

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

REGULAR MEETING OF THE BOARD OF DIRECTORS

Tuesday, December 13, 2022 - 7:00 p.m.

AGENDA

Due to the Covid-19 pandemic, and in accordance with Assembly Bill 361, which modifies California Government Code Section 54953, this meeting will be conducted by teleconference. Board members and members of the public also may attend this meeting in person at the District Office located at 766 Main Street, Half Moon Bay.

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

How to Join Online or by Phone

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

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

Join Zoom Meeting

<https://us06web.zoom.us/j/88691894625?pwd=UFBnaVYrSUNtUTE3NHIRZDFrVDhnZz09>

Meeting ID: 886 9189 4625

Passcode: 182549

One tap mobile

+16699006833,,88691894625#,,,,*182549# US (San Jose)

Dial by your location

+1 669 900 6833 US (San Jose)

Meeting ID: 886 9189 4625

Passcode: 182549

Find your local number: <https://us06web.zoom.us/u/kbyQAbTp4H>

Procedures to make a public comment with Zoom Video/Conference – As a reminder, all participants except the Board Members and Staff are muted on entry.

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

OR

- (2) Using the Zoom App, at the bottom of your screen click on “Chat” and then type that you wish to make a comment into the Chat Box. Ensure that the “To:” field is populated by either “Everyone” or “the Moderator”. Begin by stating your name and place of residence.
- **From a phone:** Using your keypad, dial *9, and this will notify the Moderator that you have raised your hand. Begin by stating your name and place of residence. The Moderator will call on you by stating the last 4 digits of your phone number. If you wish to block your phone number dial *67 prior to dialing in. If your phone number is not displayed, the Moderator will call you by Caller number.

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

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

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

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

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

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

4) **SPECIAL ORDER OF BUSINESS**

Administration of Oath of Office to newly appointed Directors Chris Mickelsen and Robert Feldman (Directors were appointed in lieu of election because the Directors ran uncontested.)

5) **Consider and Reaffirm Resolution 2021-06 “Making Findings Pursuant to Assembly Bill 361 That the Proclaimed State of Emergency Continues to Impact the Ability to Meet Safely in Person”** ([attachment](#))

6) **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, 2022: Claims: \$ 836,688.50; Payroll: \$ 212,133.43 for a total of \$ 1,048,821.93 ([attachment](#))
November 2022 Monthly Financial Claims reviewed and approved by Director Coverdell
- B. Acceptance of Financial Reports ([attachment](#))
- C. Approval of Minutes of November 8, 2022, Regular Board of Directors Meeting ([attachment](#))
- D. Approval of Minutes of November 8, 2022, Special 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 November 2022 ([attachment](#))
- H. Leak/Flushing Report - November 2022 ([attachment](#))
- I. Monthly Rainfall Reports ([attachment](#))
- J. SFPUC Hydrological Conditions Report - October 2022 ([attachment](#))
- K. Notice of Completion - Replacement of 8-Inch Pipeline Under Pilarcitos Creek (Strawflower) Project ([attachment](#))
- L. Notice of Completion - Denniston Reservoir Maintenance Dredging Project for Year 2022 ([attachment](#))

7) **MEETINGS ATTENDED / DIRECTOR COMMENTS**

8) **GENERAL BUSINESS**

- A. Public Hearing to Consider Proposed Amendment to the Rate and Fee Schedule to Increase Water Rates and Water Shortage Rates Effective January 19, 2023 and Effective January 18, 2024 and Finding that the Amendment is Exempt from the California Environmental Quality Act ([attachment](#))

1. Presentations by Staff and Raftelis Financial Consultants, Inc.

2. Open Public Hearing

- Proposed Amendment to the Rate and Fee Schedule to Increase Water Rates and Water Shortage Rates up to 6% effective January 19, 2023 and up to 6% effective January 18, 2024

3. Close Public Hearing

4. Board Comments/Board Action

- Adoption of Resolution 2022-13 - A Resolution of the Board of Directors of Coastside County Water District Amending the Rate and Fee Schedule to Increase Water Service Rates and Water Shortage Rates and Finding that the Amendments are Exempt from the California Environmental Quality Act

B. Election of Coastside County Water District Board President and Vice President ([attachment](#))

C. Award of Contract to Casey Construction for the Installation of a Magnetic Flow Meter at Nunes Water Treatment Plant ([attachment](#))

9) MONTHLY INFORMATIONAL REPORTS

A. General Manager's Report ([attachment](#))

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

C. Water Resources Informational Report ([attachment](#))

10) DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS

11) ADJOURNMENT

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, General Manager

Agenda: December 13, 2022

Report

Date: December 9, 2022

Subject: Consider and Reaffirm Resolution 2021-06 “Making Findings Pursuant to Assembly Bill 361 That the Proclaimed State of Emergency Continues to Impact the Ability to Meet Safely in Person.”

Recommendation:

Reaffirm, by motion, Resolution 2021-06, making findings pursuant to Assembly Bill 361 that the proclaimed State of Emergency continues to impact the ability to meet safely in person.

Background:

On March 4, 2020, Governor Newsom declared a State of Emergency to exist in California as a result of the threat of COVID 19, and on March 17, 2020, the Governor issued Executive Order N-29-20 suspending certain provisions of the Ralph M. Brown Act relating to teleconferencing to allow legislative bodies to conduct meetings remotely to help protect the spread of COVID-19 and to protect the health and safety to the public. On June 11, 2021, the Governor issued Executive Order N-08-21 which specified that Executive Order N-29-20 remained in effect through September 30, 2021.

On September 16, 2021, the Governor signed Assembly Bill 361 (AB361) into law to allow legislative bodies to continue to meet remotely during a proclaimed State of Emergency after September 30, 2021.

On October 8, 2021, the Board of the Directors of the Coastside County Water District adopted Resolution 2021-06. Per AB361, the Board will need to consider and reaffirm the findings of Resolution 2021-06 monthly.

By reaffirming Resolution 2021-06, the Board has considered the circumstances of the proclaimed State of Emergency and finds that the State of Emergency continues to directly impact the ability of the members to meet safely in person, and state or local officials continue to impose or recommend measures to promote social distancing.

RESOLUTION NO. 2021-06

MAKING FINDINGS PURSUANT TO ASSEMBLY BILL 361 THAT THE PROCLAIMED STATE OF EMERGENCY CONTINUES TO IMPACT THE ABILITY TO MEET SAFELY IN PERSON

COASTSIDE COUNTY WATER DISTRICT

WHEREAS, on March 4, 2020, Governor Newsom declared a State of Emergency to exist in California as a result of the threat of COVID-19;

WHEREAS, on March 17, 2020, the Governor issued Executive Order N-29-20 suspending certain provisions of the Ralph M. Brown Act related to teleconferencing to allow legislative bodies to conduct meetings remotely to help protect against the spread of COVID-19 and to protect the health and safety of the public;

WHEREAS, on June 11, 2021, the Governor issued Executive Order N-08-21, which specified that Executive Order N-29-20 remains in effect through September 30, 2021, and then expires;

WHEREAS, on September 16, 2021, the Governor signed Assembly Bill 361 (AB 361) in to law, as urgency legislation that goes into effect immediately, that amends Government Code Section 54953 to allow legislative bodies to continue to meet remotely during a proclaimed state of emergency provided certain conditions are met and certain findings are made;

WHEREAS, on September 20, 2021, the Governor issued Executive Order N-15-21 that generally suspends the AB 361 amendments to Government Code Section 54953 until October 1, 2021, and therefore clarifying that Executive Order N-29-20 controls through the end of September 2021;

WHEREAS, the Governor's proclaimed State of Emergency remains in effect, and state and local officials, including the San Mateo County Health Officer, the California Department of Public Health, and the Department of Industrial Relations, have imposed or recommended measures to promote social distancing; and

WHEREAS, to help protect against the spread of COVID-19 and its variants, and to protect the health and safety of the public, the Board of Directors desires to take the actions necessary to comply with AB 361 and to continue to hold its Board and committee meetings remotely.

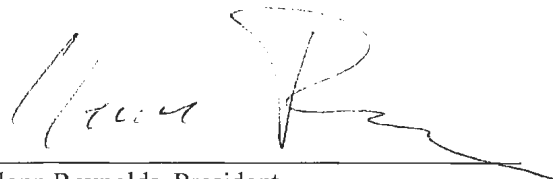
NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Coastside County Water District has considered the circumstances of the proclaimed State of Emergency, and finds that the State of Emergency continues to directly impact the ability of the members to meet safely in person, and state or local officials continue to impose or recommend measures to promote social distancing.

BE IT FURTHER RESOLVED that the District will comply with the requirements of Government Code Section 54953(e)(2) when holding Board and committee meetings pursuant to this Resolution.

BE IT FURTHER RESOLVED that the Board will consider the findings in this Resolution every 30 days and may, by motion, reaffirm these findings.

PASSED AND ADOPTED this 12th day of October, 2021, by the following vote:

AYES: President Reynolds, Vice-President Feldman, Directors Mickelsen, Coverdell and Muller



Glenn Reynolds, President
Board of Directors

ATTEST:



Mary Rogren, General Manager
Secretary of the Board of Directors

**COASTSIDE COUNTY WATER DISTRICT
CLAIMS FOR NOVEMBER 2022**

CHECKS			
CHECK DATE	CHECK NO.	VENDOR	AMOUNT
11/09/2022	31441	ANDREINI BROS. INC.	\$ 3,094.58
11/09/2022	31442	BAY ALARM COMPANY	\$ 555.43
11/09/2022	31443	COMCAST	\$ 273.52
11/09/2022	31444	JAMES COZZOLINO, TRUSTEE	\$ 200.00
11/09/2022	31445	DE LAGE LANDEN FINANCIAL SERVICES, INC.	\$ 968.87
11/09/2022	31446	EMPOWER RETIREMENT, LLC	\$ 1,269.19
11/09/2022	31447	HERC RENTALS, INC.	\$ 2,903.38
11/09/2022	31448	JAMES J. HENDERSON	\$ 75.00
11/09/2022	31449	MICROBIAL INSIGHTS, INC.	\$ 600.00
11/09/2022	31450	MISSION UNIFORM SERVICES INC.	\$ 136.41
11/09/2022	31451	JOSEPH I. NAPOLIELLO	\$ 5,750.00
11/09/2022	31452	PASTORINO HAY & RANCH SUPPLY, INC.	\$ 1,447.34
11/09/2022	31453	RAY A MORGAN COMPANY INC.	\$ 917.66
11/09/2022	31454	REPUBLIC SERVICES	\$ 590.06
11/09/2022	31455	ROGUE WEB WORKS, LLC	\$ 445.50
11/09/2022	31456	SILVER LINING SOLUTIONS, LLC	\$ 2,480.00
11/09/2022	31457	VALIC	\$ 3,906.00
11/09/2022	31458	VERIZON CONNECT INC.	\$ 258.30
11/15/2022	31459	UTAP PRINTING CO., INC.	\$ 1,400.00
11/17/2022	31460	ADP, INC.	\$ 788.10
11/17/2022	31461	HEALTH BENEFITS ACWA-JPIA	\$ 43,389.16
11/17/2022	31462	ACWA/JPIA	\$ 72,286.00
11/17/2022	31463	BADGER METER, INC.	\$ 379.17
11/17/2022	31464	BAY ALARM COMPANY	\$ 454.68
11/17/2022	31465	TITAN CHEMICAL TRANSFER SOLUTIONS, LLC	\$ 19,744.20
11/17/2022	31466	BORGES & MAHONEY, INC.	\$ 1,845.85
11/17/2022	31467	CALCON SYSTEMS, INC.	\$ 328.13
11/17/2022	31468	CALIFORNIA C.A.D. SOLUTIONS, INC	\$ 5,940.00
11/17/2022	31469	CHEMTRADE CHEMICALS US LLC	\$ 3,280.24
11/17/2022	31470	CORE & MAIN LP	\$ 15,920.22
11/17/2022	31471	DE LAGE LANDEN FINANCIAL SERVICES, INC.	\$ 968.87
11/17/2022	31472	FEDAK & BROWN LLP	\$ 4,500.00
11/17/2022	31473	FREYER & LAURETA, INC.	\$ 17,770.00
11/17/2022	31474	GOLDEN BAY CONSTRUCTION, INC.	\$ 58,779.46
11/17/2022	31475	GRAINGER, INC.	\$ 1,925.26
11/17/2022	31476	HACH CO., INC.	\$ 1,307.67
11/17/2022	31477	HMB BLDG. & GARDEN INC.	\$ 57.36
11/17/2022	31478	HANSONBRIDGETT. LLP	\$ 8,058.00
11/17/2022	31479	HASSETT HARDWARE	\$ 557.36
11/17/2022	31480	HDR ENGINEERING, INC	\$ 7,683.62
11/17/2022	31481	HUE & CRY, INC.	\$ 12.00
11/17/2022	31482	IRON MOUNTAIN	\$ 2,747.49
11/17/2022	31483	IRVINE CONSULTING SERVICES, INC.	\$ 7,431.16
11/17/2022	31484	JAIMON JOSE	\$ 90.13

11/17/2022	31485	ALEX MALAKI	\$	90.13
11/17/2022	31486	MONTEREY BAY ANALYTICAL SERVICES, INC.	\$	2,081.58
11/17/2022	31487	PACIFIC GAS & ELECTRIC CO.	\$	14,308.50
11/17/2022	31488	PAULO'S AUTO CARE	\$	874.32
11/17/2022	31489	FERGUSON ENTERPRISES, INC.	\$	60.98
11/17/2022	31490	SAN FRANCISCO WATER DEPT.	\$	240,813.32
11/17/2022	31491	SAN MATEO CTY PUBLIC HEALTH LAB	\$	1,110.00
11/17/2022	31492	SILVER LINING SOLUTIONS, LLC	\$	2,673.75
11/17/2022	31493	SMART SOURCE GRANDFLOW LLC	\$	911.56
11/17/2022	31494	STATE WATER RESOURCES CONTROL BD	\$	65.00
11/17/2022	31495	LISA SULZINGER	\$	193.21
11/17/2022	31496	TEAMSTERS LOCAL UNION #856	\$	1,549.00
11/17/2022	31497	TPX COMMUNICATIONS	\$	1,876.15
11/17/2022	31498	TRI COUNTIES BANK	\$	5,790.51
11/17/2022	31499	USA BLUE BOOK	\$	277.81
11/17/2022	31500	UTAP PRINTING CO., INC.	\$	5,013.36
11/17/2022	31501	US BANK NA	\$	3,276.23
11/17/2022	31502	JUAN CARLOS SALAZAR	\$	2,520.00
11/18/2022	31503	GOLDEN BAY CONSTRUCTION, INC.	\$	963.33
11/22/2022	31504	JAMES KELLIHER	\$	29.32
11/22/2022	31505	WEST VALLEY CONSTRUCTION COMPANY	\$	2,912.26
11/22/2022	31506	JIM CHENG JING HU - A-1 RHINO LININGS	\$	661.09
11/22/2022	31507	METER READINGS HOLDING, LLC	\$	6,676.25
11/22/2022	31508	ANALYTICAL ENVIRONMENTAL SERVICES	\$	927.50
11/22/2022	31509	ANDREINI BROS. INC.	\$	2,833.90
11/22/2022	31510	AT&T MOBILTY	\$	86.48
11/22/2022	31511	AT&T	\$	499.59
11/22/2022	31512	AT&T	\$	690.02
11/22/2022	31513	BALANCE HYDROLOGICS, INC	\$	10,032.39
11/22/2022	31514	BARTKIEWICZ, KRONICK & SHANAHAN	\$	1,669.38
11/22/2022	31515	BAY AREA AIR QUALITY MGMT DIST	\$	1,012.00
11/22/2022	31516	BAY ALARM COMPANY	\$	975.00
11/22/2022	31517	GINA BRAZIL	\$	520.21
11/22/2022	31518	CALCON SYSTEMS, INC.	\$	18,058.72
11/22/2022	31519	PETTY CASH	\$	50.00
11/22/2022	31520	CORE & MAIN LP	\$	430.82
11/22/2022	31521	D/B/A CUSTOM TRUCK CUSTOM TOPS, INC.	\$	2,627.84
11/22/2022	31522	DATAPROSE, LLC	\$	3,689.25
11/22/2022	31523	EKI INC.	\$	23,431.72
11/22/2022	31524	EMPOWER RETIREMENT, LLC	\$	1,269.19
11/22/2022	31525	HMB BLDG. & GARDEN INC.	\$	132.34
11/22/2022	31526	COASTSIDE NEWS GROUP, INC.	\$	5,611.00
11/22/2022	31527	KOFFLER ELECTRICAL MECHANICAL APPARATUS REPAIR	\$	953.75
11/22/2022	31528	MISSION UNIFORM SERVICES INC.	\$	60.33
11/22/2022	31529	MONTEREY BAY ANALYTICAL SERVICES, INC.	\$	1,083.00
11/22/2022	31530	OFFICE DEPOT	\$	332.12
11/22/2022	31531	PACIFICA COMMUNITY TV	\$	300.00
11/22/2022	31532	RAFTELIS FINANCIAL CONSULTANTS, INC.	\$	7,857.50
11/22/2022	31533	REDWOOD TRADING POST	\$	10,652.93

