

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MEETING OF THE BOARD OF DIRECTORS

Tuesday, December 11, 2012 - 7:00 p.m.

AGENDA

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

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

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

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

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

Members of the public may address the Board of Directors on the items on the agenda for this special meeting. The Chair requests that each person addressing the Board complete and submit a speaker slip, and limit their comments to three (3) minutes.

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 November 30, 2012: Claims: \$1,109,833.75; Payroll: \$67,447.04 for a total of \$1,177,280.79 ([attachment](#))
- B. Acceptance of Financial Reports ([attachment](#))
- C. Approval of Minutes of November 13, 2012 Special Board Meeting ([attachment](#))
- D. Approval of Minutes of November 13, 2012 Board of Directors Meeting ([attachment](#))
- E. Installed Water Connection Capacity and Water Meters Report ([attachment](#))
- F. Total CCWD Production Report ([attachment](#))
- G. CCWD Monthly Sales by Category Report ([attachment](#))
- H. November 2012 Leak Report ([attachment](#))
- I. Rainfall Reports ([attachment](#))
- J. San Francisco Public Utilities Commission Hydrological Report for November 2012 ([attachment](#))

5) MEETINGS ATTENDED / DIRECTOR COMMENTS

6) GENERAL BUSINESS

- A. Election of Board President and Vice-President ([attachment](#))
- B. Approval of Coastside County Water District Basic Financial Statements and Independent Auditors Report for Fiscal Year Ended June 30, 2012 ([attachment](#))
- C. Approval of Budget Increase for Denniston Water Treatment Plant Improvements Construction Management Services Provided by Erler & Kalinowski, Inc. ([attachment](#))
- D. Memorandum of Understanding for the Continuation of the Pilarcitos Creek Restoration Workgroup to Implement the 2008 Pilarcitos Integrated Watershed Management Plan ([attachment](#))

7) **GENERAL MANAGER'S REPORT - INCLUDING MONTHLY INFORMATIONAL REPORTS ([attachment](#))**

- Stone Dam Pipeline Emergency Interim Replacement Project
- Denniston Project Startup

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

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

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

9) **ADJOURNMENT**

Accounts Payable

Checks by Date - Summary By Check Number

User: gbrazil
Printed: 11/30/2012 - 8:05 AM



Check Number	Vendor No	Vendor Name	Check Date	Void Checks	Check Amount
18140	ALL04	ALLIED WASTE SERVICES #9	11/08/2012	0.00	333.63
18141	ATT02	AT&T	11/08/2012	0.00	1,423.44
18142	BRE01	CATHLEEN BRENNAN	11/08/2012	0.00	452.00
18143	CHA02	CHARLES HOELZEL CAPITAL	11/08/2012	0.00	80.00
18144	COA15	COASTSIDE NET, INC	11/08/2012	0.00	130.31
18145	CUL01	CULLIGAN SANTA CLARA, C	11/08/2012	0.00	310.40
18146	HAR03	HARTFORD LIFE INSURANCE	11/08/2012	0.00	1,793.07
18147	ICM01	VANTAGEPOINT TRANSFER /	11/08/2012	0.00	40.00
18148	KAI01	KAISER FOUNDATION HEAL	11/08/2012	0.00	8,777.00
18149	OCE04	OCEAN SHORE CO.	11/08/2012	0.00	576.64
18150	PAC01	PACIFIC GAS & ELECTRIC CO	11/08/2012	0.00	40,125.82
18151	PAC06	PACIFICA COMMUNITY TV	11/08/2012	0.00	250.00
18152	PUB01	PUB. EMP. RETIRE SYSTEM	11/08/2012	0.00	17,980.99
18153	SAN20	SAN FRANCISCO FIRE CREDI	11/08/2012	0.00	450.00
18154	STA15	STATE WATER RESOURCES C	11/08/2012	0.00	1,943.00
18155	VAL01	VALIC	11/08/2012	0.00	1,400.00
18156	GUI01	JOE GUISTINO	11/21/2012	0.00	3,350.43
18157	ADP01	ADP, INC.	11/26/2012	0.00	465.40
18158	ADV02	FRANK YAMELLO	11/26/2012	0.00	235.00
18159	ANA01	ANALYTICAL ENVIRONMEN	11/26/2012	0.00	503.16
18160	AND01	ANDREINI BROS. INC.	11/26/2012	0.00	6,473.67
18161	AND10	ANDERSON PACIFIC ENGINE	11/26/2012	0.00	288,235.40
18162	ARB01	ARBORWELL	11/26/2012	0.00	2,200.00
18163	ASS01	HEALTH BENEFITS ACWA/JPI	11/26/2012	0.00	21,418.05
18164	ASS04	ASSOC.CALIF.WATER AGENC	11/26/2012	0.00	11,291.50
18165	ATT03	AT&T LONG DISTANCE	11/26/2012	0.00	146.34
18166	AZE01	AZEVEDO FEED INC.	11/26/2012	0.00	378.88
18167	AZT01	AZTEC GARDENS, INC.	11/26/2012	0.00	370.00
18168	BAR01	BARTKIEWICZ, KRONICK & S	11/26/2012	0.00	3,757.90
18169	BAU02	MARK BAUMGARTEN	11/26/2012	0.00	200.00
18170	BAY05	BAY AREA WATER SUPPLY &	11/26/2012	0.00	594.00
18171	BAY10	BAY ALARM COMPANY	11/26/2012	0.00	1,596.39
18172	BIG01	BIG CREEK LUMBER	11/26/2012	0.00	3,190.67
18173	CAL07	CHEMICAL TRANSFER COMP	11/26/2012	0.00	30.00
18174	CAL08	CALCON SYSTEMS, INC.	11/26/2012	0.00	12,579.32
18175	CAR02	CAROLYN STANFIELD	11/26/2012	0.00	485.00
18176	CHE01	CHEVRON/TEXACO UNIVERS	11/26/2012	0.00	1,803.90
18177	CIT01	CITY OF HALF MOON BAY	11/26/2012	0.00	294.00
18178	COA19	COASTSIDE COUNTY WATER	11/26/2012	0.00	25.97
18179	CSG01	CSG SYSTEMS, INC	11/26/2012	0.00	2,233.73
18180	DAL01	DAL PORTO ELECTRIC	11/26/2012	0.00	2,309.27
18181	DIA01	DIAMOND FENCE CO., INC.	11/26/2012	0.00	500.00
18182	DIC01	DAVID DICKSON	11/26/2012	0.00	605.87
18183	EKI01	EKI INC.	11/26/2012	0.00	15,034.33
18184	ENR01	ENRIQUEZ MD, JOSEFINA	11/26/2012	0.00	125.00

Check Number	Vendor No	Vendor Name	Check Date	Void Checks	Check Amount
18185	FIR06	FIRST NATIONAL BANK	11/26/2012	0.00	922.27
18186	GEN03	GENERAL CHEMICAL PERFOI	11/26/2012	0.00	5,033.60
18187	GOL04	GOLDEN STATE FLOW MEAS	11/26/2012	0.00	13,600.66
18188	GRE01	GREG JONES	11/26/2012	0.00	425.00
18189	HAC01	HACH CO., INC.	11/26/2012	0.00	3,760.03
18190	HAL01	HMB BLDG. & GARDEN INC.	11/26/2012	0.00	722.61
18191	HAL23	HMB ALARM	11/26/2012	0.00	500.00
18192	HAL24	H.M.B.AUTO PARTS	11/26/2012	0.00	18.75
18193	HAN01	HANSONBRIDGETT. LLP	11/26/2012	0.00	5,721.90
18194	HAR03	HARTFORD LIFE INSURANCE	11/26/2012	0.00	1,723.66
18195	HEA01	HEALTHWORKS	11/26/2012	0.00	189.00
18196	HOM01	HOME DEPOT	11/26/2012	0.00	1,034.84
18197	ICM01	VANTAGEPOINT TRANSFER /	11/26/2012	0.00	40.00
18198	IRO01	IRON MOUNTAIN	11/26/2012	0.00	329.08
18199	IRV01	IRVINE CONSULTING SERVIC	11/26/2012	0.00	2,510.00
18200	IRV02	IRVINE CONSULTING SERVIC	11/26/2012	0.00	1,837.07
18201	JJA01	JJACPA, INC	11/26/2012	0.00	4,600.00
18202	KEN03	KENNEDY/JENKS CONSULTA	11/26/2012	0.00	8,291.18
18203	LOM01	GLENNA LOMBARDI	11/26/2012	0.00	99.00
18204	MET06	METLIFE SBC	11/26/2012	0.00	1,274.80
18205	MIS01	MISSION UNIFORM SERVICES	11/26/2012	0.00	196.66
18206	MON01	DARIN BOVILLE	11/26/2012	0.00	1,800.00
18207	MON07	MONTEREY COUNTY LAB	11/26/2012	0.00	1,136.00
18208	NAG01	PAUL NAGENGAST	11/26/2012	0.00	200.00
18209	NAT02	NATIONAL METER & AUTOM	11/26/2012	0.00	5,339.16
18210	OFF01	OFFICE DEPOT	11/26/2012	0.00	2,341.37
18211	ONT01	ONTRAC	11/26/2012	0.00	284.72
18212	PAR02	CAROL PARDINI	11/26/2012	0.00	100.00
18213	PAT05	DONALD PATTERSON	11/26/2012	0.00	73.04
18214	PAU01	PAULO'S AUTO CARE	11/26/2012	0.00	932.39
18215	PET03	PETERSON TRUCKS, INC	11/26/2012	0.00	135,985.79
18216	PHI02	PHIL'S TIRE PROS	11/26/2012	0.00	1,149.65
18217	PIT04	PITNEY BOWES	11/26/2012	0.00	198.00
18218	PUB01	PUB. EMP. RETIRE SYSTEM	11/26/2012	0.00	18,374.87
18219	RIC02	RICOH AMERICAS CORP	11/26/2012	0.00	802.05
18220	RIC04	RICE TRUCKING--SOIL FARM	11/26/2012	0.00	97.43
18221	ROB01	ROBERTS & BRUNE CO.	11/26/2012	0.00	34,027.16
18222	ROG01	ROGUE WEB WORKS, LLC	11/26/2012	0.00	195.00
18223	RYA01	RYAN HERCO PRODUCTS CO.	11/26/2012	0.00	611.67
18224	SAN03	SAN FRANCISCO WATER DEP	11/26/2012	0.00	158,027.25
18225	SAN05	SAN MATEO CTY PUBLIC HE	11/26/2012	0.00	462.00
18226	SAN10	SAN MATEO COUNTY	11/26/2012	0.00	3,498.00
18227	SAN20	SAN FRANCISCO FIRE CREDI	11/26/2012	0.00	450.00
18228	SER03	SERVICE PRESS	11/26/2012	0.00	165.35
18229	SEW01	SEWER AUTH. MID- COASTSI	11/26/2012	0.00	1,710.00
18230	SOU05	SOUTH SAN FRANCISCO TIRE	11/26/2012	0.00	2,654.50
18231	SPR02	SPRINGBROOK SOFTWARE U	11/26/2012	0.00	100.00
18232	SPR04	SPRINGBROOK SOFTWARE, II	11/26/2012	0.00	629.49
18233	STA03	CA DPH DRINKING WATER PI	11/26/2012	0.00	90.00
18234	STA11	STATE WATER RESOURCES C	11/26/2012	0.00	441.50
18235	STO01	STOLOSKI & GONZALEZ, INC	11/26/2012	0.00	208,833.75
18236	STR02	STRAWFLOWER ELECTRONIC	11/26/2012	0.00	30.47
18237	TAI03	DONALD TAITER	11/26/2012	0.00	1,120.00
18238	TEA02	TEAMSTERS LOCAL UNION #	11/26/2012	0.00	681.00
18239	TET01	JAMES TETER	11/26/2012	0.00	8,247.26

Check Number	Vendor No	Vendor Name	Check Date	Void Checks	Check Amount
18240	UB*01079	JOHN/DEBORAH GLERUM	11/26/2012	0.00	48.85
18241	UB*01080	MARY SWANBERG	11/26/2012	0.00	6.99
18242	UB*01081	EDWIN WINDER	11/26/2012	0.00	88.16
18243	UB*01082	ANDREA STARK	11/26/2012	0.00	75.57
18244	UB*01083	NANCY BOUNGNAVATH	11/26/2012	0.00	77.30
18245	UB*01084	DMG ASSET MANAGEMENT I	11/26/2012	0.00	75.57
18246	UB*01085	BLUE MOUNTAIN AIR	11/26/2012	0.00	653.60
18247	UB*01086	SILICON VALLEY ASSOCIATE	11/26/2012	0.00	73.69
18248	UB*01087	WEINONG LAI	11/26/2012	0.00	28.55
18249	UNI07	UNITED STATES POSTAL SER	11/26/2012	0.00	600.00
18250	UNI15	UNIVAR USA INC	11/26/2012	0.00	2,423.71
18251	VAL01	VALIC	11/26/2012	0.00	1,400.00
18252	WAT02	WATER EDUCATION FOUND.	11/26/2012	0.00	1,000.00
18253	WAT07	WATER RESEARCH FOUNDA	11/26/2012	0.00	1,444.50
18254	WES11	WEST COAST AGGREGATES,	11/26/2012	0.00	93.04
18255	WHE01	VIRGINIA WHELEN	11/26/2012	0.00	195.00
18256	WHI02	WHITE CAP CONSTRUCTION	11/26/2012	0.00	432.47
18257	WIE02	WIENHOFF & ASSOCIATES, I	11/26/2012	0.00	520.00
18258	PAC06	PACIFICA COMMUNITY TV	11/29/2012	0.00	250.00
18259	VER02	VERIZON WIRELESS	11/29/2012	0.00	228.29
Report Total:				0.00	1,109,833.75

COASTSIDE COUNTY WATER DISTRICT - PERIOD BUDGET ANALYSIS
30-Nov-12

ACCOUNT	DESCRIPTION	CURRENT ACTUAL	CURRENT BUDGET	B/(W) VARIANCE	B/(W) % VAR	YTD ACTUAL	YTD BUDGET	B/(W) VARIANCE	B/(W) % VAR
OPERATING REVENUE									
1-0-4120-00	Water Revenue -All Areas	495,589.66	537,904.00	(42,314.34)	-7.9%	3,522,263.36	3,219,589.00	302,674.36	9.4%
TOTAL OPERATING REVENUE		495,589.66	537,904.00	(42,314.34)	-7.9%	3,522,263.36	3,219,589.00	302,674.36	9.4%
NON-OPERATING REVENUE									
1-0-4170-00	Water Taken From Hydrants	118.52	2,083.33	(1,964.81)	-94.3%	12,022.34	10,416.65	1,605.69	15.4%
1-0-4180-00	Late Notice -10% Penalty	8,385.98	4,167.00	4,218.98	101.2%	35,991.71	20,835.00	15,156.71	72.7%
1-0-4230-00	Service Connections	1,617.74	666.66	951.08	142.7%	3,350.36	3,333.30	17.06	0.5%
1-0-4920-00	Interest Earned	0.00	0.00	0.00	0.0%	1,766.54	1,770.00	(3.46)	-0.2%
1-0-4930-00	Tax Apportionments/Cnty Checks	67,538.59	50,000.00	17,538.59	0.0%	85,626.09	65,000.00	20,626.09	31.7%
1-0-4950-00	Miscellaneous Income	170.67	3,083.33	(2,912.66)	-94.5%	17,121.88	15,416.65	1,705.23	11.1%
1-0-4955-00	Cell Site Lease Income	10,121.97	9,793.66	328.31	3.4%	50,113.90	48,968.30	1,145.60	2.3%
1-0-4965-00	ERAF REFUND -County Taxes	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
1-0-4990-00	Water Sales Refunded	0.00	0.00	0.00	0.0%	(103,376.66)	0.00	(103,376.66)	0.0%
TOTAL NON-OPERATING REVENUE		87,953.47	69,793.98	18,159.49	26.0%	102,616.16	165,739.90	(63,123.74)	-38.1%
TOTAL REVENUES		583,543.13	607,697.98	(24,154.85)	-4.0%	3,624,879.52	3,385,328.90	239,550.62	7.1%
OPERATING EXPENSES									
1-1-5130-00	Water Purchased	158,027.25	111,964.00	(46,063.25)	-41.1%	838,803.22	1,107,483.00	268,679.78	24.3%
1-1-5230-00	Pump Exp, Nunes T P	2,402.86	2,071.00	(331.86)	-16.0%	9,944.06	10,026.00	81.94	0.8%
1-1-5231-00	Pump Exp, CSP Pump Station	34,752.65	32,610.00	(2,142.65)	-6.6%	168,360.93	163,050.00	(5,310.93)	-3.3%
1-1-5232-00	Pump Exp, Trans. & Dist.	1,445.82	1,007.00	(438.82)	-43.6%	5,870.91	4,766.00	(1,104.91)	-23.2%
1-1-5233-00	Pump Exp, Pilarcitos Can.	245.11	483.00	237.89	49.3%	1,170.91	1,042.00	(128.91)	-12.4%
1-1-5234-00	Pump Exp. Denniston Proj.	635.01	11,827.00	11,191.99	94.6%	2,304.01	30,665.00	28,360.99	92.5%
1-1-5235-00	Denniston T.P. Operations	2,661.16	3,179.00	517.84	16.3%	3,207.61	8,243.00	5,035.39	61.1%
1-1-5236-00	Denniston T.P. Maintenance	461.74	3,000.00	2,538.26	84.6%	1,967.70	15,000.00	13,032.30	86.9%
1-1-5240-00	Nunes T P Operations	10,943.35	8,242.00	(2,701.35)	-32.8%	41,076.12	45,975.00	4,898.88	10.7%
1-1-5241-00	Nunes T P Maintenance	668.87	3,333.33	2,664.46	79.9%	22,053.12	16,666.65	(5,386.47)	-32.3%
1-1-5242-00	CSP Pump Station Operations	1,462.72	708.00	(754.72)	-106.6%	4,156.51	3,540.00	(616.51)	-17.4%
1-1-5243-00	CSP Pump Station Maintenance	3,211.59	3,333.00	121.41	3.6%	22,047.61	16,665.00	(5,382.61)	-32.3%
1-1-5250-00	Laboratory Services	1,882.72	2,082.00	199.28	9.6%	8,029.64	18,509.00	10,479.36	56.6%
1-1-5318-00	Studies/Surveys/Consulting	0.00	5,666.60	5,666.60	100.0%	0.00	28,333.00	28,333.00	100.0%
1-1-5321-00	Water Conservation	1,886.52	6,183.00	4,296.48	69.5%	8,475.59	30,915.00	22,439.41	72.6%
1-1-5322-00	Community Outreach	2,809.18	2,933.00	123.82	4.2%	4,174.15	14,665.00	10,490.85	71.5%
1-1-5411-00	Salaries & Wages -Field	67,322.59	75,793.77	8,471.18	11.2%	387,342.76	416,865.73	29,522.97	7.1%
1-1-5412-00	Maintenance -General	5,838.33	13,650.00	7,811.67	57.2%	88,575.18	68,250.00	(20,325.18)	-29.8%

ACCOUNT	DESCRIPTION	CURRENT ACTUAL	CURRENT BUDGET	B/(W) VARIANCE	B/(W) % VAR	YTD ACTUAL	YTD BUDGET	B/(W) VARIANCE	B/(W) % VAR
1-1-5414-00	Motor Vehicle Expense	8,690.52	3,720.00	(4,970.52)	-133.6%	44,255.65	18,600.00	(25,655.65)	-137.9%
1-1-5415-00	Maintenance -Well Fields	0.00	500.00	500.00	100.0%	0.00	2,500.00	2,500.00	100.0%
1-1-5610-00	Salaries/Wages-Administration	47,517.99	50,978.77	3,460.78	6.8%	266,006.84	280,383.22	14,376.38	5.1%
1-1-5620-00	Office Supplies & Expense	8,281.20	10,885.00	2,603.80	23.9%	39,100.50	54,425.00	15,324.50	28.2%
1-1-5621-00	Computer Services	3,639.79	6,250.00	2,610.21	41.8%	13,374.07	31,250.00	17,875.93	57.2%
1-1-5625-00	Meetings / Training / Seminars	2,857.87	1,666.66	(1,191.21)	-71.5%	5,845.32	8,333.30	2,487.98	29.9%
1-1-5630-00	Insurance	5,850.00	6,250.00	400.00	6.4%	38,589.62	56,250.00	17,660.38	31.4%
1-1-5635-00	EE/Ret. Medical Insurance	29,226.50	37,656.83	8,430.33	22.4%	145,928.18	188,284.15	42,355.97	22.5%
1-1-5640-00	Employees Retirement Plan	34,349.21	37,428.38	3,079.17	8.2%	187,117.83	205,856.09	18,738.26	9.1%
1-1-5645-00	SIP 401K Plan	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
1-1-5681-00	Legal	1,708.80	5,000.00	3,291.20	65.8%	14,969.40	25,000.00	10,030.60	40.1%
1-1-5682-00	Engineering	480.00	1,166.66	686.66	58.9%	1,609.00	5,833.30	4,224.30	72.4%
1-1-5683-00	Financial Services	4,600.00	9,000.00	4,400.00	0.0%	4,600.00	17,500.00	12,900.00	0.0%
1-1-5684-00	Payroll Tax Expense	7,232.86	9,066.69	1,833.83	20.2%	44,968.50	49,866.79	4,898.29	9.8%
1-1-5687-00	Membership, Dues, Subscript.	13,986.00	5,366.66	(8,619.34)	-160.6%	30,715.50	26,833.30	(3,882.20)	-14.5%
1-1-5688-00	Election Expenses	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
1-1-5689-00	Labor Relations	0.00	500.00	500.00	100.0%	0.00	2,500.00	2,500.00	100.0%
1-1-5700-00	San Mateo County Fees	3,498.00	0.00	(3,498.00)	0.0%	12,206.28	2,950.00	(9,256.28)	0.0%
1-1-5705-00	State Fees	2,384.50	1,400.00	(984.50)	0.0%	8,145.54	16,400.00	8,254.46	0.0%
TOTAL OPERATING EXPENSES		470,960.71	474,901.35	3,940.64	0.8%	2,474,992.26	2,993,424.53	518,432.27	17.3%
CAPITAL ACCOUNTS									
1-1-5711-00	Debt Srvc/Existing Bonds 1998A	0.00	0.00	0.00	0.0%	258,382.50	258,383.00	0.50	0.0%
1-1-5712-00	Debt Srvc/Existing Bonds 2006B	0.00	0.00	0.00	0.0%	337,929.26	337,429.00	(500.26)	0.0%
1-1-5715-00	Debt Srvc/CIEDB 11-099 (I-BANK)	0.00	0.00	0.00	0.0%	261,436.83	261,437.00	0.17	0.0%
TOTAL CAPITAL ACCOUNTS		0.00	0.00	0.00	0.0%	857,748.59	857,249.00	(499.59)	-0.1%
TOTAL EXPENSES		470,960.71	474,901.35	3,940.64	0.8%	3,332,740.85	3,850,673.53	517,932.68	13.5%
NET INCOME		112,582.42		292,138.67					

**COASTSIDE COUNTY WATER DISTRICT
MONTHLY INVESTMENT REPORT
November 30, 2012**

RESERVE BALANCES

CAPITAL AND OPERATING RESERVE	\$2,074,122.86
RATE STABILIZATION RESERVE	\$250,000.00

TOTAL DISTRICT RESERVES	\$2,324,122.86
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ACCOUNT DETAIL

ACCOUNTS WITH FIRST NATIONAL BANK (FNB)	
CHECKING ACCOUNT	\$704,315.96
CSP T & S ACCOUNT	\$603,667.92

LOCAL AGENCY INVESTMENT FUND (LAIF) BALANCE	\$1,014,208.98
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DISTRICT CASH ON HAND	\$1,930.00
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TOTAL ACCOUNT BALANCES	\$2,324,122.86
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This report is in conformity with CCWD's Investment Policy.

