	**$ 5,350,000**	**$ 4,450,000**	**$ 5,100,000**	**$ 5,700,000**	**$ 3,205,000**	**$ 3,850,000**	**$ 2,250,000**	**$ 44,930,000**

* red highlight = design

5 years	$	24,825,000
5 year average	$	4,965,000

Estimated CIP used for Raftelis 3/2020 study	*$ 5,465,000*	*$ 4,780,000*	*$ 5,485,000*	*$ 5,350,000*	*$ 4,400,000*	$ 25,480,000

STAFF REPORT

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

From: **Mary Rogren, General Manager**

Agenda: **September 8, 2020**

Report Date: September 4, 2020

Subject: **Fiscal Years 2020-2021 and 2021-2022 Budget Process Timeline**

Recommendation:
None. Information only.

Background:
The attached Budget Process Timeline lays out key milestones and schedule for presentation, consideration and approval of the Fiscal Year 2020-2021 and Fiscal Year 2021-2022 Budgets, the Fiscal Year 2020/21 – 2029/30 Capital Improvement Program, and Fiscal Year 2020/21 – 2020/24 Financial Plan.

Given the COVID 19 pandemic, at a Special Meeting on April 3, 2020, the Board voted to delay discussions of rate increases until July, 2020. The schedule has resumed given direction from the July 13, 2020 Board Meeting, with a timetable leading up to a public hearing to occur on October 13, 2020.

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

Fiscal Impact:
None.

Coastside County Water District
BUDGET (O&M and CIP) PROCESS TIMELINE
Fiscal Year 2020-2021 and Fiscal Year 2021-2022

Light blue = task completed

Description	Date
Finance Committee – Introduction to Budget Process / Timeline Rate Study Update / Overview SB998	November 25, 2019
Present Budget Timeline for Board Review / Approve Rate Study (with Raftelis Financial Consultants, Inc.)	December 10, 2019 Regular Board Meeting
Staff Internal Budget Review – Distribute O&M Budget Worksheets	Week of December 16, 2019
Present any revisions to Budget Timeline / Process	January 14, 2020 Regular Board Meeting
Facilities Committee Meeting – Review Draft FY2020/21 to FY2029/30 Capital Improvement Program ("CIP") Budget	January 15, 2020
Staff Internal Budget Review – Worksheets Due/Review CIP Budget	January 20, 2020
Finance Committee Meeting – Review Draft O&M Budget & CIP	January 29, 2020
Facilities Committee Meeting – Review Draft CIP Budget	February 4, 2020
Present "Draft" O&M Budget and CIP to Board of Directors at Board Meeting	February 11, 2020 Regular Board Meeting
Finance Committee Meeting – Review Draft O&M Budget & CIP	March 10, 2020
Present "Draft" O&M Budget, CIP, and Financing Plan to Board of Directors at Board Meeting / **Raftelis Workshop with Board** *(Board authorizes Staff to prepare Prop 218 noticing for increase to be effective July 1, 2020)*	March 10, 2020 Regular Board Meeting
COVID-19 Pandemic declared by World Health Organization (WHO) *San Mateo County Shelter-in-Place Order*	March 11, 2020 March 16, 2020
Board votes to postpone rate increase (planned for July 1, 2020) due to pandemic and unforeseen economic situation in community	*April 3, 2020* *Special Board Meeting*
Present "Draft" O&M Budget and CIP to Board of Directors at Board Meeting	May 12, 2020 Regular Board Meeting

Description	Date
Facilities Committee Meeting - Review Draft CIP Budget	May 28, 2020
Finance Committee Meeting - Review Draft O&M Budget & CIP	June 3, 2020
Board Approval of FY2020-2021 O&M Budget; Review of Draft CIP	June 9, 2020 Regular Board Meeting
Facilities Committee Meeting - Review Draft CIP Budget	June 25, 2020
Board Approval of FY2020/21 to FY2029/30 Capital Improvement Program	July 14, 2020 Regular Board Meeting
Second Financial Planning and Rate Update Workshop with Raftelis Financial Consultants (Board authorizes Staff to prepare Prop 218 noticing for rate increase to be effective January 1, 2020)	July 14, 2020 Regular Board Meeting
Review "Water Financial Plan and Rate Update Study" prepared by Raftelis Financial Consultants; O&M Budgets for FY2020-2021 and FY2021-2022 (Draft), CIP, and Financing Plan; Approve Notice of Public Hearing (Prop. 218)	August 11, 2020 Regular Board Meeting
Mail Notice of Rate Increase (Prop 218) – Minimum 45-Day Notice Before Public Hearing and post Notice on Bulletin Board	August 21, 2020
Customer Outreach – E-Newsletter – Shared with Facebook and Twitter Message: Public Meeting Schedule for Budget –Links to Operations Budget and CIP	September 1, 2020
Review "Water Financial Plan and Rate Update Study" prepared by Raftelis Financial Consultants; O&M Budgets for FY2020-2021 and FY2021-2022 (Draft), CIP, and Financing Plan – in anticipation of October 13, 2020 Public Hearing	September 8, 2020 Regular Board Meeting
Customer Outreach – E-Newsletter Message: Understanding Budget and Proposed Rate Increase	September 16, 2020
Proposition 218 Notice Published in the Half Moon Bay Review	September 16, 2020 and September 23, 2020
Public Hearing Approve Rate Adjustments to be effective January 1, 2021 and January 1, 2022; Approve FY2021-2022 O&M Budget	October 13, 2020 – 7:00 p.m. Regular Board Meeting / Public Hearing
New Year 1 Rates Effective	January 1, 2021

STAFF REPORT

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

From: **James Derbin, Superintendent of Operations**
Via: **Mary Rogren, General Manager**

Agenda: **September 8, 2020**

Date: **September 8, 2020**

Subject: **Approval of Procurement of Valve Exercising Equipment and Truck Including 1) Purchase of a Ford F-550 Chassis; 2) Purchase of E.H. Wachs Valve Exercising Equipment 3) Installation of a Customized Flatbed with the E.H. Wachs Equipment Installed on the Chassis**

Recommendation:

1) Authorize the General Manager to purchase a Ford F-550 chassis from James Ford in the amount of $48,705.85
2) Waive the requirement in the District's Policies and Procedures for Award of Contracts (Resolution 2016-09) to solicit competitive bids and authorize the General Manager to proceed with sole-source procurement of E.H. Wachs valve exercise equipment to be installed on the F-550 Chassis for $101,473.75. (See Attachment A.)
3) Authorize the General Manager to procure installation services by Scelzi Enterprises to build a custom flatbed and install E.H. Wachs equipment for a not to exceed amount of $75,361.37. (See Attachment B.)

Summary of Costs

Item	Cost Year 1
Ford F-550 Chassis	$48,705.85
E.H. Wachs Equipment	$101,473.75
Scelzi E. Installation	$75,361.37
TOTAL	**$225,540.97**

Background:

Valve exercising is a vitally important aspect of a well-organized preventative maintenance program and also a requirement of maintaining our water system permit with State Water Resources Control Board Division of Drinking Water. The District currently has over 1,300 valves in the distribution system. In addition, when valves are regularly exercised in an organized and tracked fashion, staff become more familiar with the location of the distribution valves and know the valve cans will be clean and ready to operate in an emergency.

With this type of equipment, many valves that are thought to need replacement can be rehabilitated with gradual increase in torque and repetitive travel.

The District's current valve exerciser trailer (purchased in 2007) is limited in operational and safety features and is currently at the end of its useful life.

The District's Superintendent purchased a very similar valve truck while working at Marina Coast Water District. This truck was also a F-550 with E.H. Wachs equipment and was installed by Scelzi Enterprises. The process went very well and the Scelzi craftmanship is hard to find in other local California based truck outfitting shops.

The E.H. Wachs equipment also integrates easily with Cityworks Computer Maintenance Management System that staff plans to go live with at the end of September.

1) Purchase of Ford 550 Chassis
Staff went to bid on the F-550 chassis with James Ford as the lowest bidder. See below for bid results:

Chassis Bid Results:

James Ford	$48,705.85
Towne Ford	$48,807.52
Serramonte Ford	$50,177.72

2) Purchase of E.H. Wachs Valve Exercising Equipment

The E.H. Wachs valve exercising equipment will include a vacuum, waste tank, valve exerciser, GPS, and washdown with the ability to track and control torque, count turns and track valves that have been exercised. E.H. Wachs is the premier manufacturer of valve exercising equipment with excellent product support. Many local private and public water agencies are currently using this equipment as it has proven to be the most reliable means for administering a safe and effective valve exercising program. A short list of local water agencies that currently use E.H. Wachs equipment is shown in Attachment A.

Staff is requesting to purchase the valve exercising equipment from E.H. Wachs for the amount of $101,473.75 and to waive the competitive bidding requirements of Resolution 2016-09 in order to sole source the purchase from E.H. Wachs. As noted, E.H. Wachs is the exclusive vendor for E.H. Wachs equipment. Staff has researched other valve exercising equipment and found that E.H. Wachs equipment is the only equipment that satisfies the District's requirements for this application. See Attachment A for sole source letters from E.H. Wachs.

3) Installation of a Customized Flatbed with the E.H. Wachs Equipment Installed on the Chassis by Scelzi Enterprises

Scelzi Enterprises has an excellent reputation for manufacturing custom truck bodies. Staff is requesting to contract with Scelzi due to their specialized skill and bed component specifications used in building this type of bed. Staff requested bids from three other truck bed installation/fabrication shops, but did not receive any responsive bids. The other companies were either non-responsive and unable to bid or could not meet the specifications requested. For example, Scelzi was the only manufacturer that was willing to offer:

- Custom arrangement and layout of the E.H. Wachs equipment
    - Several shops said they would only do a standard layout, no modifications
- Custom 173 gallon stainless steel water tank
- Continuous welds on bed and supports rather than stitch welding
- Soldered wiring connections rather than crimped wires

Staff is also requesting to procure the flatbed fabrication and installation of the E.H. Wachs equipment with Scelzi Enterprises in the amount of $75,361.37.

Fiscal Impact:
Funding for this project is included in the Board adopted Fiscal Year 2020/2021 Capital Improvement Program Budget in the amount of $225,000.

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Water Utility Products
600 Knightsbridge Pkwy | Lincolnshire IL 60069
T +1 847 537 8800 | F +1 847 520 1147
ehwachs.com

Quotation

TO: **Darin Sturdivan**
Distribution Supervisor
Coastside County Water District
766 Main Street
Half moon Bay, CA 94019

Date:	9/8/2020
Quotation Number:	KR142660
Payment Terms:	Net 30
Shipping Terms:	FOB Origin
Valid Through:	11/7/2020
Estimated Delivery:	8 Weeks ARO

E.H. Wachs is pleased to offer the following quotation.

	Item Number	Description	Qty	U/M	Unit Price (USD)	Line Total (USD)
1	77-000-60	Standard Builder (Diesel) – VMS (RH): Includes the foundational skid platform and option integration. First choose the type of power plant; the basic power pack (77-260-12) has a positive displacement blower providing 500 CFM (14.2 cmm)-11" (280mm) Hg vacuum and a 2.5 GPM (9.5 LPM) @ 3000 PSI (210 bar) pressure washer system with 3 gallon (11.4 L) anti-freeze tank and 95 gallon (360 L) water tank. The hydraulic power pack (77-260-03) adds HTMA Class II hydraulics; 10 gallon (38 L) reservoir, fan cooled heat exchanger, continuous duty rated for 8 GPM (30.3 LPM) @ 2,000 PSI (140 bar). As part of either power pack option is choice of (3) different spoils containment tanks, all with power hydraulic dump (rear discharge) and latching rear door; best value comes from the default 250 (950 L) gallon (77-431-02-00), but a 150 (570 L) gallon (77-433-02) and 350 (1,325 L) gallon (77-432-02-00) are also available. Valve machines are available if the hydraulic power pack is selected ; Wachs 2,500 Ft/lb (3,400 Nm) TM-7 HD Plus with Hybrid Control and valve key (Grand option: 17-405-00), Wachs 750 Ft/lb (1020 Nm) ERV-750 Extended Reach Valve operator with Bluetooth , telescoping valve key (79-404-00) and Vitals Controller/Datalogger (79-422-01), only one required per system. LX options available include: Service light bar with arrow board (77-420-00), Job Box if not outfitting with TM-7 (77-409-00) and 50' (15 M) auxiliary hydraulic hose reel for operation of supporting power tools (77-413-05) Other options available include: Hot Water Heater (77-414-02) or already GPS enabled controller/datalogger, however adding Trimble R2 GNSS receiver (79-412-02) provides survey grade centimeter accuracy.	1	EA	8,250.00	8,250.00
2	77-260-13	Power Pack, Diesel with Hydraulics for VMS systems: Tier 4F compliant, Kubota 1.1L, I-3 4-stroke, liquid cooled, IDI diesel engine; drawing fuel from a 10 gallon (38 L), hydro formed and rolled DOT approved aluminum tank provides ample power for all contained functions. Includes an HTMA Class II hydraulic circuit; 10 gallon (38 L) reservoir, fan cooled heat exchanger, push button electronically controlled circuit valving, continuous duty rated for 8 GPM (30.3 LPM) @ 2,000 PSI (140 bar). A positive displacement blower provides 500 CFM (14.2 cmm)-11" (280mm) Hg vacuum, and a 2.5 gpm (9.5 LPM) @ 3000 PSI (210 bar) pressure washer system with 3 gallon (11.4 L) anti-freeze and 95 gallon (360 L) water tank. Vacuum wand system with quick change 2-1/2" (63.5mm), 1-1/4" (31.75mm) & 7/8” (22mm) diameter suction wands and one each short and long wash-down guns.	1	EA	28,250.00	28,250.00
3	77-432-02-00	350 Gallon Spoils Tank Assembly utilizing industry exclusive hydraulic side and dump system (translating 3" before lifting) and hydraulic latching rear door. Tank manufactured from 3/16" thick P&O plate for durability, then sandblasted and powder coated for long life. Includes quick clean cyclone filter and electric/hydraulic HPU. Note: This Spoils Assembly is produced on a as needed basis for those who have tasks planned beyond just valve box cleanout and as a result lead times are longer and pricing is higher than the standard 250 gallon.	1	EA	18,500.00	18,500.00

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Water Utility Products
600 Knightsbridge Pkwy | Lincolnshire IL 60069
T +1 847 537 8800 | F +1 847 520 1147
ehwachs.com