11/22/2022	31534	SERVICE PRESS	\$	441.00
11/22/2022	31535	STANDARD INSURANCE COMPANY	\$	602.79
11/22/2022	31536	STETSON ENGINEERS, INC.	\$	4,961.92
11/22/2022	31537	JAMES TETER	\$	480.00
11/22/2022	31538	TOWNE FORD	\$	34,476.47
11/22/2022	31539	UTAP PRINTING CO., INC.	\$	2,432.89
11/22/2022	31540	VALIC	\$	3,906.00
11/22/2022	31541	WATERSMART SOFTWARE, INC	\$	14,060.00
11/22/2022	31542	WIENHOFF & ASSOCIATES, INC.	\$	765.00
11/28/2022	31543	PACIFIC SURFACING, INC.	\$	2,717.95
11/28/2022	31544	545 MAIN AND CORNER LLC	\$	39.01
11/28/2022	31545	JACOB GOMES	\$	24.98
11/28/2022	31546	JIM SUTRO	\$	21.59
11/28/2022	31547	LEA MCMILLAN	\$	102.09
11/28/2022	31548	THOMAS CARL	\$	175.00
11/28/2022	31549	RICHARD BENNETT	\$	39.44
11/28/2022	31550	NANCY FOORD	\$	305.66
11/28/2022	31551	ANDREINI BROS. INC.	\$	20,742.25
11/28/2022	31552	BAY ALARM COMPANY	\$	703.47
11/28/2022	31553	PETTY CASH	\$	330.00
11/28/2022	31554	CORE & MAIN LP	\$	634.13
11/28/2022	31555	HACH CO., INC.	\$	9,000.00
11/28/2022	31556	MONTEREY BAY ANALYTICAL SERVICES, INC.	\$	678.00
11/28/2022	31557	PROJECT ENERGY SAVERS LLC	\$	1,930.48
11/28/2022	31558	VERIZON WIRELESS	\$	2,086.53
11/28/2022	31559	JUAN CARLOS SALAZAR	\$	2,240.00
11/29/2022	31560	GLENNA LOMBARDI	\$	91.00
		SUBTOTAL CLAIMS FOR MONTH	\$	798,017.66

WIRE PAYMENTS

11/09/2022	DFT0000435	PUB. EMP. RETIRE SYSTEM	\$	16,432.85
11/28/2022	DFT0000436	PUB. EMP. RETIRE SYSTEM	\$	16,614.49
11/30/2022		BANK AND CREDIT CARD FEES	\$	5,623.50
		SUBTOTAL WIRE PAYMENTS FOR MONTH	\$	38,670.84

TOTAL CLAIMS FOR THE MONTH \$ 836,688.50



Monthly Budget Report

Account Summary

For Fiscal: 2022-2023 Period Ending: 11/30/2022

	November Budget	November Activity	Variance Favorable (Unfavorable)	Percent Variance	YTD Budget	YTD Activity	Variance Favorable (Unfavorable)	Percent Variance	Total Budget	
Revenue										
RevType: 1 - Operating										
1-4120-00	Water Revenue	890,600.00	802,614.14	-87,985.86	-9.88 %	5,875,200.00	5,296,673.55	-578,526.45	-9.85 %	12,791,000.00
	Total RevType: 1 - Operating:	890,600.00	802,614.14	-87,985.86	-9.88 %	5,875,200.00	5,296,673.55	-578,526.45	-9.85 %	12,791,000.00
RevType: 2 - Non-Operating										
1-4170-00	Water Taken From Hydrants	4,000.00	5,408.75	1,408.75	35.22 %	20,000.00	34,661.71	14,661.71	73.31 %	48,000.00
1-4180-00	Late Notice - 10% Penalty	4,200.00	10,230.55	6,030.55	143.58 %	20,600.00	39,310.88	18,710.88	90.83 %	50,000.00
1-4230-00	Service Connections	1,000.00	-2,209.03	-3,209.03	-320.90 %	5,000.00	4,991.81	-8.19	-0.16 %	10,000.00
1-4920-00	Interest Earned	2,700.00	12,036.49	9,336.49	345.80 %	13,100.00	59,231.61	46,131.61	352.15 %	32,000.00
1-4930-00	Tax Apportionments/County Checks	80,000.00	90,527.06	10,527.06	13.16 %	80,000.00	94,035.99	14,035.99	17.54 %	950,000.00
1-4950-00	Miscellaneous Income	0.00	975.11	975.11	0.00 %	3,000.00	1,641.11	-1,358.89	-45.30 %	10,000.00
1-4955-00	Cell Site Lease Income	16,000.00	18,911.97	2,911.97	18.20 %	80,000.00	83,440.66	3,440.66	4.30 %	192,000.00
1-4965-00	ERAF Refund - County Taxes	0.00	0.00	0.00	0.00 %	250,000.00	298,227.24	48,227.24	19.29 %	500,000.00
	Total RevType: 2 - Non-Operating:	107,900.00	135,880.90	27,980.90	25.93 %	471,700.00	615,541.01	143,841.01	30.49 %	1,792,000.00
	Total Revenue:	998,500.00	938,495.04	-60,004.96	-6.01 %	6,346,900.00	5,912,214.56	-434,685.44	-6.85 %	14,583,000.00
Expense										
ExpType: 1 - Operating										
1-5130-00	Water Purchased	200,585.00	185,112.04	15,472.96	7.71 %	1,675,319.00	1,251,533.44	423,785.56	25.30 %	2,467,503.00
1-5230-00	Nunes T P Pump Expense	4,000.00	3,755.78	244.22	6.11 %	20,000.00	23,794.75	-3,794.75	-18.97 %	48,000.00
1-5231-00	CSP Pump Station Pump Expense	30,000.00	40,517.31	-10,517.31	-35.06 %	230,000.00	169,558.39	60,441.61	26.28 %	366,000.00
1-5232-00	Other Trans. & Dist Pump Expense	2,100.00	1,994.08	105.92	5.04 %	10,500.00	10,679.99	-179.99	-1.71 %	25,000.00
1-5233-00	Pilarcitos Canyon Pump Expense	10,000.00	6,948.45	3,051.55	30.52 %	12,800.00	8,890.64	3,909.36	30.54 %	64,000.00
1-5234-00	Denniston T P Pump Expense	3,000.00	5,252.41	-2,252.41	-75.08 %	8,000.00	36,477.49	-28,477.49	-355.97 %	77,000.00
1-5242-00	CSP Pump Station Operations	1,000.00	1,035.29	-35.29	-3.53 %	5,000.00	6,737.16	-1,737.16	-34.74 %	12,000.00
1-5243-00	CSP Pump Station Maintenance	3,000.00	3,077.32	-77.32	-2.58 %	15,000.00	5,190.39	9,809.61	65.40 %	35,000.00
1-5246-00	Nunes T P Operations - General	8,000.00	7,443.67	556.33	6.95 %	40,000.00	54,233.90	-14,233.90	-35.58 %	97,000.00
1-5247-00	Nunes T P Maintenance	10,000.00	3,019.12	6,980.88	69.81 %	49,000.00	25,436.01	23,563.99	48.09 %	119,000.00
1-5248-00	Denniston T P Operations-General	6,000.00	2,783.02	3,216.98	53.62 %	17,000.00	13,269.98	3,730.02	21.94 %	64,000.00
1-5249-00	Denniston T.P. Maintenance	7,000.00	39,666.43	-32,666.43	-466.66 %	63,000.00	93,211.00	-30,211.00	-47.95 %	140,000.00
1-5250-00	Laboratory Expenses	6,000.00	4,793.58	1,206.42	20.11 %	32,000.00	23,518.73	8,481.27	26.50 %	77,000.00
1-5260-00	Maintenance - General	32,000.00	10,518.27	21,481.73	67.13 %	156,000.00	154,862.63	1,137.37	0.73 %	380,000.00
1-5261-00	Maintenance - Well Fields	8,000.00	0.00	8,000.00	100.00 %	26,000.00	0.00	26,000.00	100.00 %	50,000.00
1-5263-00	Uniforms	5,000.00	10,652.93	-5,652.93	-113.06 %	5,000.00	11,268.05	-6,268.05	-125.36 %	12,000.00
1-5318-00	Studies/Surveys/Consulting	12,000.00	9,526.88	2,473.12	20.61 %	67,000.00	71,963.72	-4,963.72	-7.41 %	157,000.00
1-5321-00	Water Resources	2,200.00	1,092.05	1,107.95	50.36 %	11,300.00	3,096.42	8,203.58	72.60 %	26,700.00

Monthly Budget Report

For Fiscal: 2022-2023 Period Ending: 11/30/2022

		November Budget	November Activity	Variance Favorable (Unfavorable)	Percent Variance	YTD Budget	YTD Activity	Variance Favorable (Unfavorable)	Percent Variance	Total Budget
1-5322-00	Community Outreach	10,000.00	-907.04	10,907.04	109.07 %	34,000.00	18,336.70	15,663.30	46.07 %	68,000.00
1-5325-00	Water Shortage Program	0.00	0.00	0.00	0.00 %	30,000.00	3,829.00	26,171.00	87.24 %	50,000.00
1-5381-00	Legal	9,000.00	3,070.50	5,929.50	65.88 %	46,000.00	33,723.50	12,276.50	26.69 %	110,000.00
1-5382-00	Engineering	6,300.00	9,320.64	-3,020.64	-47.95 %	31,500.00	35,264.18	-3,764.18	-11.95 %	76,000.00
1-5383-00	Financial Services	0.00	500.00	-500.00	0.00 %	13,000.00	12,210.00	790.00	6.08 %	23,000.00
1-5384-00	Computer Services	25,000.00	32,837.16	-7,837.16	-31.35 %	125,000.00	111,858.87	13,141.13	10.51 %	309,025.00
1-5410-00	Salaries/Wages-Administration	107,683.00	101,542.17	6,140.83	5.70 %	523,729.00	452,841.36	70,887.64	13.54 %	1,267,717.00
1-5411-00	Salaries & Wages - Field	149,881.00	147,721.11	2,159.89	1.44 %	728,965.00	723,933.55	5,031.45	0.69 %	1,764,505.00
1-5420-00	Payroll Tax Expense	19,056.00	15,217.99	3,838.01	20.14 %	92,681.00	77,299.38	15,381.62	16.60 %	224,338.00
1-5435-00	Employee Medical Insurance	41,000.00	39,565.20	1,434.80	3.50 %	205,000.00	198,014.93	6,985.07	3.41 %	505,000.00
1-5436-00	Retiree Medical Insurance	4,200.00	4,125.26	74.74	1.78 %	20,900.00	20,128.53	771.47	3.69 %	52,000.00
1-5440-00	Employees Retirement Plan	51,008.00	46,604.41	4,403.59	8.63 %	248,086.00	242,591.09	5,494.91	2.21 %	600,506.00
1-5445-00	Supplemental Retirement 401a	0.00	0.00	0.00	0.00 %	0.00	0.00	0.00	0.00 %	36,000.00
1-5510-00	Motor Vehicle Expense	6,500.00	7,647.66	-1,147.66	-17.66 %	32,500.00	35,813.27	-3,313.27	-10.19 %	80,000.00
1-5620-00	Office & Billing Expenses	31,000.00	28,223.03	2,776.97	8.96 %	158,000.00	164,216.40	-6,216.40	-3.93 %	412,500.00
1-5625-00	Meetings / Training / Seminars	0.00	2,445.12	-2,445.12	0.00 %	19,000.00	24,103.70	-5,103.70	-26.86 %	41,000.00
1-5630-00	Insurance	13,000.00	14,247.66	-1,247.66	-9.60 %	62,000.00	61,496.72	503.28	0.81 %	161,000.00
1-5687-00	Membership, Dues, Subscript.	8,000.00	4,156.43	3,843.57	48.04 %	40,000.00	56,712.80	-16,712.80	-41.78 %	99,975.00
1-5688-00	Election Expenses	20,000.00	0.00	20,000.00	100.00 %	20,000.00	0.00	20,000.00	100.00 %	20,000.00
1-5689-00	Labor Relations	0.00	0.00	0.00	0.00 %	0.00	0.00	0.00	0.00 %	6,000.00
1-5700-00	San Mateo County Fees	2,000.00	2,813.17	-813.17	-40.66 %	11,000.00	11,476.19	-476.19	-4.33 %	31,400.00
1-5705-00	State Fees	1,000.00	1,012.00	-12.00	-1.20 %	4,000.00	1,578.00	2,422.00	60.55 %	42,000.00
	Total ExpType: 1 - Operating:	854,513.00	797,331.10	57,181.90	6.69 %	4,888,280.00	4,249,150.86	639,129.14	13.07 %	10,197,169.00
	ExpType: 4 - Capital Related									
1-5715-00	Debt Service/CIEDB 11-099	0.00	0.00	0.00	0.00 %	273,341.00	273,340.92	0.08	0.00 %	335,508.00
1-5716-00	Debt Service/CIEDB 2016	0.00	0.00	0.00	0.00 %	238,683.00	238,683.17	-0.17	0.00 %	322,417.00
1-5717-00	Chase Bank - 2018 Loan	0.00	0.00	0.00	0.00 %	382,128.00	382,127.53	0.47	0.00 %	436,027.00
1-5718-00	First Foundation Bank - 2022	0.00	0.00	0.00	0.00 %	420,517.00	420,517.07	-0.07	0.00 %	495,510.00
	Total ExpType: 4 - Capital Related:	0.00	0.00	0.00	0.00 %	1,314,669.00	1,314,668.69	0.31	0.00 %	1,589,462.00
	Total Expense:	854,513.00	797,331.10	57,181.90	6.69 %	6,202,949.00	5,563,819.55	639,129.45	10.30 %	11,786,631.00
	Report Total:	143,987.00	141,163.94	-2,823.06		143,951.00	348,395.01	204,444.01		2,796,369.00

**COASTSIDE COUNTY WATER DISTRICT
MONTHLY INVESTMENT REPORT
November 30, 2022**

<u>RESERVE BALANCES</u>	Current Year as of 11/30/2022	Prior Year as of 11/30/2021
CAPITAL AND OPERATING RESERVE	\$14,975,278.69	\$10,377,492.95
RATE STABILIZATION RESERVE	\$250,000.00	\$250,000.00
TOTAL DISTRICT RESERVES	\$15,225,278.69	\$10,627,492.95

ACCOUNT DETAIL

ACCOUNTS WITH TRI COUNTIES BANK		
CHECKING ACCOUNT	\$2,669,796.94	\$5,285,515.77
CSP T & S ACCOUNT	\$200,398.50	\$48,112.52
MONEY MARKET GEN. FUND (Opened 7/20/17)	\$2,019,797.26	\$19,450.00
LOCAL AGENCY INVESTMENT FUND (LAIF) BALANCE	\$10,334,485.99	\$5,273,614.66
DISTRICT CASH ON HAND	\$800.00	\$800.00
TOTAL ACCOUNT BALANCES	\$15,225,278.69	\$10,627,492.95

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

**COASTSIDE COUNTY WATER DISTRICT
CAPITAL IMPROVEMENT PROJECTS - STATUS REPORT
FISCAL YEAR 2022/2023**

11/30/2022

* Approved June 2022

Status	Approved* CIP Budget FY22/23	Actual To Date FY22/23	Projected FY22/23	Variance vs. Budget	% Completed	Project Status/ Comments
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Equipment Purchases & Replacement

06-03	SCADA/Telemetry/Electrical Controls Replacement	ongoing	\$ 50,000		\$ 50,000	\$ -	0%	
99-02	Vehicle Fleet Replacement	ongoing	\$ 40,000	\$ 34,476	\$ 34,476	\$ 5,524	100%	

Facilities & Maintenance

09-09	Fire Hydrant Replacement	ongoing	\$ 140,000		\$ 140,000	\$ -	0%	Board Approval - November 2022
	Pilarcitos Canyon Culvert Replacement	TBD	\$ 40,000		\$ 40,000	\$ -	0%	Likely June 2022
99-01	Meter Change Program	ongoing	\$ 10,000		\$ 10,000	\$ -	0%	

Pipeline Projects

20-08	Grandview Pipeline Replacement Project	Construction	\$ 1,650,000	\$ 1,013,608	\$ 1,650,000	\$ -	61%	Construction scheduled for completion in December 2022
13-02	Pipeline Replacement Under Creek at Pilarcitos Ave/Strawflower	Construction	\$ 400,000	\$ 368,810	\$ 400,000	\$ -	95%	Completed September 2022
14-01	Highway 92 - Replacement of Welded Steel Line	In design	\$ 700,000	\$ 14,941	\$ 150,000	\$ 550,000	0%	Moved construction to FY2023/24