**COASTSIDE COUNTY WATER DISTRICT
APPROVED CAPITAL IMPROVEMENT PROJECTS
FISCAL YEAR 2012-2013**

11/30/2012

		Approved CIP Budget FY 12/13	Actual To Date FY 12/13	Projected Year-End FY 12/13	Projected vs. Budget Variance	Project Status/ Comments
PIPELINE PROJECTS						
06-01	Avenue Cabrillo Phase 1 (Construction)	\$ 550,000	294,295	\$ 450,000	\$ 100,000	Under construction
07-03	Pilarcitos Canyon Pipeline Replacement	\$ 100,000		\$ 75,000	\$ 25,000	Feasibility study, CEQA re qd by SFPUC
	Main Street Pipeline Replacement Project	\$ 90,000		\$ 90,000	\$ -	Design 2013, construct 2014 - depends on HMB
	Railroad Avenue Pipeline Replacement Project	\$ 148,000	3,884	\$ 130,000	\$ 18,000	Awarded 9/7/12 for \$122,440
	Avenue Portola Pipeline Replacement Project	\$ 100,000	15,335	\$ 100,000	\$ -	In design

WATER TREATMENT PLANTS

99-05	Denniston Intake Maintenance	\$ 31,000	\$ 30,099	\$ 16,000	\$ 15,000	Completed
	Denniston - Intake Construction	\$ 100,000		\$ -	\$ 100,000	Replaced screens during intake maintenance
	Denniston - Treated Water Booster Station	\$ 200,000		\$ 200,000	\$ -	K/J doing preliminary design
	Nunes Flash Mixer	\$ 15,000		\$ 15,000	\$ -	Order Spring 2013
	Nunes SCADA Integration	\$ 75,000	\$ 2,538	\$ 75,000	\$ -	
	Nunes Sludge Ponds Level Indication	\$ 15,000	\$ 10,272	\$ 15,000	\$ -	Seeking bids
	Nunes - Replace Washwater Return Pump #2	\$ 25,000		\$ 25,000	\$ -	Seeking bids

FACILITIES & MAINTENANCE

08-08	PRV Valves Replacement Program	\$ 20,000	\$ 592	\$ 20,000	\$ -	
99-01	Meter Change Program	\$ 30,000		\$ 30,000	\$ -	
09-09	Fire Hydrant Replacement	\$ 20,000	\$ 8,301	\$ 20,000	\$ -	
09-23	District Digital Mapping	\$ 50,000	\$ 37,108	\$ 50,000	\$ -	GPS locating District assets

EQUIPMENT PURCHASE & REPLACEMENT

99-03	Computer System	\$ 6,000	\$ 1,837	\$ 6,000	\$ -	
99-04	Office Equipment/Furniture	\$ 3,000	\$ 1,104	\$ 3,000	\$ -	
06-03	SCADA / Telemetry / Electrical Controls	\$ 750,000	\$ 3,559	\$ 750,000	\$ -	Retained EKI to get project to bid
	Dump Truck	\$ 100,000	\$ 135,986	\$ 135,986	\$ (35,986)	Arrived 11/30/2012

PUMP STATIONS / TANKS / WELLS

	Crystal Springs Rebuild Spare 500 HP	\$ 25,000		\$ 40,000	\$ (15,000)	New pump ordered
	Crystal Springs Surge Tank Control Improvements	\$ 30,000		\$ 30,000	\$ -	Seeking bids
	Crystal Springs Check Valve Replacement	\$ 25,000	\$ 12,024	\$ 25,000	\$ -	Will complete by December 1, 2012
	CSPS New Air Control for Surge Tank	\$ 50,000		\$ 50,000	\$ -	In design
06-05	Well Rehabilitation - Denniston #2	\$ 35,000		\$ 35,000	\$ -	Spring 2013
08-14	Alves Tank Recoating (Interior/Exterior)	\$ 100,000			\$ 100,000	Postpone to FY14
	Alves Tank Altitude Valve	\$ 50,000			\$ 50,000	Postpone to FY14
	EG Tank #2 Electrical Panel Upgrade & Pump	\$ 50,000	\$ 13,010	\$ 50,000	\$ -	Electrical done, purchasing pump
08-17	EG Tank #2 Recoat & Ladder	\$ 200,000	\$ 4,921	\$ 200,000	\$ -	Under design by J Teter
	EG Tank #2 Fence Replacement	\$ 25,000		\$ 25,000	\$ -	Postpone to FY14
	Pump Station Chlorine Analyzer Replacements (4)	\$ 10,000		\$ 10,000	\$ -	Complete
	Pilarcitos Canyon Blending Station	\$ 20,000	\$ 29,997	\$ 60,000	\$ (40,000)	Evaluating plan and costs

DENNISTON WTP (LONG-TERM) IMPROVEMENT

08-23	Denniston WTP Improvement Project	\$ 1,500,000	\$ 2,315,057	\$ 2,500,000	\$ (1,000,000)	Plant startup December 2012
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COASTSIDE COUNTY WATER DISTRICT
 APPROVED CAPITAL IMPROVEMENT PROJECTS
 FISCAL YEAR 2012-2013

11/30/2012

Approved CIP Budget FY 12/13	Actual To Date FY 12/13	Projected Year-End FY 12/13	Projected vs. Budget Variance	Project Status/ Comments
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WATER SUPPLY DEVELOPMENT

CCWD/MWSD Emergency Intertie - Planning	\$ 25,000		\$ 25,000	\$ -	
San Vicente Design	\$ 300,000		\$ 300,000	\$ -	
FY 11-12 TOTALS \$ 4,873,000 \$ 2,919,918 \$ 5,555,986 \$ (682,986)					

Previous CIP Projects - paid in FY 12/13

HMB Tank #1 Interior/Exterior Recoating		\$ 45,765			
Denniston Water Supply Development		\$ 3,097			
Denniston/San Vicente EIR		\$ 22,436			
PREVIOUS YEAR TOTALS \$ - \$ 71,298 \$ - \$ -					

UNSCHEDULED ITEMS (CAPITAL EXPENDITURES) FOR CURRENT FISCAL YEAR 12/13

CSP Intake Tunnel Modifications		\$ 41,983			Complete
EG Pipeline Leak at Arroyo de en Medio		\$ 2,096			Complete
Stone Dam Emergency Pipeline Replacement		\$ 102,207			Begin work on November 14, 2012
Cahill Tank Repairs		\$ 6,962			
NON-BUDGETED TOTALS \$ - \$ 153,248 \$ - \$ -					

CIP TOTALS \$ 4,873,000 \$ 3,144,464 \$ 5,555,986					
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**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	Transfer Program	CIP	Denniston WTP Improvements Project	Personnel	Lawsuits	Infrastructure Project Review (Reimbursable)	TOTAL
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Dec-11	3,272		319		106				3,697
Jan-12	3,910		718						4,628
Feb-12	2,784							825	3,609
Mar-12	1,583		273	2,481				2,020	6,358
Apr-12	3,522			4,844				55	8,421
May-12	4,524		410	6,258				1,365	12,556
Jun-12	3,192				2,059			878	6,129
Jul-12	2,553		410	473				737	4,173
Aug-12	5,351		410					2,375	8,135
Sep-12	7,664		382						8,046
Oct-12	1,304		328	2,862					4,493
Nov-12	1,709	2,675		928				410	5,722

TOTAL	41,368	2,675	3,249	17,846	2,166	0	0	8,664	75,968
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**Engineer Cost Tracking Report
12 Months At-A-Glance**

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

Month	Admin & Retainer	CIP	Short Term WTP Imprv.	Studies & Projects	TOTAL	Reimbursable from Projects
Dec-11	200	5,067			5,267	
Jan-12	939	23,677		845	25,461	845
Feb-12	1,615	4,651		845	7,111	845
Mar-12	320	2,319			2,639	
Apr-12	734	14,713			15,446	
May-12	480	14,643			15,123	
Jun-12	240	4,551			4,791	
Jul-12	240	8,948		1,183	10,371	1,183
Aug-12	480	459		1,099	2,038	
Sep-12	480	9,600		1,775	11,855	1,775
Oct-12	649	5,762		3,033	9,444	3,033
Nov-12	480	4,627		3,141	8,247	3,141
TOTAL	6,857	99,017	0	11,920	117,794	10,821

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

Tuesday, November 13, 2012

- 1) **ROLL CALL** - The Closed Session convened at 6:00 p.m. Present at roll call: President Chris Mickelsen, Directors Ken Coverdell, Bryan Hannegan, Bob Feldman and Vice-President Glenn Reynolds David Dickson, General Manager and Patrick Miyaki, Legal Counsel were also present.
- 2) **PUBLIC COMMENT** - There were no public comments.
- 3) **CLOSED SESSION**
 - A. **Conference with Legal Counsel - Anticipated Litigation**
Initiation of Litigation Pursuant to California Government
Code Section §54956.9(c)
One Potential Case
- 4) **RECONVENE TO OPEN SESSION** - The Closed Session concluded at 6:56 p.m., at which time Mr. Miyaki announced that no reportable action had been taken during the Closed Session.
- 5) **ADJOURNMENT** - The special meeting was adjourned at 6:56 p.m.

Respectfully submitted,

David R. Dickson, General Manager
Secretary of the District

Chris Mickelsen, President
Board of Directors

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF BOARD OF DIRECTORS MEETING

Tuesday, November 13, 2012

- 1) **ROLL CALL:** President Chris Mickelsen called the meeting to order at 7:02 p.m. Present at roll call: Director Ken Coverdell, Vice-President Glenn Reynolds, Directors Bryan Hannegan and Bob Feldman.

Also present were: David Dickson, General Manager; Joe Guistino, Superintendent of Operations, Patrick Miyaki, Legal Counsel; Cathleen Brennan, Water Resources Analyst; JoAnne Whelen, Administrative Assistant/Recording Secretary; and Gina Brazil, Office Manager.

- 2) **PLEDGE OF ALLEGIANCE**

- 3) **PUBLIC ANNOUNCEMENTS:** There were no public announcements.

- 4) **CONSENT CALENDAR**

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

- A. Approval of disbursements for the month ending October 31, 2012:
Claims: \$1,179,920.85; Payroll: \$65,888.39 for a total of \$1,245,809.24
- B. Acceptance of Financial Reports
- C. Approval of Minutes of October 9, 2012 Board of Directors Meeting
- D. Approval of Minutes of November 2, 2012 Special Board Meeting
- E. Installed Water Connection Capacity and Water Meters Report
- F. Total CCWD Production Report
- G. CCWD Monthly Sales by Category Report
- H. October 2012 Leak Report
- I. Rainfall Reports

- J. San Francisco Public Utilities Commission Hydrological Report for October 2012
- K. Notice of Completion – Denniston Reservoir Maintenance Dredging

ON MOTION BY Vice-President Reynolds and seconded by Director Feldman, the Board voted as follows, by roll call vote, to accept and approve the Consent Calendar in its entirety:

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

5) MEETINGS ATTENDED / DIRECTOR COMMENTS

President Mickelsen stated that he and Mr. Dickson had attended the San Francisco Public Utilities Commission (SFPUC) meeting earlier in the day and reported that the District's Stone Dam Pipeline Emergency Interim Replacement Project had been unanimously approved.

6) GENERAL BUSINESS

A. Approval of Water Service Agreement for Half Moon Village Senior Housing Project

Mr. Dickson briefly described the project, a 45-unit senior housing building to be constructed on a parcel located on Arnold Way, near the Lesley Gardens Senior Housing Development. He advised the Board that District Staff had reviewed and approved the water system plans for the development and recommends approval of the Water Service Agreement. He also noted that two representatives from Mid-Peninsula Housing were in the audience. Mr. Dickson, Mr. Guistino, and Adhi Nagraj, Project Manager with Mid-Peninsula Housing Corporation, then proceeded to answer questions from the Board.

ON MOTION BY Director Coverdell and seconded by Vice-President Reynolds, the Board voted as follows, by roll call vote, to approve the Water Service Agreement with Half Moon Village Associates, L.P. and Housing Authority of San Mateo County for the Half Moon Village Senior Housing Project (Phase 1):

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

B. Denniston/San Vicente Projects Review and Status Update

Mr. Dickson provided a comprehensive review of the current projects related to developing and securing the District's local water supply source in the Denniston Creek and San Vicente Creek watersheds. He emphasized the importance of the critical projects that are currently underway, the Environmental Impact Report (EIR) and the Denniston Water Treatment Plant Improvement Project and relayed some of the opportunities, challenges and risks associated with the projects. Next, Mr. Dickson introduced and described some future related projects, including the San Vicente diversion and pipeline, the Denniston reservoir restoration, the treated water booster station, and the Bridgeport pipeline. He also explained the role and importance of each of these future projects and relayed the respective budgets and funding for the projects. Finally, Mr. Dickson updated the Board on the status, schedules, and budgets of the current ongoing projects, the EIR and the Denniston Water Treatment Plant Improvements.

C. Contract with Balance Hydrologics for Denniston/San Vicente Stream Gaging, Groundwater Monitoring, Data Analysis, and Modeling

Mr. Dickson explained the importance of the continuation of the stream gaging, groundwater monitoring, data analysis, and modeling for the Denniston Creek and San Vicente watersheds. He also emphasized that quantifying the amount of water available for diversion from Denniston and San Vicente Creeks is critical to the District's efforts to secure its water rights on those streams. He reviewed details of the proposals from Balance Hydrologics to provide these services to the District. Mr. Dickson then answered a few questions from the Board about the schedule and services to be provided by Balance Hydrologics.

Director Hannegan suggested that perhaps staff could plan to present the results at some point, which could provide an opportunity for the Board to better understand the impacts of the report on the watershed. Mr. Dickson stated that these issues are complicated and agreed that it would

be valuable for the Board to be educated on the matters through some future scheduled information and workshop sessions.

ON MOTION BY Director Coverdell and seconded by Vice-President Reynolds, the Board voted as follows, by roll call vote, to authorize staff to contract with Balance Hydrologics, Inc. for stream gaging, groundwater monitoring, data analysis, and modeling for the Denniston Creek and San Vicente Creek watersheds for an estimated time-and-materials cost of \$92,724.00:

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

D. Approval of Budget Increase for Denniston Water Treatment Plant Improvements Project Engineering Services During Construction

Mr. Dickson informed the Board that over the course of the construction of this project, the amount of time required for review of contractor submittals and for responding to contractor requests for information has significantly exceeded estimates provided in Kennedy/Jenks' (K/J) original time-and-materials proposal. He explained the nature of the various change orders, including some significant issues with the chemical metering pumps and the subsequent time delays. He also reviewed the benefits of some of the specific changes to the overall project, including those requested by the District. He further explained that staff has evaluated K/J's work on the project, as well as their request for the increased budget in detail, and stated that he believes that the proposed budget increase is reasonable and justified and that Kennedy Jenks has done an excellent job. He then requested that the Board authorize staff to approve the budget increase in an amount not to exceed \$90,000.00.

Board discussion ensued, with Mr. Dickson answering a few questions from the Board. He also introduced Craig Thompson, with Kennedy Jenks, to address some of the Board's comments and concerns.

ON MOTION BY Coverdell and seconded by Director Feldman, the Board voted as follows, by roll call vote, to authorize staff to approve an increase in the time-and-materials budget for engineering services during construction provided by Kennedy / Jenks Consultants for the Denniston Water Treatment Plant Improvements Project in the amount no to exceed \$90,000:

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

E. Year to date Financial Review

Mr. Dickson introduced this item by stating that the District's water revenue is \$289,000, 11% ahead of the budget, due to increased water use. He proceeded to review other revenue and expense accounts, noting that the District's finances are essentially on plan.

F. Participation in Bay Area Water Supply and Conservation Agency's (BAWSCA) Bond Issuance to Prepay Capital Debt Owed to San Francisco

Mr. Dickson provided the background of this item, reporting that BAWSCA and its advisors have been exploring the possibility of a potential bond issuance to prepay the capital debt. He advised that lowering the effective interest rate would provide a substantial savings to the BAWSCA members. He assured the Board that the District is not taking on any debt obligations in agreeing to participate in this pre-payment plan. He reported that the estimated present value of the District's savings is \$228,131 to \$387,822 over the bond term of 21.5 years and that the actual savings will depend on a number of factors, including the District's water purchases.

ON MOTION BY Director Coverdell and seconded by Vice-President Reynolds, the Board voted as follows, by roll call vote, to adopt Resolution 2012-09, a Resolution Authorizing the Making of a Prepayment Under a Water Supply Agreement with the City and County of San Francisco and Related Matters:

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

G. Potential Amendment to Code of Conduct Regarding Compensation and Expense Reimbursement for Board Members and Approval of Attendance at Conferences, Meetings, and Events of Other Organizations

Mr. Dickson reviewed the list of the District's currently identified external organizations and representatives. He advised that this agenda item provides an opportunity for the Board to consider appointing representatives to additional organizations, or identifying activities for which compensation and expense reimbursement would be pre-approved.

After brief discussion of this agenda item, the Board agreed that this subject would be tabled for the present time and possibly presented at a future Board meeting.

7) GENERAL MANAGER'S REPORT

1.) **Stone Dam Pipeline Emergency Interim Replacement Project**

Mr. Dickson reiterated that the project permit had been approved by the San Francisco Public Utilities Commission (SFPUC) and that District and contractor crews have completed about 500 feet of pipeline to the SFPUC property line.

2.) **Personnel Changes**

Mr. Dickson reported that Sean Donovan had been promoted to Treatment Supervisor and that Don Patterson had been promoted to the Senior Operator position.

3.) **Restore Hetch Hetchy Initiative**

Mr. Dickson informed the Board that the Restore Hetch Hetchy Initiative was soundly rejected, with 77% of San Francisco voters opposing the measure.

A. **Operations Report**

Mr. Guistino answered one question regarding the recent low readings from the Cahill Raw Water Meter.

B. **Water Resources Report**

Ms. Brennan brought the Board up to date on the California Statewide Groundwater Elevation Monitoring Program (CASGEM), advising that the District has received written notification from the California Department of Water Resources that Coastside County Water District has been formally designated as a Monitoring Entity for the Half Moon Bay Terrace Basin.

8) DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS

There were no comments or requests from Board members.

9) ADJOURNMENT

ON MOTION by Director Hannegan and seconded by Vice-President Reynolds, the Board voted as follows, to adjourn the November 13, 2012 meeting of the Coastside County Water District's Board of Directors:

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

The meeting was adjourned at 9:12 p.m. The next meeting of the Coastside County Water District's Board of Directors will be on Tuesday, December 11, 2012.