Quotation

TO: **Darin Sturdivan**

Date: 9/8/2020
Quotation Number: KR142660

	Item Number	Description	Qty	U/M	Unit Price (USD)	Line Total (USD)
4	79-404-00	ERV-750 Automated Valve Operator, Exercisor and Rehabilitator with Bluetooth Kit for VMS systems, featuring Wachs industry leading automation. Extendable arm produces a full 750 Ft lbs (1020 Nm) of torque. The system utilizes a dual pivot point to locate over any valve box/hydrant within 13'. Locking disc brakes hold the full torque of the machine while operating, allowing operator to keep hands off equipment and supervise activity from a safe location. Kit includes ERV-750, bluetooth adapter, telescoping valve key, mounting hardware and interface plumbing. Requires Ruggedized Controller/Datalogger (Part#79-422-01/02).	1	EA	14,000.00	14,000.00
5	79-422-01	Wachs HC-100 (North America) ruggedized Controller/Datalogger to operate and collect data (including GPS) during the operation of ERV-750, TM7 and TM-6 machine (includes PDA style PC, 12v vehicle charger kit, AC charging kit, USB sync cable, machine control cable, screen protector & preloaded with Vitals Mobile software). Already GPS enabled, however adding option 79-412-02 (Trimble R2 GNSS receiver) provides survey grade centimeter accuracy.	1	EA	3,250.00	3,250.00
6	77-420-00	Light Bar Kit including (2) pivoting service lights, arrow board and controller for mounting to rear of spoils tank.	2	EA	2,475.00	4,950.00
7	77-409-00	Locking Job Box Kit for VMS systems. Includes custom aluminum diamond plate, under body style box (30" x 14" x 17-1/2"), locking latch, mounting hardware and trim. The box is sealed and includes storage for all equipment manuals. This box mounts in the cavity reserved for the optional TM-7 HD, so it is not availble when this option is required.	1	EA	700.00	700.00
8	77-413-05	50' Hydraulic Hose Reel Kit for VMS systems, twin 1/2 hoses on spring retractable, bottom roller reel. Includes mounting hardware and interface hoses.	1	EA	2,650.00	2,650.00
9	79-412-02	Trimble R2 GNSS GPS Receiver provides up to Centimeter" accuracy, benefit from the support of multiple satellite constellations and select from a range of correction sources (from SBAS and VRS networks to Trimble RTX correction services delivered by satellite and Internet) for accurate data at almost any location. This unit is a stand alone GPS receiver which includes the NEMA output option (required when utilizing Vitals or other third party software) that pairs via Bluetooth wireless communication to the HC-100, Recon or other supported data collector. Also included are Ram Mount interfaces for the TM-7 & ERV-750 valve machines. Restocking Note: This is a non-stocked item becuase of the speed at which this technology changes, so restocking fees are applied if returned. Non-Stock item, expect longer delivery	1	EA	8,750.00	8,750.00
10	SALES TAX	Sales Tax 9.25%	1	EA	8,591.60	8,591.60
					Subtotal	**97,891.60**
					Shipping & Handling	**3,582.15**
					Total (USD)	**$101,473.75**

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Water Utility Products
600 Knightsbridge Pkwy | Lincolnshire IL 60069
T +1 847 537 8800 | F +1 847 520 1147
ehwachs.com

Quotation

TO: **Darin Sturdivan**

Date: 9/8/2020
Quotation Number: KR142660

We will prepay and add shipping charges to your order, or we can ship collect via your choice of carrier service. If you have any questions please feel free to call Matt Goodwin at 209-534-1671 or call me at 815-943-4785 x2773.

(SALES TAX!!!!) We collect sales tax in all but the following states: AK, DE, MT, OR and NH. If you are tax exempt please supply your identification number and certificate with your order. If your exempt number is not on file, tax will be added to your invoice.

Please reference this quote number when placing your order. Thank You.

Ken Redding
Utility Technical Sales Rep
815-943-4785 x2773
kredding@ehwachs.com

Reference List of Wachs users in N. CA

SF Water, City of San Francisco

Recently purchased 5 units

San Jose Water Company

6 Wachs Valve Trucks/TM-7

1 Fully Loaded Wachs Valve Truck. Standard LX Skid

1 Wachs Standard LX Trailer

East Bay MUD

10 Wachs Valve Trucks

40 Wachs Handheld P2 Operators

Redwood City

1 Wachs Valve Truck/ Standard LX Skid

1 Wachs Utility Vac Trailer

City of Mountain View

1 Wachs Valve Truck/ Standard LX Skid

Cal Water has Wachs Trucks throughout their service areas totaling more than 15 units

E.H. WACHS®
A Division of ITW
The Valve Maintenance Experts turnvalves.com

Utility Products Division
600 Knightsbridge Parkway I Lincolnshire, Illinois 60069
T: +1.815.943.4785 I F: +1.815.943.5098
866.392.1060

5/12/20

This letter serves as a sole source document for the Valve Maintenance Trailer (VMT) & Valve Maintenance Skid (VMS) line of products (including the Hydro-Excavation units) manufactured by E.H. Wachs, Utility Products Division.

The VMT/VMS equipment and accessories are designed, manufactured, assembled and distributed solely by E.H Wachs. The design of this tool is so unique; it has been awarded multiple US patents:

Patent Number 9,523,443 – Position locking system for valve operating machine

Patent Number 9,188,240 – Positioning system for valve operating machine

Patent Number 9,038,667 – Dual arm valve operating machine

Patent Number 8,025,078 - Vehicle mountable arm for valve operating machine

Patent Number 5,937,373 (expired) - Method of controlling an underground fluid flow system

Patent Number 5,381,996 (expired) - Valve operator

In the domestic US, regional distribution is through direct salesmen or exclusive territory dealers; for your area Matt Goodwin is the only outlet to purchase these products.

To the best of our knowledge, no other vendor manufactures and distributes units with these unique feature sets. Please let me know should you need further details.

Jeff Swiatowy

Jeff Swiatowy
Business Unit Manager
Wachs Utility Products

E.H. WACHS®
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The Valve Maintenance Experts
turnvalves.com

Utility Products Division
600 Knightsbridge Parkway I Lincolnshire, Illinois 60069
T: +1.815.943.4785 I F: +1.815.943.5098
866.392.1060

May 12, 2020

This letter serves as a sole source document for Truck Mounted (TM-7 & ERV-750) line of products manufactured by E.H. Wachs, Utility Products Division.

The Wachs lines of valve exercising equipment and accessories are designed, manufactured, assembled and distributed solely by E.H Wachs. The design of this tool is so unique it has been granted multiple US intellectual property protections:

Patent Number 9,523,443 (Active) – Position locking system for valve operating machine

Patent Number 9,188,240 (Active) – Positioning system for valve operating machine

Patent Number 9,038,667 (Active) – Dual arm valve operating machine

Patent Number 8,025,078 (Active) - Vehicle mountable arm for valve operating machine

Patent Number 5,937,373 (Expired) - Method of controlling an underground fluid flow system

Patent Number 5,381,996 (Expired) - Valve operator

In the domestic US, regional distribution is through direct salesmen or exclusive territory dealers; for your area Matt Goodwin is the only outlet to purchase these products your area of California.

To the best of our knowledge, no other vendor manufactures and distributes these or similar items. Please let me know should you need further details.

Sincerely,

Jeff Swiatowy

Jeff Swiatowy
Business Unit Manager
Wachs Utility Products

ATTACHMENT B

Quotation

2286 E. Date Ave.
Fresno, CA 93706
Phone: 559-237-5541
Fax: 559-237-5554
www.SEINC.com

203481

User: Uribe, Ruben

Bill To: COASTSIDE COUNTY WATER DISTRICT
Attn: STURDIVAN, DARIN
766 MAIN STREET
HALF MOON BAY, CA 94019
(650) 726-4405

Ship To: Fresno Will Call
Attn: Scelzi Enterprises
2316 E Annadale Ave.
Fresno, CA 93706

Quote Date:	05/05/2020	**Salesman:**	Uribe, Ruben
Expiration Date:	06/04/2020	**Ship Via:**	WILL CALL, Fresno, CA - Sales Office
Sales Tax	Fresno* @ 7.975%	**Terms:**	COD
		PO Number:	

Notes:

PAINT BODY WHITE
AFT AXLE FUEL TANK - DIESEL
DEF TANK SETUP FOR HOSES & BEZEL

Qty	Part Number	Description	Total	Tax
1	Customer Chassis	2020, FORD F-550, REG CAB, DRW, DIESEL, WHITE, 108"CA	$0.00	
1	FB-CUSTOM	SCELZI FLAT BED 8' WIDE 14' LONG - "NO" TAILPLATE - 3/16" SMOOTH STEEL BED - "NO" ROPE HOOKS - "NO" STAKE POCKETS - CROSSMEMBERS ON 12" CENTERS - L.E.D. CLEARANCE LIGHTS & L.E.D. OEM TAILLIGHTS - ICC DOCK BUMPER 1EA - 3" CHANNEL HEADBOARD SET UP FOR DUAL FLATBED CUT OUTS WITH LOUVERS FOR VENTILATION TO TRANSVERSE COMPARTMENT 2EA - CUT OUTS EACH SIDE OF FLAT BED AT FRONT 1EA - 60"H X 56"W X 20"D STREET SIDE FRONT COMPARTMENT WITH DOUBLE DOORS 1EA - TRANSEVERSE COMPARTMENT EVEN WITH COMPARTMENT FLOOR, LOUVER VENTED AT FRONT BULKHEAD AND PERFORATED SECTION ON FLOOR, COMPARTMENT TO BE BETWEEN TWO FRONT COMPARTMENTS WITH A CLEAR OPENING OF 12" HIGH X 28" WIDE	$69,735.00	T

2286 E. Date Ave.
Fresno, CA 93706
Phone: 559-237-5541
Fax: 559-237-5554
www.SEINC.com

203481

User: Uribe, Ruben

1EA - STREETSIDE FRONT COMPARTMENT, LEFT HAND SIDE OF COMPARTMENT SHALL HAVE THRU COMPARTMENT THAT EXTENDS OUT TO DOOR OPENING WITH STATIONARY SHELF ABOVE

1EA - VANNER 3000 WATT INVERTER, MODEL #IT-12-3000 INSTALLED IN STREET SIDE STATIONARY SHELF WIRED TO CHASSIS BATTERY - PER DRAWING

1EA - REELCRAFT ELECTRIC CORD REEL 50' L 5550 123 3A WIRED AND MOUNTED BESIDE INVERTER – PER DRAWING

1EA - STREETSIDE FRONT COMPARTMENT, LEFT HAND SIDE OF COMPARTMENT SHALL HAVE (3) SCELZI ROLL OUT DRAWERS STARTING FROM THE BOTTOM WITH (2) 6" AND (1) 4" WITH (1) STATIONARY SHELF ABOVE

1EA - STREETSIDE FRONT COMPARTMENT, RIGHT HAND SIDE OF COMPARTMENT AT TOP SHALL HAVE (2EA) SHOVEL HOLDERS ON BACKWRAPPER

1EA - 60"H X 56"W X 20"D CURBSIDE FRONT COMPARTMENT WITH DOUBLE DOORS

1EA - CURBSIDE FRONT COMPARTMENT, RIGHT HAND SIDE OF COMPARTMENT SHALL HAVE THRU COMPARTMENT THAT EXTENDS OUT TO DOOR OPENING

1EA - CURBSIDE FRONT COMPARTMENT, RIGHT HAND SIDE OF COMPARTMENT SHALL HAVE (3) SCELZI ROLL OUT DRAWERS STARTING FROM THE BOTTOM WITH (2) 6" AND (1) 4" WITH (1) STATIONARY SHELF AND (2) ADJUSTABLE SHELVES ABOVE

1EA - CURBSIDE FRONT COMPARTMENT, LEFT HAND SIDE OF COMPARTMENT SHALL BE SPLIT IN HALF VERTICALLY WITH (4EA) ADJUSTABLE SHELVES IN REAR HALF AND OPEN ON FRONT HALF

2EA - PERFORATED STEPS MOUNTED TO LOWER REAR END PANELS OF CURBSIDE 60" X 56" X 20" COMPARTMENT BELOW RUB-RAIL WITH GRAB HANDLES ON UPPER REAR END PANEL ABOVE RUB-RAIL

2EA - BUYERS #1492119, 9-L.E.D. 1500 LUMEN, CLEAR, SQUARE ALUMINUM HOUSING WITH STAINLESS STEEL MOUNT, MOUNTED (1EA) SIDE TOP REAR CORNER OF 60" H COMPARTMENTS (EACH SIDE) WIRED TO LABELED UPFITTER SWITCH IN CAB

2EA - GO LIGHTS MODEL #2020 WHITE IN COLOR, WITH WIRED SWITCH IN CAB LABELED REMOTE (1EA) SIDE ON TOP FRONT OF 60" COMPARTMENTS, CONTROLLER SHALL BE MOUNTED INSIDE OF 60" TALL COMPARTMENTS FRONT END PANEL JUST ABOVE ONE EACH SIDE.

1EA - 173 GALLON STAINLESS STEEL WATER TANK BAFFLED WITH TUBULAR SITE GAUGE BETWEEN 60" TALL COMPARTMENTS WITH 3/4" NPT BUNG AT REAR, PLUMBED TO PRESSURE WASHER – PER DRAWING

1EA - SET OF L.E.D. ROPE LIGHTING FOR STREET SIDE AND CURB SIDE 60" TALL COMPARTMENTS MOUNTED IN A HORSE SHOE PATTERN WITH ROPE LIGHTS ON SIDES AND TOPS OF COMPARTMENTS WITH COLE HERSEE CONTACT SWITCH @ EACH DOOR, MODEL #9006BX WIRED TO LABELED

SCELZI TRUCK BODIES

2286 E. Date Ave.
Fresno, CA 93706
Phone: 559-237-5541
Fax: 559-237-5554
www.SEINC.com

Quotation

203481

User: Uribe, Ruben

		UPFITTER SWITCH IN CAB 1EA - SET OF HARDWARE, HOSES, FITTINGS, AND WIRE CLAMPS TO INSTALL WACHS SYSTEM ON BODY, PLUMB WATER TANK TO PRESSURE WASHER 1EA - MOUNT WACHS SYSTEM ON DECK OF BODY MODEL# TM7, POWER UNIT, SPOILS UNIT - PER DRAWING 1EA - MOUNT HIGH PRESSURE HOSE REEL TOP OF BODY DRIVER'S SIDE FACING OUT REAR 1EA - MOUNT HYDRAULIC HOSE REEL ON TOP OF BODY DRIVER'S SIDE 2EA - CONE HOLDERS (1EA) ON FRONT BUMPER, (1EA) UNDER BED DRIVER'S SIDE REAR 6EA - SUPERIOR SIGNAL #SYLED04-11 LED STROBE LIGHT HEADS (2EA) ON FRONT BUMPER (1EA) SIDE, (2EA) ON SIDE RAILS ON MIDDLE OF FLATBED (1EA) SIDE, (2EA) ON REAR END RAIL INSIDE OF CLEARANCE LIGHTS (1EA) SIDE, WIRE TO SINGLE UPFITTER SWITCH IN CAB 1EA - AUXILIARY BATTERY WITH IN LINE BATTERY ISOLATOR ADDED TO CHASSIS ELECTRICAL SYSTEM 1EA - POLYUREA COATING ON COMPLETE CARGO FLOOR 2EA - SET OF BRUSHED STAINLESS STEEL OVERLAY ON EDGES OF FLATBED, 2" ON TOP WARAPPING OVER SIDES 1" *** NOTE: NO HITCH / NO TRAILER PLUG ***	
1	TOOLBOX	24" X 18" X 18" UNDERBODY TOOLBOX MOUNTED STREETSIDE BEHIND FRONT COMPARTMENT, POLYUREA INSIDE COMPARTMENT AND DOOR 1EA - 30" X 18" X 18" UNDERBODY TOOLBOX MOUNTED PASSENGER SIDE REAR AXLE, POLYUREA INSIDE COMPARTMENT AND DOOR		$0.00
1	HAZ MAT - HWD FEE	HAZARDOUS WASTE DISPOSAL FEE		$30.00
1	WEIGHT CERTIFICATE	WEIGHT CERTIFICATE OF COMPLETED UNIT		$35.00
1	WILL CALL	CUSTOMER TO PICK UP COMPLETED UNIT FRESNO, CA		$0.00
			Sub Total	**$69,800.00**
			Sales Tax	**$5,561.37**
			Total	**$75,361.37**

2286 E. Date Ave.
Fresno, CA 93706
Phone: 559-237-5541
Fax: 559-237-5554
www.SEINC.com

Quotation

203481

User: Uribe, Ruben

DISCLAIMERS

TERMS: Standard terms are Net 10 Days, any deviations need to be in writing before produciton

CHANGES: Each change after quote is accepted will constitute a $500.00 fee in addition to the cost of the change
No changes will be made to orders 2 weeks prior to production start date

DRAWINGS: Any changes to drawings after acceptance and 2 weeks prior to production start date will constitute a $500.00 fee or more at $150.00 per hour
No changes will be made to drawings 2 weeks prior to production start date

PAINT: Scelzi Enterprises, Inc. does not guarantee a perfect color match due to inconsistencies in factory paints and procedures

THIS WORK AUTHORIZED BY

DATE

Payment in full on completion of job if credit arrangements have not been made in advance

The above quotation is submitted according to specifications submitted by customer. Any alterations or changes increasing production costs will be charged for accordingly.