Pump Stations / Tanks / Wells

21-07	Carter Hill Tank Improvement Project	In design	\$ 200,000	\$ 49,527	\$ 200,000	\$ -	0%	At 100% design
09-18	Denniston Well Field Replacements	TBD	\$ 500,000		\$ 100,000	\$ 400,000	0%	Consulting work in 2022-23; construction pushed to 2023-2024
23-03	CSP Fire Sprinklers	TBD	\$ 150,000		\$ 150,000	\$ -	0%	
19-05	Tanks - THM Control	Ongoing	\$ 50,000		\$ 50,000	\$ -	0%	

Water Supply Development

14-25	San Vicente/Denniston Water Supply Development	ongoing	\$ 300,000	\$ 70,482	\$ 300,000	\$ -	n/a	
17-12	Recycled Water Project Development	ongoing	\$ 100,000		\$ 100,000	\$ -	n/a	

Water Treatment Plants

20-14	Nunes Water Treatment Plant Improvement Project	Construction	\$ 3,500,000	\$ 509,246	\$ 2,750,000	\$ 750,000	53%	Construction started August 2021; To be completed in FY 2023/2024; moved \$750M to FY2023/2024 given construction delays
23-05	Sodium Hypochlorite Generator Replacement (Nunes)	TBD	\$ 200,000		\$ 200,000		0%	
23-09	Denniston Contact Clarifier Hatch Replacements	TBD	\$ 75,000	\$ 9,913	\$ 75,000		0%	

UNSCHEDULED/NEW CIP ITEMS FOR CURRENT FISCAL YEAR 2021/2022

23-08	Nunes Magnetic Meter Project	in process		\$ 84,961	\$ 150,000	\$ (150,000)	57%	Planned for FY2023-24 - moved up to FY2022/23
	CSP Screens/Valves - Project TBD	TBD			\$ 250,000			
NN-00	Unscheduled CIP		\$ 100,000		\$ 100,000	\$ -	0%	

Poplar Avenue Pipeline Replacement

\$ 400,000 \$ (400,000)

Move up Poplar Ave Pipeline Replacement to FY2022/2023 due to City project

COASTSIDE COUNTY WATER DISTRICT
 CAPITAL IMPROVEMENT PROJECTS - STATUS REPORT
 FISCAL YEAR 2022/2023

11/30/2022

* Approved June 2022

Status	Approved* CIP Budget FY22/23	Actual To Date FY22/23	Projected FY22/23	Variance vs. Budget	% Completed	Project Status/ Comments
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NEW FY2022/2023 CIP TOTAL	\$ 8,205,000	\$ 2,155,965	\$ 7,299,476	\$ 1,155,524		
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FY2021/2022 CIP Carryover Projects

22-01	Miramontes Point Road Water Main Replacement	in design	\$ -	\$ 22,903	\$ 40,000	\$ (40,000)	n/a	
22-05	ACCELA Planning Software	in process	\$ -	\$ 10,734	\$ 20,000	\$ (20,000)	80%	
22-06	CSP Pump #2 Replacement (2022)	in process	\$ -	\$ 82,687	\$ 82,687	\$ (82,687)	80%	
22-07	Alameda Ave Crossing at Medio Creek Pipeline Replacement	pre-design	\$ -	\$ 11,423	\$ 400,000	\$ (400,000)	n/a	Move up construction from FY24 to FY23
22-08	WIMS Software Implementation	in process	\$ -	\$ 16,200	\$ 40,000	\$ (40,000)	40%	
71-2112	Nunes Fuel Tank Replacement	completed	\$ -	\$ 5,140	\$ 5,140	\$ (5,140)	100%	Completed in FY2022-funded by CalOES

FY2021/2022 CARRYOVER PROJECTS	\$ -	\$ 149,086	\$ 587,827	\$ (587,827)		
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Green = approved by the Board/in process

TOTAL - FY 2022/2023 CIP + PRIOR YEAR CARRYOVER	\$ 8,205,000	\$ 2,305,051	\$ 7,887,304	\$ 567,696		
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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	Recycled Water	Transfer Program	CIP	LABOR & EMPLOYMENT	Election (CVRA)	Litigation	Infrastructure Project Review (Reimbursable)	TOTAL
Nov-21	9,818			943	1,739					12,500
Dec-22	5,582			755						6,337
Jan-22	13,699					1,375			751	15,825
Feb-22	15,073				4,810		237			20,120
Mar-22	9,260				1,545					10,804
Apr-22	6,554		3,081	1,185	1,140	3,081				15,040
May-22	4,986	1,580	474		295	6,597				13,932
Jun-22	18,524	2,528								21,052
Jul-22	6,666									6,666
Aug-22	9,090	3,753		706						13,548
Sep-22	4,898	553		919						6,370
Oct-22	7,071	988								8,058
TOTAL	111,218	9,401	3,555	4,506	9,528	11,053	237	0	751	150,248

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

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

Month	Admin & Retainer	CIP	Studies and Non - CIP Project	TOTAL	Reimbursable from Projects
Dec-21	480		3,211	3,691	3,211
Jan-22	480	507	507	1,494	507
Feb-22	480	456		936	
Mar-22	480		1,014	1,494	1,014
Apr-22	480		1,859	2,339	1,859
May-22	480		2,366	2,846	2,366
Jun-22	480		1,268	1,748	1,268
Jul-22	480		1,690	2,170	1,690
Aug-22	480		5,714	6,194	5,714
Sep-22	480			480	
Oct-22	480			480	
Nov-22	480			480	
TOTAL	5,760	963	17,629	24,351	17,629

Calcon T&M Projects Tracking

11/30/2022

Project No.	Name	Status	Proposal Date	Approved Date	Project Budget	Project Actual thru 6/30/22	Project Billings FY2022-2023
FY 2021-2022 Open Projects:							
	Crystal Springs Solar System Backup			12/20/2021		\$18,739.00	
	Nunes Tank Radio Solar Backup			12/20/2021		\$19,927.00	
	Denniston CC Junction Box				\$9,558.00		\$ 9,558.00
					Open Projects - Subtotal	<u>\$38,666.00</u>	<u>\$9,558.00</u>
Other: Monthly Maintenance							
	Tanks						
	Crystal Springs Maintenance						
						\$ 4,949.72	\$ 4,949.72
	Nunes Maintenance						
						\$ 7,930.29	\$ 7,930.29
	Denniston Maintenance						
	Distribution System						
						\$ 24,681.40	\$ 24,681.40
	Wells						
	Cellular Telemetry						
						\$ 1,312.52	\$ 1,312.52
						<u>Subtotal Maintenance</u>	<u>\$ 38,873.93</u>
						FINAL TOTAL FY 2022/2023	<u><u>\$48,431.93</u></u>

EKI Environment & Water
Engineering Services Billed FY 2020-2021 to FY 2021-2023
Billed through 11/30/2022

	Contract Date	Not to Exceed Budget	Status	FY2020-2021	FY2021-2022	FY2022-2023
CIP Project Management						
Fiscal Year 2019-2020	7.29.2019	\$ 180,000.00	Complete	\$ 1,138.80		
Fiscal Year 2020-2021	8.13.2020	\$ 100,000.00	Complete	\$ 66,805.44	\$ 33,162.48	
Fiscal Year 2021-2022 - Non-Complex Main line Extension Services	10.15.2021	\$ 25,000.00	Open		\$ 10,301.46	\$ 2,649.40
Fiscal Year 2021-2022 - Drought Relief Grant Application	12.2021		Complete		\$ 21,074.82	
Fiscal Year 2022-2023	4.20.2022	\$ 117,000.00	Open		\$ 5,453.76	\$ 28,058.62
Sub Total - CIP Project Management Services		\$ 422,000.00		\$ 67,944.24	\$ 69,992.52	\$ 30,708.02

Denniston Culvert Replacement-Engineering Services during Construction	18-13	7.8.2020	\$ 48,800.00	Complete	\$ 47,647.17		
Pine Willow Oak Water Main Replacement Project	18-01	7.29.2019	\$ 69,700.00	Complete	\$ 4,991.74		
Grandview/Silver/Terrace/Spindrift Under Hwy 1 PreDesign	20-08	10.15.2019	\$ 59,600.00	Complete	\$ 40,597.27		
Grandview Water Main Replacement Project (Design, Bid Support, construction support)	20-08	7.29.2019	\$ 56,100.00	Open	\$ 5,144.36		
Grandview Crossing at Hwy 1	20-08	2.9.2021	\$ 156,500.00	Open	\$ 73,285.99	\$ 37,244.28	\$ 27,894.45
Grandview Crossing at Hwy 1 - Construction Management Services	20-08	9.16.2022	\$ 132,800.00	Open			\$ 574.08
Pilarcitos Creek Crossing Water Main Replacement Preliminary Design	13-02	8.27.2019	\$ 104,600.00	Complete	\$ 1,226.50		
Pilarcitos Creek Crossing Water Main Replacement Design	13-02	7.14.2020	\$ 99,900.00	Complete	\$ 40,191.58	\$ 31,454.78	\$ 27,449.76
Pilarcitos Creek Crossing Water Main Replacement Field Surveys/Land Descriptions	13-02		\$ 28,600.00	Complete		\$ 20,059.82	
Pilarcitos Creek Crossing Water Main Replacement-Engineering Services during construction	13-02	9.13.2022	\$ 132,800.00	Open			\$ 4,681.04
Highway 92 Potable Water Pipeline Replacement Project Design	14-01	7.2.2021	\$ 24,800.00	Open		\$ 18,139.94	\$ 720.98
Miramontes Point Road Water Main Replacement	22-01	7.14.2021	\$ 116,800.00	Open		\$ 92,356.96	\$ 33,926.62
Purisima Way Water Main Replacement	14-29	10.18.2021	\$ 20,400.00	Complete		\$ 19,840.91	
Medio Crossing - Alternatives Evaluation for Pipeline Replacement	22-07	4.25.2022	\$ 21,900.00	Open		\$ 8,410.48	\$ 12,294.62
Poplar Street Water Main Replacement Project	23-02	10.3.2022	\$ 29,200.00	Open			\$ 2,465.00

Total - All Services

\$ 281,028.85 \$ 297,499.69 \$ 140,714.57

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

Tuesday, November 8, 2022

Due to the Covid-19 pandemic, and in accordance with Assembly Bill 361, which modifies California Government Code Section 54953, the meeting was conducted by hybrid format offering the option of participating in person, zoom video conference, or by teleconference.

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

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

Also present: Mary Rogren, General Manager, Patrick Miyaki, Legal Counsel; James Derbin, Superintendent of Operations; Cathleen Brennan, Water Resources Analyst; Gina Brazil, Office Manager; Nancy Trujillo, Accounting Manager; and Lisa Sulzinger, Administrative Analyst.

- 2) **PLEDGE OF ALLEGIANCE**
- 3) **PUBLIC COMMENT** - There were no public comments
- 4) **Consider and Reaffirm Resolution 2021-06 "Making Findings Pursuant to Assembly Bill 361 That the Proclaimed State of Emergency Continues to Impact the Ability to Meet Safely in Person"**

Ms. Rogren summarized Governor Newsom's Executive Order dated back on March 4, 2020, that declared a State of Emergency to exist in California because of the threat of COVID 19. The Executive Order N-29-20 suspended certain provisions of the Ralph M. Brown Act relating to teleconferencing to allow legislative bodies to conduct meetings remotely to help protect the spread of COVID-19 and to protect the health and safety

of the public. On June 11, 2021, the Governor issued Executive Order N-08-21 which specified that Executive Order N-29-20 remain in effect through September 30, 2021.

On September 16, 2021, the Governor signed Assembly Bill (AB361) into law to allow legislative bodies to continue to meet remotely during a proclaimed State of Emergency after September 30, 2021. On October 8, 2021, the Board adopted Resolution 2021-06. Per AB361, the Board will need to consider and reaffirm the findings of Resolution 2021-06 monthly proclaiming that the State of Emergency continues to impact the ability of members to meet safely in person, and state or local officials continue to impose or recommend measures to promote social distancing.

ON MOTION BY Director Reynolds and seconded by Director Mickelsen, the Board voted by roll call vote to reaffirm Resolution 2021-06 “Making Findings Pursuant to Assembly Bill 361 That the Proclaimed State of Emergency Continues to Impact the Ability to Meet Safely in Person”:

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

5) CONSENT CALENDAR

- A. Approval of disbursements for the month ending October 31, 2022:
Claims: \$ 774,560.40; Payroll: \$ 205,643.98 for a total of \$ 980,204.38
October 2022 Monthly Financial Claims reviewed and approved by Director Mickelsen
- B. Acceptance of Financial Reports
- C. Approval of Minutes of October 11, 2022, Regular Board of Directors Meeting
- D. Installed Water Connection Capacity and Water Meters Report
- E. Total CCWD Production Report
- F. CCWD Monthly Sales by Category Report October 2022
- G. Leak/Flushing Report – October 2022
- H. Monthly Rainfall Reports
- I. SFPUC Hydrological Conditions Report – September 2022
- J. Approval for Vice-President Muller to attend the Association of California Water Agencies (ACWA) Fall Conference in Indian Wells November 29-December 1, 2022

Director Mickelsen stated he had reviewed the monthly financial claims and found all to be in order.

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

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

6) **MEETINGS ATTENDED / DIRECTOR COMMENTS**

There were no meetings reported.

7) **GENERAL BUSINESS**

A. Review the District's Financial Model and Proposed Water Service Rate Adjustments and Water Shortage Rate Adjustments to be Effective January 19, 2023 and January 18, 2024

Ms. Rogren summarized the District's financial model and proposed Water Service Rate Adjustments and Water Shortage Rate Adjustments to be effective January 19, 2023 and January 18, 2024. The Public Notice was sent out on October 27, 2022 and the Public Hearing will be held on Tuesday, December 13, 2022 at 7:00 p.m. during the regular Board of Directors' Meeting.

B. Capital Improvement Program Update

Ms. Rogren summarized the key highlights for Fiscal Year 2022-2023 through October 2022.

- Completion of the water line replacement under Pilarcitos Creek from Strawflower to Pilarcitos/Oak Avenue.
- Began construction of Grandview neighborhood pipeline replacement project.
- Continued work on Nunes Water Treatment Improvement Project.
- Pipeline projects in design: Miramontes Point Road water main replacement; Highway 92 water main replacement; Alameda Ave crossing at Medio Creek; Poplar Avenue pipeline replacement.
- Carter Hill Tank Replacement Project at 100% design.

C. Purchase of 20 Clow Hydrants from Core & Main

The District's Capital Improvement Program includes \$140,000 per year for dry barrel hydrant replacement through FY 31/32. Staff received informal bids from three vendors, and Core & Main provided the lowest pricing. The 20 clow wet barrel hydrants will cost \$102,771.16.

ON MOTION BY Director Reynolds and seconded by Vice President Muller, the Board voted by roll call vote to waive the sealed competitive bid requirement and authorize the General Manager to purchase 20 Clow 2065 model bronze wet barrel hydrants for \$102,771.16 from Core & Main.

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

D. Consider Resolution 2022-12 Authorizing the Grant Application, Acceptance, and Execution of the Financial Assistance Agreement for the Coastside County Water District Carter Hill Tank Project

Ms. Rogren reported that the District has engaged EKI, Environment and Water, Inc. to prepare a grant application to the California Department of Water Resources for the Carter Hill Tank Project. The application requires that the Board approve a resolution authorizing the grant application, acceptance, and execution of the Financial Assistance Agreement.

ON MOTION BY Director Coverdell and seconded by Director Reynolds, the Board voted by roll call vote to approve Resolution 2022-12 authorizing the grant application, acceptance, and execution of the Financial Assistance Agreement with the California Department of Water Resources for the Coastside County Water District Carter Hill Tank Project

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

8) MONTHLY INFORMATIONAL REPORTS

A. General Manager's Report

Ms. Rogren reported that the District is being recognized by ACWA (Association of California Water Agencies) in Region 5 for being an Outreach award winner.

B. Superintendent of Operations Report

Mr. Derbin summarized the Operation Highlights for the month of October 2022.

C. Water Resources Informational Report

Ms. Brennan summarized the water shortage outreach activities for the month of October. Ms. Brennan also reported that the State Water Resources Control Board adopted new Water Loss Performance Standards Regulations on October 19, 2022. Staff is currently reviewing the regulations and is in discussions with the District's water loss control consultants on a compliance strategy.

9) DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS

There were no requests for future agenda items.

10) ADJOURNMENT - Board Meeting Adjourned at 8:04 p.m.

Mary Rogren, General Manager
Secretary to the District

Robert Feldman, President
Board of Directors

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

Tuesday, November 8, 2022

Due to the Covid-19 pandemic, and in accordance with Assembly Bill 361, which modifies California Government Code Section 54953, the meeting was conducted by hybrid format offering the option of participating in person, zoom video conference, or by teleconference.

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

1) ROLL CALL --President Feldman called the meeting to order at 6:00 p.m. Present at roll call Vice-President Muller, Directors Ken Coverdell, Chris Mickelsen, and Glenn Reynolds.

Also present: Mary Rogren, General Manager, and Patrick Miyaki, Legal Counsel

1) PUBLIC COMMENT - There were no public comments.

2) CLOSED SESSION

Pursuant to California Government Code Section 54956.9(d)(2)
Conference with Legal Counsel - Anticipated Litigation
Significant Exposure to Litigation
One Potential Case.