Respectfully submitted,

David R. Dickson, General Manager

Chris R. Mickelsen, President
Board of Directors

TOTAL CCWD PRODUCTION (MG) ALL SOURCES- FY 2013

	PILARCITOS WELLS	PILARCITO S LAKE	DENNISTON WELLS	DENNISTON RESERVOIR	CRYSTAL SPRINGS RESERVOIR	RAW WATER TOTAL	UNMETERED WATER	TREATED TOTAL
JUL	0.00	20.63	0.00	0.00	44.25	83.09	-0.13	83.22
AUG	0.00	18.98	0.00	0.00	42.67	79.21	1.13	78.08
SEPT	0.00	0.00	0.00	0.00	57.31	75.57	-0.04	75.61
OCT	0.00	0.00	0.00	0.00	48.48	66.51	0.21	66.30
NOV	3.74	0.00	0.00	0.00	46.21	49.95	0.41	49.54
DEC								
JAN								
FEB								
MAR								
APR								
MAY								
JUN								
TOTAL	3.74	39.61	0.00	0.00	238.92	354.33	1.59	352.74
% TOTAL	1.1%	11.2%	0.0%	0.0%	67.4%	79.7%	0.45%	99.6%

Taken from Nunes WTP meter minus well production plus skylawn use

12 Month Running Treated Total 701.40

TOTAL CCWD PRODUCTION (MG) ALL SOURCES- FY 2012

	PILARCITOS WELLS	PILARCITO S LAKE	DENNISTON WELLS	DENNISTON RESERVOIR	CRYSTAL SPRINGS RESERVOIR	RAW WATER TOTAL	UNMETERED WATER	TREATED TOTAL
JUL	0.00	62.65	0.00	0.00	1.03	63.68	-0.18	63.86
AUG	0.00	61.34	0.00	0.00	6.38	67.72	-0.03	67.75
SEPT	0.00	68.54	0.00	0.00	4.81	73.35	0.48	72.87
OCT	0.00	50.99	0.00	0.00	4.67	55.66	0.09	55.57
NOV	11.6	21.80	0.00	0.00	23.48	56.88	-0.28	57.16
DEC	7.2	27.02	0.00	0.00	16.82	51.04	-0.275	51.31
JAN	5.97	0.00	0.00	0.00	32.21	38.18	0.577	37.60
FEB	9.84	0.00	0.00	0.00	27.17	37.01	1.008	36.00
MAR	13.66	6.35	0.00	0.00	22.64	42.65	0.108	42.54
APR	0.00	46.73	0.00	0.00	0.28	47.01	-0.003	47.01
MAY	0.00	68.01	0.00	0.00	1.62	69.63	0.995	68.64
JUN	0	34.09	0.00	0.00	33.78	67.87	2.317	65.56
	48.27	447.52	0.00	0.00	174.89	670.68	4.80	665.87
TOTAL	48.27	447.52	0.00	0.00	174.89	670.68	4.80	665.87
% TOTAL	7.2%	66.7%	0.0%	0.0%	26.1%	100.0%	0.72%	99.3%

COASTSIDE COUNTY WATER DISTRICT

Predicted vs Actual Production - All Sources FY 13

	Denniston Surface			Denniston Wells			Pilarcitos Wells			Pilarcitos Surface			SFWD CSP			SFWD Total	
	Actual MG	Predicted MG	pred-act	Actual MG	Predicted	pred-act	Actual MG	Predicted MG	pred-act	Actual MG	Predicted MG	pred-act	Actual MG	Predicted MG	pred-act	Actual MG	Predicted MG
Jul-11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.63	60.52	39.89	44.25	0.00	-44.25	83.09	60.52
Aug-11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18.98	73.96	54.98	42.67	0.00	-42.67	79.21	73.96
Sep-11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30.47	30.47	57.31	34.64	-22.67	75.57	65.11
Oct-11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.37	11.37	48.48	58.32	9.84	66.51	69.69
Nov-11	0.00	6.24	6.24	0.00	2.40	2.40	3.74	9.72	5.98	0.00	0.00	0.00	46.21	29.25	-16.96	46.21	29.25
Dec-11			#VALUE!			#VALUE!			#VALUE!			#VALUE!			#VALUE!		
Jan-12			#VALUE!			#VALUE!			#VALUE!			#VALUE!			#VALUE!		
Feb-12			#VALUE!			#VALUE!			#VALUE!			#VALUE!			#VALUE!		
Mar-12			#VALUE!			#VALUE!			#VALUE!			#VALUE!			#VALUE!		
Apr-12			#VALUE!			#VALUE!			#VALUE!			#VALUE!			#VALUE!		
May-12			#VALUE!			#VALUE!			#VALUE!			#VALUE!			#VALUE!		
Jun-12			#VALUE!			#VALUE!			#VALUE!			#VALUE!			#VALUE!		
MG Totals	0.00	6.24	6.24	0.00	2.40	2.40	3.74	9.72	5.98	39.61	176.32	136.71	238.92	122.21	-116.71	350.59	298.53

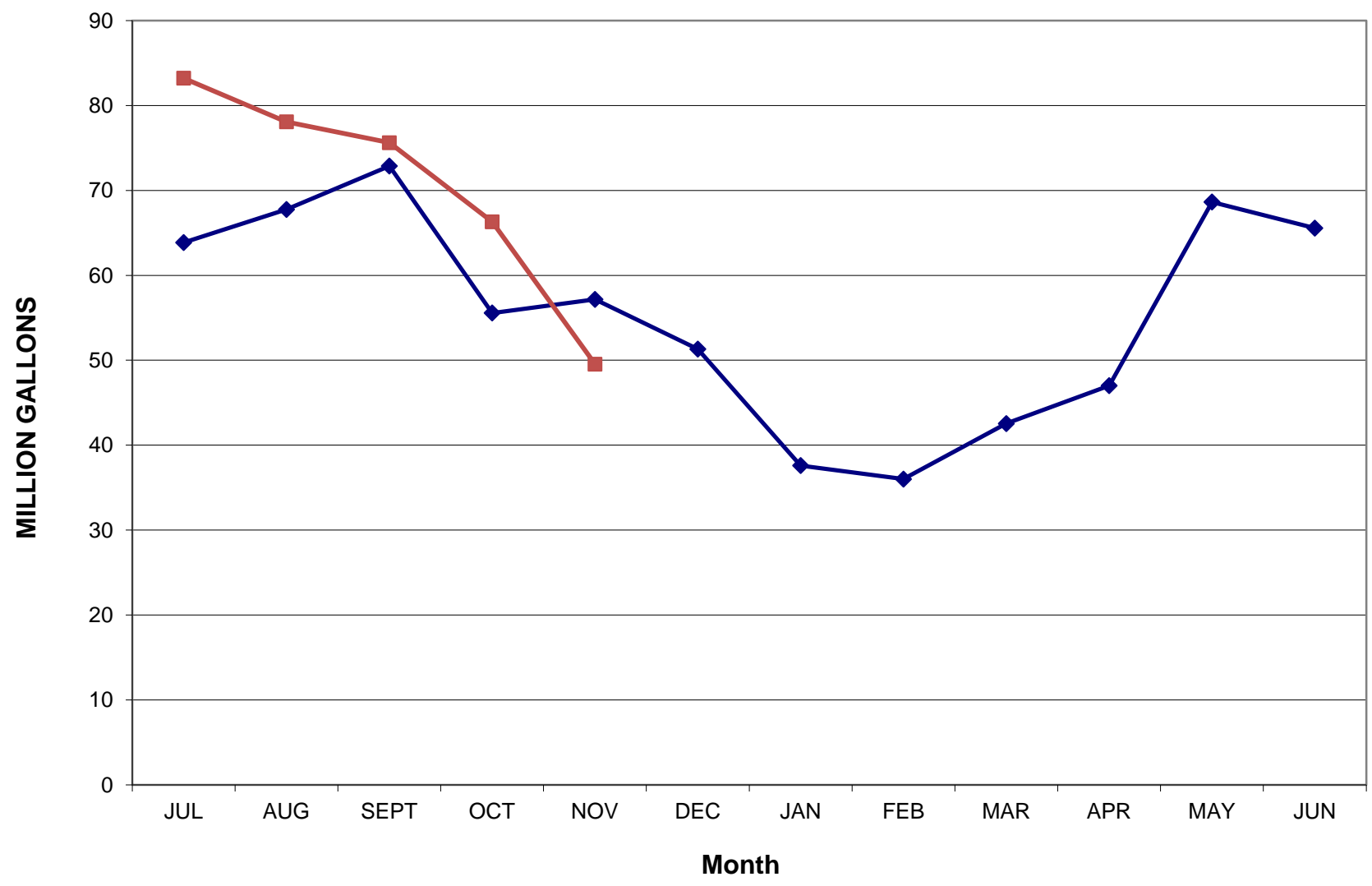
Adjusted (estimated for meter failure)

	Actual non SFPUC	Predicted non SFPUC	Actual SFPUC	Predicted SFPUC	TOTAL Actual	TOTAL Predicted	TOTAL Pred-act
	3.74	18.36	278.53	298.53	282.27	316.89	34.62
% Total	1.32%	5.79%	98.68%	94.21%	89.07%		

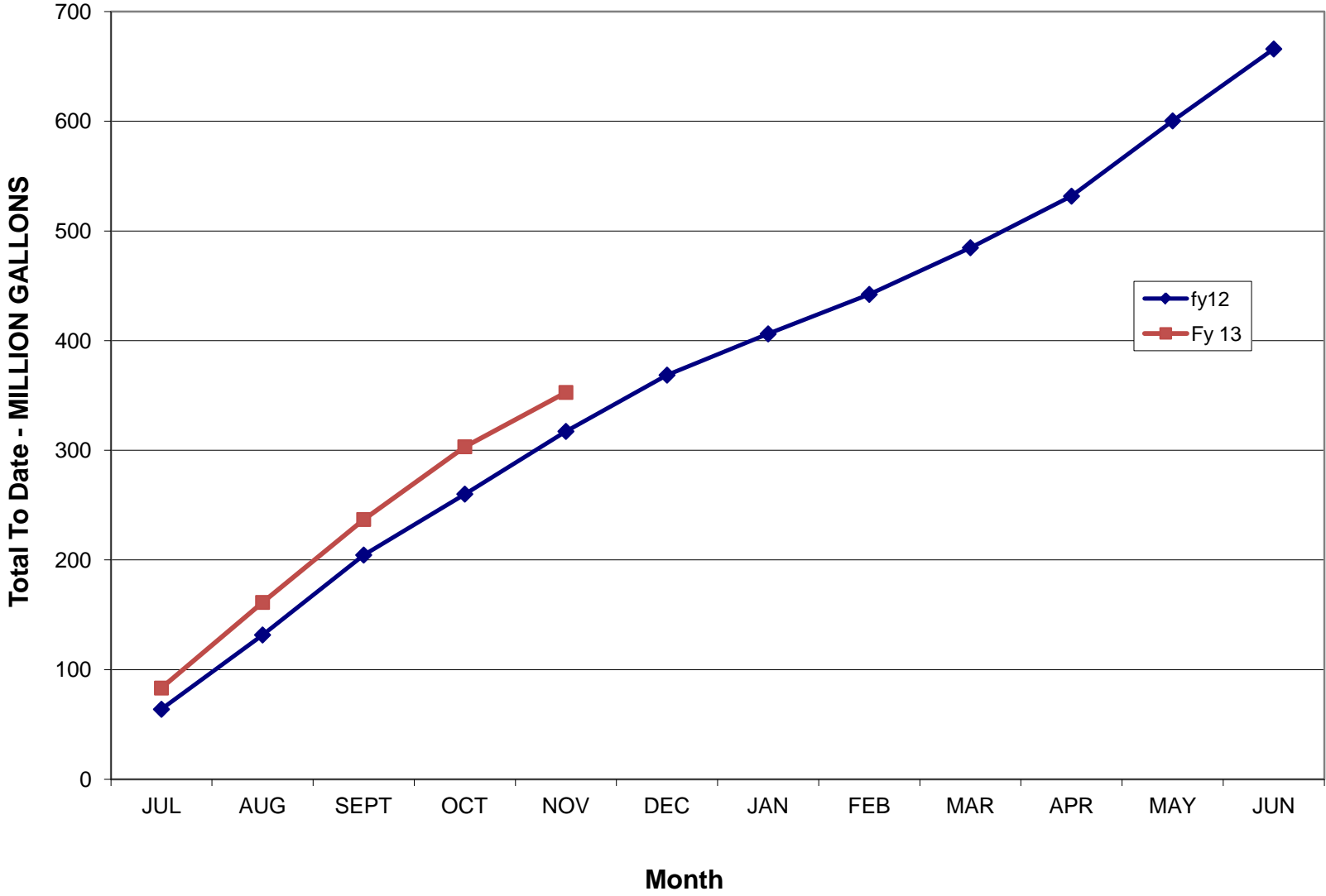
		Nunes Meter	BW Return	Wells	Difference	SFPUC Pilarcitos meter	SFPUC CSP meter	Skylawn 1	Skylawn 2	SFPUC Total	SFPUC - Nunes	% difference
2010	Feb	41.4	2.307	9.93	29.16	31.462	0.149	0	0	31.61	2.45	7.74
2010	Mar	51.35	1.994	11.65	37.71	36.527	0	0	0	36.53	-1.18	-3.23
2010	Apr	46.352	2.273	0	44.08	52.741	0.18	0	0	52.92	8.84	16.71
2010	May	50.188	1.712	0	48.48	46.003	0.307	0	0	46.31	-2.17	-4.68
2010	Jun	58.15	1.518	0	56.63	49.528	13.063	0.689	1.9	60.00	3.37	5.62
2010	Jul	67.083	1.416	0	65.67	57.554	15.116	1.064	8.416	63.19	-2.48	-3.92
2010	Aug	62.409	1.632	0	60.78	41.4	18.17	1.358	5.148	53.06	-7.71	-14.54
2010	Sep	59.305	1.907	0	57.40	22.167	34.64	1.375	6.938	48.49	-8.90	-18.36
2010	Oct	58.515	2.425	0	56.09	38.133	23.69	7.509	0	54.31	-1.78	-3.27
2010	Nov	47.565	1.667	8.08	37.82	41.379	0	0	0	41.38	3.56	8.61
2010	Dec	42.708	1.937	7.69	33.08	35.518	0	0	0	35.52	2.44	6.86
2011	Jan	45.581	1.698	13.73	30.15	28.22	0	0	0	28.22	-1.93	-6.85
2011	Feb	41.391	1.429	10.77	29.19	29.7412	0	0	0	29.74	0.55	1.85
2011	Mar	43.223	1.729	14.1	27.39	36.443	0	0	0	36.44	9.05	24.83
2011	Apr	48.456	1.61	0	46.85	44.15	8.71	0.837	0	52.02	5.18	9.95
2011	May	58.725	2.046	0	56.68	58.57	4.39	8.224	0	54.74	-1.94	-3.55
2011	Jun	57.505	1.944	0	55.56	59.29	5.69	6.383	0	58.60	3.04	5.18
2011	Jul	60.788	2.195	0	58.59	62.649	1.03	3.269	0	60.41	1.82	3.01
2011	Aug	59.944	1.831	0	58.11	61.34	6.38	5.106	0	62.61	4.50	7.19
2011	Sep	62.484	1.899	0	60.59	68.543	4.814	6.130	0	67.23	6.64	9.88
2011	Oct	55.664	1.955	0	53.71	50.99	4.67	2.185	0	53.48	-0.23	-0.44
2011	Nov	49.984	1.667	11.06	37.26	21.8	23.48	3.923	0	41.36	4.10	9.91
2011	Dec	51.59	1.482	7.2	42.91	27.02	16.82	0.000	0	43.84	0.93	2.13
2012	Jan	51.982	1.532	5.97	44.48	0	57.56	4.840	0	52.72	8.24	15.63
2012	Feb	47.773	1.439	9.84	36.49	0	27.17	0.000	0	27.17	-9.32	-34.32
2012	Mar	47.727	1.527	13.66	32.54	6.348	22.64	2.844	0	26.14	-6.40	-24.46
2012	Apr	48.22	1.462	0	46.76	46.728	0.28	0.355	0	46.65	-0.11	-0.23
2012	May	64.22	1.588	0	62.63	68.01	1.62	0.637	0	68.99	6.36	9.22
2012	Jun	66.38	1.89	0	64.49	34.09	33.78	4.411	0	63.46	-1.03	-1.62
2012	Jul	72	1.887	0	70.11	20.63	44.25	9.575	1.509464	53.80	-16.32	-30.33
2012	Aug	70.89	3.55	0	67.34	18.978	42.67	7.140	1.184084	53.32	-14.02	-26.29
2012	Sep	65.97	3.13	0	62.84	0	57.31	8.139	1.456356	47.71	-15.13	-31.70
2012	Oct	59.67	3.09	0	56.58	0	48.48	5.255	1.587256	41.64	-14.94	-35.89
2012	Nov	49.106	2.719	3.74	42.65	0	46.21	0.001	1.052436	45.16	2.51	5.56
TOTAL		4129.83	177.61	223.61	3728.61	1944.95	2160.11	187.24	52.40	3865.41	136.80	3.54
AVERAGE		56.57	2.43	3.06	51.08	26.64	29.59	2.56	1.19	52.95	2.91	4.17

All results in MG.

Monthly Production FY 12 vs. FY 13



Cumulative Production FY 12 vs. FY13



Plant Water Use			Unmetered Water						2013		MG	
	Denniston Plant	Nunes Plant	Total	Main Flushing	Detector Checks*	Main Breaks	Fire Dept	Miscellaneous	Tank Level Difference	Total		
JAN	0.000	1.532	1.532	0.000	0.055	0.015	0.010	0.000	0.498	0.577		
FEB	0.000	1.439	1.439	0.000	0.007	1.023	0.010	0.000	-0.032	1.008		
MAR	0.000	1.527	1.527	0.009	0.011	0.007	0.010	0.000	0.071	0.108		
APR	0.000	1.462	1.462	0.000	0.009	0.097	0.010	0.000	-0.118	-0.003		
MAY	0.000	1.588	1.588	0.000	0.022	0.019	0.003	0.000	0.952	0.995		
JUN	0.000	1.083	1.083	0.250	0.028	2.317	0.003	0.000	0.061	2.659		
JUL	0.000	1.887	1.887	0.000	0.019	0.862	0.003	0.000	-0.125	0.759		
AUG	0.000	3.550	3.550	0.015	0.015	1.688	0.003	0.000	-0.587	1.134		
SEP	0.000	3.130	3.130	0.000	0.013	0.213	0.002	0.000	-0.270	-0.043		
OCT	0.000	3.090	3.090	0.000	0.011	0.040	0.004	0.000	0.154	0.209		
NOV	0.000	2.719	2.719	0.004	0.047	0.025	0.004	0.250	0.083	0.413		
DEC			0.000							0.000		
TOTAL	0.00	23.01	23.01	0.28	0.24	6.30	0.06	0.25	0.68	7.82		

**Coastside County Water District Monthly Sales By Category (MG)
FY 2013**

	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	MG to Date
RESIDENTIAL	27.258	49.337	26.440	47.479	22.875								173.39
COMMERCIAL	6.155	1.520	5.183	1.699	4.636								19.19
RESTAURANT	3.000	0.223	2.903	0.236	2.533								8.90
HOTELS/MOTELS	4.223	1.737	3.863	1.964	2.966								14.75
SCHOOLS	2.768	1.976	3.189	1.064	0.383								9.38
MULTI DWELL	3.424	2.725	3.155	2.895	2.548								14.75
BEACHES/PARKS	0.865	0.053	0.931	0.053	0.777								2.68
AGRICULTURE	7.336	4.445	5.284	5.269	3.644								25.98
RECREATIONAL	0.064	0.198	0.055	0.197	0.027								0.54
MARINE	1.236	0.000	1.266	0.000	1.321								3.82
IRRIGATION	15.892	12.567	13.331	9.844	1.320								52.95
Portable Meters	0.019	0.432	0.102	0.304	0.000								0.86
TOTAL - MG	72.24	75.21	65.70	71.00	43.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	327.19

Non Residential Usage	44.982	25.876	39.262	23.523	20.156	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Running 12 Month Tot					677.06								
12 mo Ave Residential	30.75	59.46	55.52	53.55	49.82								
12 mo Ave Non Resider	23.80	24.34	24.95	25.08	24.65								
Total	54.55												

FY 2012

	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	MG to Date
RESIDENTIAL	25.339	44.609	24.355	44.659	20.269	31.474	21.373	37.948	18.862	32.287	20.628	45.267	367.07
COMMERCIAL	6.146	1.226	6.238	1.328	5.307	1.166	5.235	1.429	4.104	1.387	4.717	1.437	39.72
RESTAURANT	2.834	0.188	2.789	0.269	2.554	0.157	2.765	0.166	2.438	0.203	2.969	0.219	17.55
HOTELS/MOTELS	3.510	1.828	3.463	2.167	2.967	0.387	1.690	0.492	2.177	1.720	3.051	1.600	25.05
SCHOOLS	1.668	1.609	1.859	2.000	1.388	0.998	1.093	1.701	0.539	0.525	1.928	2.089	17.40
MULTI DWELL	2.786	2.732	3.041	2.958	2.550	2.366	2.696	2.492	2.452	2.597	2.714	2.580	31.96
BEACHES/PARKS	0.748	0.040	0.742	0.034	0.459	0.120	0.325	0.015	0.298	0.016	0.435	0.046	3.28
AGRICULTURE	4.642	3.490	6.211	8.033	4.965	6.586	6.872	6.512	7.912	7.157	8.143	5.675	76.20
RECREATIONAL	0.052	0.193	0.037	0.221	0.028	0.171	0.046	0.159	0.034	0.442	0.039	0.328	1.75
MARINE	1.050	0.000	1.174	0.000	0.924	0.000	0.788	0.000	1.702	0.000	1.124	0.000	6.76
IRRIGATION	3.577	7.522	6.419	4.132	4.112	0.681	2.907	1.076	3.003	0.881	2.353	9.278	45.94
Portable Meters	0.000	0.539	0.000	0.821	0.000	0.188	0.000	0.148	0.000	0.148	0.000	0.148	1.99
TOTAL - MG	52.35	63.98	56.33	66.62	45.52	44.29	45.79	52.14	43.52	47.36	48.10	68.67	634.68

Non Residential Usage	27.013	19.367	31.972	21.964	25.254	12.820	24.417	14.190	24.661	15.076	27.473	23.400	
Running 12 Month Total													634.68
12 mo Ave Residential	30.86	30.11	30.00	29.74	29.57	29.70	29.85	30.22	30.18	30.27	30.29	30.59	
12 mo Ave Non Resider	21.80	21.29	21.01	20.88	21.34	21.53	22.12	22.18	22.63	22.67	22.43	22.30	
Total	52.66	51.40	51.01	50.62	50.91	51.23	51.97	52.40	52.81	52.94	52.72	52.89	
	Aug-10	Sep-10	Oct-10	Nov-10	Nov-10	Dec-10	Jan-11	Feb-11	Feb-11	Mar-11	Apr-11	Apr-11	

Coastside County Water District Monthly Leak Report

Date	Location	Pipe size/	Est. Water Loss (Gallons)*	Material Cost	Employee hours	Manpower and Equipment Costs	Total Costs
11/16/2012	130 Medio Miramar	6"CI	15,000	Total \$109.17	Men Hours		\$1,409.17
					5 3	\$1,300	
11/18/2012	54 Alcatraz Miramar	2" Galv.	10,000	Total \$200.38	Men Hours		\$1,200.38
					3 3	\$1,000	
				Total	Men Hours	\$0	\$0.00
						\$0	
				Total	Men Hours	\$0	\$0.00
						\$0	
				Total	Men Hours	\$0	\$0.00
						\$0	
				Total	Men Hours	\$0	\$0.00
						\$0	
				Total	Men Hours	\$0	\$0.00
						\$0	

*includes 1,000 gallons for mains to daylight plus 1,000 gallons to flush mains or 100 gallons to flush services