Estimate Prepared By:

Sales Rep: Uribe, Ruben

203481 - 8' X 14' SCELZI FLATBED

8 X 14 SCELZI FLATBED
-3/16" SMOOTH STEEL BED
-NO TAILPLATE
-NO STAKE POCKETS
-NO ROPE HOOKS
-ALL LIGHTS TO BE L.E.D.
- LED ROPE LIGHTS TO BE INSTALLED IN 60" TALL COMPARTMENTS WITH DOOR SWITCH 9006-BX
-BACKUP ALARM
-SUPERIOR SIGNAL SYLED04-AA STROBE ON OUTSIDE OF BUMPER AT FRONT (BOTH SIDES)
-WACHS COMPONENTS TO BE REMOVED FROM SKID AND REMOUNTED ON BED

173 GALLON STAINLESS STEEL WATER TANK W/ 2" PIPE AIR GAP FILL W/ CLEAR VINYL TUBING SIGHT GAUGE AT REAR

BUYERS 1492119 LED WORKLIGHTS WIRED TO SWITCH IN DASH

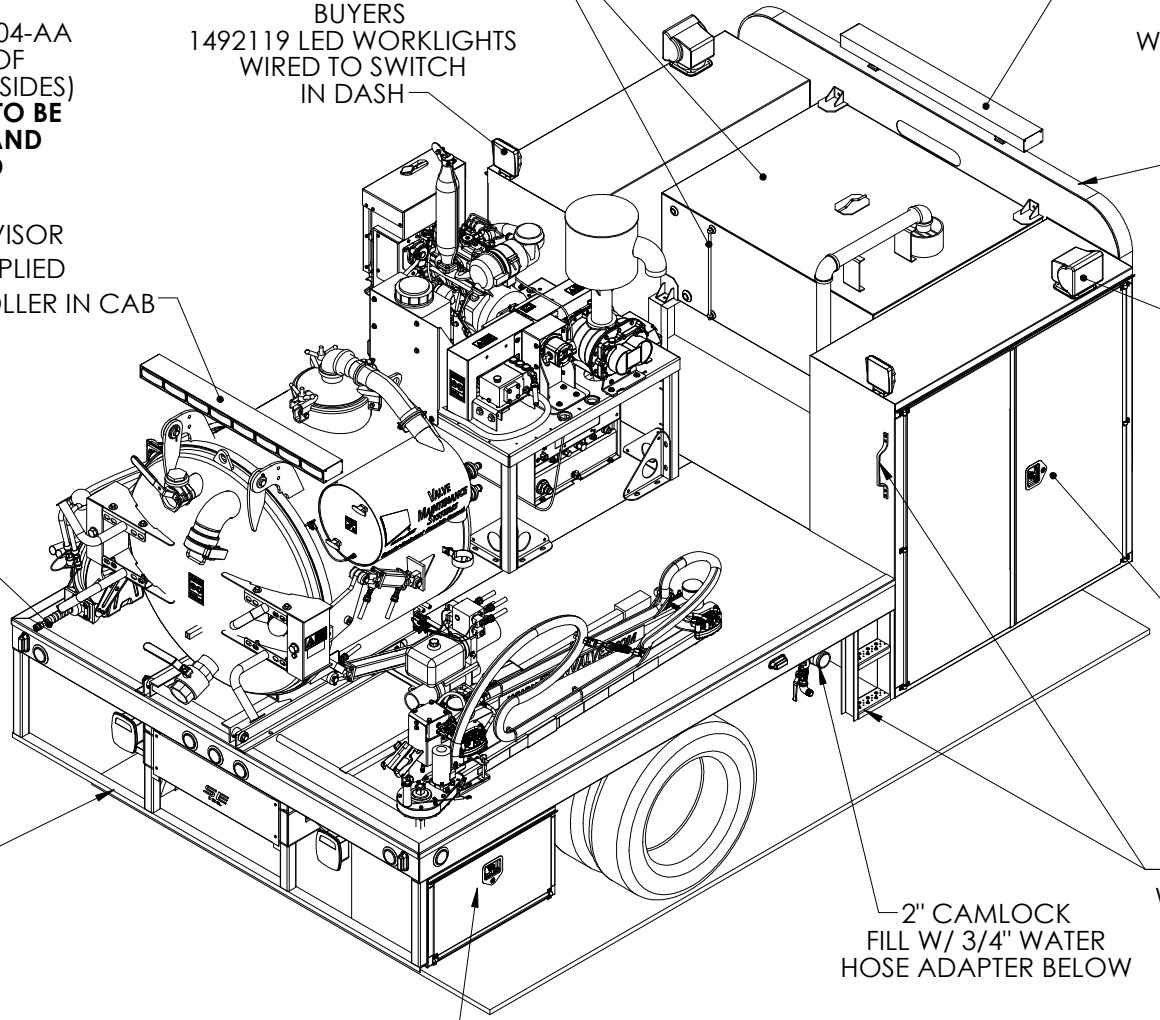
TRAFFIC ADVISOR WACHS SUPPLIED FORWARD FACING MOUNTED ON HEADBOARD WIRED TO CONTROLLER IN CAB

3" CHANNEL HEADBOARD FOR DUAL FLATBED CUTOUTS

TRAFFIC ADVISOR WACHS SUPPLIED WIRED TO CONTROLLER IN CAB

GO LIGHT MODEL 20/20 MOUNTED TO TOP OF COMPARTMENT (1) EA SIDE W/ CONTROLLER MOUNTED INSIDE 60" COMPARTMENTS TOWARD ROOF ON FRONT BULKHEAD (LENSE EXTENDED PAST MOUNT AND DOORS)

POLYUREA ENTIRE FLOOR OF BED



60" TALL X 56" WIDE X 20" DEEP COMPARTMENT (BOTH SIDES)

ICC DOCK BUMPER, BUMPER TO BE MOUNTED BEHIND REAR RAIL OFFSET BOTTOM CHANNEL TO THE FRONT (POLYUREA LOWER BUMPER CHANNEL)

2-RUNG PERFORATED STEP W/ GRAB HANDLE ON BACK OF COMPARTMENT

2" CAMLOCK FILL W/ 3/4" WATER HOSE ADAPTER BELOW

30 X 18 X 18 UNDERBODY TOOLBOX FLUSH MOUNTED.POLYUREA INSIDE COMPARTMENT AND DOOR

CUSTOMER SIGNATURE X _____

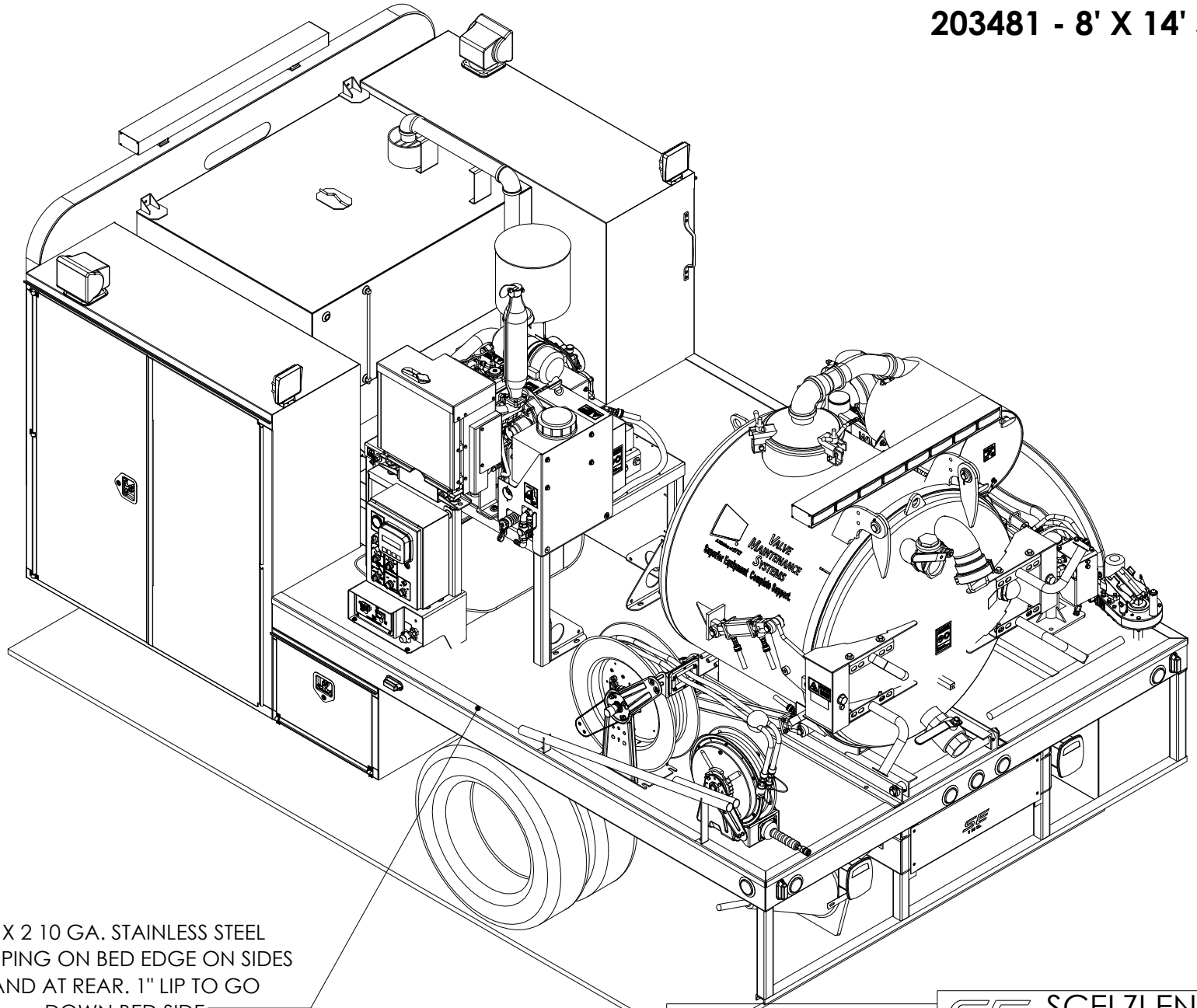
REV.	ECO.	DESCRIPTION OF REVISION	DATE	APPV'D BY:
0	---	DRAWING CREATED	2/22/2013	KDO

SCELZI ENTERPRISES, INC.
2772 S. CHERRY AVE., FRESNO, CA 93706

DRAWN BY:	YEAR: 2019	CA: 108"	PART NO:
DATE: 6/22/2020	MAKE: FORD		
SCALE: 1:32	MODEL: F550		WORK ORDER:
LAYOUT: 1 OF 19	DWG NAME: BOM LAYOUT 203481		203481
SHEET SIZE: A			

DEALER: N/A
CUSTOMER: COASTSIDE COUNTY WATER DISTRICT
DESCRIPTION: 8' X 14' SCELZI FLATBED

203481 - 8' X 14' SCELZI FLATBED



1 X 2 10 GA. STAINLESS STEEL CAPPING ON BED EDGE ON SIDES AND AT REAR. 1" LIP TO GO DOWN BED SIDE

CUSTOMER SIGNATURE X _____

REV.	ECO.	DESCRIPTION OF REVISION	DATE	APPV'D BY:
0	---	DRAWING CREATED	2/22/2013	KDO

SCELZI ENTERPRISES, INC.
2772 S. CHERRY AVE., FRESNO, CA 93706

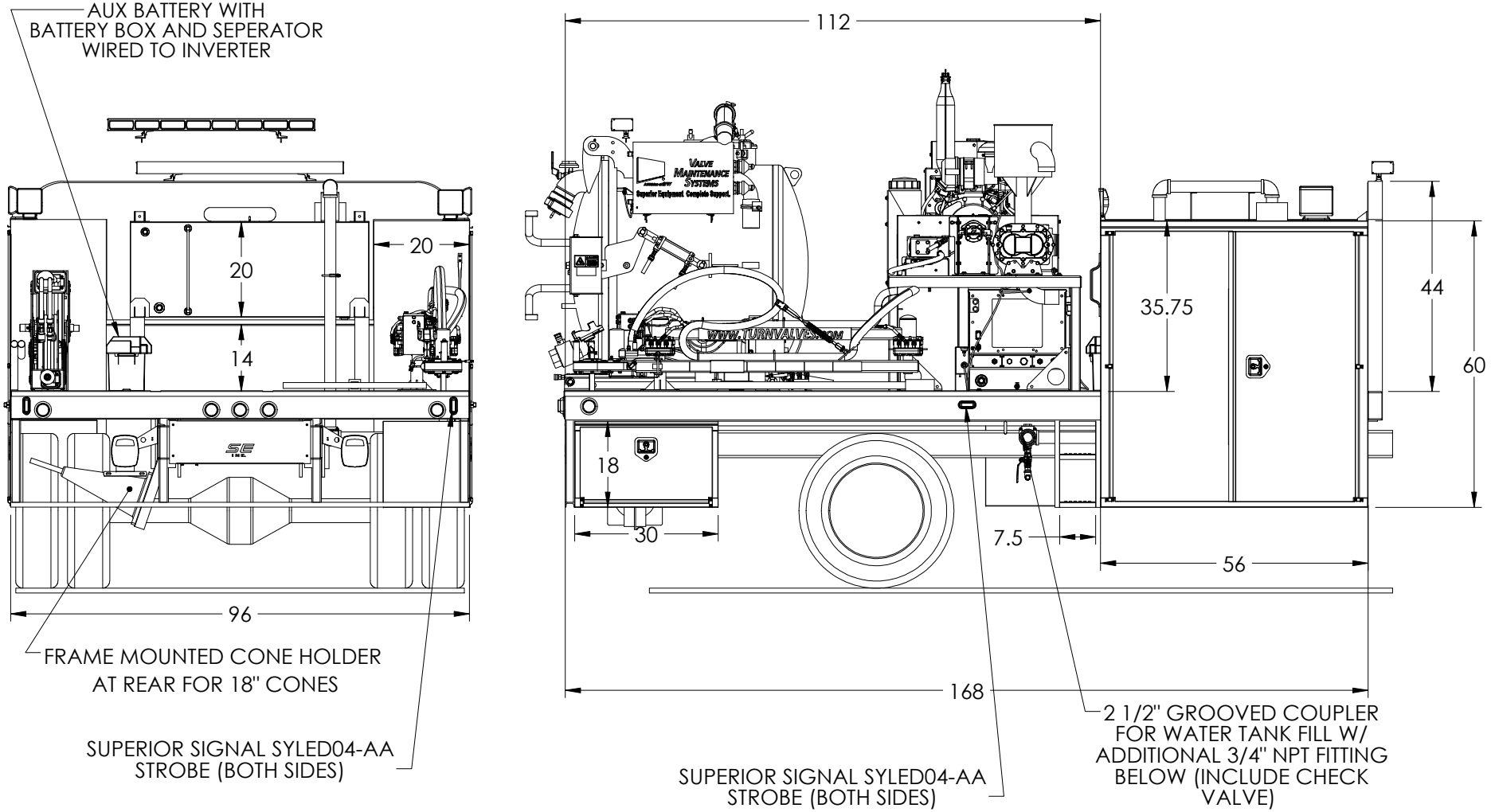
DRAWN BY:	YEAR: 2019	CA: 108"	PART NO:
DATE: 6/22/2020	MAKE: FORD		
SCALE: 1:24	MODEL: F550		WORK ORDER:
LAYOUT: 2 OF 19	DWG NAME: BOM LAYOUT 203481		203481
SHEET SIZE: A			