3) RECONVENE TO OPEN SESSION

The meeting reconvened to open session at 6:52 p.m. Public Report of closed session action - No Action Taken

4) ADJOURNMENT - The Special Meeting was adjourned at 6:53 p.m.

Respectfully submitted,

Mary Rogren, General Manager
Secretary to the District

Robert Feldman, President
Board of Directors

TOTAL CCWD PRODUCTION (MG) ALL SOURCES- FY 2023

	CCWD Sources			SFPUC Sources		RAW WATER TOTAL	UNMETERED WATER	TREATED TOTAL
	DENNISTON WELLS	DENNISTON RESERVOIR	PILARCITOS WELLS	PILARCITOS LAKE	CRYSTAL SPRINGS RESERVOIR			
JUL	1.92	6.25	0.00	39.07	0.42	47.66	2.63	45.03
AUG	1.70	5.45	0.00	38.23	8.94	54.32	2.90	51.42
SEPT	1.65	5.86	0.00	15.86	27.69	51.06	2.62	48.44
OCT	0.57	3.62	0.00	37.14	3.13	44.46	2.22	42.24
NOV	0.54	13.55	7.66	11.91	2.57	36.23	3.04	33.19
DEC								
JAN								
FEB								
MAR								
APR								
MAY								
JUN								
TOTAL	6.38	34.73	7.66	142.21	42.75	233.73	13.41	220.32
% MONTHLY TOTAL	3.2%	37.4%	21.1%	32.9%	7.1%	100.0%	8.4%	91.6%
% ANNUAL TO DATE TOTAL	2.7%	14.9%	3.3%	60.8%	18.3%	100.0%	5.7%	94.3%

CCWD vs SFPUC- month 61.8%

CCWD vs SFPUC- annual 20.9%

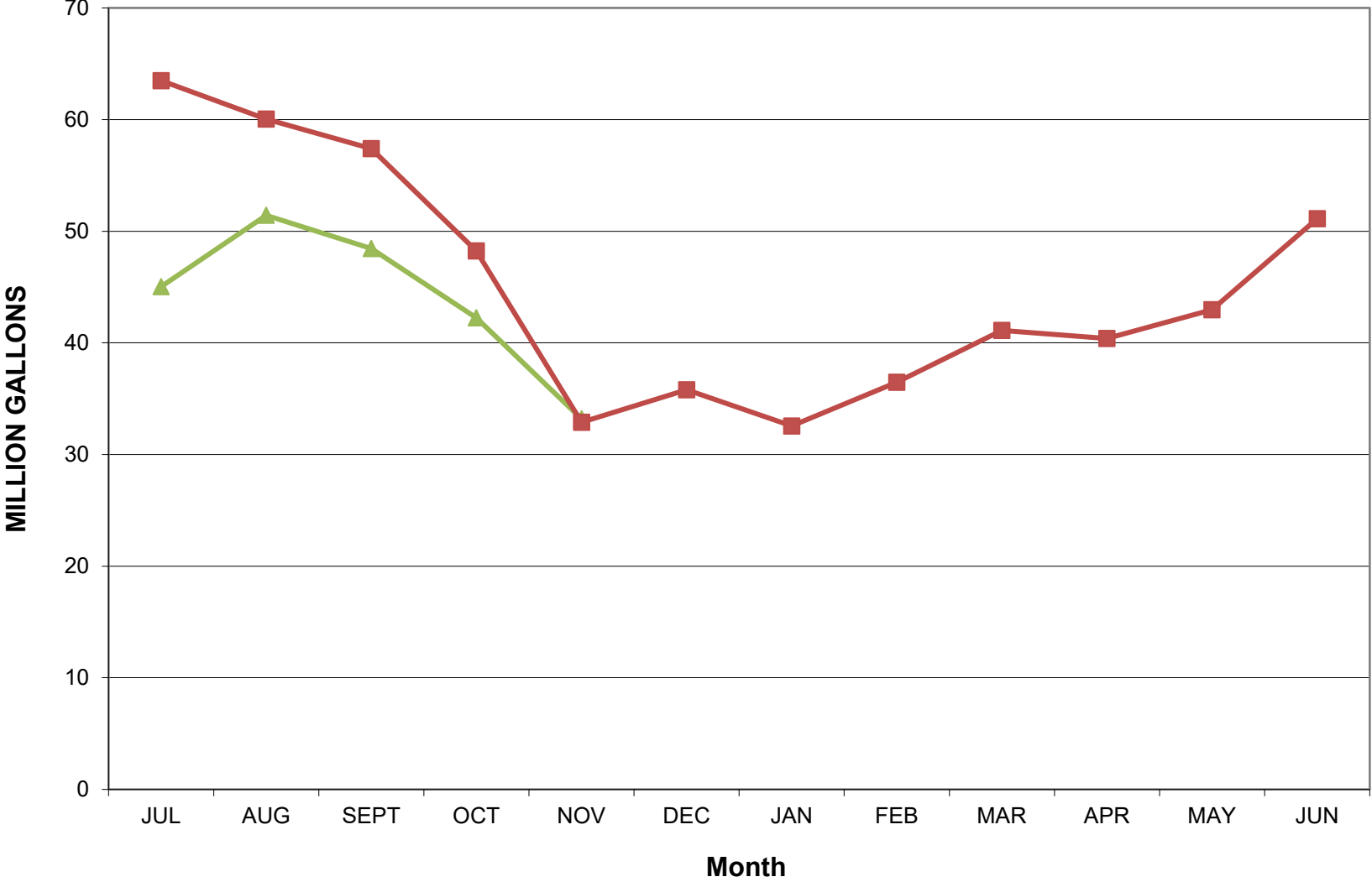
12 Month Running Treated Total

473.57

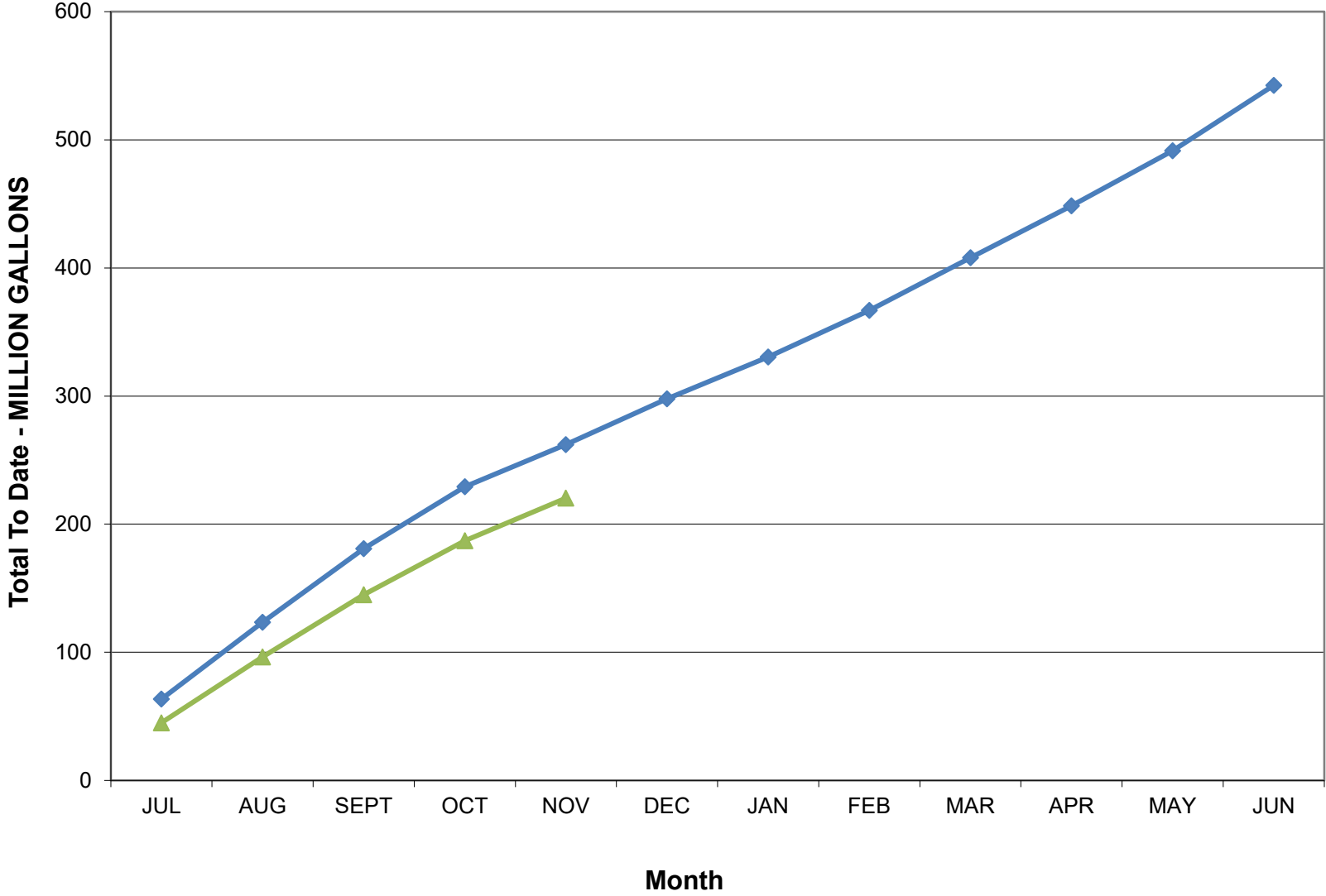
TOTAL CCWD PRODUCTION (MG) ALL SOURCES- FY 2022

	CCWD Sources			SFPUC Sources		RAW WATER TOTAL	UNMETERED WATER	TREATED TOTAL
	DENNISTON WELLS	DENNISTON RESERVOIR	PILARCITOS WELLS	PILARCITOS LAKE	CRYSTAL SPRINGS RESERVOIR			
JUL	0.00	0.00	0.00	0.00	65.93	65.93	2.44	63.49
AUG	0.00	0.00	0.00	0.00	61.90	61.90	1.86	60.04
SEPT	0.00	0.00	0.00	0.00	59.74	59.74	2.34	57.40
OCT	0.53	1.57	0.00	3.69	44.32	50.11	1.87	48.24
NOV	1.62	17.20	9.78	0.00	7.87	36.47	3.58	32.89
DEC	0.69	5.75	21.2	0.00	10.80	38.44	2.64	35.80
JAN	0.00	7.62	24.44	0.00	3.16	35.22	2.66	32.56
FEB	0.00	14.10	21.88	0.00	3.63	39.61	3.13	36.48
MAR	0.00	14.97	24.71	0.00	5.16	44.84	3.72	41.12
APR	2.33	23.27	0.00	9.22	9.25	44.07	3.68	40.39
MAY	2.15	19.30	0.00	22.75	2.61	46.81	3.84	42.97
JUN	1.91	12.20	0.00	35.05	5.04	54.20	3.08	51.12
TOTAL	9.23	115.98	102.01	70.71	279.41	577.34	34.84	542.50
% TOTAL	1.6%	20.1%	17.7%	12.2%	48.4%	100.0%	6.0%	94.0%

Monthly Production FY 22 vs FY 23



Cumulative Production FY22 vs FY23



MONTH Nov-22						
Coastside County Water District Monthly Discharge Report						
EMERGENCY MAIN AND SERVICE REPAIRS						
	Date Reported Discovered	Date Repaired	Location	Pipe Class	Pipe Size & Type	Estimated Water Loss (MG)
1	11/10/2022	11/10/2022	134 Cypress Point Road	Main	8" CI	0.015
2	11/14/2022	11/14/2022	2265 S. Cabrillo Hwy	Service	2" Poly	0.007
3	11/21/2022	11/29/2022	326 Valdez Ave	Main	6" CI	0.003
4						
5						
6						
7						
8						
Totals						0.025

OTHER DISCHARGES	
Total Volumes (MG)	
Flushing Program	0.005
Reservoir Cleaning	
Automatic Blowoffs	0.238
Dewatering Operations	
Other (includes flow	0.000
DISCHARGES GRAND TOTAL (MG)	
0.243	

Coastside County Water District
 766 Main Street
 July 2022 - June 2023

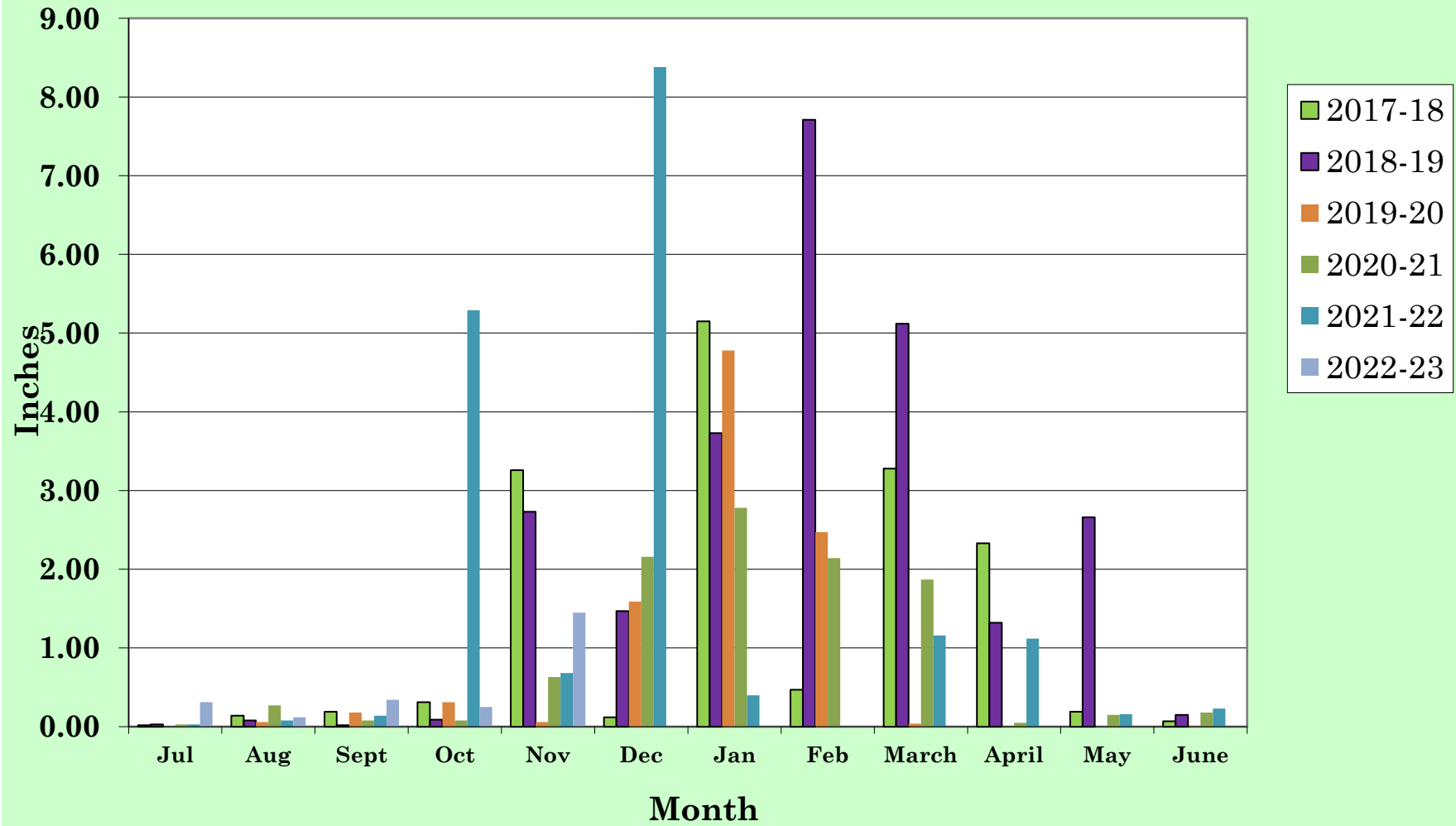
Nunes
 Rainfall in Inches

	2022					2023						
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
1	0.02	0.01	0	0.01	0.34							
2	0.05	0	0	0	0.02							
3	0.02	0	0	0	0							
4	0	0	0	0	0							
5	0.02	0	0	0	0.2							
6	0.04	0	0	0.01	0.06							
7	0.01	0	0	0.01	0.07							
8	0	0	0	0.01	0.72							
9	0	0	0	0.02	0.04							
10	0.01	0	0	0	0							
11	0	0	0	0.01	0							
12	0.01	0	0	0	0							
13	0	0	0	0	0							
14	0	0	0	0.01	0							
15	0	0	0	0	0							
16	0.01	0	0	0	0							
17	0	0.01	0	0	0							
18	0	0	0.12	0	0							
19	0	0.01	0	0	0							
20	0	0	0	0	0							
21	0	0	0.2	0	0							
22	0	0	0	0.16	0							
23	0	0.02	0	0	0							
24	0.01	0.02	0	0	0							
25	0.01	0.02	0	0	0							
26	0	0.01	0	0	0							
27	0.01	0.02	0	0	0							
28	0.02	0	0	0	0							
29	0.03	0	0	0	0							
30	0.03	0	0	0.01	0							
31	0.01	0		0								
Mon. Total	0.31	0.12	0.34	0.25	1.45							
Year Total	0.31	0.43	0.77	1.02	2.47							