**Total
Water
Loss**

0.0250 MG

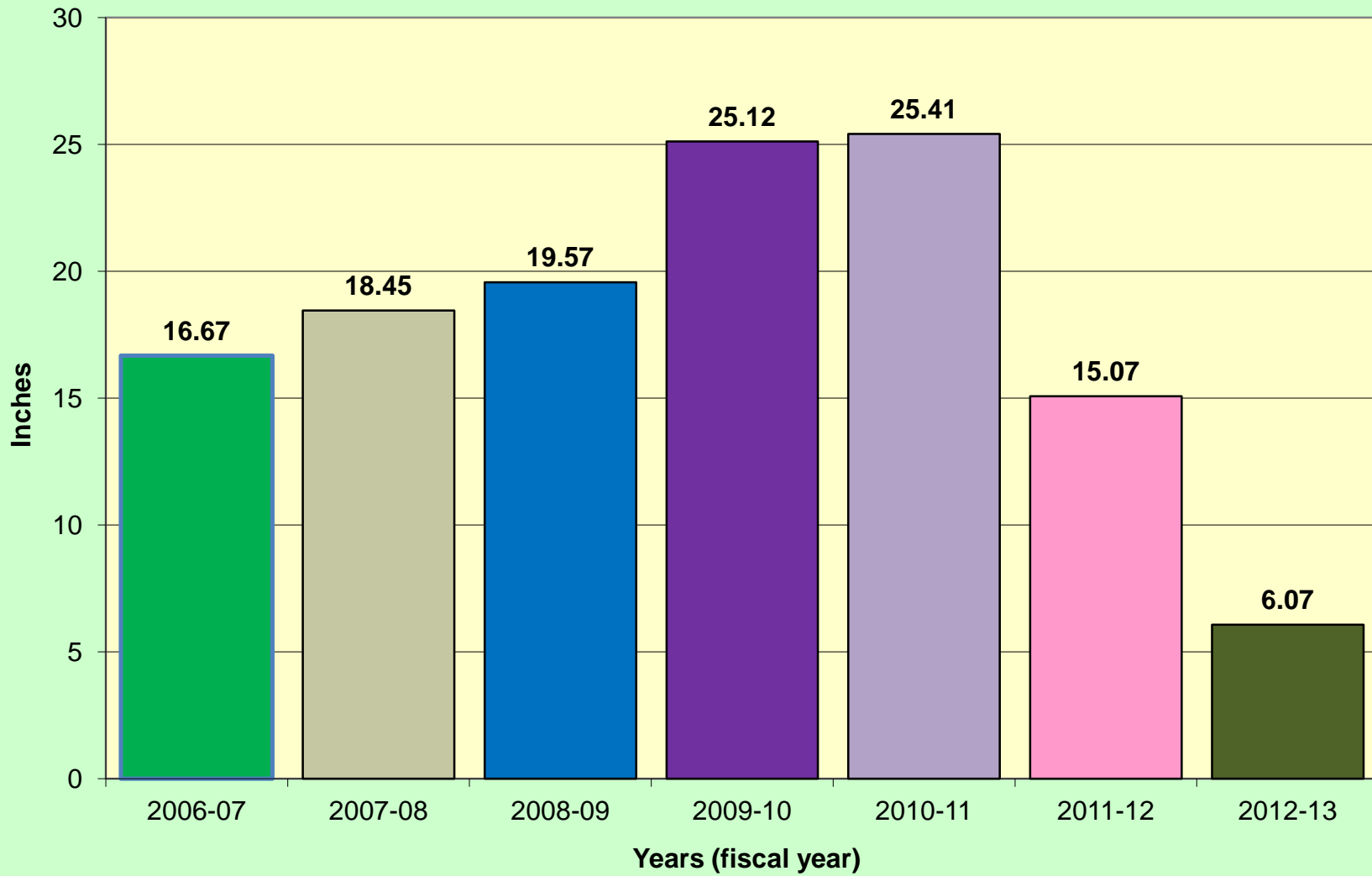
Total Cost

\$2,609.55

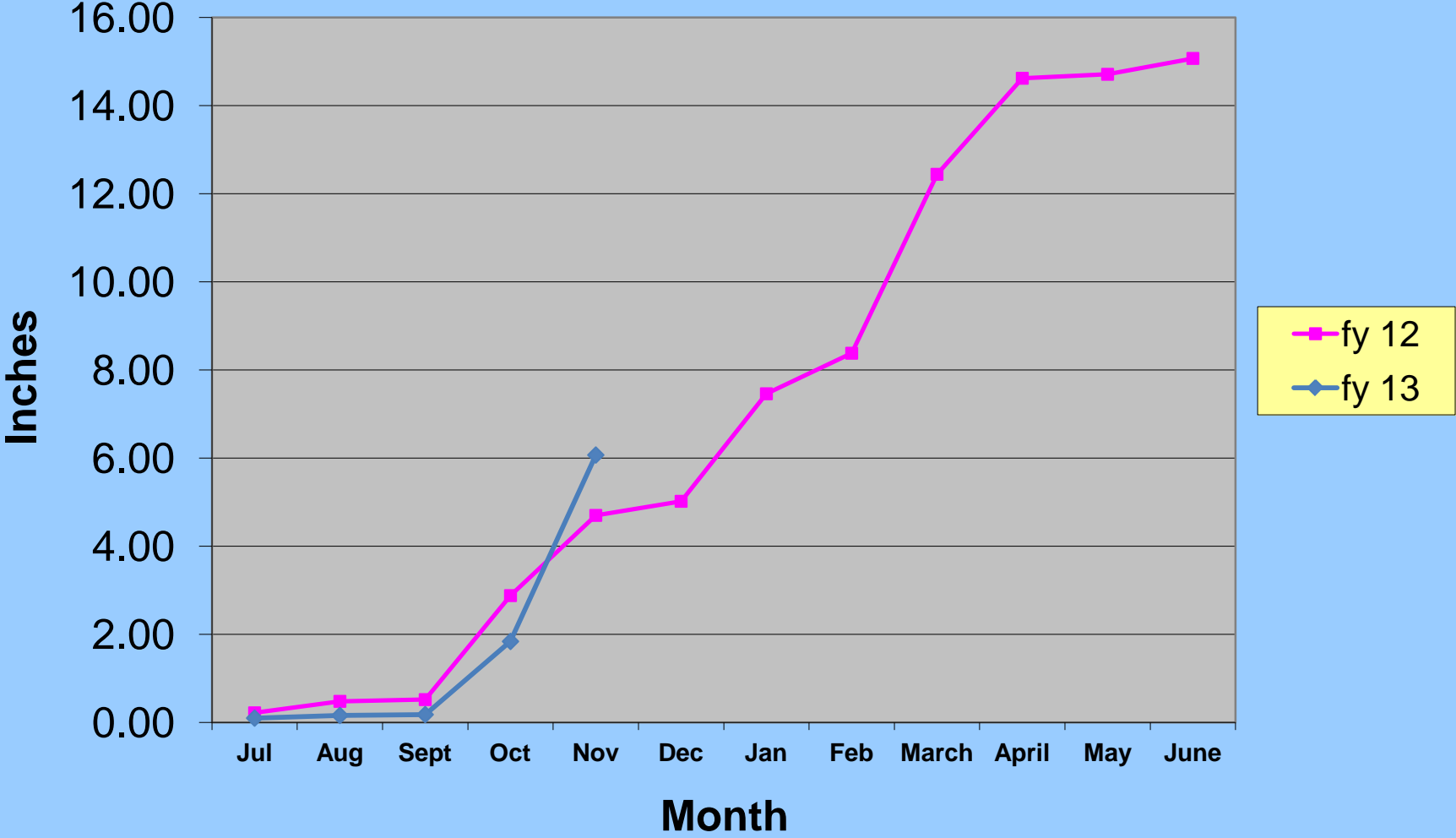
staff	\$50/hr
backhoe	\$50/hr
service truck	\$50/hr
dumptruck	\$50/hr
supvisor time	\$75
pickup truck	\$25/hr

Rain Totals

July 2012



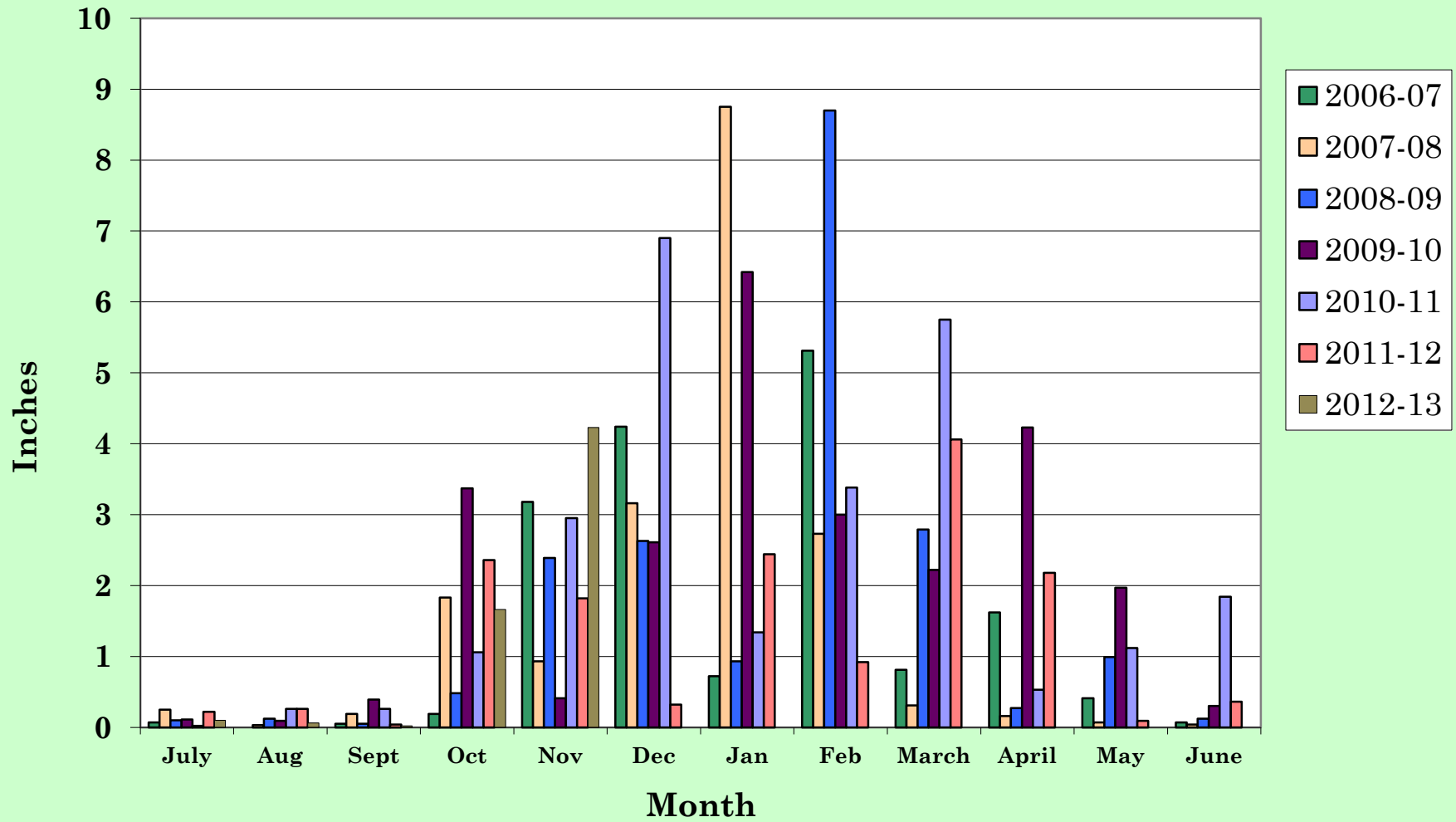
Rainfall Totals FY 2013



Coastside County Water District

Rainfall by Month

July '12 thru Jun '13



MONTHLY CLIMATOLOGICAL SUMMARY for NOV. 2012

NAME: CCWD weather station CITY: STATE:
 ELEV: 80 ft LAT: 37° 18' 00" N LONG: 122° 18' 00" W

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

DAY	MEAN TEMP	HIGH	TIME	LOW	TIME	HEAT DEG DAYS	COOL DEG DAYS	RAIN	AVG WIND SPEED	HIGH	TIME	DOM DIR
1	58.2	64.5	5:00p	48.3	12:00m	6.8	0.0	0.39	0.8	7.0	3:00p	W
2	52.8	63.8	4:30p	44.1	5:30a	12.2	0.0	0.01	1.1	12.0	2:30p	E
3	58.3	71.9	4:30p	47.4	3:00a	7.5	0.9	0.00	1.3	12.0	11:00a	ENE
4	63.3	79.8	1:30p	51.6	2:00a	5.0	3.3	0.00	1.5	15.0	12:00p	E
5	71.3	83.2	3:30p	55.6	1:30a	0.9	7.3	0.00	3.3	18.0	7:00a	E
6	64.4	78.4	2:30p	51.8	12:00m	4.2	3.5	0.00	1.0	9.0	9:30a	W
7	55.2	58.1	3:00p	52.2	1:00a	9.8	0.0	0.00	0.9	14.0	10:30p	W
8	52.2	61.5	11:30a	42.2	11:00p	12.8	0.0	0.15	2.3	16.0	1:30p	W
9	48.6	56.6	2:00p	40.8	7:30a	16.4	0.0	0.01	1.2	14.0	1:30p	E
10	47.7	57.7	2:00p	39.6	12:00m	17.3	0.0	0.00	1.5	13.0	1:00p	E
11	47.3	59.1	2:30p	38.0	6:00a	17.7	0.0	0.00	1.5	9.0	11:00a	E
12	53.3	63.3	2:30p	43.3	12:30a	11.7	0.0	0.00	2.7	16.0	8:00a	E
13	60.7	69.7	3:00p	53.0	1:00a	5.0	0.7	0.00	4.9	21.0	10:00p	E
14	62.4	69.9	3:30p	55.8	7:00a	3.4	0.8	0.00	6.0	24.0	10:30a	E
15	60.5	70.1	10:30a	53.2	6:30a	4.9	0.4	0.00	2.4	18.0	2:00p	E
16	60.1	67.0	10:30a	54.9	12:30a	5.0	0.0	0.25	1.8	15.0	10:30a	S
17	58.7	62.6	2:30p	53.3	11:30p	6.3	0.0	0.57	3.9	21.0	4:00a	SSW
18	54.7	62.5	12:30p	47.9	7:30a	10.3	0.0	0.01	1.0	10.0	1:00p	WSW
19	57.7	67.0	1:30p	49.1	7:00a	7.4	0.1	0.00	2.0	14.0	12:00p	SSW
20	60.7	65.3	12:30p	58.1	3:00a	4.3	0.0	0.21	4.4	17.0	11:00p	SSW
21	56.6	63.3	1:00p	45.0	12:00m	8.4	0.0	0.36	1.8	14.0	12:30a	WSW
22	53.2	65.1	3:00p	43.7	2:00a	11.8	0.0	0.01	2.2	12.0	1:30p	E
23	59.1	69.7	2:30p	47.7	12:30a	6.4	0.5	0.00	4.0	19.0	6:30a	NE
24	58.3	70.0	2:30p	46.7	12:00m	7.3	0.5	0.00	3.2	21.0	9:30a	ENE
25	52.3	65.1	3:00p	46.0	7:00a	12.7	0.0	0.00	1.6	13.0	11:00a	E
26	50.7	60.4	2:00p	42.0	5:30a	14.3	0.0	0.01	0.6	9.0	2:00p	WSW
27	57.9	62.3	2:30p	49.9	12:30a	7.1	0.0	0.00	2.4	16.0	1:30p	SSW
28	59.5	63.8	2:00p	56.6	10:00p	5.5	0.0	0.49	4.9	26.0	5:30a	SSW
29	60.6	62.8	11:30a	58.2	1:00a	4.4	0.0	0.08	6.2	24.0	10:00p	SSW
30	59.3	61.7	2:00p	57.9	12:00p	5.7	0.0	1.68	5.7	28.0	1:00a	SSW
	57.2	83.2	5	38.0	11	252.5	18.0	4.23	2.6	28.0	30	E

Max >= 90.0: 0
 Max <= 32.0: 0
 Min <= 32.0: 0
 Min <= 0.0: 0
 Max Rain: 1.68 ON 11/30/12
 Days of Rain: 9 (>.01 in) 8 (>.1 in) 1 (>1 in)
 Heat Base: 65.0 Cool Base: 65.0 Method: Integration

San Francisco Public Utilities Commission Hydrological Conditions Report For November 2012

J. Chester, C. Graham, A. Mazurkiewicz, & M. Tsang, December 5, 2012



Moccasin (circa 1931) is the headquarters of the SFPUC Hetch Hetchy Water and Power Division. The town is the administrative and facility maintenance headquarters for the “upcountry” facilities. In this vintage photo you can see old Moccasin Powerhouse in operation. The large building to the left of the powerhouse was once guest housing, it currently is the administrative building for the project.

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

Table 1 Current Storage As of December 1, 2012							
Reservoir	Current Storage		Maximum Storage		Available Capacity		Percent of Maximum Storage
	Acre-Feet	Millions of Gallons	Acre-Feet	Millions of Gallons	Acre-Feet	Millions of Gallons	
Tuolumne System							
Hetch Hetchy ^{1/}	221,708		340,830		119,122		65.1%
Cherry ^{2/}	243,168		268,810		25,642		90.5%
Lake Eleanor ^{3/}	20,773		21,495		722		96.6%
Water Bank	549,126		570,000		20,874		96.3%
Tuolumne Storage	1,034,775		1,201,135		166,360		86.1%
Local Bay Area Storage							
Calaveras ^{4/}	20,128	6,559	96,824	31,550	76,695	24,991	20.8%
San Antonio	40,000	13,034	50,496	16,454	10,496	3,420	79.2%
Crystal Springs	54,081	17,622	58,377	19,022	4,296	1,400	92.6%
San Andreas	18,680	6,087	18,996	6,190	317	103	98.3%
Pilarcitos	2,218	723	2,995	976	777	253	74.1%
Total Local Storage	135,107	44,025	227,687	74,192	92,581	30,167	59.3%
Total System	1,169,882		1,428,822		258,940		81.9%

^{1/} Maximum Hetch Hetchy Reservoir storage with drum gates de-activated.

^{2/} Maximum Cherry Reservoir storage with all flash-boards out.

^{3/} Maximum Lake Eleanor storage with all flash-boards out.

^{4/} Available capacity does not take into account current DSOD storage restrictions.

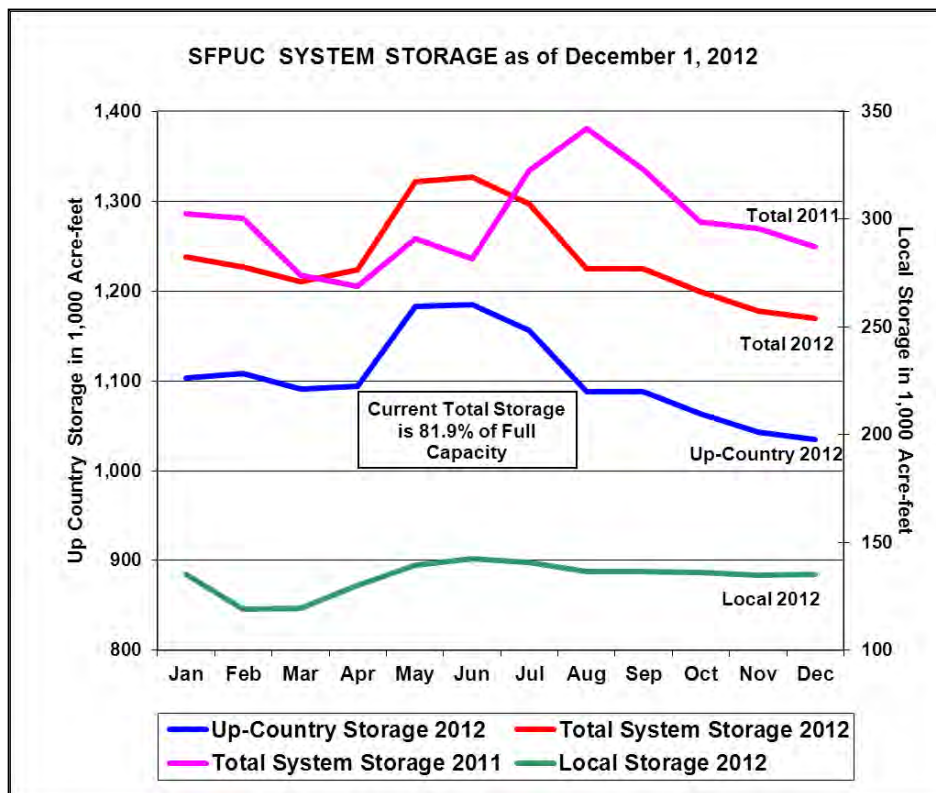


Figure 1: Monthly system storage for 2012.

Hetch Hetchy System Precipitation Index ^{5/}

Current Month: The November six-station precipitation index is 6.60 inches, or 157.4% of the average index for the month.

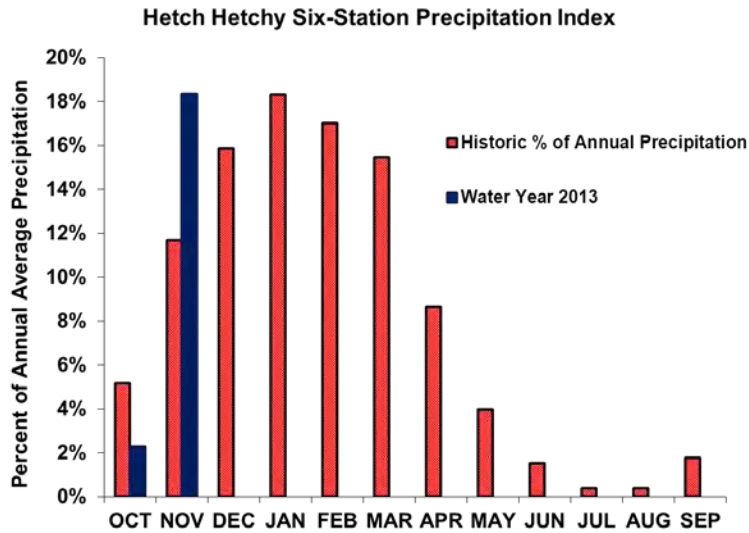


Figure 2: Monthly distribution of the Hetch Hetchy Six-station precipitation index as percent of annual average precipitation.