DEALER: N/A

CUSTOMER: COASTSIDE COUNTY WATER DISTRICT

DESCRIPTION: 8' X 14' SCELZI FLATBED

203481 - 8' X 14' SCELZI FLATBED



SPOILS TANK AND POWER UNIT HIDDEN IN THIS VIEW

CUSTOMER SIGNATURE X _____

REV.	ECO.	DESCRIPTION OF REVISION	DATE	APPV'D BY:
0	---	DRAWING CREATED	2/22/2013	KDO

SCELZI ENTERPRISES, INC.
2772 S. CHERRY AVE., FRESNO, CA 93706

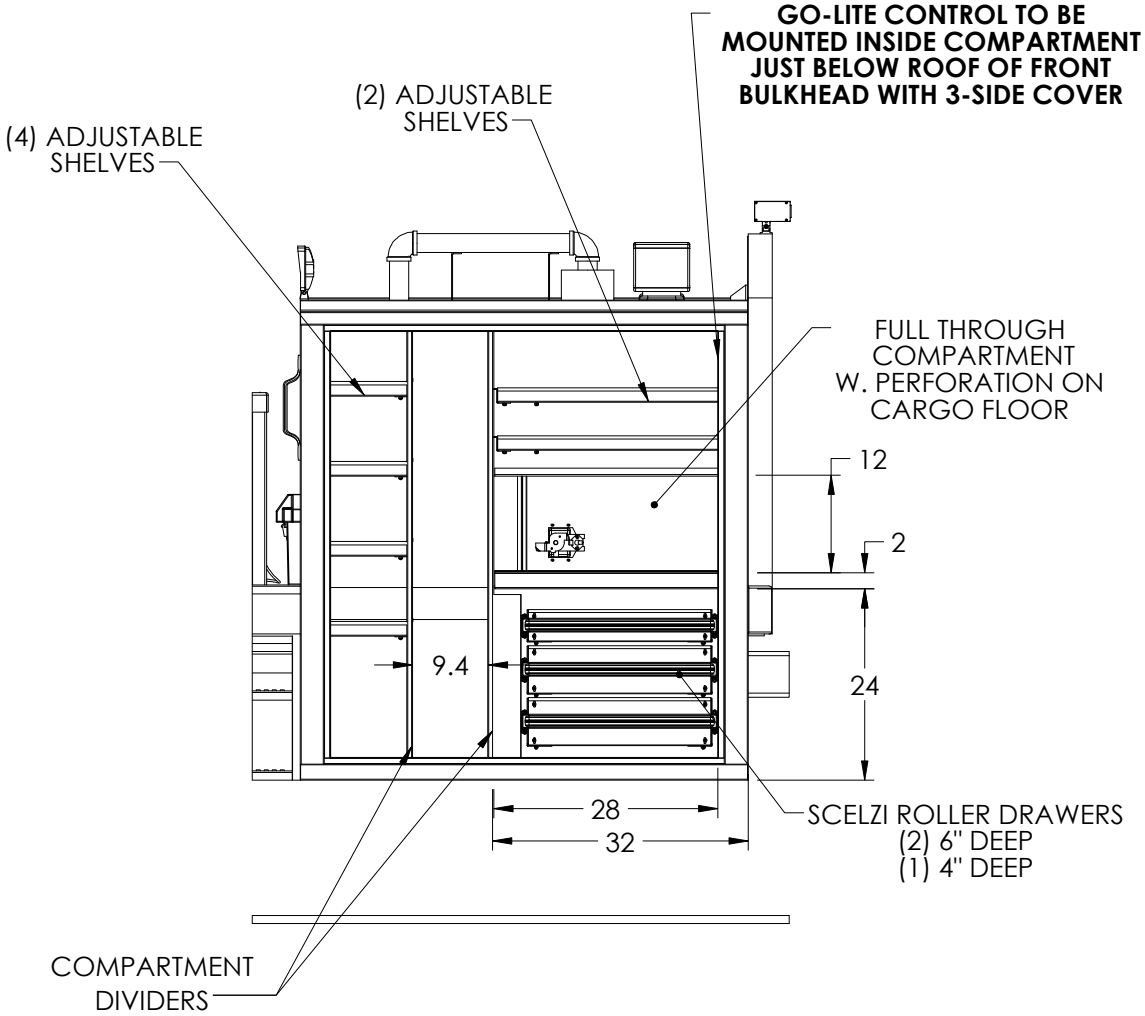
DRAWN BY:	YEAR: 2019	CA: 108"	PART NO:
DATE: 6/22/2020	MAKE: FORD		
SCALE: 1:32	MODEL: F550		WORK ORDER:
LAYOUT: 3 OF 19	DWG NAME: BOM LAYOUT		203481
SHEET SIZE: A	203481		

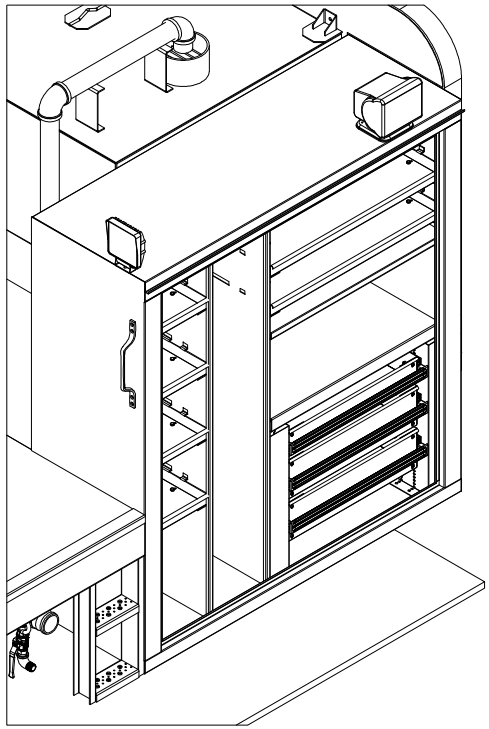
DEALER: N/A

CUSTOMER: COASTSIDE COUNTY WATER DISTRICT

DESCRIPTION: 8' X 14' SCELZI FLATBED

203481 - 8' X 14' SCELZI FLATBED





CUSTOMER SIGNATURE X _____

REV.	ECO.	DESCRIPTION OF REVISION	DATE	APPV'D BY:
0	---	DRAWING CREATED	2/22/2013	KDO

SCELZI ENTERPRISES, INC.
2772 S. CHERRY AVE., FRESNO, CA 93706

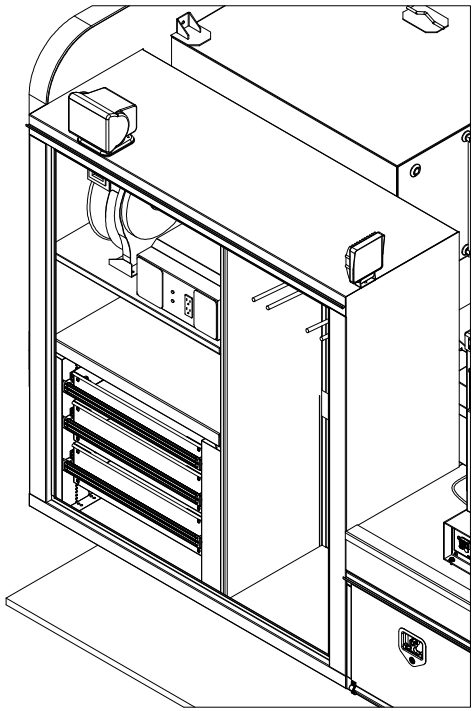
DRAWN BY:	YEAR: 2019	CA: 108"	PART NO:
DATE: 6/22/2020	MAKE: FORD		
SCALE: 1:24	MODEL: F550		WORK ORDER:
LAYOUT: 4 OF 19	DWG NAME: BOM LAYOUT		203481
SHEET SIZE: A	203481		

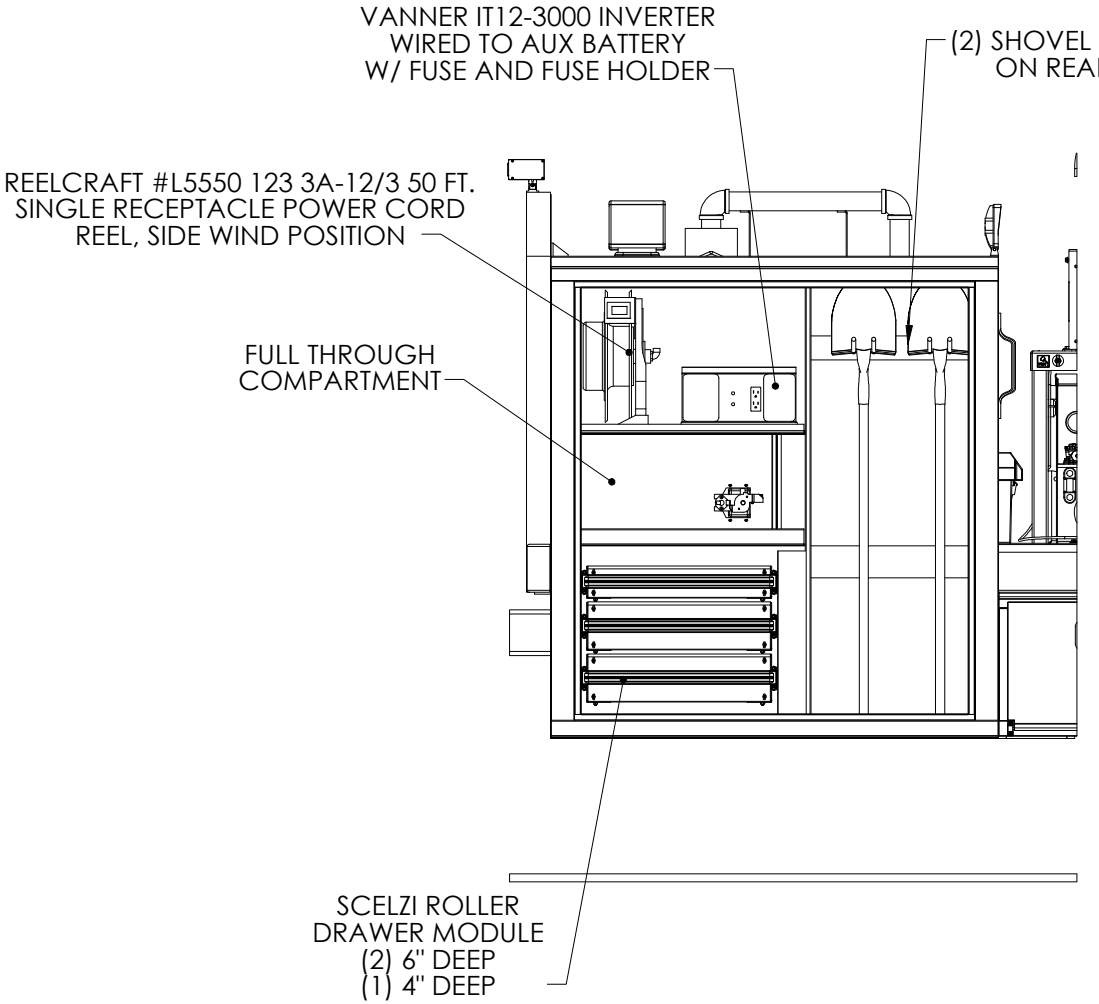
DEALER: N/A

CUSTOMER: COASTSIDE COUNTY WATER DISTRICT

DESCRIPTION: 8' X 14' SCELZI FLATBED

203481 - 8' X 14' SCELZI FLATBED





CUSTOMER SIGNATURE X _____

REV.	ECO.	DESCRIPTION OF REVISION	DATE	APPV'D BY:
0	---	DRAWING CREATED	2/22/2013	KDO

SCELZI ENTERPRISES, INC.
2772 S. CHERRY AVE., FRESNO, CA 93706

DRAWN BY:	YEAR: 2019	CA: 108"	PART NO:
DATE: 6/22/2020	MAKE: FORD		
SCALE: 1:24	MODEL: F550		WORK ORDER:
LAYOUT: 5 OF 19	DWG NAME: BOM LAYOUT		203481
SHEET SIZE: A	203481		