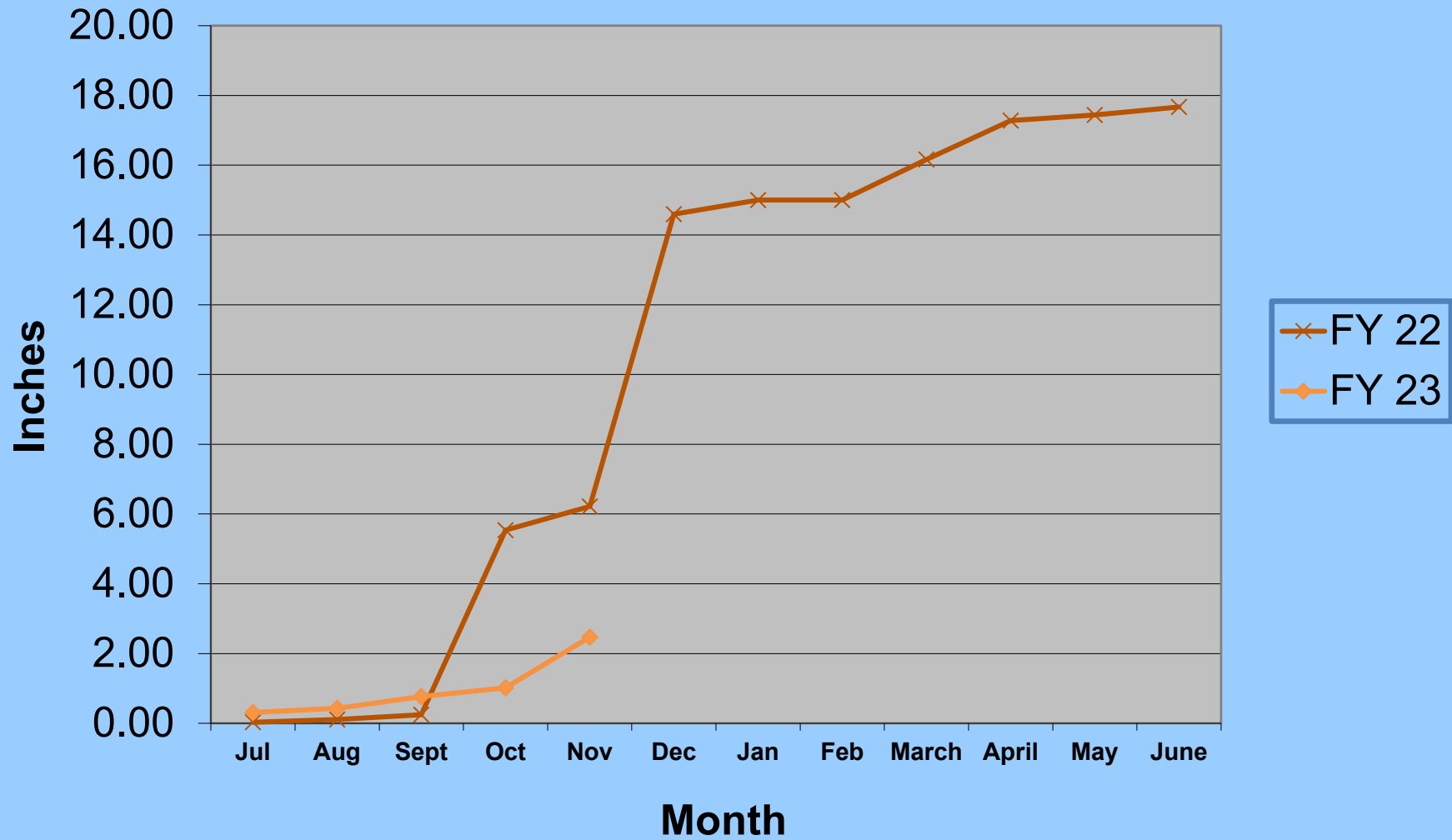
Coastside County Water District

Rainfall by Month

Fiscal Years 18 - 23

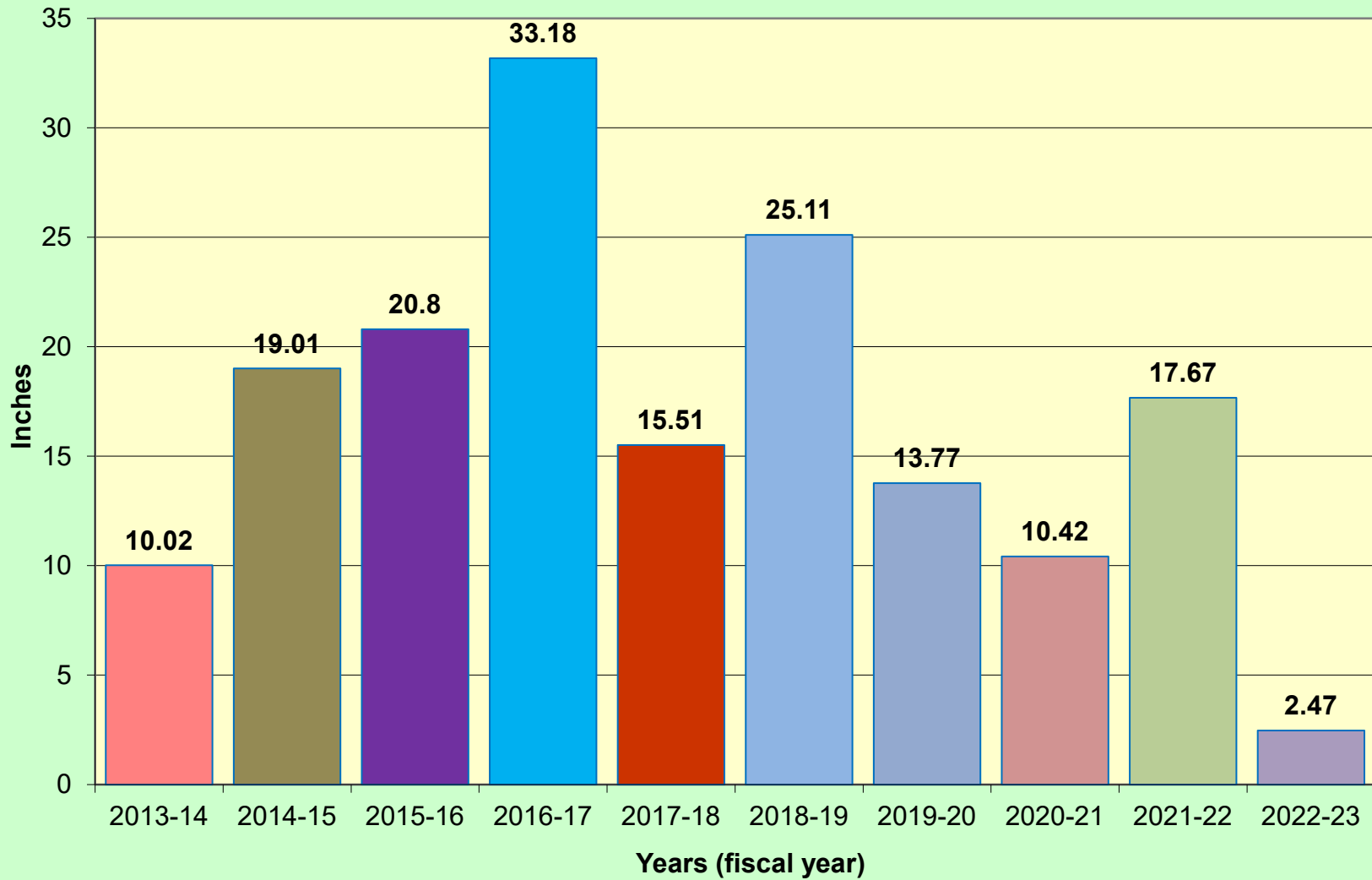


Rainfall Total Comparison Fiscal Years 22-23



Rain Totals

Fiscal Years 14 - 23



San Francisco Public Utilities Commission Hydrological Conditions Report October 2022

J. Chester, C. Graham, N. Waelty, November 16, 2022



The Upper Cherry Creek Stream Gauge measures flow and temperature of water entering Cherry Lake Reservoir (<https://cdec.water.ca.gov/webgis/?appid=cdecstation&sta=UCC>). This gauge is operated by the San Francisco Public Utilities Commission, Hetch Hetchy Water and Power (HHWP) Division under a special use permit with the US Forest Service. The October 24, 2021 atmospheric river event wrecked the previous probe mount. HHWP plumbing staff, with the assistance of Watershed Keepers and Water and Power Planning staff, were able to rehabilitate the site in the fall of 2022. The data gathered at this location is instrumental in planning for dam safety and water supply.

System Storage

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

Table 1 Current System Storage as of November 1, 2022							
	Current Storage		Maximum Storage		Available Capacity		Percentage of Maximum Storage
	acre-feet	millions of gallons	acre-feet	millions of gallons	acre-feet	millions of gallons	
Tuolumne System							
Hetch Hetchy Reservoir ¹	261,680		340,830		79,150		77%
Cherry Reservoir ²	241,967		268,800		26,833		90%
Lake Eleanor ³	17,886		21,495		3,609		83%
Water Bank	256,877		570,000		313,123		45%
Tuolumne Storage	778,410		1,201,125		422,715		65%
Local Bay Area Storage							
Calaveras Reservoir	56,943	18,555	96,824	31,550	39,880	12,995	59%
San Antonio Reservoir	40,158	13,086	52,506	17,109	12,348	4,024	77%
Crystal Springs Reservoir	52,045	16,959	58,377	19,022	6,332	2,063	89%
San Andreas Reservoir	16,968	5,529	18,996	6,190	2,029	661	89%
Pilarcitos Reservoir	2,171	707	2,995	976	824	268	73%
Total Local Storage	168,285	54,836	229,697	74,847	61,413	20,011	73%
Total System	946,695		1,430,822		484,128		66%

¹ Maximum Hetch Hetchy Reservoir storage with drum gates deactivated.

² Maximum Cherry Reservoir storage with flash-boards removed.

³ Maximum Lake Eleanor storage with flash-boards removed.

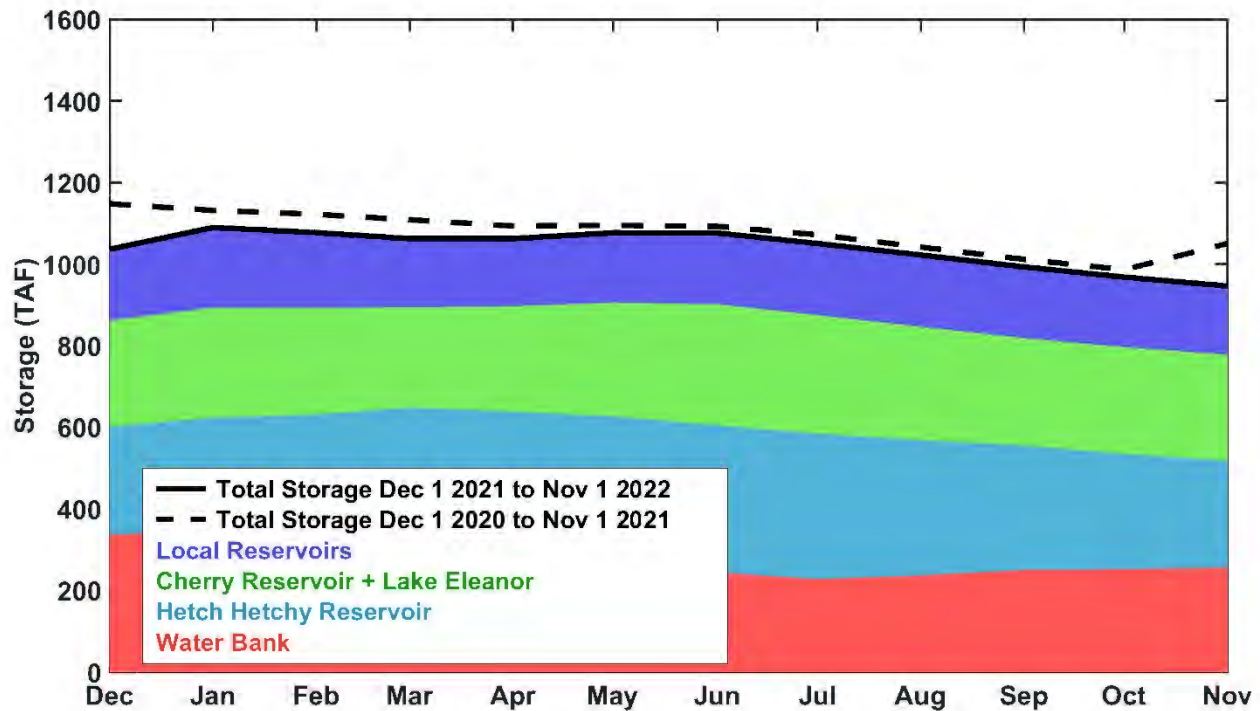


Figure 1: System storage for past 12 months. Color bands show contributions to total system storage. Solid black line shows total system storage for the past 12 months. Dashed black line shows total system storage the previous 12 months.

Hetch Hetchy System Precipitation Index

Current Month: The October 2022 six-station precipitation index was 0.07 inches, or 6% of normal for the month.

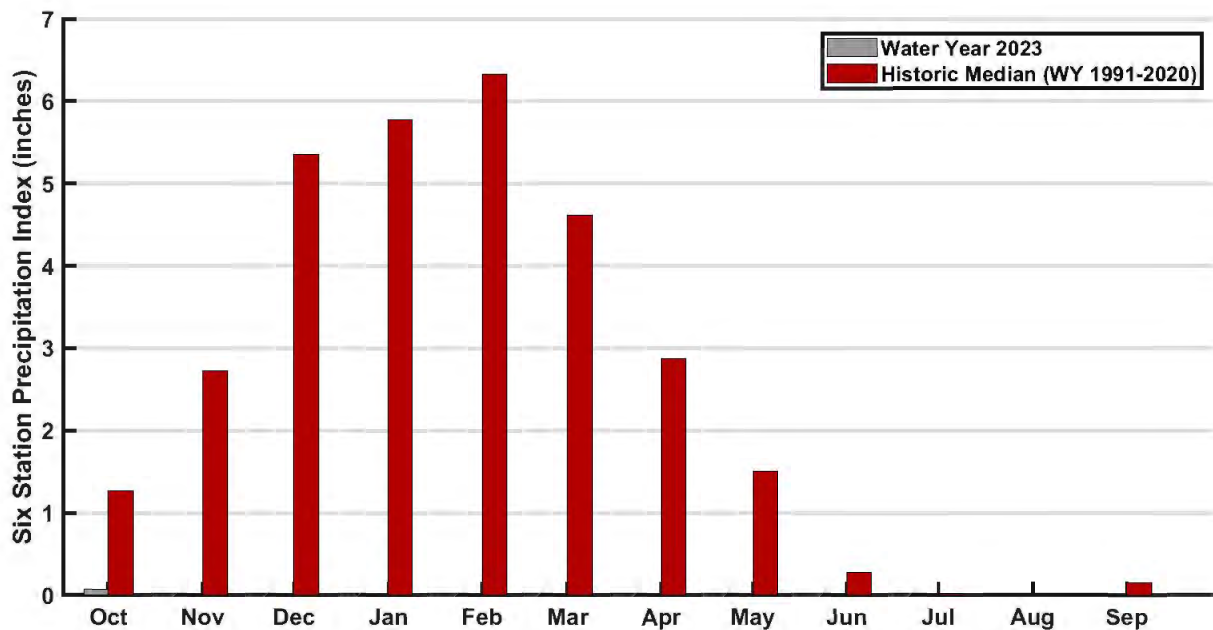


Figure 2: Monthly distribution of the six-station precipitation index relative to the monthly precipitation medians. The precipitation index is computed as the average of six Sierra precipitation stations and is an indicator of the overall basin wetness.

Cumulative Precipitation to Date: As of October 31, the six-station precipitation index for Water Year (WY) 2023 was 0.07 inches, which is 6% of the median annual total. The Hetch Hetchy Weather Station received 0.09 inches of precipitation in October resulting in a total of 0.09 inches for WY 2023, or 8% of median to date. The cumulative WY 2023 Hetch Hetchy precipitation is shown in Figure 3 in red.