Cumulative Precipitation to Date: The accumulated six-station precipitation index for water year 2013 is 7.44 inches, which is 20.9% of the average annual water year total, or 122.9% of the average annual-to-date. Hetch Hetchy received 6.35 inch precipitation in November. The cumulative Hetch Hetchy precipitation is shown in Figure 3 in red.

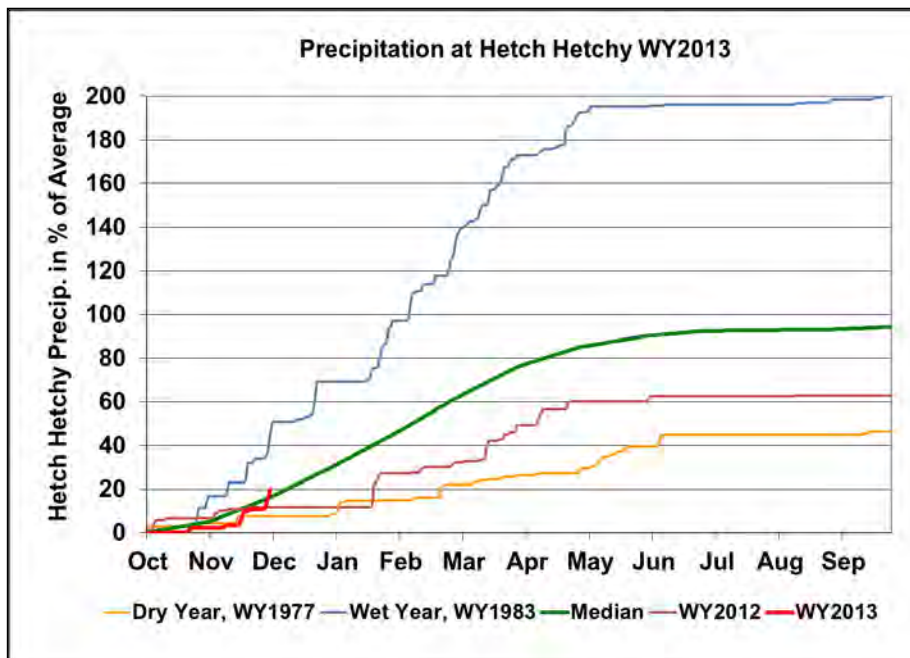


Figure 3. Water year 2013 cumulative precipitation received at Hetch Hetchy Reservoir through November 30th, 2012. Precipitation at the Hetch Hetchy gage for wet, dry, median, and WY 2012 are included for comparison purposes.

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

Tuolumne Basin Unimpaired Inflow

Unimpaired inflow to SFPUC reservoirs and the Tuolumne River at La Grange as of November 30th is summarized below in Table 2.

Table 2 Unimpaired Inflow Acre-Feet								
	November 2012				October 1, 2012 through November 30, 2012			
	Observed Flow	Median ⁶	Average ⁶	Percent of Average	Observed Flow	Median ⁶	Average ⁶	Percent of Average
Inflow to Hetch Hetchy Reservoir	6,950	5,975	13,711	50.7%	8,200	10,442	19,735	41.6%
Inflow to Cherry Reservoir and Lake Eleanor	16,826	7,439	15,774	106.7%	16,279	11,983	21,064	77.3%
Tuolumne River at La Grange	32,569	21,393	45,630	71.4%	35,951	39,104	62,555	57.5%
Water Available to the City	2,509	0	13,353	18.8%	2,509	0	15,333	16.4%

⁶ Hydrologic Record: 1919 – 2010

Hetch Hetchy System Operations

Draft and releases from Hetch Hetchy Reservoir in November totaled 21,059 acre-feet which met SJPL deliveries and ecological releases.

5,088 acre-feet of power draft was made at Cherry Reservoir to manage reservoir elevation and to help meet municipal load. 2,743 acre-feet of water was transferred from Lake Eleanor to Cherry Reservoir in November.

The current water year instream release schedule is Type B (or dry conditions). This is based upon accumulated precipitation and runoff in water year 2012. The current requirement from Hetch Hetchy reservoir is 40 cfs; at Cherry and Eleanor 5 cfs is required. Given the accumulated precipitation through first few days of December, starting January 1st the water year will be classified as Type A (or normal).

Local System Treatment Plant Production

The Sunol Valley Water Treatment Plant production rate for November was 21 MGD. The Harry Tracy Water Treatment Plant was off-line due to WSIP construction for the Long-Term Plant Improvements Project.

Local System Water Delivery

The seasonal decline in water delivery rates continued in November. The average rate for the month was 173 MGD a 21% decrease below the October rate of 220 MGD.

Local Precipitation

A series of storms passed over the region in the second half of the month bringing above average precipitation. The November rainfall summary is presented in Table 3.

Reservoir	Month Total (inches)	Percentage of Normal for the Month	Water Year To Date ⁷ (inches)	Percentage of Normal for the Year-to-Date ⁷
Pilarcitos	7.70	161 %	9.67	137 %
Lower Crystal Springs	3.99	117 %	5.40	111 %
Calaveras	2.75	103 %	3.33	88 %

⁷WY 2013: Oct. 2012 through Sep. 2013

Snowmelt and Water Supply

November brought above normal precipitation conditions as three strong waves of moisture moved through Northern California late in the month. These events brought high winds and high precipitation intensities. Snowline throughout the events was relatively high and was generally near 8500 ft or higher. Snow did accumulate at the upper elevations, with up to 4 feet being recorded at remote stations. Due to the high snowlines, significant inflow was generated causing Lake Eleanor to fill and spill. Power outages along the transmission system were also experienced. Overall system storage is near 82% as opposed to December 1st 2011 of 86%.

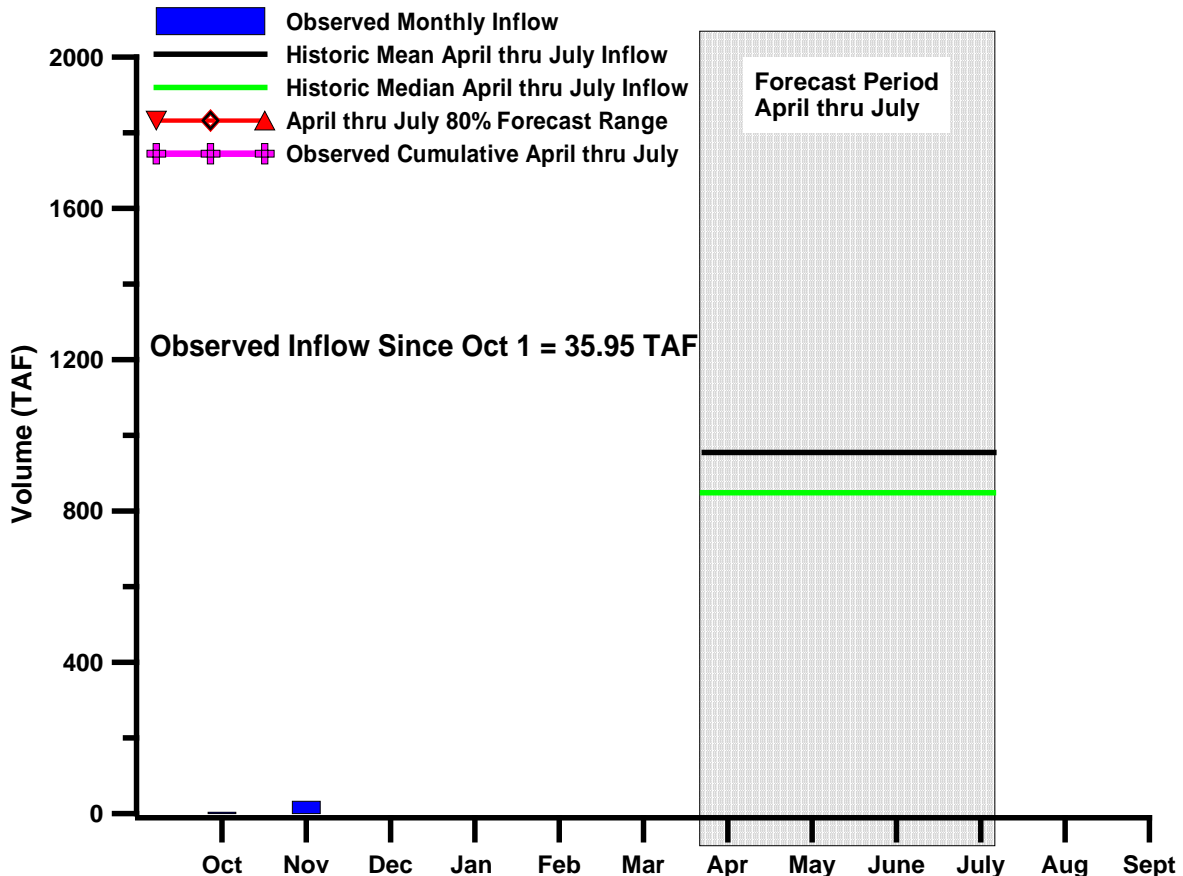


Figure 4: Water Year conditions for the Tuolumne River at La Grange.

The short-term weather outlook is for clearing conditions, while the 7 to 14 day forecast has been indicating a shift to cooler temperatures and the potential for some snow events. Long term predictions by the National Weather Service Climate Prediction Center is for increased chances of below normal winter precipitation and above normal temperatures for the upcoming winter.

Unimpaired Flow at La Grange & Water Available to the City

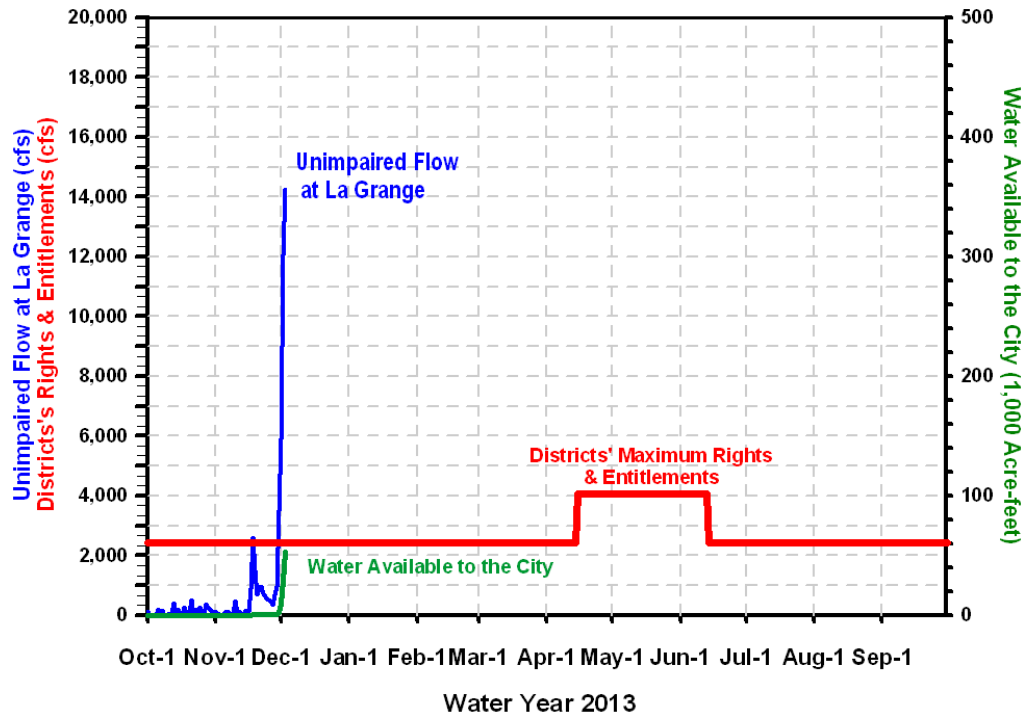


Figure 5: Calculated unimpaired flow at La Grange and the allocation of flows between the Districts and the City. 2,133 acre-feet of water was available to the City for water year 2013 to date.

cc	HHWP Records	Dufour, Alexis	Jue, Tyrone	Ramirez, Tim
	Briggs, David	Gibson, Bill	Kehoe, Paula	Ritchie, Steve
	Cameron, David	Griffin, Pat	Levin, Ellen	Rydstrom, Todd
	Carlin, Michael	Hale, Barbara	Mazurkiewicz, Adam	Samii, Camron
	Chester, John	Hannaford, Margaret	Meier, Steve	Sandkulla, Nicole
	DeGraca, Andrew	Kelly, Harlan	Nelson, Kent	Tsang, Michael
	Dhakai, Amod	Jensen, Art	Patterson, Mike	Williams, Mike

STAFF REPORT

To: Coastside County Water District Board of Directors

From: David Dickson, General Manager

Agenda: December 11, 2012

Report Date: December 3, 2012

Subject: Election of Coastside County Water District Board President and Vice-President

Recommendation:

Consider election of officers.

Background

Traditionally, the Coastside County Water District Board of Directors considers the election of officers for Board President and Vice-President annually, at the December Board meeting.

Fiscal Impact:

None

STAFF REPORT

To: Board of Directors
From: David Dickson, General Manager
Agenda: December 11, 2012

Report

Date: December 3, 2012

Subject: Coastside County Water District Basic Financial Statements and Independent Auditors Report for the Fiscal Year Ended June 30, 2012

Recommendation:

Approve the Basic Financial Statements for Fiscal Year Ended June 30, 2012.

Background:

Joseph J. Arch, CPA, Inc. (JJACPA), the District's Independent Auditor, has completed work on the Basic Financial Statements for the Year Ended June 30, 2012. The Auditor's letter attests that the financial statements fairly represent the financial position of the District. No exceptions or concerns were noted.

Mr. Joseph J. Arch will be at the December Board meeting to discuss the Financial Statements and to answer the Board's questions.

Fiscal Impact:

No fiscal impact.

COASTSIDE COUNTY WATER DISTRICT

BASIC FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

JUNE 30, 2012

Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2012

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Statement of Revenues, Expenses, and Changes in Net Assets	13
Statement of Cash Flows	14
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**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2012**

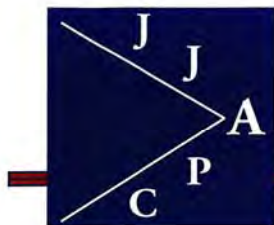
Elected Officials and Administrative Personnel

BOARD OF DIRECTORS

Chris Mickelsen – President
Glenn Reynolds– Vice President
Ken Coverdell – Director
Bryan Hannegan – Director
Robert Feldman – Director

MANAGEMENT

David Dickson – General Manager



JJACPA, Inc.

A Professional Accounting Services Corp.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
Coastside County Water District
Half Moon Bay, California

We have audited the accompanying basic financial statements of the Coastside County Water District (District) as of and for the year ended June 30, 2012. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. The prior year summarized comparative information has been derived from the District's June 30, 2011, financial statements in which we expressed an unqualified opinion on those financial statements on October 15, 2011.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, standards applicable to financial audits contained in *Government Auditing Standards* and the State Controller's *Minimum Audit Requirements for California Special Districts*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2012, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2012 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A) on pages three to nine be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

November 19, 2012

JJACPA, Inc.

JJACPA, Inc.

**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2012**

Management's Discussion and Analysis

This section of Coastside County Water District's basic financial statements presents management's discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2012. Since this management's discussion and analysis is designed to focus on current activities, resulting change and current known facts, please read it in conjunction with the District's basic financial statements (pages 12 - 14) and the footnotes (pages 15 - 29).

Financial Highlights

At June 30, 2012, the District's net assets decreased \$390,046 to \$35,695,012 from \$36,085,058 in 2011. Operating revenues increased by \$384,045 primarily due to a water rate increase, which became effective July 1, 2012. Operating expenses (with depreciation included) increased by \$241,525 as a result of increases to source of supply expenses offset by reductions of administrative and general expenses. Depreciation expense increased by \$29,397 due to the initiation of depreciation on completed construction projects.

Using This Report

In December 1998, the Governmental Accounting Standards Board (GASB) released statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, which revised the reporting of property tax revenue. In June 1999, GASB released statement No. 34, *Basic Financial Statements -- and Management's Discussion and Analysis -- for State and Local Governments*. Changes in Statement No. 34 require a comprehensive one-line look at the entity as a whole and capitalization of assets and depreciation for agencies not reporting on the accrual basis of accounting. Since the District has historically reported all activities in enterprise funds in a manner similar to business activities and followed the accrual basis of accounting, the District merely has been required to reclassify certain balances to utilize the new Statement No. 34 terminology. There were no major reconciling items necessary or elimination of balances due to the implementation of Statement No. 34.

The annual financial statements include the Independent Auditors' Report, this management's discussion and analysis, the basic financial statements, and notes to the basic financial statements.

**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2012**

Management's Discussion and Analysis, Continued

Financial Analysis of the District as a Whole

	Net Assets As of June 30, 2012 and 2011		Increase (Decrease)	Percent Change
	2012	2011		
Assets:				
Current assets	\$ 3,437,367	\$ 4,158,554	\$ (721,187)	(17.3)%
Non-current assets	43,280,236	39,994,432	3,285,804	8.2%
Total assets	46,717,603	44,152,986	2,564,617	5.8%
Liabilities:				
Current liabilities	1,169,956	579,845	590,111	101.8%
Non-current liabilities	9,850,812	7,488,083	2,362,729	31.6%
Total liabilities	11,020,768	8,067,928	2,952,840	36.6%
Net assets:				
Investment in capital assets, net of related debt	33,671,394	32,207,607	1,463,787	4.5%
Restricted/Unrestricted Net Assets:				
Restricted for Crystal Springs Project	373,447	373,447	-	0.0%
Restricted for capital improvements	1,135,209	1,135,209	-	0.0%
Unrestricted	514,962	2,368,795	(1,853,833)	(78.3)%
Total net assets	\$ 35,695,012	\$ 36,085,058	\$ (390,046)	(1.1)%

This schedule is prepared from the District's Statement of Net Assets (page 12), which is presented on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Operating revenues in the Statement of Activities are those revenues that are generated from the primary operations of the District. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the District. All other expenses are reported as non-operating expenses.

As can be seen from the table above, net assets at June 30, 2012, decreased to \$35,695,012 from \$36,085,058 in 2011. The decrease in net assets was primarily due to increased operating expenses and a decrease in non-operating revenues.

**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2012**

Management's Discussion and Analysis, Continued

Financial Analysis of the District as a Whole, Continued

Operating results are summarized as follows:

	Operating Results			
	For the years ended June 30, 2012 and 2011			
	<u>2012</u>	<u>2011</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Operating revenues	\$ 6,403,349	\$ 6,019,304	\$ 384,045	6.4%
Operating expenses	<u>7,398,272</u>	<u>7,156,747</u>	<u>241,525</u>	<u>3.4%</u>
Operating income (loss)	(994,923)	(1,137,443)	142,520	(12.5)%
Non-operating revenues	1,125,124	1,585,884	(460,760)	(29.1)%
Non-operating expenses	<u>(520,247)</u>	<u>(419,078)</u>	<u>(101,169)</u>	<u>24.1%</u>
Net income before contributions	(390,046)	29,363	(419,409)	(1428.4)%
Capital contributions	<u>-</u>	<u>71,013</u>	<u>(71,013)</u>	<u>(100.0)%</u>
Change in net assets	(390,046)	100,376	(490,422)	(488.6)%
Net assets:				
Beginning of year	<u>36,085,058</u>	<u>35,984,682</u>	<u>100,376</u>	<u>0.3%</u>
End of year	<u>\$ 35,695,012</u>	<u>\$ 36,085,058</u>	<u>\$ (390,046)</u>	<u>(1.1)%</u>

While the Statement of Net Assets shows the change in financial position of net assets, the operating results are reflected in the Statement of Revenues, Expenses, and Changes in Net Assets. This statement provides answers to the nature and source of the change in financial position of net assets.

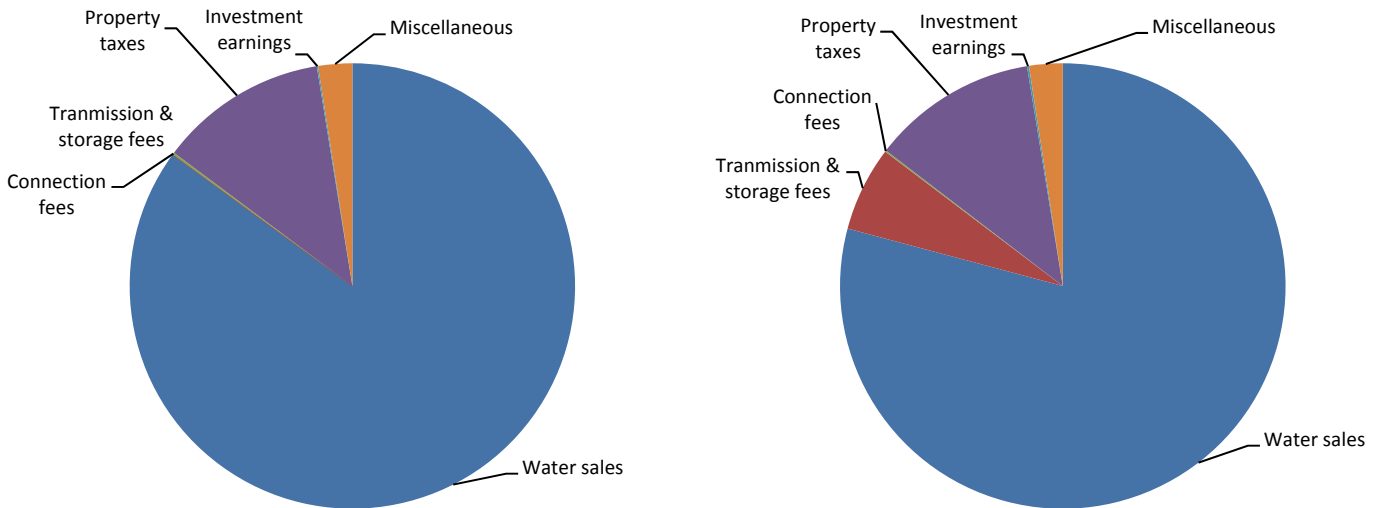
**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2012**

Management’s Discussion and Analysis, Continued

Financial Analysis of the District as a Whole, Continued

The following is a graphic illustration of revenues by source:

**Revenues by Source
Both Operating & Non-Operating**



FY 2011-2012			FY 2010-2011		Increase (Decrease)
\$ 6,403,349	85.0%	Water sales	\$ 6,019,304	79.2%	\$ 384,045
-	0.0%	Transmission & storage fees	468,924	6.2%	(468,924)
12,113	0.2%	Connection fees	7,427	0.1%	4,686
920,053	12.2%	Property taxes	913,518	12.0%	6,535
6,778	0.1%	Investment earnings	11,323	0.1%	(4,545)
186,180	2.5%	Miscellaneous	184,692	2.4%	1,488
<u>\$ 7,528,473</u>	<u>100.0%</u>	Totals	<u>\$ 7,605,188</u>	<u>100.0%</u>	<u>\$ (76,715)</u>

Water sales increased \$384,045 due to a rate increase for fiscal year 2011-2012, approved by the Board of Directors. Property taxes increased by \$6,535 primarily due to San Mateo County’s method of calculating and distributing funds. Investment earnings decreased by \$4,545, the result of declining interest rates, lower reserve balances and a recessionary economy.