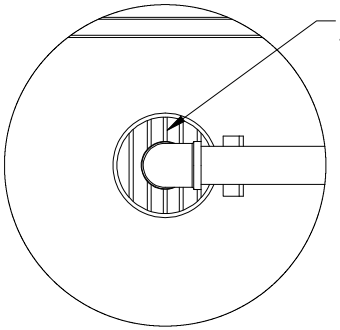
DEALER: N/A

CUSTOMER: COASTSIDE COUNTY WATER DISTRICT

DESCRIPTION: 8' X 14' SCELZI FLATBED

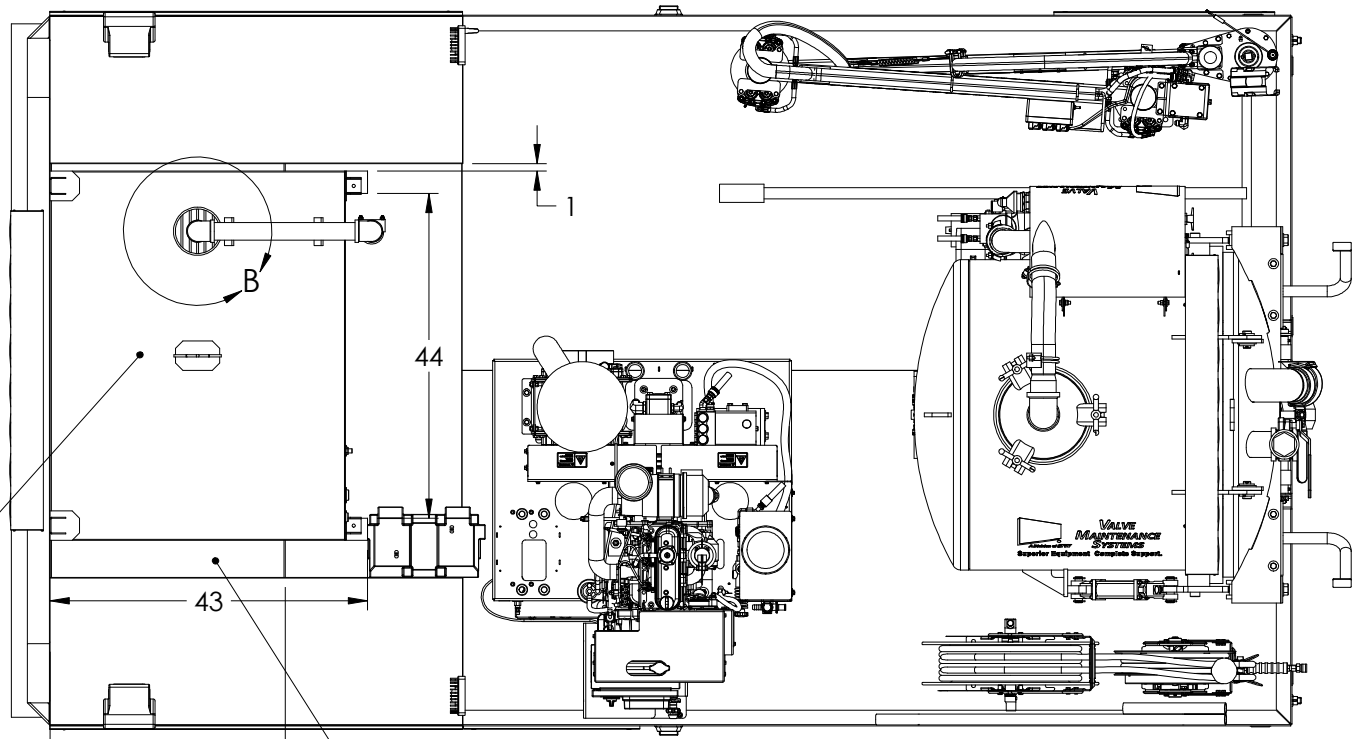
REV 1.3

203481 - 8' X 14' SCELZI FLATBED



WELD SLATS IN TANK INLET
TO PREVENT DEBRIS FROM ENTERING

DETAIL B
SCALE 1 : 12



CUSTOMER SIGNATURE X _____

REV.	ECO.	DESCRIPTION OF REVISION	DATE	APPV'D BY:
0	---	DRAWING CREATED	2/22/2013	KDO

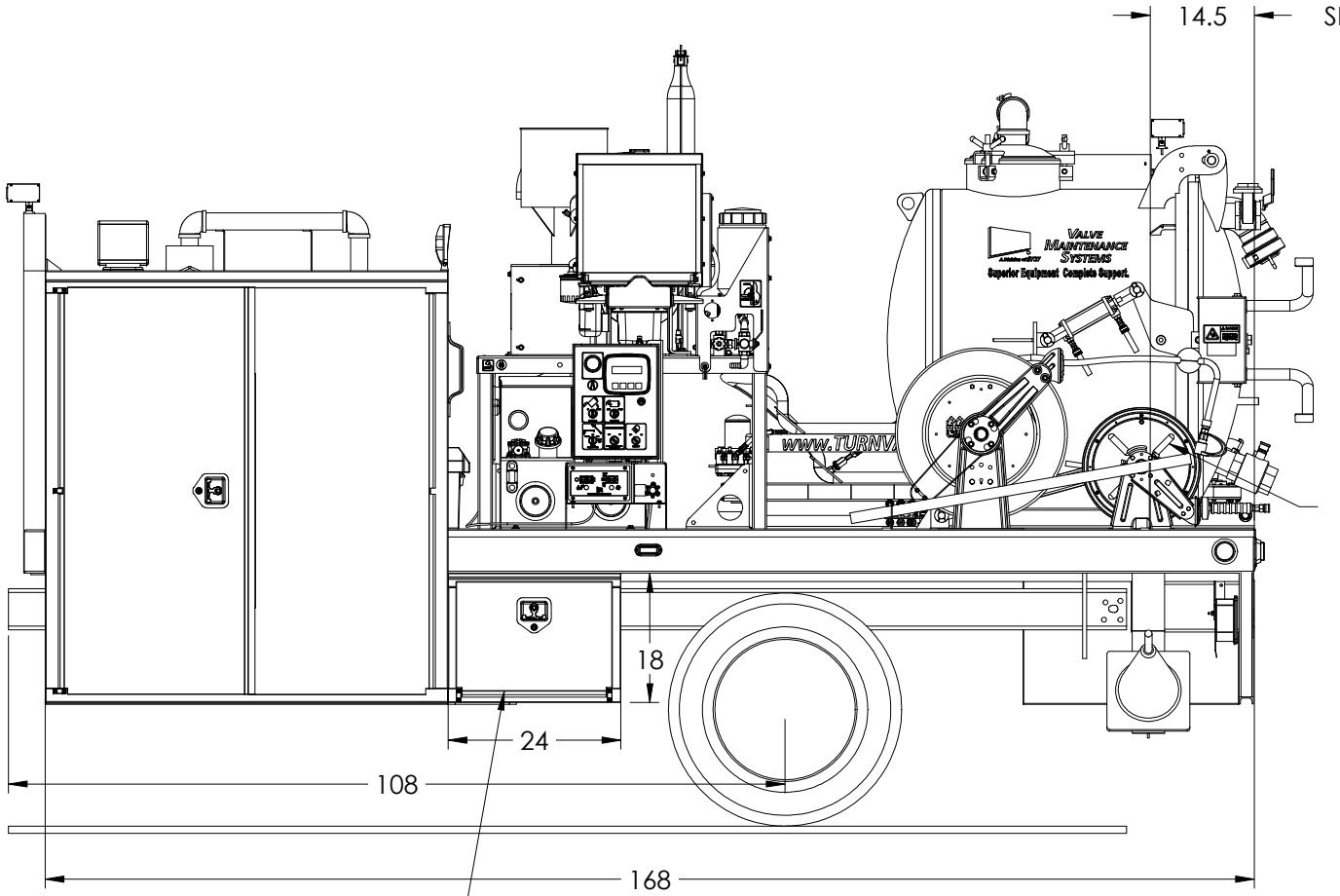
SCELZI ENTERPRISES, INC.
2772 S. CHERRY AVE., FRESNO, CA 93706

DRAWN BY:	YEAR: 2019	CA: 108"	PART NO:
DATE: 6/22/2020	MAKE: FORD		
SCALE: 1:26	MODEL: F550		WORK ORDER:
LAYOUT: 6 OF 19	DWG NAME: BOM LAYOUT		203481
SHEET SIZE: A	203481		

DEALER: N/A
CUSTOMER: COASTSIDE COUNTY WATER DISTRICT
DESCRIPTION: 8' X 14' SCELZI FLATBED

REV 1.3

203481 - 8' X 14' SCELZI FLATBED



24 X 18 X 18 UNDERBODY TOOLBOX W/ LOUVERS AND PERFORATED FLOOR (POLYUREA INSIDE OF COMPARTMENT AND INSIDE DOOR)

CUSTOMER SIGNATURE X _____

REV.	ECO.	DESCRIPTION OF REVISION	DATE	APPV'D BY:
0	---	DRAWING CREATED	2/22/2013	KDO

SCELZI ENTERPRISES, INC.
2772 S. CHERRY AVE., FRESNO, CA 93706

DRAWN BY:	YEAR: 2019	CA: 108"	PART NO:
DATE: 6/22/2020	MAKE: FORD		
SCALE: 1:26	MODEL: F550		WORK ORDER:
LAYOUT: 7 OF 19	DWG NAME: BOM LAYOUT 203481		203481
SHEET SIZE: A			

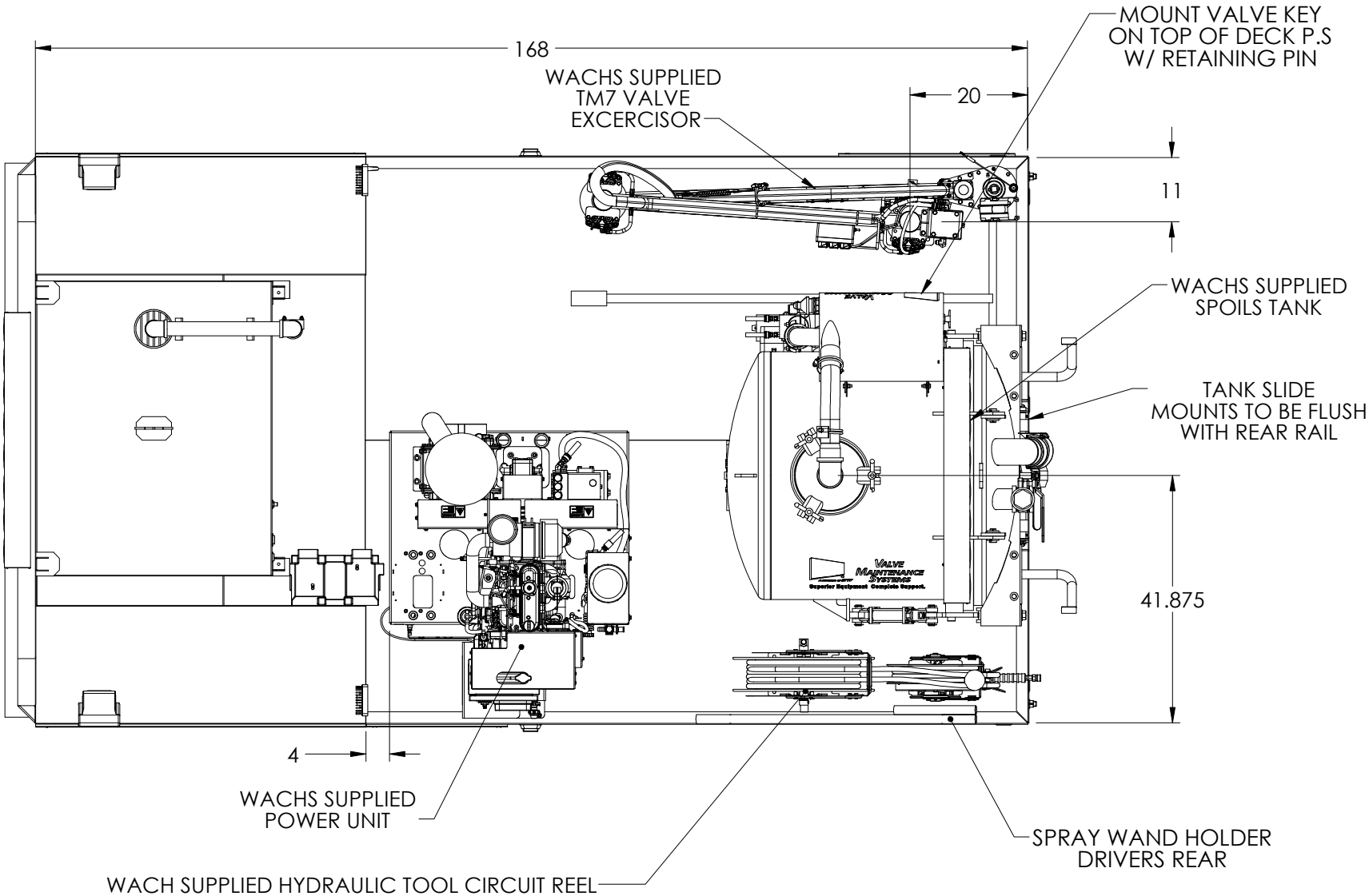
DEALER: N/A

CUSTOMER: COASTSIDE COUNTY WATER DISTRICT

DESCRIPTION: 8' X 14' SCELZI FLATBED

INSTALL CUSTOMER SUPPLIED WACHS
COMPONENTS (POWER UNIT,
SPOILS TANK, VALVE EXERCISOR, HYDRAULIC REEL
PRESSURE WASHING REEL)

203481 - 8' X 14' SCELZI FLATBED



CUSTOMER SIGNATURE X _____

REV.	ECO.	DESCRIPTION OF REVISION	DATE	APPV'D BY:
0	---	DRAWING CREATED	2/22/2013	KDO

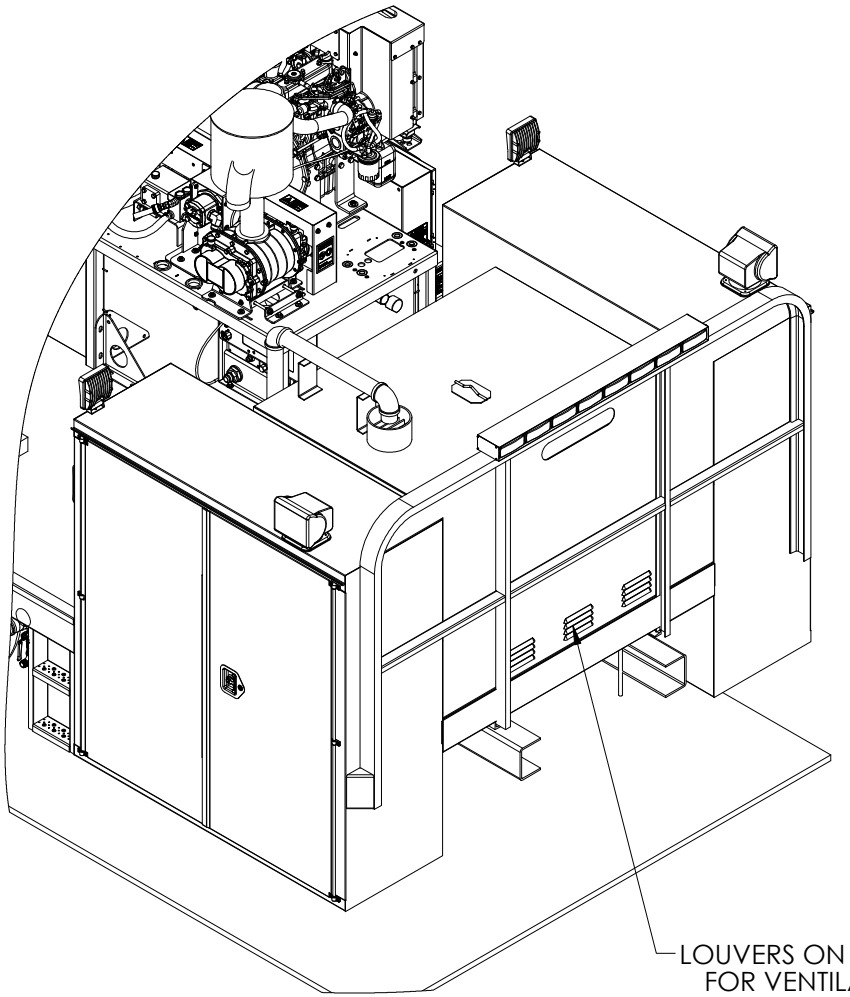
SCELZI ENTERPRISES, INC.
2772 S. CHERRY AVE., FRESNO, CA 93706

DRAWN BY:	YEAR: 2019	CA: 108"	PART NO:
DATE: 6/22/2020	MAKE: FORD		
SCALE: 1:26	MODEL: F550		WORK ORDER:
LAYOUT: 8 OF 19	DWG NAME: BOM LAYOUT		203481
SHEET SIZE: A	203481		