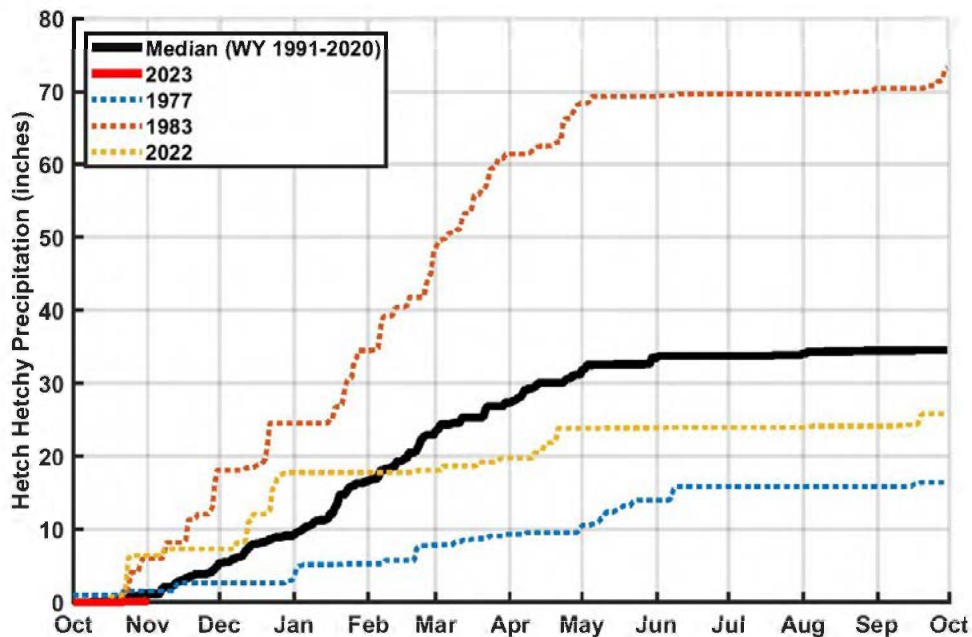


Figure 3: Water Year 2023 cumulative precipitation measured at Hetch Hetchy Weather Station. Median cumulative precipitation measured at Hetch Hetchy Weather Station and example wet and dry years are included with Water Year 2023 for comparison purposes.

Tuolumne Basin Unimpaired Inflow

Unimpaired inflow to SFPUC reservoirs and the Tuolumne River at La Grange for October 2022 and Water Year 2023 is summarized below in Table 2.

Table 2. Calculated Reservoir Inflows and Water Available to City				
* All flows are in acre-feet	October 2022			
	Observed Flow	Median ¹	Mean ¹	Percent of Mean
Inflow to Hetch Hetchy Reservoir	0	2,653	7,105	0%
Inflow to Cherry Reservoir and Lake Eleanor	0	2,862	7,668	0%
Tuolumne River at LaGrange	5,760	10,873	20,887	28%
Water Available to City	0	0	5,648	0%

¹Hydrologic Record: 1991-2020

Hetch Hetchy System Operations

Water deliveries via the San Joaquin Pipeline were 177 MGD for October.

Hetch Hetchy Reservoir power draft and stream releases during the month totaled 19,549 acre-feet. Hetch Hetchy Reservoir minimum instream release requirements for October were 50 cfs. Total inflow for 2022, as of November 1, has resulted in a Water Year Type B for Hetch Hetchy Reservoir. Hetch Hetchy Reservoir instream release are 50 cfs for November.

Cherry Reservoir power draft and stream releases totaled 450 acre-feet for the month of October. The required minimum instream release from Cherry Reservoir for October was 5 cfs and will remain at 5 cfs until the end of the year. Lake Eleanor required release for October was 10 cfs and decreased to 5 cfs on November 1.

Regional System Treatment Plant Production

The Harry Tracy Water Treatment Plant was offline for October for maintenance purposes. The Sunol Valley Water Treatment Plant production for the month was 27 MGD.

Regional System Water Delivery

The average October delivery rate was 188 MGD, which is 8% below the September delivery rate of 204 MGD.

Local Precipitation

This month marks the beginning of the 2023 Water Year, the rainfall summary for October 2022 is presented in Table 3.

Weather Station Location	October		October 1, 2022 through October 31, 2022	
	Total (inches)	Percent of Mean for the Month	Total (inches)	Percent of Mean for the Year-To-Date
Pilarcitos Reservoir	0.14	11%	0.14	11%
Lower Crystal Springs Reservoir	0.06	8%	0.06	8%
Calaveras Reservoir	0.03	6%	0.03	6%

*Mean Period = WY 1991-2020

Water Supply and Planned Water Supply Management

Due to carryover storage and conservative water resource management, all three upcountry reservoirs are relatively full heading into the winter season.

Hetch Hetchy Reservoir is drafting via SJPL deliveries and minimum instream releases. Cherry Reservoir and Lake Eleanor are drafting via minimum instream releases. Water Bank credited in October as upcountry reservoir releases exceed inflows.

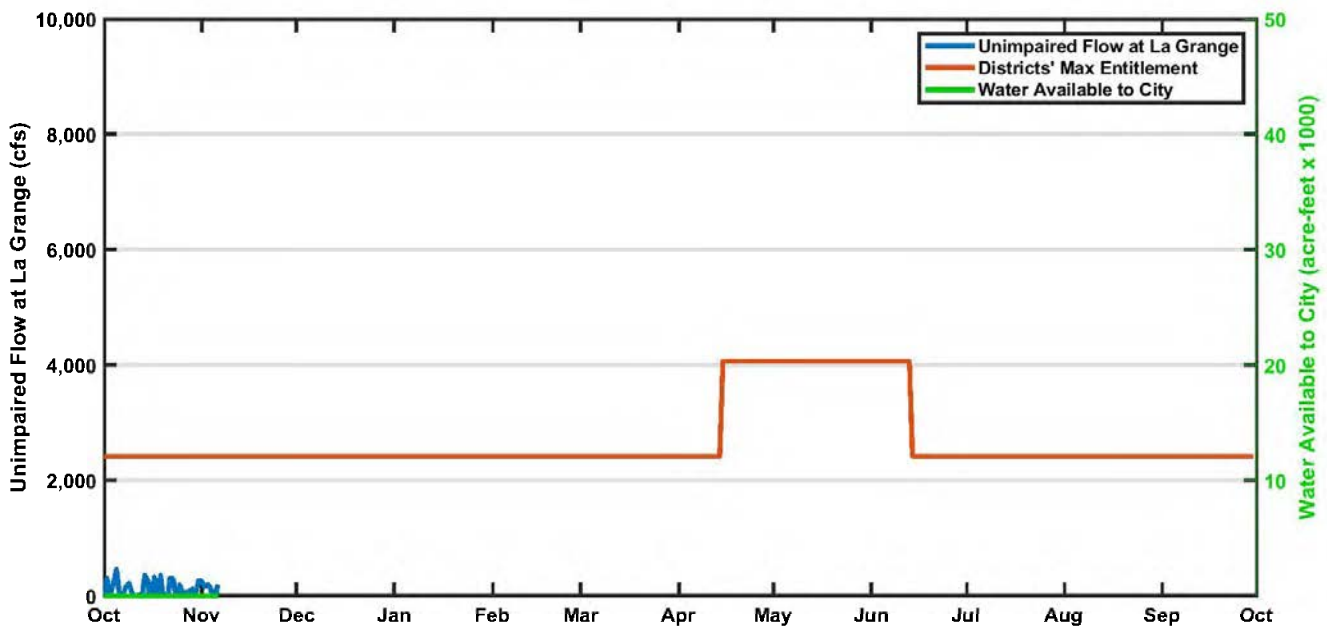


Figure 4: Calculated unimpaired flow at La Grange and the allocation of flows between the Districts and the City.

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, General Manager

Agenda: December 13, 2022

Date: November 16, 2022

Subject: Notice of Completion - Replacement of 8-Inch Pipeline Under Pilarcitos Creek (Strawflower) Project

Recommendation:

That the Board of Directors take the following actions:

- (1) Accept the Replacement of 8-Inch Pipeline Under Pilarcitos Creek (Strawflower) Project as complete.
- (2) Authorize the Notice of Completion to be filed with the County of San Mateo.
- (3) Authorize the release of the retention funds when the Notice of Completion has been recorded and returned to the District.

Background

Coastside County Water District entered into a contract with Golden Bay Construction Inc. June 13, 2022, for the Replacement of 8-Inch Pipeline Under Pilarcitos Creek (Strawflower) Project.

The work consisted of replacement of the existing 8-inch water line that crosses Pilarcitos Creek between the Strawflower shopping center and Oak Ave with a 10-inch diameter high density polyethylene ("HDPE") water pipeline, approximately 470 linear feet installed by horizontal direction drilling ("HDD") under Pilarcitos Creek; and approximately 181 linear feet of 8-inch diameter ductile iron ("DI") water pipeline installed by open trench construction through Oak Avenue Park and along Oak Avenue. Work included tying into the existing 8-inch DI water pipeline on Pilarcitos Ave, installation of all new valves and fittings and abandonment of existing facilities and site restoration of Oak Avenue Park.

The site of the work was in the City of Half Moon Bay, California. All work was completed within properties owned by 1) HMB Musich 70 North Cabrillo Highway, Half Moon Bay, CA (APN 056-300-150) and 2) City of Half Moon Bay (056-300-210, 056-141-950, 056-141-960 and 056-141-970) and in existing street right of way areas.

The project was completed on October 4, 2022. The project was constructed according to District specifications.

RECORDING REQUESTED BY

SPACE ABOVE THIS LINE FOR RECORDER'S USE

AND WHEN RECORDED MAIL TO

Name	COASTSIDE COUNTY WATER DISTRICT	┌
Street	766 MAIN STREET	┌
Address	766 MAIN STREET	┌
City & State	HALF MOON BAY, CA 94019	┌
		└

RECORD WITHOUT FEE Govt. Code § 6103 & 27383

NOTICE OF COMPLETION

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

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

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

3. On December 13, 2022, there was completed upon the hereinafter described real property a work of improvement as a whole named Replacement of 8-Inch Pipeline Under Pilarcitos Creek (Strawflower) Project. The work consisted of replacement of the existing 8-inch water line that crosses Pilarcitos Creek between the Strawflower shopping center and Oak Ave with a 10-inch diameter high density polyethylene (“HDPE”) water pipeline, approximately 470 linear feet installed by horizontal direction drilling (“HDD”) under Pilarcitos Creek; and approximately 181 linear feet of 8-inch diameter ductile iron (“DI”) water pipeline installed by open trench construction through Oak Avenue Park and along Oak Avenue. Work included tying into the existing 8-inch DI water pipeline on Pilarcitos Ave, installation of all new valves and fittings and abandonment of existing facilities and site restoration of Oak Avenue Park.

4. The name of the original contractor for the work of improvement as a whole was: Golden Bay Construction, Inc. 3826 Depot Road, Hayward, CA 94545.

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

The site of the work was in the City of Half Moon Bay, California. All work was completed within properties owned by 1) HMB Musich 70 North Cabrillo Highway, Half Moon Bay, CA (APN 056-300-150) and 2) City of Half Moon Bay (056-300-210, 056-141-950, 056-141-960 and 056-141-970) and in existing street right of way areas.

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

COASTSIDE COUNTY WATER DISTRICT

BY: _____
Mary Rogren, Secretary

VERIFICATION

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

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

Executed on December 13, 2022, at Half Moon Bay, California
(Date) (Place where signed)

By: _____
Mary Rogren
Secretary of the District

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, General Manager

Agenda: December 13, 2022

Date: November 28, 2022

Subject: Notice of Completion - Denniston Reservoir Maintenance Dredging Project for Year 2022

Recommendation:

That the Board of Directors take the following actions:

- (1) Accept the Denniston Reservoir Maintenance Dredging Project for year 2022 as complete.
- (2) Authorize the Notice of Completion to be filed with the County of San Mateo.
- (3) Authorize the release of the retention funds when the Notice of Completion has been recorded and returned to the District.

Background

Coastside County Water District entered into a contract with Andreini Bros., Inc. on August 18, 2022 for the Denniston Reservoir Maintenance Dredging Project.

The work consisted of dredging Denniston Reservoir of 400 cubic yards around the Denniston Water Treatment Plant intakes. The site of the work is located in the unincorporated community of El Granada, San Mateo County, at 150 Denniston Creek Road. (APN 037-320-140).

The work was completed on October 14, 2022 in accordance with District specifications.

Fiscal Impact: None.

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO

Name
Street
Address
City &
State

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

SPACE ABOVE THIS LINE FOR RECORDER'S USE

RECORD WITHOUT FEE Govt. Code § 6103 & 27383

NOTICE OF COMPLETION

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

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

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

3. On December 13, 2022 there was completed upon the hereinafter described real property a work of improvement as a whole named Denniston Reservoir Maintenance Dredging Project for Year 2022. The work consisted of dredging Denniston Reservoir of 400 cubic yards around the Denniston Water Treatment Plant intakes.

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

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

The work is located within property owned by the District at 150 Denniston Creek Road, El Granada, California (Assessor Parcel Number 037-320-140).

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

COASTSIDE COUNTY WATER DISTRICT

BY: _____
Mary Rogren, Secretary

VERIFICATION

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

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

Executed on December 13, 2022, at Half Moon Bay, California
(Date) (Place where signed)

By: _____
Mary Rogren,
Secretary of the District

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, General Manager

Agenda: December 13, 2022

Report Date: December 9, 2022

Subject: Public Hearing to Consider Proposed Amendment to the Rate and Fee Schedule to Increase Water Service Rates and Water Shortage Rates Effective January 19, 2023 and Effective January 18, 2024 and Finding that the Amendment is Exempt from the California Environmental Quality Act

Recommendation:

- 1) Conduct a public hearing on proposed increases to the Water Service Rates and Water Shortage Rates of up to 6% effective January 19, 2023 and up to 6% effective January 18, 2024.
- 2) Adopt Resolution 2022-13 Amending the Rate and Fee Schedule and finding that the amendments are exempt from the California Environmental Quality Act (Exhibits D and E.)

Background:

At the June 10, 2022 Regular Board of Directors' Meeting, the Board approved the Fiscal Year 2022-2023 Operations (O&M) Budget and the Fiscal Year 2022/23 to 2031/32 Capital Improvement Program (CIP). Staff reviewed these plans with the Facilities and Finance Committees in April 2022 and again in May 2022 and presented them at the May 10, 2022 and June 14, 2022 Regular Board meetings. These plans were approved with a rate adjustment to be determined recognizing that they would be used in the development of the District's Water Financial Plan and Rate Update Study for arriving at the District's future rate adjustments.

At the June 14, 2022 Board meeting, the Board also approved for staff to engage Raftelis Financial Consultants, Inc. (Raftelis) to prepare a Water Financial Plan and Rate Update Study and to assist the District in developing a framework for future rate adjustments to Water Service and Water Shortage Rates. The Finance Committee met with Raftelis on August 11, 2022, and the Board of Directors met with Raftelis in a Special Meeting - Rate Study Workshop on August 24, 2022 to review the financial model developed by Raftelis utilizing the District's approved Fiscal Year 2022-2023 O&M Budget and Fiscal Year 2022/23 to 2031/32 CIP. The Raftelis consultants utilized the interactive financial

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model and modified inputs to the model at the request of Board members to determine the effects of potential water rate increases and debt financing on the District's cash reserves. The Board members discussed various alternatives, including a potential 6% rate increase in January 2023 and a 6% increase in January 2024 with a potential \$7 million debt issuance in 2025.

Raftelis applied the proposed 6% increase across the District's current water service rate structure based on its 2018 Cost of Service and Rate Study (discussed below) to arrive at Water Service Rates to be effective January 19, 2023 and again on January 18, 2024. Next Raftelis prepared an update to the Water Shortage Rates based on its Water Shortage Contingency Stage Rate Study dated October 29, 2021 to be effective at the same time. The Finance Committee met with Raftelis on October 4, 2022 on the Water Shortage Rates, and Raftelis presented the proposed Water Shortage Rates at the October 11, 2022 Regular Board of Directors meeting.

At the October 11, 2022 Board meeting, Raftelis also introduced a draft version of the "Water Financial Plan and Rate Study" (discussed immediately below) which provides support for the proposed increases to the Water Service Rates and Water Shortage Rates to be effective January 19, 2023 and again on January 18, 2024.

Water Financial Plan and Rate Update Study (dated October 26, 2022 - Exhibit A)

In 2018, the District staff engaged Raftelis to prepare a "Cost of Service and Rate Study" (dated May 15, 2018) in order to develop cost of service-based water rates which would meet the requirements of Proposition 218. This Study was used to set the District's rates for Fiscal Years 2018/19 and 2019/20 and to comply with the substantive requirements of Proposition 218 as interpreted by the courts, including the April 2015 Appellate Court decision in *Capistrano Taxpayers Association, Inc. v. City of San Juan Capistrano*. The cost of service analysis is the fundamental benchmark used to establish utility rates in the United States. The cost of service analysis is used to allocate/recover the District's costs to users in proportion to their use of the system, recognizing the impact of each customer class on system facilities and operations.

In August 2020, Raftelis conducted an updated study (entitled Water Financial Plan and Rate Update Study dated August 3, 2020) based upon the 2018 Cost of Service Analysis and Rate Study and prepared a financial planning model to develop rates for calendar years 2021 and 2022.