**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2012**

Management’s Discussion and Analysis, Continued

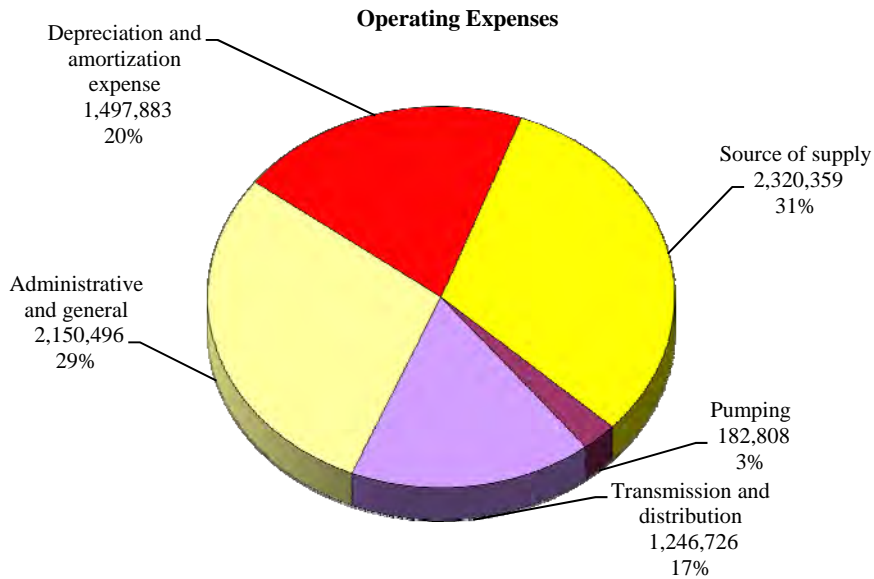
Financial Analysis of the District as a Whole, Continued

Operating expenses increased by \$241,525 as detailed below:

Operating Expenses				
For the years ended June 30, 2012 and 2011				
	<u>2012</u>	<u>2011</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Operating expenses:				
Source of supply	\$ 2,320,359	\$ 2,038,203	\$ 282,156	13.8%
Pumping	182,808	194,991	(12,183)	(6.2)%
Transmission and distribution	1,246,726	1,252,844	(6,118)	(0.5)%
Administrative and general	2,150,496	2,202,223	(51,727)	(2.3)%
Depreciation and amortization expense	1,497,883	1,468,486	29,397	2.0%
Total	<u>\$ 7,398,272</u>	<u>\$ 7,156,747</u>	<u>\$ 241,525</u>	<u>3.4%</u>

Source of supply increased \$282,156 due to higher wholesale water rates from the San Francisco Public Utilities Commission. Pumping expenses decreased \$12,183 primarily due to increased use of the Pilarcitos Reservoir supply source. Depreciation and amortization increased by \$29,397 due to initiation of depreciation on completed projects.

The following is a graphic illustration of operating expenses:



**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2012**

Management’s Discussion and Analysis, Continued

Financial Analysis of the District as a Whole, Continued

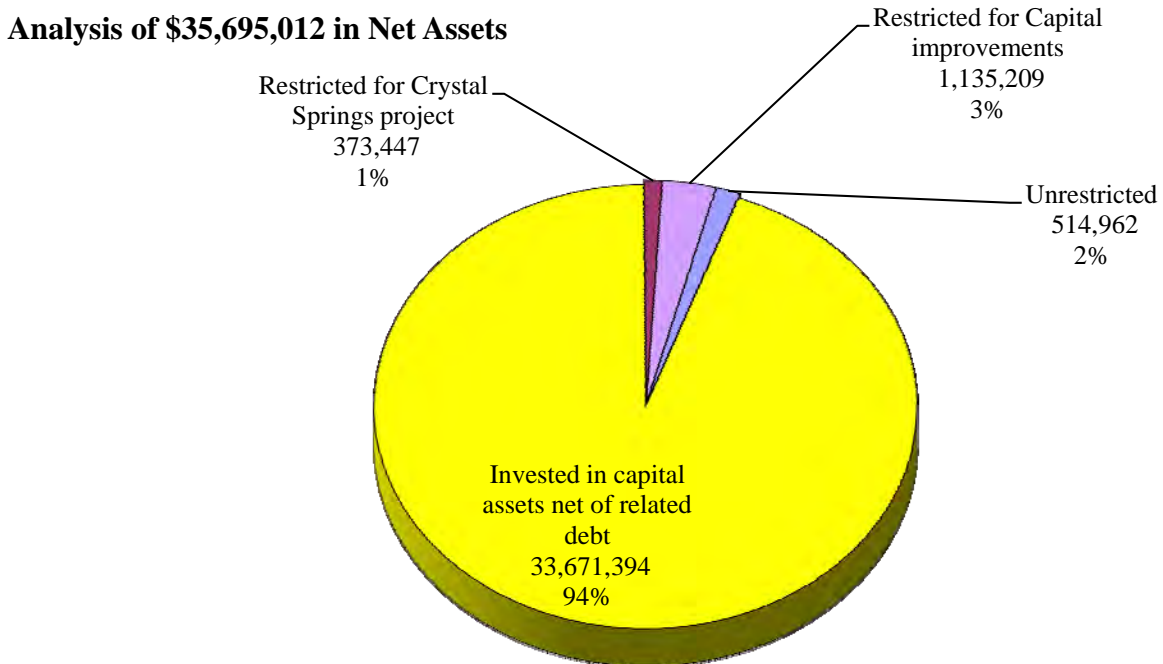
Net assets decreased by \$390,046 as detailed below:

**Analysis of Net Assets
As of June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Net assets:				
Invested in capital assets net of related debt	\$ 33,671,394	\$ 32,207,607	\$ 1,463,787	4.5%
Restricted				
Crystal Springs Project	373,447	373,447	-	0.0%
Capital improvements	1,135,209	1,135,209	-	0.0%
Unrestricted	514,962	2,368,795	(1,853,833)	(78.3)%
Total	<u>\$ 35,695,012</u>	<u>\$ 36,085,058</u>	<u>\$ (390,046)</u>	<u>(1.1)%</u>

The change in net assets is a \$390,046 decrease due primarily to operating expenses increasing and capital project expenditures.

The following is a graphic illustration of net assets:



Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2012

Management's Discussion and Analysis, Continued

Cash Flows

Cash flows were reduced by \$637,966, primarily the result of acquisitions of capital assets.

Long-term Debt

New debt was issued for the year, with amounts of long-term debt increasing by a net amount of \$2,303,298. This was a result of a \$2,721,050 installment loan from the CIEDB Enterprise Fund and from annual principal payments and amortization of bond discounts.

Economic Factors and Potential Future Results

The District's water sales will remain stable or increase slowly as a result of continuing water conservation efforts. This trend, combined with a series of significant increases in the wholesale water rate charged by the San Francisco Public Utilities Commission and the need to finance essential infrastructure maintenance and replacement, will increase the District's revenue requirements in the future. The District has generally raised rates on an annual basis to meet revenue requirements and will continue to do so.

Contacting the District

This financial report is designed to provide our customers and creditors a general overview of the District's finances and to demonstrate the District's accountability for the money it receives and is allocated to it. If you have questions about this report, contact:

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

Phone (650) 726 4405
Fax (650) 726 5245

David R Dickson, General Manager
Gina Brazil, Office Manager

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BASIC FINANCIAL STATEMENTS

Coastside County Water District

Statement of Net Assets

June 30, 2012

(with comparative totals for June 30, 2011)

	<u>2012</u>	<u>2011</u>
ASSETS		
Current assets:		
Cash and investments	\$ 1,746,694	\$ 2,384,660
Restricted cash and investments	565,694	703,613
Accounts receivable:		
Customer water	701,026	678,381
Taxes	17,164	15,219
Interest	5,172	1,789
Prepaid expenses	18,426	16,730
Materials and supplies inventory	188,550	147,140
Unamortized bond issuance costs	194,641	211,022
Total current assets	<u>3,437,367</u>	<u>4,158,554</u>
Noncurrent assets:		
Capital assets:		
Construction in progress	7,586,019	3,366,697
Utility plant	58,846,603	58,300,867
Less accumulated depreciation	<u>(23,152,386)</u>	<u>(21,673,132)</u>
Total noncurrent assets	<u>43,280,236</u>	<u>39,994,432</u>
Total assets	<u>\$ 46,717,603</u>	<u>44,152,986</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 910,405	\$ 335,516
Accrued payroll	112,240	83,409
Customer deposits	59,346	73,013
Due to Crystal Springs Assessment District	87,965	87,907
Total current liabilities	<u>1,169,956</u>	<u>579,845</u>
Noncurrent liabilities:		
Due within one year	422,248	417,752
Due after one year	9,186,594	6,887,792
Net OPEB obligation	157,412	104,925
Accrued vacation and sick leave	86,381	77,614
Total noncurrent liabilities	<u>9,852,635</u>	<u>7,488,083</u>
Total liabilities	<u>11,022,591</u>	<u>8,067,928</u>
NET ASSETS		
Invested in capital assets net of related debt	33,671,394	32,207,607
Restricted for Crystal Springs Project	373,447	373,447
Restricted for capital improvements	1,135,209	1,135,209
Unrestricted	514,962	2,368,795
Total net assets	<u>35,695,012</u>	<u>36,085,058</u>
Total liabilities and net assets	<u>\$ 46,717,603</u>	<u>44,152,986</u>

The accompanying notes are an integral part of these basic financial statements.

Coastside County Water District
Statement of Revenues, Expenses, and Changes in Net Assets
For the year ended June 30, 2012

(with comparative totals for the year ended June 30, 2011)

	<u>2012</u>	<u>2011</u>
OPERATING REVENUES:		
Water sales	\$ 6,403,349	\$ 6,019,304
OPERATING EXPENSES:		
Source of supply	2,320,359	2,038,203
Pumping	182,808	194,991
Transmission and distribution	1,246,726	1,252,844
Administrative and general	2,150,496	2,202,223
Depreciation and amortization	1,497,883	1,468,486
Total operating expenses	<u>7,398,272</u>	<u>7,156,747</u>
Operating loss	<u>(994,923)</u>	<u>(1,137,443)</u>
NONOPERATING REVENUES (EXPENSES):		
Property taxes	920,053	913,518
Investment earnings	6,778	11,323
Transmission and storage fees		468,924
Connection fees	12,113	7,427
Miscellaneous income	186,180	184,692
Collection fees	(13,447)	(10,805)
Net OPEB expense	(52,487)	(50,664)
Interest expense	(454,313)	(357,609)
Total nonoperating revenues (expenses)	<u>604,877</u>	<u>1,166,806</u>
Income (loss) before contributions	<u>(390,046)</u>	<u>29,363</u>
Capital contributions	-	71,013
Net Income (Loss)	<u>(390,046)</u>	<u>100,376</u>
CHANGE IN NET ASSETS:		
Beginning of year	36,085,058	35,984,682
End of year	<u>\$ 35,695,012</u>	<u>\$ 36,085,058</u>

The accompanying notes are an integral part of these basic financial statements.

Coastside County Water District

Statement of Cash Flows

For the year ended June 30, 2012

(with comparative amounts for the year ended June 30, 2011)

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 6,378,759	\$ 5,830,728
Payments to suppliers	(3,600,391)	(4,267,267)
Payments to employees	(1,744,284)	(1,275,188)
Net cash provided (used) by operating activities	1,034,084	288,273
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Property taxes net of collection fees	906,606	902,713
Miscellaneous receipts	186,180	184,692
Net cash provided (used) by noncapital financing activities	1,092,786	1,087,405
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Change in restricted cash and investments	137,919	174,718
Capital contributions	-	71,013
Transmission and storage fee receipts	-	468,924
Connection fee receipts	12,113	7,427
Redemption of Crystal Springs Project Bond	58	351
Proceeds from the issuance of long-term debt	2,721,050	-
Principal and interest payments on long-term debt	(872,065)	(764,857)
Acquisition of capital assets	(4,767,306)	(2,482,487)
Net cash provided (used) by capital and related financing activities	(2,768,231)	(2,524,911)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received on investments	3,395	15,453
Net cash provided (used) by investing activities	3,395	15,453
Net increase (decrease) in cash and cash equivalents	(637,966)	(1,133,780)
CASH:		
Beginning of year	2,384,660	3,518,440
End of year	\$ 1,746,694	\$ 2,384,660
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating (loss)	\$ (994,923)	\$ (1,137,443)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization expense	1,497,883	1,468,486
Change in assets and liabilities:		
Accounts receivable	(24,590)	(188,576)
Materials and supplies	(41,410)	(11,386)
Prepaid expenses	(1,696)	(405)
Accounts payable and accrued liabilities	574,889	97,533
Accrued payroll	28,831	26,188
Customer deposits	(13,667)	29,076
Accrued vacation and sick leave	8,767	4,800
Net cash provided (used) by operating activities	\$ 1,034,084	\$ 288,273

The accompanying notes are an integral part of these basic financial statements.

Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2012

Notes to Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Coastside County Water District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental enterprises classified as proprietary fund types. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The reports are based on all applicable GASB pronouncements as well as applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Review Boards of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. When applicable, certain prior year amounts have been reclassified to conform to current year presentation. The following is a summary of the more significant policies:

A. Description of the Reporting Entity

The District is organized under the Water Code provisions of the general laws of the State of California and is governed by a five-member Board of Directors elected at large by the registered voters of the District. The District is located along the Pacific Ocean in San Mateo County; it purchases more than half of its water supply from the San Francisco Water Department. The balance is developed from local sources, including surface diversion and wells. Water is distributed to customers inside and outside the District's boundaries.

Oversight responsibility, the ability to conduct independent financial affairs, issue debt instruments, approve budgets, and otherwise influence operations and account for fiscal matters is exercised by the District's Board of Directors. The District is a separate reporting entity for financial reporting purposes and the accompanying financial statements reflect the assets, liabilities, net assets, revenues, and expenses of the District only.

As defined by GASB Statements No. 14 and 39, *The Financial Reporting Entity*, the District is not financially accountable for any other entity other than itself, nor are there any other entities for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete.

In addition, based upon the above criteria, the District is not aware of any entity which would be financially accountable for the District which would result in the District being considered a component of the entity.

Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2012

Notes to Basic Financial Statements, Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Fund Accounting Classification and Basis of Accounting

On the Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets, business-like activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net assets.

District funds are classified as enterprise funds, which account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The acquisition and capital improvement of the physical plant facilities required to provide these goods and services are financed from existing cash resources, the issuance of bonds, and cash flow from operations.

C. Cash and Investments

For the purposes of the Statement of Net Assets and Statement of Cash Flows, “cash equivalents and investments” includes all demand, savings accounts, and certificates of deposits or short-term investments with an original maturity of three months or less.

Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Note 2.

D. Capital Assets

Capital assets are carried at cost or estimated cost if actual cost was not available. Contributed capital assets are valued at their estimated fair value on the date contributed.

Depreciation is calculated on a straight-line basis using the following useful life schedule:

Water treatment plant and pipelines	22-50 years
Buildings	23-33 years
Furniture and equipment	10 years
Vehicles	5 years

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized.

**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2012**

Notes to Basic Financial Statements, Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Property Taxes

The District's property taxes are levied each calendar year on all taxable real property located in the District. Property taxes are recorded on an accrual basis of accounting.

The County Assessor is responsible for assessment of all taxable real property within San Mateo County. Reassessment is on a three-year schedule established by the Assessor.

The County Clerk computes the annual tax for each parcel of real property and prepares tax books used by the County Collector as the basis for issuing tax bills to all taxpayers in the County.

Property taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to each unit its respective share of the collections. Taxes levied in one year become due and payable in two installments during the following year generally on March 1st and August 30th.

The first installment is an estimated bill, and is approximately one-half of the prior year's tax bill. The second installment is based on the current levy, assessment, equalization, and certificate to limit levy, if any and any changes from the prior year will be reflected in the second installment bill. Taxes must be levied by the last Tuesday in December for the following collection year. The levy becomes an enforceable lien against the property as of January 1 of the levy year.

F. Accrued Vacation and Sick Leave

The liability for vested vacation pay is recorded as an expense when the vacation is earned. District employees have a vested interest of up to 240 hours of accrued vacation time and up to 120 days of accrued sick time for employees that retire and are hired prior to December 31, 1990. Employees hired after that date have a vested interest in up to fifty percent of their sick time up to 60 days, based upon retirement and time with the District.

G. Unamortized Bond Issuance Costs

Costs incurred in issuing long-term debt are capitalized and amortized over the life of the debt.

H. Comparative Data

Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations.

I. Reclassifications

Certain amounts from the prior year have been reclassified to conform to the current year's presentation.

**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2012**

Notes to Basic Financial Statements, Continued

2. CASH AND INVESTMENTS

A. Composition

The District's cash and temporary investments are carried at market, and include:

	June 30, 2012			June 30, 2011
	FDIC insured	Not Rated	Fair Value	
Cash in bank	\$ 250,000	\$ 1,049,553	\$ 1,299,553	\$ 1,584,191
Petty Cash	-	430	430	430
Local Agency Investment Fund (LAIF)	-	1,012,405	1,012,405	1,503,652
Total	\$ 250,000	\$ 2,062,388	\$ 2,312,388	\$ 3,088,273
Financial Statement presentation:				
Cash and investments			\$ 1,746,694	\$ 2,384,660
Restricted cash and investments			565,694	703,613
Total			\$ 2,312,388	\$ 3,088,273

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the District's cash on deposit or first trust deed mortgage notes with a value of 150% of the District's cash on deposit as collateral for these deposits. Under California Law this collateral is held in an investment pool by an independent financial institution in the District's name and places the District ahead of general creditors of the institution pledging the collateral. The District has waived collateral requirements for the portion of deposits covered by federal deposit insurance.

The District's investments are carried at fair value, as required by generally accepted accounting principles. The District adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

B. Authorized Investments

The District's Investment Policy and the California Government Code allow the District to invest in the following, provided the credit ratings of the issuers are acceptable to the District and approved percentages and maturities are not exceeded.

**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2012**

Notes to Basic Financial Statements, Continued

2. CASH AND INVESTMENTS, Continued

The table below also identifies certain provisions of the California Government Code, or the District's Investment Policy where the District's Investment Policy is more restrictive.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>
California Local Agency Investment Fund	N/A	None
U.S. Treasury Obligations	5 years	None
Negotiable Certificates of Deposit	1 year	30%

C. Fair Value of Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments were stated at fair value using the aggregate method, which includes any adjustments in interest/investment income.

D. Investments Authorized by Debt Agreements

The District must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the District fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with District resolutions, bond indentures, or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The bond indentures contain no limitations for the maximum investment in any one issuer or the maximum percentage of the portfolio that may be invested in any one investment type.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>
U.S. Treasury Obligations	N/A	Aaa
U.S. Agency Securities	N/A	Aaa
Bankers' Acceptances	30 days	A-1
Commercial Paper	270 days	A-1+
Money Market Funds	N/A	Aam
Pre-Funded Municipal Obligations	N/A	AAA
Repurchase Agreements	270 days	A
State Direct General Obligations	N/A	AA Special
Revenue Bonds	N/A	AA
California Local Agency Investment Fund	N/A	None

**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2012**

Notes to Basic Financial Statements, Continued

2. CASH AND INVESTMENTS, Continued

E. Interest Rate and Credit Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The District is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The District reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are maintained on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2012, these investments matured in an average of 242 days

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's only investments are in the California Local Agency Investment Fund and in Money Market accounts which are not rated at June 30, 2012.

F. Reassessment Redemption Fund

The cash balance in the Reassessment Redemption and Reassessment Reserve Fund accounts represent receipts of the Crystal Springs Assessment District, held by the District as the Assessment District's agent. Amounts reported as restricted were utilized on Assessment District projects and reduced to zero in the prior year.

Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2012

Notes to Basic Financial Statements, Continued

3. CAPITAL ASSETS

Changes in capital assets and depreciation were as follows:

	July 1, 2011	Additions	Deletions	June 30, 2012
<u>Capital Assets</u>				
<u>Nondepreciable:</u>				
Construction in progress	\$ 4,537,452	\$ 4,712,363	\$ (1,663,796)	\$ 7,586,019
<u>Utility Plant Nondepreciable:</u>				
Land	\$ 160,612	\$ -	\$ -	\$ 160,612
Total Utility Plant nondepreciable assets	160,612	-	-	160,612
<u>Utility Plant Depreciable:</u>				
Source of supply	401,039	-	-	401,039
Transmission and distribution	16,965,966	-	-	16,965,966
Treatment plants and well field projects				
Acquired and constructed	3,054,837	1,298,135	-	4,352,972
Contributed	2,899,227	-	-	2,899,227
Pipelines and meters	9,328,485	373,232	-	9,701,717
Crystal Springs Project	21,631,828	-	-	21,631,828
Buildings and structures	591,613	-	-	591,613
Vehicles	667,820	-	-	667,820
Furniture and equipment	1,428,685	45,124	-	1,473,809
Total depreciable assets	56,969,500	1,716,491	-	58,685,991
Total utility plant at cost	57,130,112	1,716,491	-	58,846,603
Less: accumulated depreciation	(21,673,132)	(1,479,254)		(23,152,386)
Total utility plant (net)	35,456,980	237,237	-	35,694,217
Total capital assets	\$ 39,994,432	\$ 4,949,600	\$ (1,663,796)	\$ 43,280,236

Construction in progress at June 30, 2012, consisted primarily of pipeline replacement costs.