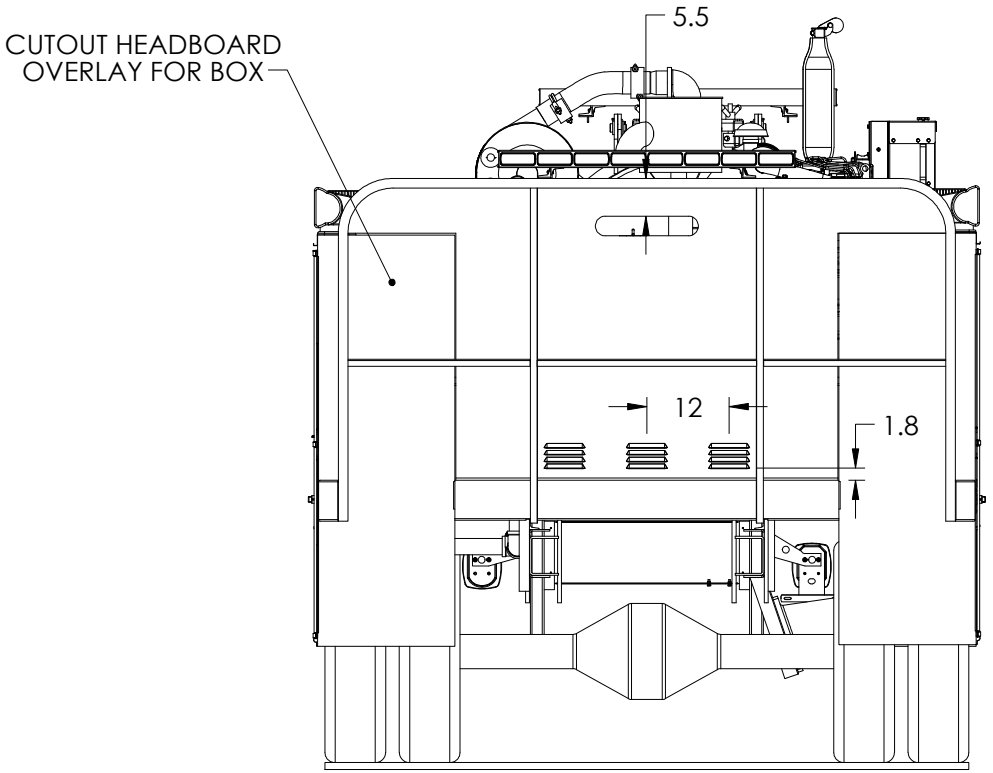
DEALER: N/A
CUSTOMER: COASTSIDE COUNTY WATER DISTRICT
DESCRIPTION: 8' X 14' SCELZI FLATBED

REV 1.3

203481 - 8' X 14' SCELZI FLATBED



LOUVERS ON HEADBOARD
FOR VENTILATION INTO
TRANSVERSE COMPARTMENT



CUSTOMER SIGNATURE X _____

REV.	ECO.	DESCRIPTION OF REVISION	DATE	APPV'D BY:
0	---	DRAWING CREATED	2/22/2013	KDO

SCELZI ENTERPRISES, INC.
2772 S. CHERRY AVE., FRESNO, CA 93706

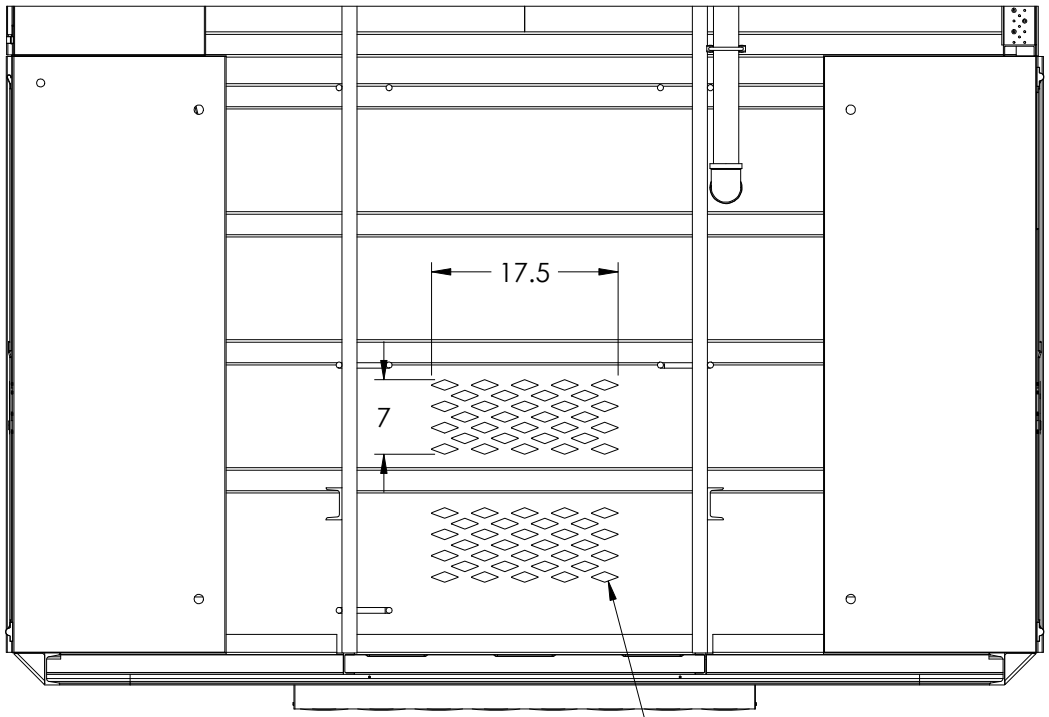
DRAWN BY:	YEAR: 2019	CA: 108"	PART NO:
DATE: 6/22/2020	MAKE: FORD		
SCALE: 1:28	MODEL: F550		WORK ORDER:
LAYOUT: 9 OF 19	DWG NAME: BOM LAYOUT		
SHEET SIZE: A	203481		203481

DEALER: N/A

CUSTOMER: COASTSIDE COUNTY WATER DISTRICT

DESCRIPTION: 8' X 14' SCELZI FLATBED

203481 - 8' X 14' SCELZI FLATBED



CUSTOMER SIGNATURE X _____

REV.	ECO.	DESCRIPTION OF REVISION	DATE	APPV'D BY:
0	---	DRAWING CREATED	2/22/2013	KDO

SCELZI ENTERPRISES, INC.
2772 S. CHERRY AVE., FRESNO, CA 93706

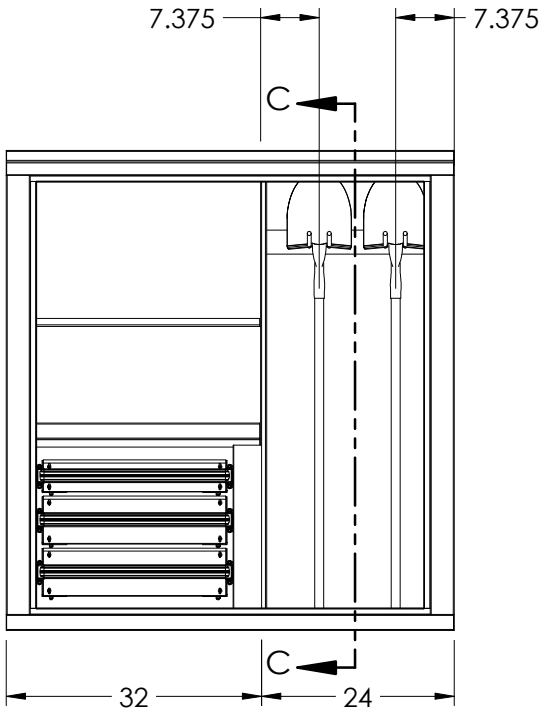
DRAWN BY:	YEAR: 2019	CA: 108"	PART NO:
DATE: 6/22/2020	MAKE: FORD		
SCALE: 1:18	MODEL: F550		WORK ORDER:
LAYOUT: 10 OF 19	DWG NAME: BOM LAYOUT		
SHEET SIZE: A	203481		203481

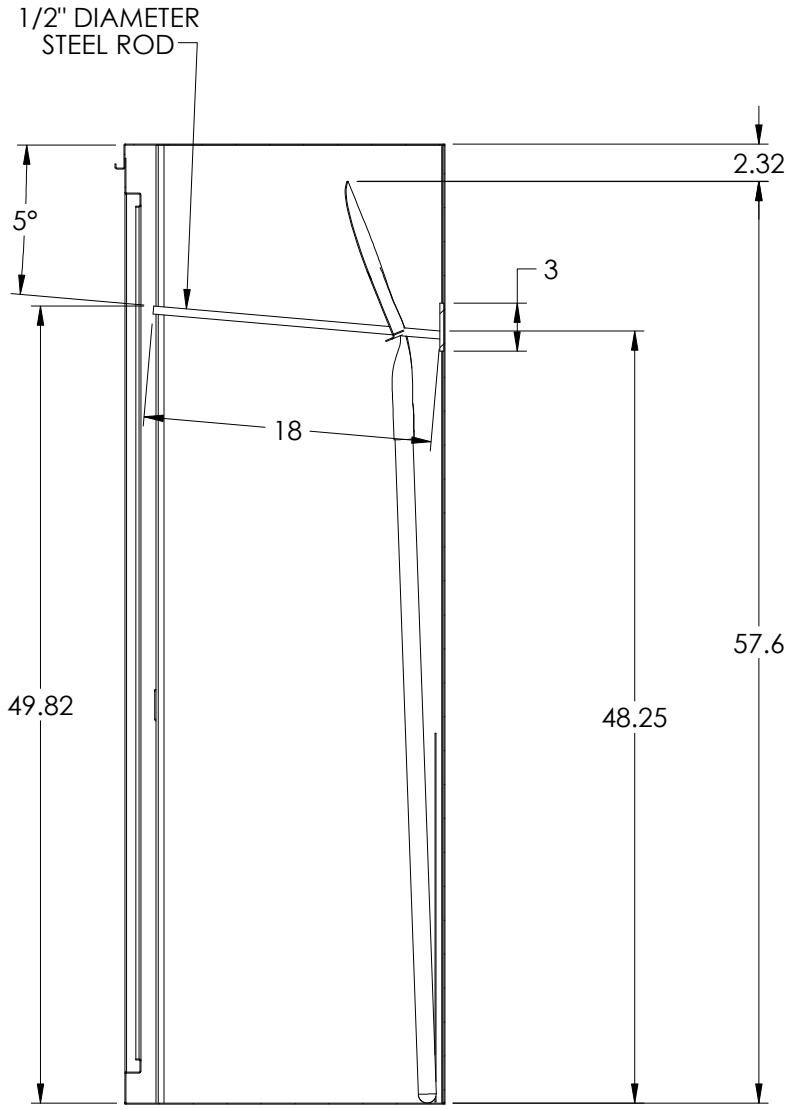
DEALER: N/A

CUSTOMER: COASTSIDE COUNTY WATER DISTRICT

DESCRIPTION: 8' X 14' SCELZI FLATBED

REV 1.3





SECTION C-C
SCALE 1 : 12

CUSTOMER SIGNATURE X _____

REV.	ECO.	DESCRIPTION OF REVISION	DATE	APPV'D BY:
0	---	DRAWING CREATED	2/22/2013	KDO

SCELZI ENTERPRISES, INC.
2772 S. CHERRY AVE., FRESNO, CA 93706

DRAWN BY:	YEAR:	CA:	PART NO:
DATE: 6/22/2020	MAKE:		
SCALE: 1:24	MODEL:		WORK ORDER:
LAYOUT: 11 OF 19	DWG NAME: BOM LAYOUT 203481		
SHEET SIZE: A			
DEALER:		CUSTOMER:	
DESCRIPTION:			

STAFF REPORT

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

From: **James Derbin, Superintendent of Operations**
Via: **Mary Rogren, General Manager**

Agenda: **September 8, 2020**

Date: **September 2, 2020**

Subject: **Approval of Procurement of an Emergency Portable Diesel Pump for Pilarcitos Dam**

Recommendation:
Authorize the General Manager to procure an emergency portable diesel pump and associated equipment from Herc Rentals for a not to exceed amount of $85,875.

Background:
One of the District's primary raw water sources is gravity flow from the Pilarcitos Dam. When water levels in the Pilarcitos Dam are below the spillway, San Francisco Public Utilities Commission (SFPUC) delivers the District water through two 8" siphons located at the dam spillway. Available flows from these siphons vary based on the Pilarcitos lake levels.

In the event SFPUC is unable to deliver adequate supply to the District through these siphons and Crystal Springs Pump (CSP) station is experiencing a power outage or major equipment malfunction, District staff has suggested placing a portable pump at the dam in order to pump water over the spillway. Granted this pump would only be deployed in an emergency situation (such as a PSPS event), use of the pump would be for a short-term period only until power or operation of CSP is restored. Staff has gained SFPUC staff approval for use of this pump in an emergency scenario as described.

District staff feels this is an excellent solution in lieu of installing an emergency generator at CSP due to the expense and logistics of installation, maintenance and refueling. This project will better prepare the District to be able to run Nunes Water Treatment Plant in an emergency situation. The purchase will include suction and discharge flexible hoses, inlet screen and secondary containment.

Staff solicited pricing from Herc Rentals with Omnia Partners pricing. Omnia Partners, much like Sourcewell, is a Joint Powers Authority that serves government agencies with competitive bidding contract pricing to the member agencies for a variety of equipment and services. See Attachment A for a copy of the Herc Rentals quote and Attachment B for general information about Omnia Partners. Staff has selected Premier brand pump for this application due to the reliability and price point and ability to obtain responsive local service from Herc Rentals. Lead time on this pump is 8-12 weeks.

Fiscal Impact:

Funding for this project is included in the Board adopted Fiscal Year 20/21 Capital Improvement Program Budget in the amount of $100,000.

Equipment Rental Quote / Order

Branch #: 9705

Date: 9/02/2020 Quote Valid until: 9/11/2020

Address **7727 Oakport St, Oakland CA 94621**
Office Phone 510-633-2040

Sales Rep: **Suky Bains #652**
Rep Email: suky.bains@hercrentals.com
Phone 510-217-9513

Herc ProSolutions thanks you for the opportunity to provide the attached quotation.
Please contact us if you should have any additional equipment needs or questions.