In 2021, Raftelis prepared a Water Shortage Contingency Stage Rate Study (dated November 5, 2021) utilizing the May 15, 2018 Cost of Service and Rate Study as well as the August 3, 2020 Water Financial Plan and Rate Update Study. The Water Shortage

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Rates (formerly called Water Shortage Contingency Stage Rates) were approved by the Board at the January 11, 2022 regular Board Meeting.

The October 26, 2022 Water Financial Plan and Rate Update Study provides an update to the District's financial model, Water Service Rates and Water Shortage Rates utilizing the May 2018 Cost of Service and Rate Study and updated O&M Budget and CIP information. The study supports the proposed "up to 6%" rate adjustment to be effective January 19, 2023 and "up to 6%" rate adjustment to be effective January 18, 2024 and potential of \$7 Million in debt financing discussed by the Board of Directors at the August 24, 2022 workshop.

At the December 13, 2022 Board meeting, Raftelis will present an overview of the Water Financial Plan and Rate Update Study, and will review the District's financial model, the proposed Water Service Rates and Water Shortage Rates.

Proposition 218 Compliance

At the October 11, 2022 Regular Board of Directors Meeting, the Board scheduled a public hearing and directed staff to prepare noticing for a public hearing to be held on December 13, 2022 to amend the Rate and Fee Schedule to increase the District's Water Service Rates and Water Shortage Rates "up to 6%" effective January 19, 2023 and "up to 6%" effective January 18, 2024.

The District has complied with the public notice requirements of Proposition 218.

The notice of the public hearing and proposed amendment was mailed to property owners and customers on October 27, 2022. The notice was placed on the District's website and advertised in the November 9, 2022 and November 16, 2022 editions of the Half Moon Bay Review newspaper.

The "Cost of Service and Rate Study" prepared by Raftelis Financial Consultants, LLC. (dated May 15, 2018), the subsequent "Water Financial Plan and Rate Update Study" (dated October 26, 2022) were prepared in compliance with the substantive requirements of Proposition 218. Revenues derived from the water rates do not exceed the funds required to provide the services for which the rates are charged, and the amounts of the rates imposed do not exceed the proportional cost of service attributable to the property. The recommended amendment to the Rate and Fee Schedule complies with the requirements of Proposition 218 as interpreted by the courts, including the *Capistrano Taxpayers Association, Inc. v City of San Juan Capistrano* decision. Proposition 218 specifies that the District may not adopt the proposed amendment to

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the Rate and Fee Schedule if written protests are received from a majority of owners of affected parcels, or approximately 3300 District customers.

As of the date of this report, staff has received 1 letter regarding the proposed amendment to the Rate and Fee Schedule. A copy of the letter is attached as Exhibit F.

Statute of Limitations For Challenging Proposed Rates

Pursuant to California Government Code Section 53759, there is a 120-day statute of limitations for challenging the Water Service Rates and Water Shortage Rates from the date the Board of Directors adopts the resolution approving these rates. The Proposition 218 notice that was mailed and posted included a statement regarding this 120-day statute of limitations.

Recommendation

The Draft Resolution 2022-13 (Exhibit D) for the Board's consideration provides for the recommended changes amending the Rate and Fee Schedule to increase Water Service Rates and Water Shortage Rates (a 6% increase effective January 19, 2023 and a 6% increase effective January 18, 2024.) The Resolution also provides language finding that the amendments are exempt from the California Environmental Quality Act.

Other Changes

The Draft Resolution 2022-13 also includes an updated definition of "Residential Customers" under section 1B to include a reference to single family homes with one accessory dwelling unit.

EXHIBITS

- A. Raftelis Financial Consultants, Inc. “Water Financial Plan and Rate Update Study” dated October 26, 2022**
- B. Approved Fiscal Year 2022-2023 Operations and Maintenance Budget**
- C. Approved Fiscal Year 2022/23 to 2031/32 Capital Improvement Program**
- D. Proposed Resolution 2022-13 Amending the Rate and Fee Schedule to Increase Water Service Rates and Water Shortage Rates and Finding that the Amendment is exempt from the California Environmental Quality Act**
- E. Notice of Exemption**
- F. Protest Letters**
- G. Raftelis Financial Consultants – 13 December 2022 Presentation**

Coastside

COUNTY WATER DISTRICT

Water Financial Plan and Rate Update Study

Draft Report / October 2022



October 26, 2022

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

Subject: Water Financial Plan and Rate Update Study Report

Dear Mary Rogren,

Raftelis Financial Consultants, Inc. (Raftelis) is pleased to provide this Water Financial Plan and Rate Update Study Report for the Coastside County Water District (District).

The major objectives of the study include the following:

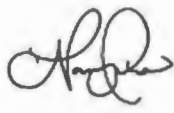
- Developing a long-term financial plan that sufficiently funds operating expenses, capital replacement and improvement costs, and prudent reserve balances
- Calculating water rates that fully recover costs to serve customers, while minimizing rate impacts to the extent possible, and promoting affordability for essential needs
- Designing water shortage rates that recover all costs related to drought at each drought stage following the usage reduction guidelines of the District's 2020 Water Shortage Contingency Plan
- Preparing a study report, or administrative record, that clearly and comprehensively explains each step of the rate study process
- Developing water and water shortage rates that are in alignment with cost of service principles and Proposition 218 requirements

The report details the long-term financial plan and proposed rates for the District's water utility. It was a pleasure working with you and your team and we wish to express our gratitude for the support you and the other District staff provided to us during the study.

Sincerely,



Kevin Kostiuk
Project Director



Nancy Phan
Project Manager



Lindsay Roth
Lead Analyst

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1. Executive Summary

1.1. Study Background

In 2022, the Coastside County Water District contracted with Raftelis to conduct a Water Rate Study, which includes the development of a long-term financial plan, proposed water rates, and proposed water shortage rates. The study culminates in two years of water and water shortage rate recommendations based on the results of financial planning exercise and the calculation of water shortage rates based on the most recent Water Shortage Contingency Plan. This Executive Summary outlines the rate proposal and contains a description of the study process, methodology, and recommendations for the District's water rates and water shortage rates.

1.2. Objectives of the Study

The major component and objectives of the study include:

1. Developing a long-term financial plan that meets the water utility's revenue requirements, including operations and maintenance (O&M) expenses and the capital improvement plan (CIP), while adequately funding reserves in accordance with industry best practices and the District's adopted financial practices
2. Developing two years of water rates that align with Proposition 218 requirements and ensure financial sufficiency to fund operating and capital costs over the study period
3. Developing water shortage rates that recover the financial impacts of each drought stage based on the cost of providing service

1.3. Current Rates

The District's current water rates were implemented January 1, 2022 and include a monthly base charge based on meter size, a monthly fire service charge for private fire customers based on fire line size, a tiered quantity charge for single family residential (SFR) customers charged for every hundred cubic feet (ccf) of water used, and a uniform rate for all other customer classes charged for every ccf of water used.

Table 1-1 shows the current monthly base charges by meter size. **Table 1-2** shows the current monthly fire service charges by line size. **Table 1-3** shows the current tiered quantity charges by customer class and monthly tiers.

Table 1-1: Current Monthly Base Charge

	A	B
Line	Meter Size	Current
1	5/8"	\$31.87
2	3/4"	\$47.09
3	1"	\$77.52
4	1 1/2"	\$153.60
5	2"	\$244.91
6	3"	\$534.02
7	4"	\$960.12

Table 1-2: Current Monthly Fire Service Charges

	A	B
Line	Fire Line Size	Current
1	3/4"	\$5.35
2	1"	\$7.13
3	1 1/2"	\$10.70
4	2"	\$14.26
5	3"	\$21.39
6	4"	\$28.52
7	6"	\$42.78
8	8"	\$57.04
9	10"	\$71.30

Table 1-3: Current Quantity Charges

	A	B
Line	Quantity Charges	Current
1	Single Family	
2	Tier 1	\$10.14
3	Tier 2	\$14.83
4	Tier 3	\$17.94
5	Multi-Family	\$13.52
6	Non-Residential	\$14.41

1.4. Process and Approach

Raftelis held several meetings with District staff to discuss and understand objectives, characteristics, and challenges of the District's water and utility to provide the recommendations and results detailed in this report. Raftelis confirmed various assumptions and inputs and used an iterative process to view several scenarios to determine the recommended financial plan and water and water shortage rates. District staff discussed the capital project requirements and capital funding sources over a five-year horizon, which are the primary drivers of the future revenue needs of the utility. Raftelis then proposed a two-year rate schedule based on the adjustments needed as a result of the financial planning process.

The proposed financial plan detailed in this report follows industry standards for long-term financial planning. The financial plan relies on reasonable assumptions based on industry indices, such as general inflation based on the Consumer Price Index (CPI) and input from District staff. Raftelis worked closely with District staff to determine

the most accurate methodology to project future revenues and expenses to reinforce sound fiscal management practices.

The financial plan includes the five-year period between FY 2023 to FY 2027. Each fiscal year begins on July 1 and ends on July 30. For example, FY 2023 is defined as the year beginning on July 1, 2022 and ending on June 30, 2023. The proposed rates were developed for implementation on January 1, 2023 in FY 2023 and in January of the following year.

1.5. Legal Framework¹

1.5.1. CALIFORNIA CONSTITUTION – ARTICLE XIII D, SECTION 6 (PROPOSITION 218)

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

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

As stated in the American Water Works Association’s (AWWA) *Principles of Water Rates, Fees, and Charges*, 7th edition (M1 Manual), “water rates and charges should be recovered from classes of customers in proportion to the cost of serving those customers.” Raftelis follows industry standard rate setting methodologies set forth by the AWWA M1 Manual to ensure that the results of this study align with Proposition 218 requirements and create rates that do not exceed the proportionate cost of providing water service.

1.5.2. CALIFORNIA CONSTITUTION – ARTICLE X, SECTION 2

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

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

¹Raftelis does not practice law, nor does it provide legal advice. The above discussion provides a general overview of Raftelis’ understanding as rate practitioners and is labeled “legal framework” for literary convenience only. The District should consult with its legal counsel for clarification and/or specific guidance.

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

In addition, Section 106 of the California Water Code declares that the highest priority use of water is for domestic purposes, with irrigation water secondary. To meet the objectives of Article X, Section 2 and the California Water Code, a water purveyor may utilize its water rate design to incentivize the efficient use of water. The District established tiered water rates (also known as “inclining tier” or “inclining block”) to incentivize customers to use water in an efficient manner. The inclining tier rates (as well as rates for uniform rate classes) need to be based on the proportionate costs incurred to provide water to, and within, each customer class to align with Proposition 218.

Tiered water rate structures, when properly designed and differentiated by customer class, allow a water utility to send conservation price signals to customers while proportionately allocating the costs of service. Due to a necessity in reducing water waste and increasing efficiency, tiered water rates are ubiquitous, especially in relatively water-scarce regions like California. Tiered rates align with the requirements of Proposition 218 if the tiered rates reflect the proportionate cost of providing service *within* each tier.

1.6. Financial Plan Results and Recommendations

1.6.1. FACTORS AFFECTING REVENUE REQUIREMENTS

The following items affect the water utility’s costs and thus its water rates. The utility’s expenses include O&M expenses, capital project costs, debt service, and reserve funding.

- **O&M Funding:** There are a few factors influencing the increase in spending on O&M. First, higher than usual inflation has led to higher O&M costs than were previously planned for under the current water rates. Next, because of recent drought conditions, San Francisco Public Utilities Commission (SFPUC) variable purchased water costs are increasing 16% in FY 2023 and an additional 11% in FY 2024.
- **Capital Funding:** The water utility has approximately \$35.5M in planned capital expenditures from FY 2023 through FY 2027. Planned capital project costs are anticipated to be entirely cash funded through net rate revenues and existing and future reserves in FY 2023 and FY 2024. In FY 2025, the District plans to receive \$7M in debt proceeds to fund most of the CIP in that year, with the remainder and all CIP in FY 2026 and FY 2027 cash funded.
- **Reserve Funding:** Reserve targets are adopted to ensure enough cash on hand to meet routine cash flow needs, provide adequate for planned repairs and replacements (R&R) CIP, navigate emergencies in the event of asset failure or natural disaster, and to protect ratepayers from rate spikes. **Table 1-4** summarizes the District’s current reserve policy.

Table 1-4: Reserve Policy

Line	A Reserve Policy	B Target Policy	C FY 2023 Target
1	Operating	25% of Operating Expenses	\$2,625,543
2	Capital	Average CIP over 5 years	\$7,099,234
3	Debt Service	Annual Debt Service Payments	\$1,094,498
4	Total		\$10,819,276

1.6.2. FINANCIAL PLAN RESULTS

Table 1-6 shows the proposed revenue adjustments that allows the District to maintain financial sufficiency, fund operating and capital expenses, and achieve recommended cash reserves for the water utility. The proposed adjustments apply to the District’s rate revenues, which were projected for future years assuming no growth in customer accounts during the study period. Water demand in FY 2022 represents estimated baseline use for the District’s customers. **Table 1-5** shows the projected water demand and usage from FY 2022 to FY 2027. Demand is expected to drop in FY 2023 as a result of the current drought and incrementally recover to pre-drought demand by FY 2025.

Table 1-5: Projected Water Demand and Usage

Line	A Consumption (ccf)	B FY 2022	C FY 2023	D FY 2024	E FY 2025	F FY 2026	G FY 2027
1	Single Family Residential						
2	Tier 1	231,604	226,277	246,642	257,001	257,001	257,001
3	Tier 2	103,832	101,444	110,574	115,218	115,218	115,218
4	Tier 3	53,314	52,088	56,776	59,160	59,160	59,160
5	Multi-Family Residential	39,513	38,604	42,079	43,846	43,846	43,846
6	Non-Residential	324,970	317,496	346,070	360,605	360,605	360,605
7	Total	753,233	735,909	802,140	835,830	835,830	835,830

The proposed revenue adjustments represent the increase to total rate revenues required to recover the water utility’s costs and not the expected impact to each customer class. Revenue adjustments are applied across all charges, classes, and tiers proportional to the current rates.

Table 1-6: Proposed Revenue Adjustments

Line	A Revenue Adjustment	B FY 2023	C FY 2024
1	Effective Month	January	January
2	Percent Adjustment	6.0%	6.0%

Figure 1-1 shows the five-year financial plan for FY 2023 through FY 2027. The stacked bars represent the costs of the water utility: O&M expenses make up most of the water financial plan (dark blue bars). Water supply costs are shown in the light blue bars, rate funded CIP is shown in the gray bars, and debt service is shown in the green bars. Cash to reserves (yellow bars) represents revenue used to contribute to reserve targets and is seen in FY 2025. This means that in all other years of the study, reserves are withdrawn to pay for operating expenses or rate funded capital projects. Current revenues (solid line) equal the projected revenues at the District’s existing water rates and proposed revenues (dotted line) equal the projected revenues with the proposed revenue adjustments in **Table 1-6** applied.

Figure 1-1: Proposed Water Financial Plan

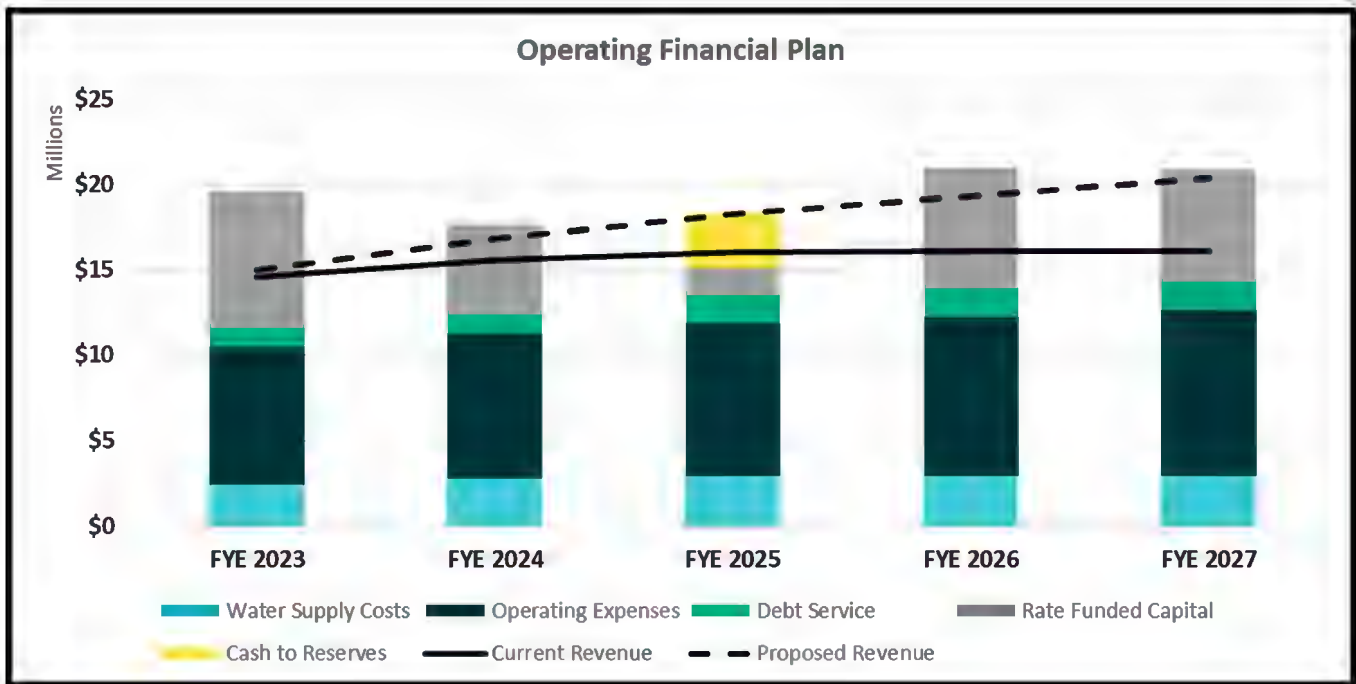


Figure 1-2 shows the combined ending fund balances from FY 2023 to FY 2027. The minimum reserve target (light blue line) is determined based on the recommended reserve policy targets in Table 1-4. The ending fund balances meet or almost meet the reserve targets in all years.