**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2012**

Notes to Basic Financial Statements, Continued

4. LONG-TERM DEBT

A. Long-Term Debt Activity

	Original Issue Amount	Balance July 1, 2011	Additions	Retirements	Balance June 30, 2012	Due Within One Year
1998A ABAG Water and Wastewater Revenue Refunding Bonds, 3.75-5.3%, due 10/01/2013	\$ 2,855,000	\$ 740,000	-	\$ (235,000)	\$ 505,000	\$ 235,000
2006B Water Revenue Bonds 3.5-4.75%, due 10/01/32	7,295,000	6,615,000	-	(185,000)	6,430,000	185,000
Discount	(58,459)	(49,456)	-	2,248	(47,208)	2,248
Total Debt Issuances	<u>10,091,541</u>	<u>7,305,544</u>	-	<u>(417,752)</u>	<u>6,887,792</u>	<u>422,248</u>
CIEDB Enterprise Fund Installment Loan	-	-	2,721,050	-	2,721,050	
Total	<u>\$ 10,091,541</u>	<u>7,305,544</u>	<u>\$ 2,721,050</u>	<u>\$ (417,752)</u>	<u>9,608,842</u>	<u>\$ 422,248</u>
Amount due within one year		<u>(417,752)</u>			<u>(422,248)</u>	
Total Long-term Debt		<u>\$ 6,887,792</u>			<u>\$ 9,186,594</u>	

B. 1998A ABAG Water and Wastewater Revenue Refunding Bonds

On May 12, 1998, the District issued ABAG Water and Wastewater Revenue Refunding Bonds, Series 1998A in an original principal amount of \$2,855,000. Proceeds of the 1998 Bonds were placed in an irrevocable trust to advance refund the outstanding balance of the Water Revenue Refunding Bonds, Series 1993; a portion was also used to finance water pipeline replacements.

All revenues generated by the Utility Plant and a debt service insurance policy serving as a reserve fund are pledged for the repayment of the 1998 Bonds. The 1998 Bonds bear interest at 3.75% to 5.3% and require semiannual interest payments on October 1 and April 1 and annual principal payments on October 1. A final installment is due October 1, 2013.

Any 1998 Bonds maturing on or after October 1, 2010, may be redeemed at par plus a 2% premium on or after October 1, 2009. The premium decreases 1% each year until October 1, 2010, at which time the 1998 Bonds may be redeemed at par. 1998 Bonds maturing on or after October 1, 2010 and 2021, are subject to mandatory annual redemption commencing October 1, 2006 and 2010, respectively, at par.

**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2012**

Notes to Basic Financial Statements, Continued

4. LONG-TERM DEBT, Continued

C. 2006B Water Revenue Bonds

On June 1, 2006, the District issued Water Revenue Bonds, Series 2006B in an original principal amount of \$7,295,000 to finance and refinance certain public capital improvements. The bonds are payable from revenues of the District. The 2006B Bonds bear interest at 3.50% to 4.75% and require semiannual interest payments on October 1 and April 1 and annual principal payments on October 1, beginning October 1, 2007. A final installment is due October 1, 2032.

D. CIEDB Enterprise Fund Installment Loan

On October 10, 2011 the District authorized an installment loan up to \$6,756,500 with the California Infrastructure and Economic Development Bank for the District's Denniston Creek Water Treatment Plant Improvements Project. All funds must be drawn by September 10, 2014. The loan has a 30 year term with a semiannual interest rate of 2.79% (plus a 0.3% annual fee) payable on August 1 and February 1, beginning February 1, 2012. Annual principal payments are due on August 1; beginning after the District withdraws the full \$6,756,500 or completes the project. The final installment is due August 1, 2041. The District has an outstanding balance of \$2,721,050 as of June 30, 2012.

**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2012**

Notes to Basic Financial Statements, Continued

4. LONG-TERM DEBT, Continued

D. Repayment Schedule

Future annual repayment requirements are as follows:

Year Ending June 30,	Enterprise activities					
	1998A ABAG Water and Wastewater Revenue Refunding Bonds		2006B Water Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 245,000	\$ 20,272	\$ 190,000	\$ 291,296	\$ 435,000	\$ 311,568
2014	260,000	6,890	200,000	283,859	460,000	290,749
2015	-	-	210,000	275,889	210,000	275,889
2016	-	-	215,000	267,494	215,000	267,494
2017	-	-	225,000	258,553	225,000	258,553
2018-2022	-	-	1,280,000	1,128,352	1,280,000	1,128,352
2023-2027	-	-	1,615,000	786,003	1,615,000	786,003
2028-2032	-	-	2,030,000	360,525	2,030,000	360,525
2033	-	-	465,000	11,044	465,000	11,044
Total	\$ 505,000	\$ 27,162	\$ 6,430,000	\$ 3,663,015	\$ 6,935,000	\$ 3,690,177
Due within one year	\$ 245,000	\$ 20,272	\$ 190,000	\$ 291,296	\$ 435,000	\$ 311,568
Due after one year	260,000	6,890	6,240,000	3,371,719	6,500,000	3,378,609
Total	\$ 505,000	\$ 27,162	\$ 6,430,000	\$ 3,663,015	\$ 6,935,000	\$ 3,690,177
Discounts						
2013	\$ -	\$ -	\$ (2,248)	\$ -	\$ (2,248)	\$ -
2014	-	-	(2,248)	-	(2,248)	-
2015	-	-	(2,248)	-	(2,248)	-
2016	-	-	(2,248)	-	(2,248)	-
2017	-	-	(2,248)	-	(2,248)	-
2018-2022	-	-	(11,240)	-	(11,240)	-
2023-2027	-	-	(11,240)	-	(11,240)	-
2028-2032	-	-	(11,240)	-	(11,240)	-
2033	-	-	(2,248)	-	(2,248)	-
Total	\$ -	\$ -	\$ (47,208)	\$ -	\$ (47,208)	\$ -

5. CRYSTAL SPRINGS ASSESSMENT DISTRICT

The Crystal Springs Water Supply Project (CSP) constructed by the District was financed by purchasers of CSP water service connections who either paid cash for their water service connections or have agreed to place their properties in the Crystal Springs Assessment District, which was formed for the sole purpose of providing funding to construct the Project.

At June 30, 2010, the Assessment District had fully repaid the balance of its Limited Obligation Refunding Bonds, issued in 1999. Property owners were solely responsible for repayment of these Bonds. Security for the bonds was provided by a lien against each property to which a CSP water service connection is assigned. The County of San Mateo acted as the agent for the Assessment District, collecting assessments and forwarding bond payments to the Assessment District. The Assessment District was responsible for submitting monies collected by the County to a paying agent,

**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2012**

Notes to Basic Financial Statements, Continued

5. CRYSTAL SPRINGS ASSESSMENT DISTRICT

which in turn paid the bond holders. In the event of non-payment of an assessment by a property owner, the District was responsible only for initiating foreclosure action on the property encumbered by the CSP assessment.

Since the District has never assumed any legal or moral liability to pay any of the Assessment District's bonded indebtedness, the District's financial statements do not include the Assessment District bonds or related balances. However, as the Assessment District's agent, the District uses the cash discussed in Note 2 A to make the required payments on the Assessment District Bonds or projects within the Assessment District with any remaining funds. At June 30, 2012, a final accounting for the District had not been performed and therefore residual balances remain on the District books for certain accounts.

6. NET ASSETS

Net assets are set aside for the Crystal Springs project of \$373,447 and capital improvements of \$1,135,209.

7. RISK MANAGEMENT AND SELF-INSURANCE

The District is exposed to various risks of loss related to torts, theft of, damage and destruction of assets, errors and omissions, and natural disasters. The District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (JPIA) to provide coverage with respect to certain risks.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claim liabilities are calculated considering recent claim settlement trends including the frequency and amount of payouts and other economic and social factors. The liability for claims and judgments is reported in the general long-term debt account group because it is not expected to be liquidated with expendable available financial resources.

The District's JPIA membership includes property coverage of \$1,000-\$51,000 per occurrence, \$51,000 - \$50,000,000 excess insurance fidelity coverage of \$1,000 to \$101,000 per occurrence, general liability/automobile coverage of \$500,000, and excess insurance of \$70 million with no self-insurance retention. Workers' compensation insurance is provided through JPIA with a \$350,000 per occurrence coverage.

There were no open claims or incurred but not reported at June 30, 2011, and June 30, 2012, for the District

Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2012

Notes to Basic Financial Statements, Continued

7. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)

A. Plan Description

The District contributes to the California Public Employees' Retirement System (CalPERS), a cost-sharing, multiple-employer, public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 "P" Street, Sacramento, California 95814.

B. Funding Policy

All full-time District employees are eligible to participate in the CalPERS Plans. District employees are required to contribute 8% of their salary (8% of monthly salary over \$133.33 if the member participates in Social Security). For the District's additional tier (which became effective August 14, 2011), District employees are required to contribute 7% of their salary (7% of monthly salary over \$133.33 if the member participates in Social Security) and the District is required to contribute an actuarially determined rate. Effective June 14, 2012 the District began paying 6% and 5% respectively of each tier (employees pay 2% of the employee contribution rate). The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The Required employer contribution rate for fiscal Year 2011-12 was 20.834% of annual payroll. The contribution requirements of the plan members are established by state statute.

C. Annual Pension Cost

For 2012, the District's annual pension cost of \$331,254 for CALPERS was equal to the District's required and actual contribution. The required contribution was determined as part of the June 30, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% of investment rate of return (net of administrative expenses), and (b) 3.55% to 14.45% projected annual salary increases that vary by age, duration of service and type of employment with 3.25% payroll growth. Both (a) and (b) included an inflation component of 3% and annual production growth of 0.25%.

**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2012**

Notes to Basic Financial Statements, Continued

8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS), Continued

The actuarial value of CALPERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period (smooth market value). CALPERS has increased the future rate the District pays to reflect an unfunded condition in the plan.

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2010	\$ 325,874	100%	-
June 30, 2011	301,262	100%	-
June 30, 2012	331,254	100%	-

9. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The District provides health insurance benefits through the Association of California Water Agencies (ACWA) Blue Cross plan or the District's plan through Kaiser Permanente (small business plan) to employees who retire. The District pays for one-party medical, dental and vision premiums for retirees. The medical and vision benefits are paid for life and the dental benefits are paid until age 65. Employees hired after November 14, 2006 will receive 50% of the benefits.

Eligibility: Employees (and their dependents) are eligible to access retiree healthcare benefits if they retire from the District on or after age 55 (service retirement) with at least 15 years of service (service and disability retirement) and the employee must submit the retirement application within 120 days of separation and are eligible for a PERS pension. Membership of the plan consisted of the following at June 30, 2012:

Retirees and beneficiaries receiving benefits	10
Other participants fully eligible for benefits	-
Other participants not yet fully eligible for benefits	17
Total	27

Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2012

Notes to Basic Financial Statements, Continued

9. OTHER POST EMPLOYMENT BENEFITS, Continued

Funding Policy

The District pays for its other postemployment benefit (OPEB) obligation on a pay-as-you-go basis (i.e., as insurance premiums become due).

Annual OPEB Cost and Net OPEB Obligation

The District's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the District's net OPEB obligation for these benefits:

Annual required contribution	\$ 147,400
Interest on net OPEB obligation	0
Adjustment to annual required contribution	0
Annual OPEB cost (expense)	147,400
Contributions made (Premiums paid)	(94,913)
Increase in net OPEB obligation	52,487
Net OPEB obligation-beginning of year	<u>104,925</u>
Net OPEB obligation-end of year	\$157,412

This is the second year that the District is following the reporting requirements of GASB 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pension Plans*. The District has elected to implement GASB 45 prospectively and therefore shows no OPEB obligation at transition. The District's annual OPEB cost (expense) is equal to the ARC, and the net OPEB obligation for 2012 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2010	\$ 136,500	40%	\$ 54,261
6/30/2011	141,800	64%	104,925
6/30/2012	147,400	64%	157,412

Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2012

Notes to Basic Financial Statements, Continued

9. OTHER POST EMPLOYMENT BENEFITS, Continued

Plan Funded Status and Funding Progress

As of January 1, 2012, the most recent actuarial valuation date, the plan was zero percent funded. The Actuarial Accrued Liability (AAL) for benefits was \$2,654,800, and the actuarial value of assets was zero dollars, resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$2,654,800. The covered payroll (annual payroll of active employees covered by the plan) was \$1,547,336 and the ratio of UAAL to the covered payroll was 167.83 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the profitability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

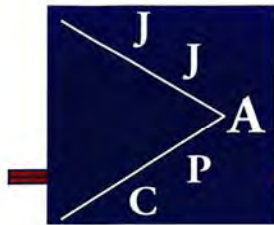
Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits costs between the employer and the plan members to that point. The actuarial methods and assumptions used included techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations. The actuarial valuation was performed in January of 2012 based upon June 30, 2011 amounts.

The actuarial cost method used for determining the benefit obligations is the projected unit credit actuarial cost method. The actuarial assumptions included a 5 percent investment rate of return, which is the expected long-term rate of return on the District's pooled investments (per GASB 43/45 guidelines for this assumption), and an annual cost trend rate of 5.5 percent for medical, 3% for dental and 2% for vision benefit costs and a three percent general inflation assumption. The UAAL is being amortized using a level dollar method over 30 years with no election as to an open or closed basis at this time.

10. COMMITMENTS AND CONTINGENCIES

The District is subject to general risk and exposure due to normal operations in the course of business. These risks involve various claims against the District, both asserted and unasserted, all of which management considers to be immaterial to these financial statements.

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JJACPA, Inc.

A Professional Accounting Services Corp.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

Board of Directors
Coastside County Water District
Half Moon Bay, California

We have audited the basic financial statements of the Coastside County Water District (District) as of and for the year ended June 30, 2012 and have issued our report thereon dated November 19, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of The District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, others within the entity, management, and federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties.

November 19, 2012

JJACPA, Inc.
JJACPA, INC.

COASTSIDE COUNTY WATER DISTRICT

**COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE AND
COMMUNICATION OF INTERNAL CONTROL RELATED MATTERS**

JUNE 30, 2012

November 19, 2012

To the Board of Directors
Coastside County Water District
Pacifica, California

We have audited the basic financial statements of the Coastside County Water District as of and for the year ended June 30, 2012, and have issued our report thereon dated November 19, 2012. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility under Generally Accepted Auditing Standards (and when applicable, *Government Auditing Standards*)

As communicated in our engagement letter dated April 23, 2012, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Coastside County Water District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing Coastside County Water District's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Coastside County Water District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during June 30, 2012. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are useful lives of capital assets ("useful lives").

Management's estimate of the useful lives is based on experience with and observation of capital assets, by category (e.g. infrastructure) as well as industry standards, when applicable (i.e. buildings). We evaluated the key factors and assumptions used to develop the useful lives and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Coastside County Water District's financial statements relate to commitments and contingencies.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Coastside County Water District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in a separate letter dated November 19, 2012.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Findings or Issues

In the normal course of our professional association with the Coastside County Water District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the Coastside County Water District, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the entity's auditors.

Communication of Internal Control Related Matters

In planning and performing our audit of the financial statements of the Coastside County Water District as of and for the year ended June 30, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered Coastside County Water District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of Coastside County Water District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

This communication is intended solely for the information and use of the Board of Directors and management of the Coastside County Water District, others within the organization and Federal and State agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

JOSEPH J. ARCH, CPA
President/CEO
JJACPA, INC.

STAFF REPORT

To: Coastside County Water District Board of Directors

From: David Dickson, General Manager

Agenda: December 11, 2012

Report

Date: December 3, 2012

Subject: Approval of Budget Increase for Denniston Water Treatment Plant Improvements Construction Management Services Provided by Erler & Kalinowski, Inc.

Recommendation:

Authorize staff to approve an increase in the time-and-materials budget for construction management services provided by Erler & Kalinowski, Inc. for the Denniston Water Treatment Plant Improvements Project, in an amount not to exceed \$20,000.

Background:

At its June 14, 2011 meeting, the Board approved a contract with Erler & Kalinowski, Inc. (EKI) for construction management services on the Denniston Water Treatment Plant Improvements Project, at a time-and-materials cost of \$396,000. Over the course of project construction, the effort required of EKI has exceeded the scope assumed in their proposal, primarily due to District-requested additional work and to District-approved extension of the construction schedule. A requested project budget increase of \$20,000, combined with previously approved changes, will bring the final cost of these services to \$446,000, about 13% above the original contract amount.

Two previous change orders to the EKI contract issued under the General Manager's authority have increased the contract budget from \$396,000 to \$426,000:

1. Alum tank design, approved June 5, 2012 for an estimated amount of \$3,000. We required this work because deterioration in the lining of the existing alum tank could not be repaired, requiring that it be replaced. EKI's design costs exceeded this initial estimate.
2. Added budget for the Office Support and Materials Testing and Special Inspection tasks, approved September 27, 2012, in the amount of \$27,000. This additional amount covers effort needed to assist with District-requested changes, as well as testing costs for a number of concrete pours exceeding initial assumptions.

STAFF REPORT

Agenda: December 11, 2012

Subject: Budget Increase for Denniston Construction Management

Page Two

Table 1 from EKI's November 6 invoice (attached) shows billings against the adjusted task budgets and projects a final cost for EKI's services of approximately \$446,000, requiring an increase of \$20,000 to the current budget. Staff believes this increase is reasonable and justified and recommends approval.

Fiscal Impact:

Project cost increase of \$20,000, included within the original budget for the Denniston project.

TABLE 1
INVOICE NO. 16 REPORT (PERIOD 28 SEPTEMBER 2012 THROUGH 26 OCTOBER 2012)
Denniston Creek Water Treatment Plant Improvemens Project
 Coastside County Water District, Half Moon Bay, California

Task No.	Task Description	Task Budget	Billed Prior Periods	Billed This Period	Billed to Date	Budget Remaining (1)	Projected Budget to Complete	Projected Variance	Notes
1	Preconstruction Meeting	\$ 3,200.00	\$ 3,728.09	\$ -	\$ 3,728.09	\$ (528.09)	\$ -	\$ (528.09)	(2)
2	Construction Management (Office Support)	\$ 48,600.00	\$ 64,001.39	\$ 3,069.41	\$ 67,070.80	\$ (18,470.80)	\$ 3,000.00	\$ (21,470.80)	(3)
3	Construction Management (Field Support and Meetings)	\$ 306,400.00	\$ 272,839.75	\$ 8,271.78	\$ 281,111.53	\$ 25,288.47	\$ 8,000.00	\$ 17,288.47	(4)
4	Startup Testing and Operations Assistance	\$ 9,300.00	\$ -	\$ -	\$ -	\$ 9,300.00	\$ 9,300.00	\$ -	
5	Material Testing and Special Inspection	\$ 55,500.00	\$ 45,189.86	\$ 905.03	\$ 46,094.89	\$ 9,405.11	\$ 9,405.11	\$ -	(3), (5)
6	As-Needed Engineering Services	\$ -	\$ 3,274.36	\$ -	\$ 3,274.36	\$ (3,274.36)	\$ -	\$ (3,274.36)	(6)
7	Alum Tank Design	\$ 3,000.00	\$ 12,762.31	\$ 1,825.06	\$ 14,587.37	\$ (11,587.37)	\$ -	\$ (11,587.37)	(7)
Totals		\$ 426,000.00	\$ 401,795.76	\$ 14,071.28	\$ 415,867.04	\$ 10,132.96	\$ 29,705.11	\$ (19,572.15)	

Notes

- (1) Values in parenthesis are negative values.
- (2) The Task 1 and Task 2 variances will be partially offset by a reduction in effort for Task 3.
- (3) The Task 2 and Task 5 budgets have been increased by a total of \$27,000 based on email correspondance between Jeffrey Tarantino (EKI) and David Dickson (CCWD) dated 27 September 2012.
- (4) APEC's most recent schedule update provided with the October progress pay estimate indicates that equipment startup is anticipated to begin the week of 26 November. Between 26 November and 21 December, EKI anticipates that minimal effort will be required, however, some oversight and communication with the general contractor will be necessary. The above level of effort assumes 12 hours per week of field staff between 29 October and 26 November followed by 4 hours per week between 26 November and 21 December.
- (5) The Material Testing and Special Inspection effort was greater than originally anticipated due to the complexity of concrete structures that required more pours.
- (6) The As-Needed Engineering Services task was opened for EKI staff to develop technical requirements to facilitate the installation of a new treated water flow meter. EKI is requesting additional budget for this task as discussed in previous invoice reports.
- (7) Task 7 Budget Augmentation was approved in email correspondance between David Dickson (CCWD) and Jeffrey Tarantino (EKI) dated 5 June 2012. Please note that EKI underestimated the level of effort to complete the alum tank replacement design and EKI is including the additional effort for tracking purposes. EKI understands that these costs may not be approved depending on the final level of effort required for Tasks 2 through 5.

STAFF REPORT

To: Board of Directors

From: David Dickson, General Manager
Cathleen Brennan, Water Resources Analyst

Agenda: December 11, 2012

Subject: Pilarcitos Creek Restoration Workgroup (Workgroup)
Memorandum of Understanding (MOU)

Attachment: Memorandum of Understanding for the Continuation of the
Pilarcitos Creek Restoration Workgroup to Implement the 2008
Pilarcitos Integrated Watershed Management Plan

Recommendation

Authorize the General Manager to enter into an agreement with the Pilarcitos Creek Restoration Workgroup for the continuation of the Pilarcitos Creek Restoration Workgroup to implement the 2008 Pilarcitos Integrated Watershed Management Plan.

Background

The Pilarcitos Creek Restoration Workgroup was formed as part of the process to develop an Integrated Watershed Management Plan (Plan) for the Pilarcitos Creek watershed. Coastside County Water District (District) has actively participated in the Workgroup and the development of the Plan. The Water Resources Analyst has been assigned to participate in the Workgroup, along with the District's Water Resources Committee. When necessary, the District's Superintendent and General Manager participated in Workgroup meetings.