Customer Information		Job Site Information	
Name:	**Coastside County Water District**	Job Name	**6" Pump Solution for Lake Dewatering**
Acct #:		Quote #	
Address:		Address:	
Requested By:	Darin Sturdivan	Contact:	
Phone:		Phone:	
Fax:		Additiona Contact & Delivery Info.	
Cell:	650-726-4405		
Email:	Dsturdivan@coastsidewater.org		

Qty	Description	Unit Price	Total
1	Premier Pump and Power model 6612T-RP-QSF2.8-T120-SA, trailer mounted, end suction centrifugal, vacuum assisted pump. Unit consists of 50 CFM vacuum pump, heavy duty flapper-type check valve, Tungsten vs. Silicon Carbide seal with rundry feature.. Pump Construction - All Iron Suction - 6" Discharge - 6" Impeller Diameter - 12" with 3" solids handling. Impeller Material - All Iron Tier 4 Final Diesel Engine - Cummins model QSF2.8 rated at 74 HP @ 2200 RPM. Panel - Lofa w/ autostart. Frame - Galvanized steel trailer, 120 gallon fuel capacity, with lifting frame. Single axle, fenders, jack stands, DOT lights, electric brakes. Enclosure - The entire unit, including the pump and engine shall be fully enclosed in a lockable enclosure made of steel panels. A 14 gauge solid steel outer shell containing acoustical fill encapsulated in a moisture barrier shall be furnished. The enclosure shall provide access to the working parts of the engine, pump and controls without having to remove the access panels for inspection, cleaning and servicing of the aforementioned equipment. All access panels shall be hinged for easy opening and closing, and shall be lockable.	58,358.30	58,358.30

Quote follows OMNIA Guidelines. (See attached PDF.)

Sub Total		58,358.70
Estimated Taxes	9.25%	5,398.18
Estimated Total		**$63,756.88**

HercRentals™ *Standard Terms and Conditions*

Labor:

- Labor for set-up and tear down not included.
- Requested labor for set-up and tear down can be provided for an additional fee. Electrical connections to equipment other than owned by Herc are to be outsourced by the customer.
  Labor during business hours- $250./hr; afterhours $375./hr; Holidays $500./hr
- Onsite per diem if required will be invoiced as additional $200. per night per employee.
- Final electrical connection by a licensed electrician unless otherwise specified above.

Freight:

- In house freight services will be billed at $135. per hour during normal business hours plus any wait time.
- Outside freight services will be billed on a cost plus bases during normal business hours plus any wait time.
- Offloading and loading upon return by others. Equipment dimensions and weight rating available if requested.

Terms:

- **Payment Terms: Due Upon Receip**t
- Quotations valid for 30 days
- Equipment availability is subject to prior rental or sale unless PO is accepted prior to delivery.
- Resale Certificate required to be on file if no sales tax to be charged. .

Please sign and return accepting terms and rates above for your application.

Print Name/Title	Signature	Date
P.O. Number/Job Number		

Equipment Rental Quote / Order

Branch #: 9705

Date: 9/8/2020 Quote Valid until: 10/8/2020

Address **7727 Oakport St, Oakland CA 94621**
Office Phone 510-633-2040

Sales Rep: **Suky Bains #652**
Rep Email: suky.bains@hercrentals.com
Phone 510-217-9513

Herc ProSolutions thanks you for the opportunity to provide the attached quotation.
Please contact us if you should have any additional equipment needs or questions.

Customer Information		Job Site Information	
Name:	**Coastside County Water District**	Job Name	
Acct #:		Quote #	
Address:		Address:	
Requested By:	Darin Sturdivan	Contact:	
Phone:		Phone:	
Fax:		Additional Contact & Delivery Info.	
Cell:	650-726-4405		
Email:	Dsturdivan@coastsidewater.org		

PO No/Job No		**Job Scope or Project Comments**
Delivery Date		
Job Start		
Job End		
Pickup Date		

Qty	Description	Unit Price	Total
8	6" x 20Ft Kanaflex Suction Hose with Camlocks	433.75	3,470.00
4	6" x 50Ft Layflat Hose with Camlocks	1,507.50	6,030.00
1	Round Hole Suction Strainer	41.01	41.01
1	90 Deg 6" Elbow	320.69	320.69
7	6" Hose Floats with Inserts	487.50	3,412.50
2	6" F-CAM to 6" Male NPT Adapter	42.00	84.00
2	6" CAM 45 Elbow	42.00	84.00
2	6" CAM 90 Elbow	42.00	84.00
1	Remote Monitoring Solution	2,745.00	2,745.00
1	7'x14' Containment Berm	1,200.00	1,200.00
1	Custom Levelling Jacks to stablizie pump on slope.	2,500.00	2,500.00
	Quote follows OMNIA guidelines. (See PDF.)	Sub Total	19,971.20
		Delivery	300.00
		Estimated Taxes 9.25%	1,847.34
		Estimated Total	**$22,118.54**

HercRentals™ ***Standard Terms and Conditions***

Labor:

- Labor for set-up and tear down not included.
- Requested labor for set-up and tear down can be provided for an additional fee. Electrical connections to equipment other than owned by Herc are to be outsourced by the customer.
  Labor during business hours- $250./hr; afterhours $375./hr; Holidays $500./hr
- Onsite per diem if required will be invoiced as additional $200. per night per employee.
- Final electrical connection by a licensed electrician unless otherwise specified above.

Freight:

- In house freight services will be billed at $135. per hour during normal business hours plus any wait time.
- Outside freight services will be billed on a cost plus bases during normal business hours plus any wait time.
- Offloading and loading upon return by others. Equipment dimensions and weight rating available if requested.

Terms:

- **Payment Terms: Due Upon Receip**t
- Quotations valid for 30 days
- Equipment availability is subject to prior rental or sale unless PO is accepted prior to delivery.
- Resale Certificate required to be on file if no sales tax to be charged. .

Please sign and return accepting terms and rates above for your application.

Print Name/Title	Signature	Date
P.O. Number/Job Number		

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840 Crescent Centre Drive
Suite 600
Franklin, TN 37067

866-875-3299

info@omniapartners.com

STAFF REPORT

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

From: **Mary Rogren, General Manager**

Agenda: **September 8, 2020**

Report Date: **September 4, 2020**

Subject: **Professional Services Agreement with Balance Hydrologics for Denniston/San Vicente Stream Gaging, Groundwater Monitoring, and Data Analysis**

Recommendation:

Authorize the General Manager to enter into a Professional Services Agreement with Balance Hydrologics, Inc. for Water Year 2021 stream gaging, groundwater monitoring, and data analysis for the Denniston Creek and San Vicente Creek watersheds for an estimated time-and-materials cost of $98,162.

Background:

Quantifying the amount of water available for diversion from Denniston and San Vicente Creeks is vitally important to the District's efforts to secure its water rights on those streams. Balance Hydrologics (Balance) has provided stream gaging, monitoring, and analysis services to the District starting with Water Year 2011 (WY11 - October 1, 2010 to September 30, 2011). Balance's proposal dated September 2, 2020 (Attachment A) covers WY21 continuation of gaging and analysis services for stations on Denniston and San Vicente Creeks, and groundwater monitoring.

Fiscal Impact:

Cost of $98,162 is included in the Capital Improvement Program for Denniston/San Vicente. (For comparison purposes, the Water Year 2020 agreement was approved for $96,933 in September 2019.)

Exhibit A

Balance Hydrologics, Inc.®

800 Bancroft Way • Suite 101 • Berkeley, CA 94710-2227 • (510) 704-1000

www.balancehydro.com • email: office@balancehydro.com

Berkeley • Santa Cruz • Truckee

September 2, 2020

Mary Rogren, General Manager
Coastside County Water District
766 Main Street
Half Moon Bay, CA 94019-1995

RE: Proposal to gage Denniston Creek, San Vicente Creek and monitor inactive wells, water year 2021

Dear Ms. Rogren:

It is our pleasure to provide you with this letter proposal containing our recommended scope to continue surface-water monitoring in Denniston and San Vicente Creeks, and groundwater in the alluvial aquifers adjoining Denniston and San Vicente Creeks. This proposal encompasses continuation of the water year[1] 2011 (WY2011) through WY2020 into WY2021 of baseline stream gaging. Results will extend the flow record which will help the Coastside County Water District (CCWD) evaluate (a) streamflow availability and (b) meet regulatory-staff expectations – both for the CCWD ongoing EIR process and for eventually perfecting of your water rights – and (c) in this case, basic streamflow and geomorphic characterization, such that CCWD can plan a program of diversions most compatible with the uniquely persistent flows of the watersheds drawing from the deeply-weathered granitics of the Montara Mountain watersheds, (as described in our previous reports). It is our understanding that extending the monitoring period will facilitate CCWD's environmental and permitting process and will be beneficial for assessing diversion strategies that meet your expectations for yield and for site-appropriate watershed protection.

In WY2020 we (a) continued monitoring five stream gages and (b) concurrently monitored water levels (and salinities) in three wells, plus three piezometers, and those in Pillar Point Marsh, such that interaction of streamflow and groundwater conditions may be better described. Please see attached Figure 1.19 that shows past and current monitoring locations.

In WY2021 we will (a) continue monitoring five stream gages, (b) and concurrently monitoring water levels (and salinities) in three wells, three piezometers, and in Pillar Point Marsh, such that interaction of streamflow and groundwater may be better described (see Work Scope, below).

[1] A "water year" (WY) is defined as the period from October 1st of the preceding year through September 30th of the named year. For example, water year 2021 (WY2021) starts October 1, 2020 and ends September 30, 2021.

To address the objectives of this work, we present a technical scope of work outlined under the following tasks:

1. *Water year 2021 stream gaging and monitoring*
2. *Draft and final water year 2021 reporting*
3. *Golden Gate National Recreation Area (GGNRA) permit compliance reporting*
4. *Other studies not presently part of the scope of work which you may request and authorize.*
5. *Project administration*

The next several paragraphs elaborate on this proposed approach.

Work Scope

Task 1. Water year 2021 monitoring

The water year 2021 monitoring effort will include (a) approximately monthly site visits to the five gaging locations to collect baseline data, (b) approximately quarterly visits to monitor groundwater levels (and salinities) at three wells, three piezometers, and in the Pillar Point Marsh, and (c) 3-4 visits during storms.

Monthly streamflow measurements

The measurements must conform with the requirements of the Division of Water Rights, as put forth below. Monthly visits allow us to calibrate flow measurement at stations by performing a flow (discharge) measurement and staff plate (gage height) readings. During quarterly visits we will also download data from the leveloggers (San Vicente above diversion) and make channel observations (such as new high-water marks, bed conditions, and changes in the riffles and/or logs which control flow at the various gages), plus perform maintenance and calibration. During winter storms when flows are elevated, we will endeavor to make supplemental field visits to measure flow and other observations (i.e. identify high-water marks, field-meter and qualitative observations of water quality, when minor logjams form and dissipate, etc.). These visits are used to complete the stage-to-discharge rating curve(s) through the highest flows observed. In the office, we will calculate the flow, enter the information into the station log, plot the data on a stage-to-discharge rating curve, add the downloaded data to the station spreadsheet, and reduce the data to daily mean flow values. We also check, maintain, and service the field equipment.

We recommend continuation of the low-flow synoptic measurements at both the station in Denniston Canyon just downstream of the Canyon Field diversion (DCAAD) and the former DCBD location to characterize potential gains and losses between the reservoir and mouth of Denniston Creek at station DCAD (above Denniston Reservoir, at the water treatment plant bridge).

Presently, the preliminary station data are made available via our real-time system on the Balance Hydrologics website for the four real-time stations, SVAE, SVCA, DCAD and DCBC. This feature provides real-time information to both the CCWD staff and Balance staff. You have chosen to make the highlights of this information available to the community at large, such that GGNRA and resource-agency

staff as well as residents of the area can come to better understand the local streams. Finally, in addition to CCWD uses of the real-time data portal, having this information available remotely will continue to improve winter monitoring, and allows us to continue to monitor in a more cost-effective manner.

Storm streamflow measurements

Due to the highly mobile sandy beds on both Denniston Creek and San Vicente Creek, gaging these creeks is particularly challenging relative to channels that have more stable bedrock, cobble-boulder, or even gravel beds. To meet this challenge, we will continue to regularly visit the sites, particularly during high flow events. During WY21 we will continue to refine the low-end of the rating curves, but also refine the high-end of the rating curves, getting better estimates of flow during storm or post-storm runoff, when diversions can most easily be accommodated with minimal environmental effects. As such, we will continue to make regular site visits are intervals of about a month throughout the year, in addition to a number of planned storm visits.

Measuring shallow groundwater and surface-groundwater interaction

Each of the three monitoring wells (Inactive wells 4, 7, and 9) is currently equipped with a levelogger that records water level and temperature every hour. In addition, we suggest that the you continue to monitor the three-piezometer nest (three co-located piezometers screened at staggered depths) located at the north flank of West Avenue at Pillar Point Marsh. The three piezometers, initially constructed in 1989, have been cleaned out and instrumented. These data help us to identify the lower boundary condition for the shallow aquifer system adjacent to San Vicente and Denniston Creeks.

This task provides time for us to measure depth-to-water and specific conductance in the three monitoring wells and three Pillar Point Marsh piezometers and download data during four quarterly site visits. In the office, we will enter the information into the station log, add the downloaded data to the station spreadsheet, calibrate and plot the hourly data. We will develop graphics comparing the water levels in each of the wells, and rate at which the water table is recharged during storms or falls during the summer months.

Deliverables: Raw data used to develop a record of daily mean flow and temperature for each of the six stations and posted near-real-time to public and/or operational websites; raw data that may be used to develop a record of daily mean water level and temperature for each of three CCWD monitoring wells and Pillar Point Marsh piezometers.

Task 2. Draft and final water year 2021 reporting

We will summarize and explain the basic hydrologic findings in a water year 2021 report. The written report will include a summary form for each station tabulating the daily mean discharge data and identifying station descriptors, plots of the data and rating curves, and water surface elevation time series data for the monitoring wells, piezometers and Pillar Point Marsh water level gage. This is a data report in-depth interpretation will be reserved and authorized separately should it become necessary for further

feasibility, EIR or regulatory efforts. We will submit the draft report to you, and prepare a final report responding to your comments.

Deliverable: Draft report in Microsoft Word. Final report pdf, plus an editable copy of the draft in Word.

Task 3. Permit compliance reporting

Since 2016, GGNRA manages much of San Vicente and Denniston Creek watersheds. CCWD is now required to submit data reports as part of the scientific sampling permit which GGNRA has issued to you. The data reports are submitted for one gage on San Vicente Creek (SVAD) and one gage on Denniston Creek (DCAD), all of which are within or adjacent to GGNRA jurisdiction. We will prepare the annual data forms for submittal by CCWD.

Deliverable: Cover letter permit compliance submittal with forms and table attachments.

Task 4. Tasks to be authorized during the year, if any.

Given other regulatory initiatives in the area, it is possible that other work may be needed during the course of the water year. If and as you ask for additional services, we will track these as tasks 4a, 4b, etc., so that you have total clarity on what these additional assignments may cost. We appreciate the trust that has developed between CCWD and Balance and want to be sure you are able to understand and track such costs.

Task 5. Project administration

This task provides time to help schedule and administer the project in a way that best helps you and us regularly track schedule and budget.

Anticipated Costs

Our estimates of staff assignments and level of effort for each task are shown in Table 1. The estimated total costs to complete this work are shown at the bottom of Table 2. In addition, Table 2 covers expenses not allocated to individual tasks, such as mileage. The rental fees include modem line fees (anticipated to be $30/month for real-time sites) and travel and equipment fees (anticipated to be approximately $1500/year), and the occasional purchase of hardware to repair gaging stations damaged by floods, winds, or wildlife.