The San Mateo Resource Conservation District (RCD) administered the development and implementation of the Plan. The Plan is available on the District's website (<http://www.coastsidewater.org/report-and-studies/archive.html>).

As stated in the Executive Summary of the Plan, *"The purpose of the Plan is to promote balanced solutions to effectively manage the Pilarcitos Creek Watershed that satisfy environmental, public health, domestic water supply, and economic interests."* Listed below are six key goals described in the Plan:

1. *Protect and recover Steelhead trout and other native aquatic and riparian species.*
2. *Enhance stream flows while maintaining yield.*
3. *Manage stream channel corridors to reduce erosion, sedimentation and flood risks.*
4. *Increase native riparian vegetation.*
5. *Maintain good water quality.*
6. *Promote community and stakeholder collaboration.*

The Plan identified and prioritized projects that were then categorized as improvement projects, feasibility studies, planning projects, assessment projects and other projects considered. These projects listed lead agencies and collaborating agencies that are responsible for implementation. The following is a list of projects for which the District is listed as a lead or collaborating agency:

No.	Description	Agencies
5.2.1	Recycled Water Project	Lead Agencies: Sewer Authority Mid-Coastside and Coastside County Water District
5.2.2	Pilarcitos Reservoir and Stone Dam Operational Flexibility Improvement Project	Lead: SFPUC Collaborator: Coastside County Water District
5.3.2	Pilarcitos Creek Watershed Protection Easement Program Feasibility Study	Lead: POST and Farm Bureau Collaborator: Coastside County Water District
5.3.3	Recycled Off-Channel Water Storage Feasibility Study	Lead: Farm Bureau Collaborator: Coastside County Water District
5.3.4	Diverted Off-Channel Water Storage Feasibility Study	Lead: POST and Farm Bureau Collaborator: Coastside County Water District
5.4.1	Watershed Monitoring Program	Lead: San Mateo County RCD Collaborator: Coastside County Water District
5.4.2	Eucalyptus Control and Removal Planning	Lead: San Mateo County RCD Collaborator: Coastside County Water District
5.5.1	Water Budget Development Project	Lead: San Mateo County RCD Collaborator: Coastside County Water District
5.5.2	Road Assessment Project	Lead: San Mateo County RCD Collaborator: Coastside County Water District

The Workgroup currently consists of sixteen local, state and federal government agencies and non-government organizations. The Workgroup was established in January of 2007 by a MOU which expired in May of 2012. The District was a signatory (Party) of the January 2007 MOU.

Memorandum of Understanding

With the expiration of the original MOU, the RCD has drafted language for a new MOU (attached) to continue with the implementation and updating of the Plan. The proposed MOU describes voluntary participation by Workgroup members and Parties with the workgroup convening twice per year. The RCD will be the convener of the Workgroup meetings and will initiate and circulate agendas and provide meeting summaries. There is no commitment of funds with this MOU and Parties may withdraw at any time by giving written notice to the other Parties. The term of the MOU is five years from the date of execution.

Fiscal Impacts

No significant fiscal impacts. The MOU is a commitment of District Staff and the District's Water Resources Committee to prepare and participate in Workgroup activities.

A separate MOU with San Mateo RCD currently exists to fund the administration of the Plan and to fund the Lower Pilarcitos Creek USGS stream gauge. The current funding MOU expires on September 30, 2013. The parties contributing funds toward the administration of the Plan and the stream gauge are Coastside County Water District, San Francisco Public Utilities Commission, and Sewer Authority Mid-Coastside.

Conclusion

Staff recommends that the District continue to participate in the Pilarcitos Creek Restoration Workgroup and become a Party to the MOU by having the General Manager become a signatory and have the General Manager designate a representative(s) to become a participating member(s) of the Workgroup.

8/15/2012

Memorandum of Understanding (MOU) Among

California Department of Fish and Game, California State Parks, City of Half Moon Bay, Coastside County Water District, Coastside Land Trust, Committee for Green Foothills, Midpeninsula Regional Open Space District, National Marine Fisheries Service, Peninsula Open Space Trust, Pilarcitos Creek Advisory Committee, San Francisco Public Utilities Commission, San Mateo County, San Mateo County Farm Bureau, San Mateo County Resource Conservation District, Sewer Authority Mid-Coastside, Surfrider Foundation - San Mateo Chapter

Regarding

Continuation of the Pilarcitos Creek Restoration Workgroup
to Implement the 2008 Pilarcitos Integrated Watershed Management Plan

I. Recitals

- A. The groups listed above have been working together as the Pilarcitos Creek Restoration Workgroup (Workgroup) to oversee development of the Pilarcitos Integrated Watershed Management Plan (IWMP). The Workgroup was established by a Memorandum of Understanding dated January 25, 2007 that expires May 31, 2012.
- B. The IWMP was prepared by Philip Williams & Associates for the San Mateo County Resource Conservation District and California State Water Resources Control Board and completed on October 24, 2008. It was funded by a \$202,500 grant received by the San Francisco Public Utilities Commission (SFPUC) from the State Water Resources Control Board's 2005-2006 Consolidated Grants Program, and an associated cost share contribution of \$67,500 from the SFPUC.
- C. The purpose of the IWMP is to promote balanced solutions to effectively manage the Pilarcitos Creek watershed that satisfy environmental, public health, domestic water supply, and economic interests. It achieves this purpose by prioritizing restoration projects that individually or collectively help to achieve six key goals:
 - 1. Protect and recover steelhead trout and other native aquatic and riparian species.
 - 2. Enhance streamflows while maintaining yield.
 - 3. Manage stream channel corridors to reduce erosion, sedimentation and flood risks.
 - 4. Increase native riparian vegetation.
 - 5. Maintain good water quality conditions.
 - 6. Promote community and stakeholder collaboration.
- D. The groups listed above have decided collectively to continue as the Workgroup to implement the IWMP.

II. Purpose of this MOU

The purpose of this MOU is to describe how the Workgroup operates as a collaborative forum to achieve the common goal of protecting and restoring the natural resources of the Pilarcitos Creek watershed.

III. Definitions

The abbreviations and capitalized words and phrases used in this MOU have the following meanings:

- A. "IWMP" refers to the Pilarcitos Integrated Watershed Management Plan.
- B. "RCD" refers to San Mateo County Resource Conservation District.
- C. "Party" or "Parties" refers to the organization(s) signing this MOU.
- D. "Signatory" or "Signatories" refers to the person or group of people signing this MOU on behalf of their organization(s). The Signatories are the General Managers, Directors, Executive Officers, etc. from each organization, or their designees.
- E. "Workgroup" refers to the Pilarcitos Creek Restoration Workgroup.
- F. "Members" refers to the individuals delegated by the Signatories to represent their organization on the Workgroup.

IV. Workgroup Principles, Organization, and Participant Roles

- A. **Convener of Workgroup Meetings:** The RCD will serve as the convener of Workgroup meetings and in this role will initiate and circulate draft meeting agendas and provide meeting summaries.
- B. **Voluntary Participation; Designation of Party Representatives; Ability to Set Meetings; Formation of Subcommittees:** Participation in the Workgroup is voluntary, and open to the public. As a consequence of this MOU, each Signatory shall designate a representative as the primary contact for that Party on all Workgroup activities. The designated representatives will constitute the Workgroup Members. Members agree to keep the Workgroup informed of activities they are carrying out related to restoration efforts in the Pilarcitos Creek watershed. As necessary, the Signatory from any Party can call a meeting of the Signatories. At least two meetings of the Signatories will occur during each calendar year to keep each Party informed of current events at the policy recommendation and decision-making level. As necessary, the Workgroup Members or Signatories can establish ad hoc committees to conduct work on behalf of the Workgroup. These ad hoc subcommittees would report back to the Workgroup.
- C. **Meeting Schedules, Circulation of Agendas, and Meeting Summaries:** The Workgroup convenes approximately twice per year. Draft agendas and meeting summaries will be circulated in advance to Workgroup Members for comment before email distribution to the broader group. Draft meeting summaries will be finalized by adoption by Workgroup Members at the next meeting. Adopted meeting summaries will be posted by the RCD on their website, making them available to the public. If for whatever reason the RCD is unable or unwilling to provide this service, new arrangements will be made to make these minutes available to the public.
- D. **Workgroup Dispute Resolution:** The intent of the Parties is that any dispute should be resolved at the Workgroup Member level, if possible. However, nothing contained herein shall be deemed to preclude any Party from seeking to resolve a dispute between Parties by any other lawful means. If agreement on an issue cannot be reached among the Workgroup Members, then any Party may seek a more formal level of dispute resolution as described in this paragraph.

V. General Provisions of this MOU

- A. Term:** This MOU will expire in five years from the date of execution by all Parties listed above unless extended by mutual consent of the Parties. Execution by additional Parties that join the Workgroup who are not listed above will not extend the expiration date of this MOU.
- B. Amendments and Additional Signatories:** This MOU may be amended at any time with the unanimous approval of the Parties. Additional Parties may be added at any time with the unanimous approval of the Parties.
- C. Withdrawal:** Any Party may withdraw from this MOU at any time by giving written notice to the other Parties for any reason, including, without limitation, that a Party is dissatisfied with the outcome of the dispute resolution process provided for in Section IVD. The MOU remains in effect for the remaining Parties.
- D. Funding:** Nothing herein alters the existing authorities or responsibilities of any Party nor shall be considered as obligating any Party in the expenditure of funds or the future payment of money or providing services.
- E. Implementation of this MOU by the signatory federal agencies is subject to the Anti-Deficiency Act, 31 U.S.C. Section 1341, and the availability of appropriated funds. This MOU is not intended and will not be construed to require the obligation, appropriation, or expenditure of any money from the U.S. Treasury. The signatories acknowledge that the federal signatories will not be required under this MOU to expend any federal agency's appropriated funds unless and until an authorized official of that agency affirmatively acts to commit such expenditures as evidenced in writing.**
- F. Construction of Terms:** This MOU is for the sole benefit of the Parties and shall not be construed as granting rights to any person other than the Parties or imposing obligations on a Party to any person other than another Party.
- G. Good Faith:** Each Party shall use its best efforts and work wholeheartedly and in good faith for the expeditious completion of the objectives of this MOU and the satisfactory performance of its terms.
- H. Governing Law:** This MOU is made under and shall be governed by the laws of the State of California.

EXHIBIT A

**Agreement to Join the Memorandum of Understanding
Continuing the Pilarcitos Restoration Workgroup
to Implement the 2008 Pilarcitos Integrated Watershed Management Plan**

In consideration of the mutual promises, covenants, and conditions contained therein,

_____ (name of Party) hereby agrees to be part of the Pilarcitos Restoration Workgroup created on January 25, 2007 and agrees to comply with the terms of the Memorandum of Understanding attached hereto and incorporated herein by reference.

In witness whereof, the party hereto has executed this agreement as of the date written below.

Signature: _____

Date: _____

Printed Name: _____

Title: _____

Organization: _____

Name and Address of Designated Representative to Workgroup:

STAFF REPORT

To: Coastside County Water District Board of Directors

From: David Dickson, General Manager

Agenda: December 11, 2012

Report

Date: December 3, 2012

Subject: General Manager's Report

Recommendation:

None. Information only.

Background:

For this month's report, I would like to highlight the following:

1. Stone Dam Pipeline Emergency Interim Replacement Project

Although rainy weather slowed construction progress, Andreini Brothers and District staff have completed installation of the pipeline. In the next week, they will complete the connection to the Stone Dam meter, finish installing the pipeline supports, and install air and vacuum relief valves, readying the line for testing and startup.

2. Denniston Project Startup

We currently project Denniston startup activities as follows:

- Week of December 10 - CCWD prepares existing filters for startup
- December 14 - punch list walk-through
- January 4 - Kennedy/Jenks startup training for CCWD staff
- January 7 - Facility startup and beginning of 5 day/30 day testing
- February 11 (approximate) - Final inspection

MONTHLY REPORT

To: David Dickson, General Manager
From: Joe Guistino, Superintendent of Operations
Agenda: December 11, 2012

Report

Date: December 4, 2012

Monthly Highlights

Stone Dam Pipeline Temporary Pipeline Project

The contractor and District crews have installed pipe from its terminus on our property to the Stone Dam meter on San Francisco Public Utilities Commission (SFPUC) property.

New Dump truck

The old, California non-compliant and Occupational Safety and Health Administration (OSHA) dump truck has been replaced with a new vehicle. The new truck will prove to reduce crew downtime, eliminate having Andreini Bros. do much hauling for us, and is safe on the road.

Personnel Changes

Treatment/Distribution (T/D) Operator Don Patterson has been promoted to Senior Operator and T/D Operator Matt Damrosch has been reassigned to the treatment division. Dustin Jahns was hired on as a new Maintenance Worker, satisfying the vacancy left by our former Treatment Supervisor.

Source of Supply

Crystal Springs Reservoir and Pilarcitos Wells 1, 4, 4A and 5 were the sources of supply in November.

Wells 1 and 4a were started 1 November and were contributing 200 gpm (0.3 million gallons per day - MGD). They had to be shut down by 9 November since the pumping was reducing the surface flows in Pilarcitos Creek more than we are comfortable with. The wells were restarted after the first significant rains in November increased flows in the creek. Pacific Gas and Electric (PG&E) had to make some repairs to the power drop on wells 4, 4a and 5 late in the month, probably due to storm damage.

Systems Improvement

Beautification

- General housekeeping in the lunchroom and shop.
- Touched up the new downspouts.

- Cleaned up the trucks
- Rearranged Nunes control office.

Vehicle Maintenance

- New tires for the backhoe
- New brakes for the explorer.

Nunes Sludge Bed Operation

A new sludge decant pump and control system was installed at Nunes Water Treatment Plant (WTP) making for better sludge management.

New Dump truck

The new dump truck arrived in November. We now have twice the former hauling capacity, which will eliminate having to stockpile spoils on Lea's farm and will reduce the waiting time for the crews. It is also much safer to drive and has enough power so that we will not be holding up traffic when we drive over Highway 92. The old dump truck was decommissioned since it is not legal in California.

Update on Other Activities:

Personnel Changes

Treatment/Distribution Operator Don Patterson has been promoted to the Senior Operator Position and T/D Operator Matt Damrosch has been assigned to the treatment section. Mr. Damrosch will be pursuing his backflow administrator certification and will be taking over much of Mr. Patterson's backflow duties. Administrative Assistant JoAnne Whelen will be also assisting in the administration of this program.

Dustin Jahns has been hired to fill the vacancy left by the above changes. He started on 26 November as Maintenance Worker.

Meter Problems

All meters greater than 1" have been on the Automatic Meter Reader (AMR) system for over 2 years. All of these meters were manually read in November to compare with the automatic read system. There were 7 of the 47 meters which were not configured correctly in the billing software, resulting in erroneously low bills. Customers have been notified and meter software corrected.

The SFPUC Crystal Springs meter has been under reading for the last few months. They replaced the meter and verified that it had been under reading upon testing. They will be adjusting our raw water bill in the upcoming months and will be working with us as to how the bill should be calculated.

Denniston Pump Station

A roof leak at the Denniston Pump Station was manifest after the first heavy rains of the season. The leak was dripping on to the new motor control cabinets. We had this leak fixed promptly.

Crystal Springs P1

The motor for P1 was recently pulled to repair an oil leak. Once we had it back in place the operator noted that it was still leaking oil. Pump Repair did the work and they will be coming back to pull the pump and inspect the problem once we are complete with the temporary Stone Dam pipeline mentioned below.

Crystal Springs Communication

For the most part, the virtual tank software that Calcon provided to us works well when the communication fails. The communication failure is between the Cahill regulating tank and the Crystal Springs pump station. The pump station will automatically shut down if it detects a communication failure on the wireless telephone service, even if the communication fail is only momentary. The virtual tank software intercepts the shutdown by providing a tank level signal that is generated by the software and is based on recent trends of the tank level. There have been some recent shutdowns while on the virtual tank, mainly due to extended communication failure and the calculated tank levels reaching high level shutdown targets. We have been advised to invest in a new hard wire communication line in order to eliminate this problem all together. We are looking for quotes and will incorporate this task into the next Capital Improvement Program (CIP) update.

Safety/Training/Inspections/Meetings

Meetings Attended

- 3 November - Met with John Chapin of the La Honda/Cuestra Water District to discuss some water quality issues that they are having. I was able to give them some advice that agreed with what they have already been told by the California Department of Public Health (DPH) and others.
- 13 November - SFPUC meeting on the Temporary Stone Dam Pipeline Project.
- 14 November - Attended the first 4 hours of the annual Bay Area Water Supply and Conservation Association (BAWSCA) Water Quality Workshop put on by SFPUC.
- 16 November - Operation and Maintenance (O&M) staff meeting
- 16 November - Attended the Burnham Strip Wet Weather Station ceremony.
- 29 November - Annual employee recognition luncheon.

Safety Meetings and Training

There was no Safety Committee Meeting in November.

CINTAS Safety Training was on Cardio Pulmonary Resuscitation/ First Aid/ Automatic Electronic Defibrillator (CPR/FA/AED). The entire field crew is presently certified so no one from Coastside County Water District (CCWD) was in attendance.

Tailgate safety sessions in June

5 November – Climbing Elevated Tanks: The Height of Safety

13 November – Lifting Tips

21 November – Safe Fuel Handling Practices

26 November – Lockout/Tagout: Water Under Pressure Poses Danger

Training

See Denniston Treatment Improvement Project below.

Regulatory Agency Interaction

California Department of Public Health (DPH)

I received an e-mail response from Tara Ouitavon, our DPH Sanitary Engineer, from an email that I sent to her on 19 November notifying them of the impending Denniston start-up. We are authorized to treat waters up to 50 nephelometric turbidity units (ntu) per the upgrade design parameters. DPH will require accurate and comprehensive reports during operation and would like to tour the new facility once we have it on line and operating smoothly.

Regional Water Quality Control Board (RWQCB)

We received notification from the RWQCB informing us that we missed our annual sampling of Denniston Creek per our National Pollution Discharge Elimination Survey (NPDES) permit for plant discharges. We complied with the sampling as soon as we found out and they will not penalize us for the delay.

Projects

Denniston Water Treatment Improvement Project

Work in November consisted of electrical installation in the filter building, pump station and contact clarifier area, work on the catwalk and stair system at the washwater basins, drying bed ramp and berms and backfilling pipe trenches. The high lift pumps were tested last week and the tests went well. The alum tank arrived and is being installed. District crews are revamping the sample line system in the lab, which was not part of the original upgrades.

Start-up and Training – The contractor is starting to provide the required training on system components. The operators were trained on the sludge thickener equipment on 14 November. Patterson, Damrosch, Whelen, Duffy and Donovan were in attendance. Calcon will be providing us with a preventive maintenance schedule for all electrical components. Robert’s Filter Group has been on site preparing the contact clarifiers for start-up. The treatment staff will disinfect the filters and conduct a series of backwashes to get them prepared for start-up on the week of 10 December.

The semi-final inspection and the start of the punch list items will take place at the end of that week. Start-up schedule is as follows:

- Week of 10 December - District crews to disinfect and backwash filters
Semifinal inspection and start of punch list
- Week of 4 January - Kennedy/Jenks starts operational training of operators
- Week of 7 January - Facility start up and start 5 day testing. 30 day testing to commence immediately after 5 day testing.
- 11 February - Approximate date of final inspection pending success of 30 day testing and contractor completion of punch list.

Portola Avenue Line Replacement

Jim Teter is making finishing touches on draft specifications.

Avenue Cabrillo Main Replacement Project

All mains associated with phase 1 of this project have been installed. New mains on The Alameda, Santa Ana, Coronado, Columbus and Malaga have been pressure tested and disinfected. The services were connected to the new main on The Alameda and the old 2" line decommissioned. The Coastside Fire Protection District has been notified by letter that the new hydrants on Avenue Cabrillo at The Alameda and Coronado at The Alameda are in service. The contractor will be connecting the remaining services to all phase 1 project mains in December.

Railroad Avenue Main Replacement Project

We have issued the Notice To Proceed to the contractor for this project.

Nunes Water Treatment Plant Hydro pneumatic System

We have rescoped this project and are awaiting a second bid.

Stone Dam Pipeline Temporary Pipeline Project

We met up with Joe Naras, Guido Ciardi and Dave Baker of SFPUC to go over exact location of the temporary pipeline as it runs along the road at the SFPUC terminus near the stone dam meter. They were very particular as to location and the types of hay bales and waddles that we are to use. We have complied in every way with their requirements and have had valuable assistance from our biologist Jim Steele, who is on site every day of pipe installation. Installation started on 5 November and the contractor and District crews have installed approximately 1800 feet of the temporary pipeline from the terminus on our property in Pilarcitos Canyon to the crest of the hill on the SFPUC side. We needed to add an additional 200 feet to the project because the access to the 12" main that we are tying in to was further back than anticipated. Arborwell Tree Company has assisted us in the removal of some large tree falls that were obstructing the path.

STAFF REPORT

To: Board of Directors
From: Cathleen Brennan, Water Resources Analyst
Agenda: December 11, 2012
Subject: Water Resources

This report includes:

- Update on the 2013 Water Year (October 1, 2012 through September 30, 2013)
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Water supply conditions are tracked by Water Year which starts on October 1st and ends on September 30th. The National Oceanic and Atmospheric Administration (NOAA) weather station (No. 04-3714-04) indicates a total of 6.77 inches of precipitation for Half Moon Bay for the months of October and November. The historic average for this time period in Half Moon Bay is approximately 4.60 inches of precipitation. Half Moon Bay has received above average precipitation for this Water Year to date.

The SFPUC Hydrological Report was not available in time to include precipitation data for the Regional Water System in this update. The warmer temperatures associated with these recent storms in November have been of a concern to Water Resource Managers because much of the precipitation in the Sierra Nevada Mountains has fallen as rain, which results in more flooding and does not contribute to the snow pack that the San Francisco Regional Water System and other water agencies rely on to provide water from the snow melt in the summer months.

Staff will continue to update the Board of Directors on water supply conditions throughout the winter (rainy season).