As is customary for field-related jobs, our costs also include a 10% contingency allowance. The contingency allows for a smoother absorption of additional costs beyond our control which inhibit the efficient completion of our work. Examples of situations that might require use of the contingency allowance are repair and/or replacement of hydrologic equipment or data damaged by high flows, earthquakes or other “Acts of God”, changes requested by your staff or a landowner, a very wet year requiring additional visits, or shifts in regulatory requirements and lost samples due to lab or shipping

company errors. A breakdown of rental costs associated with this project is available upon request. We have also assumed that CCWD will continue to help obtain ready access to the gages and wells.

We have made every effort to minimize the impact of these changes by allocated staff hours in a prudent, technically sound, but cost-effective manner. The monitoring budget has been spread among billing categories to account for a range of staff we expect to be available.

Although we have made out best effort to provide an accurate estimate to you, our work is done on a time-and-expense basis, so costs could be somewhat higher or lower than these estimates.

Anticipated Schedule

We will begin drawing from this budget as WY20 ends (Sept. 30, 2020) to cover our preparations already undertaken for the beginning of the 2021 water year and bill you once it has been approved by your Board of Directors. We will conclude monitoring on September 30, 2021. We will provide a completed draft report to the District in a timely manner. If needed earlier for regulatory purposes, we will attempt to adjust as needed for reporting.

Proposed Project Staff

Barry Hecht will continue as the Principal in charge, and act as senior reviewer. Eric Donaldson will serve as project manager. John Hardy will serve as deputy project manager. Field hydrologists Eric Donaldson, John Hardy, Emma Goodwin, Mark Woyshner, and Gustavo Porras (from Balance's Berkeley office), and Jason Parke and Chelsea Neill (Santa Cruz office) have been servicing the stream gaging stations and wells and working with the data; they will continue to do so. Other staff may be called upon during winter storm flow monitoring. We have assigned more field staff to this project than usual, so that storm assignments can be discharged either from Berkeley or Santa Cruz, since access to this part of San Mateo County can be problematic during winter weather.

Registration

Work will be conducted under active State of California registration, as required under the State's Business and Professional Code. The Division of Water Rights has recently tightened its enforcement of active registration for hydrological reports.

Closing

Thank you for asking that we prepare this proposal. We appreciate the opportunity to continue the streamflow gaging and monitoring groundwater through the next water year and look forward to supporting your water information needs through the ongoing and future work.

Please let us know if you have questions, or suggestions, or if your needs and schedule differ from our assumptions, above.

Sincerely,

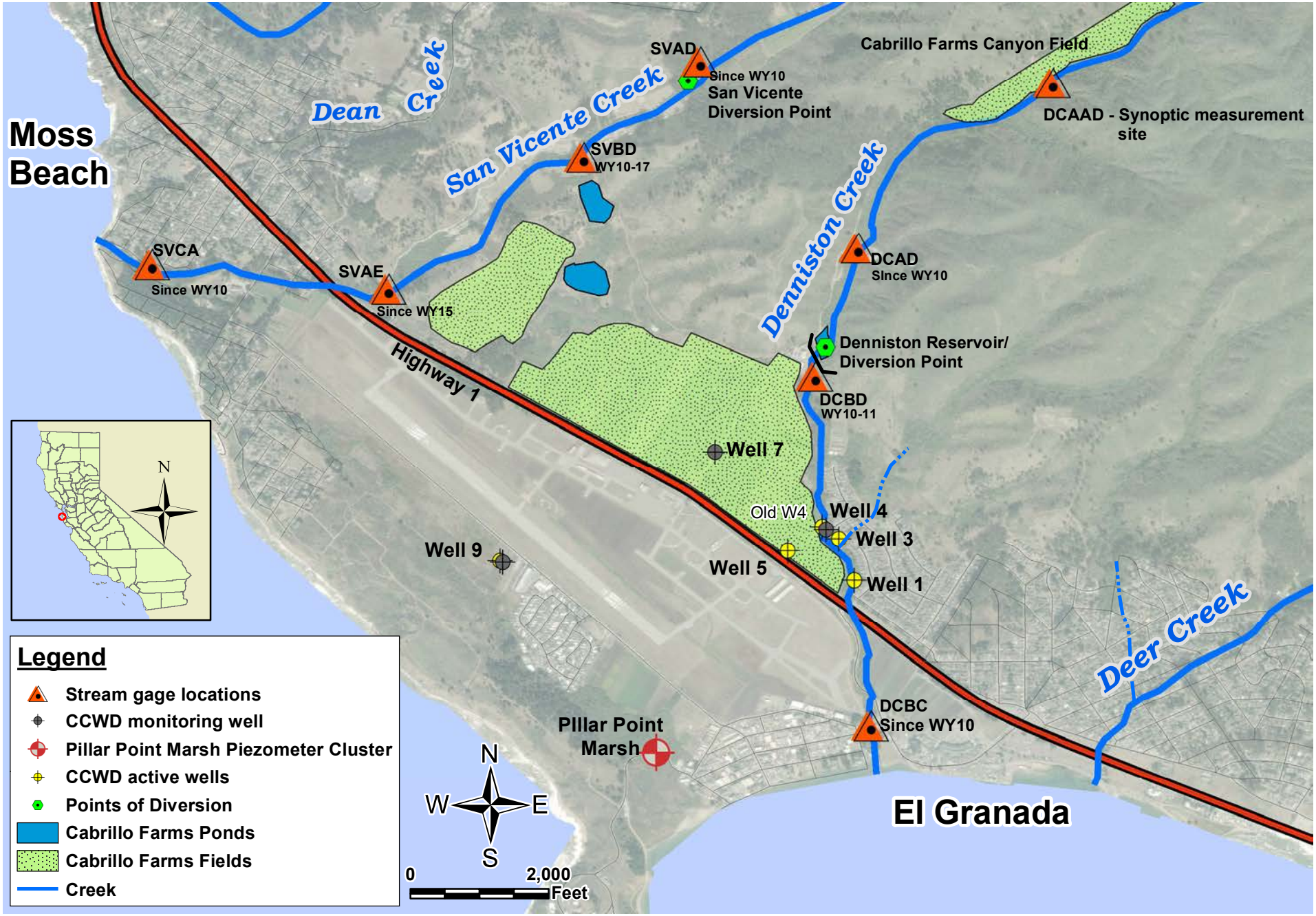
BALANCE HYDROLOGICS, INC.

Eric Donaldson, P.G.
Project Manager

John Hardy
Project Hydrologist

Barry Hecht, CEG, CHg
Senior Principal

Encl. Figure 1.19 Site map: Past and current gaging locations
Tables 1 and 2 for WY2021



Balance Hydrologics, Inc.

219057 Figure 1.mxd

Figure 1.19. Hydrologic setting and monitoring locations within the Airport Aquifer, Coastside County Water District, San Mateo County, California.

Table 1. Anticipated Staff Hours by Task

221057 Coastside County Water District Hydrologic Monitoring, WY2021

Task Number and Description	Sr. Principal	Principal	Sr. Specialist	Senior Professional	Project Professional	Sr. Staff Professional	Staff Professional	Assistant Professional	Junior Professional	GIS Sr Analyst	Sr. Proj Admin	Sr. Report Specialist	Labor Costs For Task
Hourly Rate	*$245*	*$210*	*$195*	*$190*	*$175*	*$160*	*$135*	*$125*	*$115*	*$125*	*$90*	*$85*	
Task 1. Water Year 2021 monitoring	20	20		70		100	120	60					$62,100
Task 2. Draft and final water year 2021 reporting	14			18		8	45	20		10		16	$19,315
Task 3. Permit compliance process	1			3								1	$900
Task 4. Tasks to be authorized during the year, if any					No work presently authorized								
Task 5. Project administration	1			10			2				12		$3,495
Subtotal Hours	36	20		101		108	167	80		10	12	17	
Total Hours	**551**												

Total Labor	**$85,810.00**
Expenses from Table 2	***$3,428.00***
Contigency from Table 2	***$8,923.80***
GRAND TOTAL	**$98,161.80**

Table 2. Estimated Costs

221057 Coastside County Water District Hydrologic Monitoring, WY2021

Professional Fees	Rate	Hours	Allocation
Sr. Principal	$245	36	$8,820.00
Principal	$210	20	$4,200.00
Senior Specialist	$195	0	$0.00
Senior Professional	$190	101	$19,190.00
Project Professional	$175	0	$0.00
Senior Staff Professional	$160	108	$17,280.00
Staff Professional	$135	167	$22,545.00
Assistant Professional	$125	80	$10,000.00
Junior Professional	$115	0	$0.00
GIS Senior Analyst	$125	10	$1,250.00
GIS/CADD Specialist	$115	0	$0.00
Graphics Specialist	$105	0	$0.00
Senior Project Administrator	$90	12	$1,080.00
Senior Report Specialist	$85	17	$1,445.00
Technical Typist	$85	0	$0.00
Hydrologic Technician	$75	0	$0.00
	Labor Subtotal (Table 1)		$85,810.00

Expenses			
Direct Expense Estimates			
Mileage	**1700** miles @	$0.64	$1,088.00
Equipment Costs (Samplng gear during site visits, e.g, flow meter, etc.)			$800.00
Phone Line fees for Modem (4 stations @ 12 mo)	@	$30/mo	$1,440.00
Reimbursable Costs			
Other Travel, Subsistence	trips @		$0.00
Express Mail, Deliveries			$0.00
Maps and Aerial Photos			$0.00
Outside Copying, Blueprint			$0.00
Outside Consultants			$0.00
Analytical Laboratory Fees			$0.00
Materials and Supplies			$100.00
Permits, Licenses or Agency Inspection fees	***client responsibility***		$0.00
Printing			$0.00
Other			$0.00
		Expenses Subtotal	$3,428.00
		ESTIMATED TOTAL	**$89,238.00**
		Contingency	**$8,923.80**
Notes		**TOTAL w/ CONTINGENCY**	**$98,161.80**

Additional costs may be incurred if the instrumentation network is destroyed or damaged by a high-recurrence storm.

Project-related expenses will be bill at cost plus 7.5%; including work by outside consultants and analytical or testing laboratories.

STAFF REPORT

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

From: **Mary Rogren, General Manager**

Agenda: **September 8, 2020**

Report Date: September 4, 2020

Subject: **Hanson Bridgett Billing Rates – Proposed Increase**

Recommendation:
Approve proposed increases to Hanson Bridgett Billing Rates

Background:
As noted on the attached memo, in 2017, the District approved a three-year rate schedule for Hanson Bridgett legal services based on the categories of legal services.

Pat Miyaki, the District's Counsel will discuss a new three-year rate schedule with the Year 1 rates to be effective January 1, 2021. (Note that the request for increased rates was postponed from July 1, 2020 due to COVID.)

HansonBridgett

Memorandum

TO: Mary Rogren

FROM: Patrick T. Miyaki

DATE: February 20, 2020

RE: **Hanson Bridgett Billing Rates – Proposed Increase**

Mary, in mid-2017, the District approved a three-year rate schedule based on the categories of legal services provided and based on the level of attorney providing those services. The third year of that rate schedule became effective July 1, 2019 and the end of the third year will be June 30, 2020. I propose a new three-year rate schedule that will become effective July 1, 2020. This proposed new rate schedule remains a substantial discount from our standard rates. For example, my 2020 standard rate is $650, and my current rate for the District is $350.

The chart below shows our current rates, and our proposed rates for the next three years.

General Services	**Current**	**Year 1**	**Year 2**	**Year 3**
Partner	$350	$370	$395	$420
Senior Counsel	$320	$345	$365	$390
Associates	$285	$310	$335	$360
Litigation Services	**Current**	**Year 1**	**Year 2**	**Year 3**
Partner	$420	$445	$470	$495
Senior Counsel	$390	$415	$435	$455
Associates	$355	$380	$400	$425
Employee Benefits	**Current**	**Year 1**	**Year 2**	**Year 3**
Partner	$450	$475	$495	$520
Senior Counsel	$420	$440	$460	$485
Associates	$385	$405	$425	$445

The rates above are discounted from our standard rates by 20%-50%. Year 1 rates would be effective July 1, 2020; Year 2 rates would be effective July 1, 2021; and Year 3 rates would be effective July 1, 2022. The billing rates for paralegals will be their standard rate less a discount of not less than 10%.

As the District's General Counsel, my rate would be the same general services rate regardless of what type of matter I work on. We also do not charge for travel time to attend Board meetings.

We provide our legal services to the District in an efficient and cost-effective manner, and we will continue to work closely with you to coordinate our legal services in a way that provides the most value to the District.

I will be ready to discuss this with the Board at the next appropriate Board meeting. In the meantime, please do not hesitate to contact me if you have any questions or if you want to discuss this proposal. Please know that we appreciate the opportunity to serve as the District's General Counsel.

Thank You.

PTM:ld

STAFF REPORT

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

From: **Mary Rogren, General Manager**

Agenda: **September 8, 2020**

Report Date: September 4, 2020

Subject: **General Manager's Report**

- **City of Half Moon Bay Draft Land Use Plan**

The City of Half Moon Bay's Land Use Plan was last updated in 1993. City staff has been working on updating the plan over the last few years, but efforts significantly ramped up this summer in order to complete an update.

In August 2020 a draft Chapter 3 – Public Works was released for review and comment. District staff and Counsel have spent many hours reviewing the LUP (and specifically Chapter 3) over the last few weeks and have met with City staff on three occasions to submit comments. A comment letter was submitted on September 3, 2020 in anticipation of a public hearing that is being with the Planning Commission on the evening of September 8. The City planning staff will present the Draft LUP Update to City Council on September 29.

City planning staff has been very accommodating and helpful in working through the District's comments. City staff has agreed to continue to work with the District in September to consider additional comments.

MONTHLY REPORT

To: **Mary Rogren, General Manager**

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

Agenda: **September 8, 2020**

Report Date: **September 2, 2020**

Monthly Highlights

- District staff coordinated with San Francisco Public Utility Commission (SFPUC) staff in establishing defensible space fire breaks around the Cahill and Crystal Springs Pump Station sites
- Potholed San Vicente Pipeline for design
- Flushed 37 Blow Offs
- Replaced 2 Hydrants
    - 380 Shelter Cove Drive
    - 121 Sea Ranch Avenue
- Filter surveillance at Denniston and Nunes Water Treatment Plants complete
- Denniston wash water recovery pump/motor replaced
- Pulled Denniston Well 9 pump and video casing
- Denniston miscellaneous maintenance projects
    - Painted interior raw water line and rapid mix
    - Completed spare filter aid feed line

Sources of Supply

- **August Sources:**
    - Pilarcitos/Crystal Springs

Projects

- Sewer lateral for Main St. shop replaced
- Dive inspection and cleaning of Alves, Miramontes and HMB #2 complete
    - EG1, Miramar, and Cahill will be completed first week of September
- Denniston Tank Road Culvert Replacement project continues
- Denniston Generators set, electrical contractor working on wiring
- Emergency pump for Pilarcitos dam approved by SFPUC staff
- HDR – Bi-weekly progress meetings with staff ongoing. Geotech and survey complete. 60% design will be submitted in September
- EKI
    - Grandview Plans/Specs complete
    - Pine Willow Oak pipeline replacement project design near complete
    - Pilarcitos Crossing 90% design is expected later this month