Figure 1-2: Proposed Fund Balances

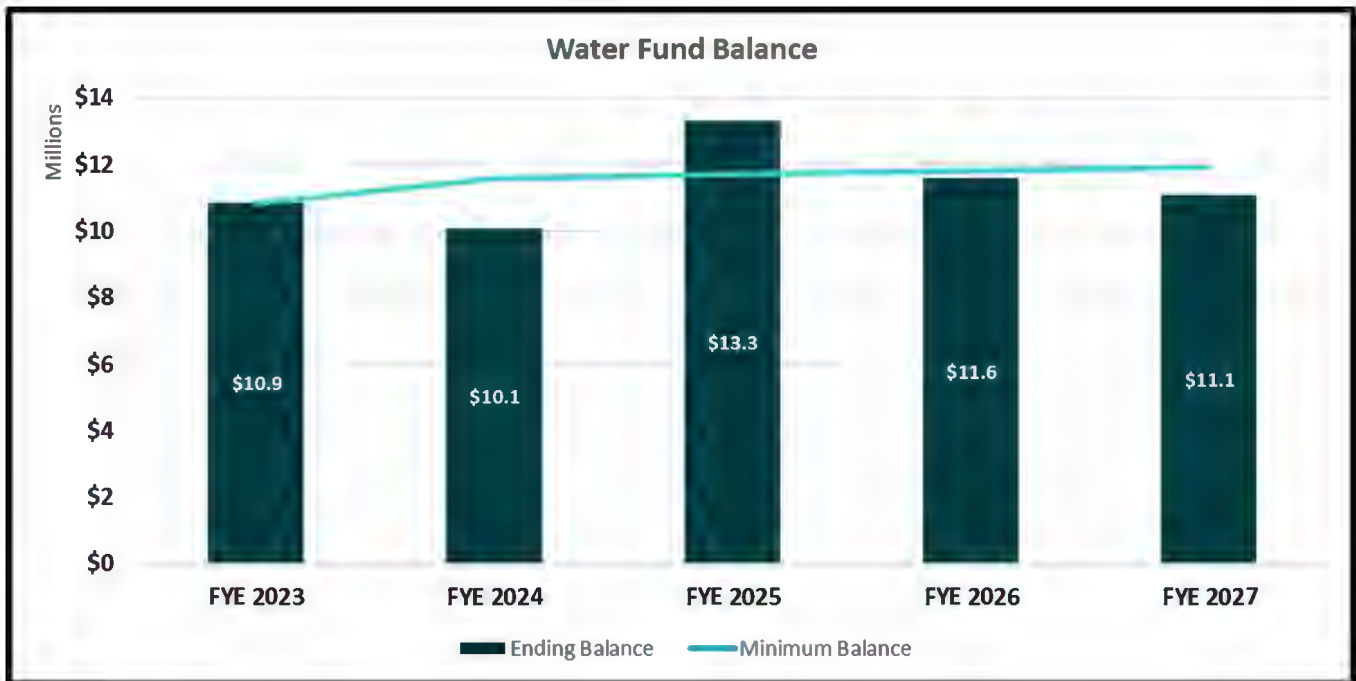
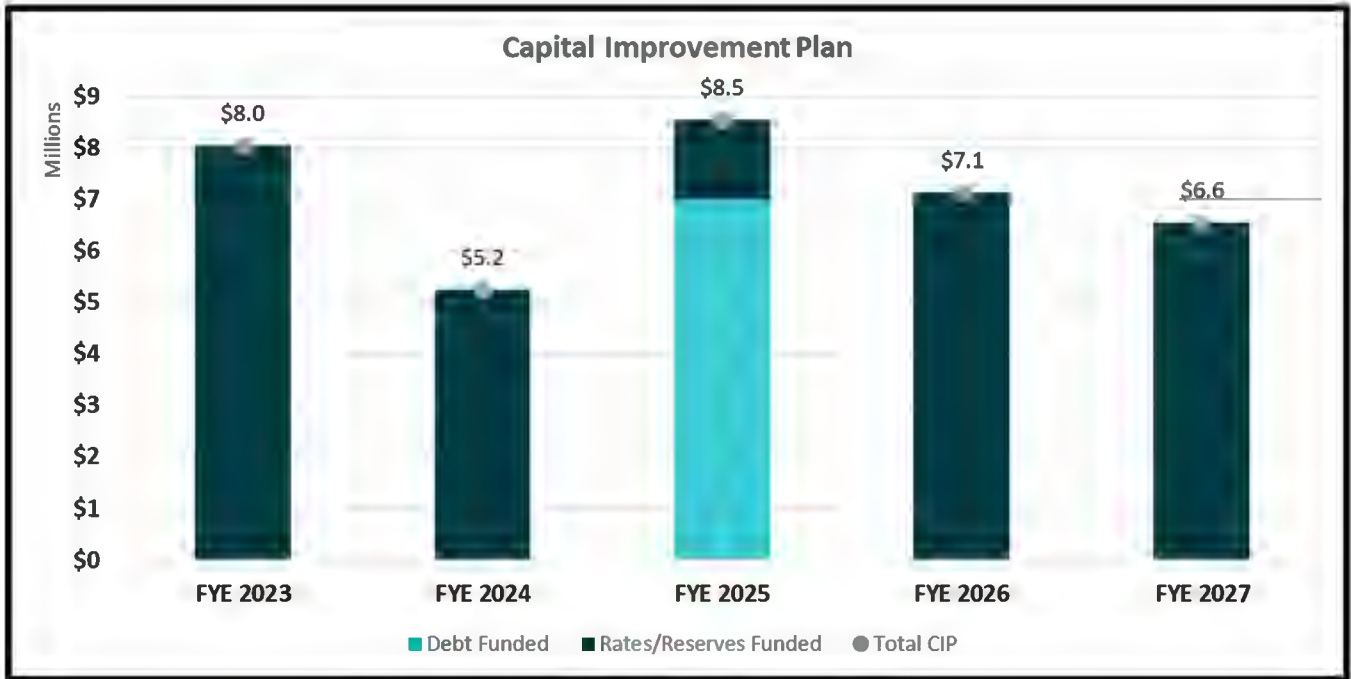


Figure 1-3 shows the five-year CIP expenditures from FY 2023 through FY 2027. All planned CIP expenses in FY 2023, FY 2024, FY 2026, and FY 2027 are anticipated to be entirely cash funded through rate revenues and

existing capital reserves. Most of the CIP expenses for FY 2025 will be funded through \$7M in debt proceeds, with the remaining \$1.5M funded through rate revenues and capital reserves.

Figure 1-3: Planned CIP Expenditures



1.7. Proposed Water Rates

Table 1-7, Table 1-8, and Table 1-9 show the proposed monthly base charges, monthly fire service charges, and quantity charges, respectively, for FY 2023 and FY 2024 based on the above recommendations. The proposed water rates are reflective of an across-the-board increase based on the District’s existing water rate structure, developed in the 2018 Water Cost of Service and Rate Study. Rates for both years are determined based on the corresponding revenue adjustments in Table 1-6.

Table 1-7: Proposed Monthly Base Charges

Line	A Meter Size	B Current FY 2022	C Proposed FY 2023	D Proposed FY 2024
1	5/8"	\$31.87	\$33.78	\$35.81
2	3/4"	\$47.09	\$49.92	\$52.92
3	1"	\$77.52	\$82.17	\$87.10
4	1 1/2"	\$153.60	\$162.82	\$172.59
5	2"	\$244.91	\$259.60	\$275.18
6	3"	\$534.02	\$566.06	\$600.02
7	4"	\$960.12	\$1,017.73	\$1,078.79

Table 1-8: Proposed Monthly Fire Service Charges

	A	B	C	D
Line	Fire Line Size	Current FY 2022	Proposed FY 2023	Proposed FY 2024
1	3/4"	\$5.35	\$5.67	\$6.01
2	1"	\$7.13	\$7.56	\$8.01
3	1 1/2"	\$10.70	\$11.34	\$12.02
4	2"	\$14.26	\$15.12	\$16.03
5	3"	\$21.39	\$22.67	\$24.03
6	4"	\$28.52	\$30.23	\$32.04
7	6"	\$42.78	\$45.35	\$48.07
8	8"	\$57.04	\$60.46	\$64.09
9	10"	\$71.30	\$75.58	\$80.11

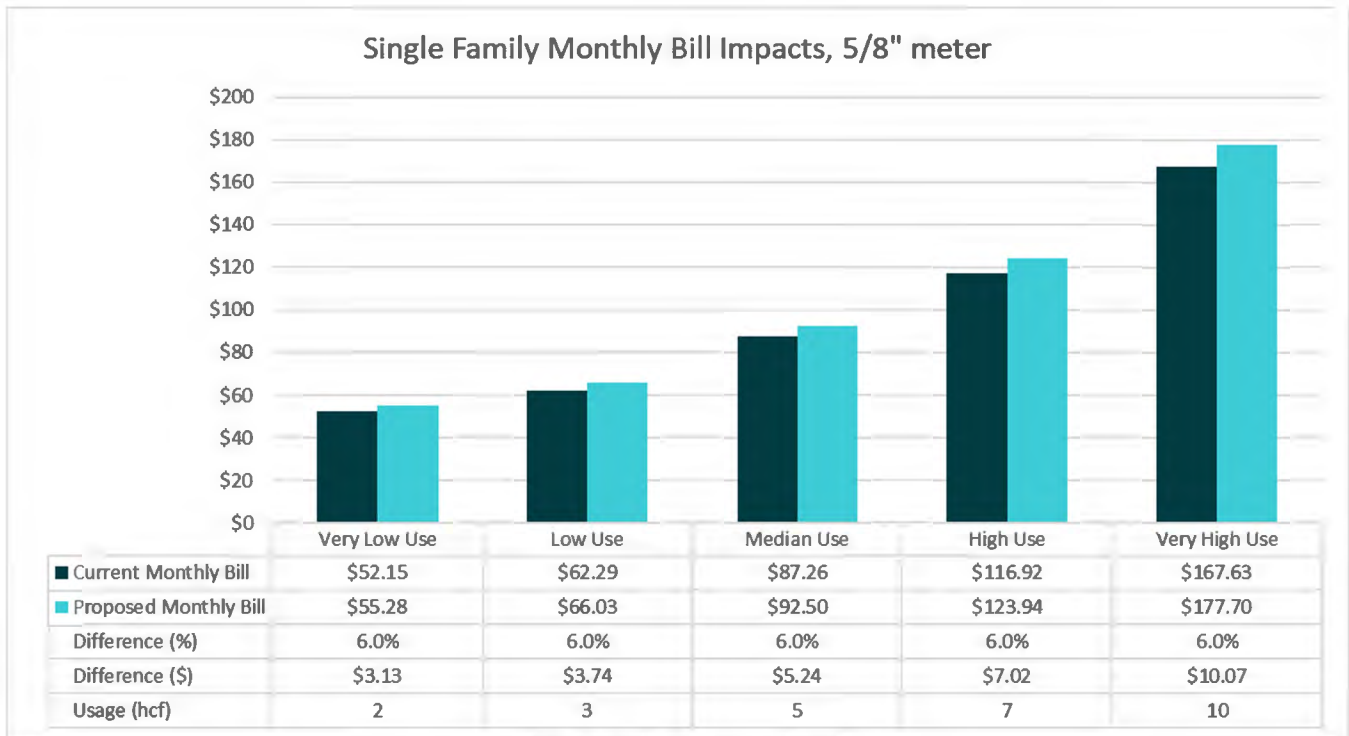
Table 1-9: Proposed Quantity Charges

	A	B	C	D
Line	Customer Class	Current FY 2022	Proposed FY 2023	Proposed FY 2024
1	Single Family			
2	Tier 1	\$10.14	\$10.75	\$11.40
3	Tier 2	\$14.83	\$15.72	\$16.66
4	Tier 3	\$17.94	\$19.02	\$20.16
5	Multi-Family	\$13.52	\$14.33	\$15.19
6	Non-Residential	\$14.41	\$15.27	\$16.19

1.8. Customer Impacts

Figure 1-4 shows the proposed FY 2023 monthly bill impacts for SFR customers at various levels of water usage. The impacts show bills for a 5/8" meter, the most common meter size for SFR customers. Bill increases match the rate adjustment at 6%.

Figure 1-4: Single Family Residential Bill Impacts



1.9. Water Shortage Rates

The District engaged Raftelis to update water shortage rates as part of the Water Rate Study. The District adopted its latest Water Shortage Contingency Plan in June 2021, which details the six drought stages and the corresponding water usage reductions. The resulting water shortage rates align with Proposition 218 requirements and allow the District to reliably recover the necessary revenue to fully fund the water system in times of drought.

The major objectives when developing water shortage rates include:

- Determine water allocations for each customer class during each drought stage based on the 2020 Water Shortage Contingency Plan
- Calculate the financial impacts of reduced water sales and changes to water supply sources
- Evaluate various rate structures to determine the structure best suited to meet the District’s needs
- Develop water shortage rates that recover the financial impacts of each drought stage based on the cost of providing service

1.9.1. PROCESS AND APPROACH

Water shortage rates are governed by the requirements of Proposition 218 and Article X of the California Constitution. The development of the water shortage rates must show the nexus between the costs of providing water service and the rates charged to customers, should maximize the beneficial use of water (often defined as indoor use for health and hygiene), and should encourage conservation.

Water shortage rates are designed to recover lost revenue due to reduction in water use during each stage, to incorporate the potential changes to the District’s water supply sources and their corresponding costs, to align with specific drought stages outlined in the 2020 Water Shortage Contingency Plan, and to provide financial flexibility for the District when declaring drought stages and implementing the appropriate water shortage rates. The

proposed rates are based on the District’s proposed water rates for FY 2023, which will go into effect January 1, 2023.

There are four steps to calculating water shortage rates, which include:

1. Allocating water reductions between various customer classes based on defined drought stages
2. Calculating financial impacts to the District in each stage
3. Determining the most appropriate drought cost recovery mechanism (rate structure)
4. Evaluating financial impacts to customers

District staff provided the Water Shortage Contingency Plan which was adopted in 2021. **Table 1-10** shows the overall reduction targets for the entire water system.

Table 1-10: Drought Stages and Reduction

	A	B	C	D	E	F	G	H
Line	Customer Class	Baseline	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
1	Single Family Residential	0%	15%	21%	30%	36%	41%	52%
2	Multi-Family Residential	0%	14%	21%	30%	35%	41%	52%
3	Non-Residential	0%	5%	21%	30%	43%	62%	88%
4								
5	Target Reduction Goal	0%	≤10%	20%	30%	40%	50%	>50%

The water sales by drought stage are calculated using the target reductions developed in the Water Shortage Contingency Plan. **Table 1-11** shows the estimated water sales in ccf for each stage of drought that aligns with the percent reductions shown above in **Table 1-10**. Baseline is defined as the “new normal” water usage, which is approximately equal to the projected water usage in FY 2025.

Table 1-11: Estimated Water Sales by Stage (ccf)

	A	B	C	D	E	F	G	H
Line	Customer Class	Baseline	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
1	Total (ccf)	836,842	747,859	661,106	585,790	510,745	417,918	271,709
2	% Reduction	0%	11%	21%	30%	39%	50%	68%

A key step in a water shortage rate study is to calculate the financial implications for the District during a drought. Considerations include:

- How much commodity revenue is expected due to cutbacks?
- How much will this change the District’s water supply mix and the costs associated with each source?
- How will this change the District’s operating costs, if at all?

For the District, the most significant financial consequence is the loss of consumption-based revenue, the severity of which depends on the drought stage. Drought conditions will also require more staff to be hired to handle conservation efforts and respond to an increase in customer service requests. The District will also expect changes to the cost of purchased water from SFPUC. Local sources of water will be reduced in Stage 1 and may be eliminated from the supply mix entirely by Stage 2, which will increase the demand for purchased water and increasing purchased water costs overall through Stage 3. However, by Stage 4, the reduction in demand will decrease the overall purchase cost of water below what it was during baseline conditions, so the cost of water will result in cost savings in Stages 4-6.

Based on direction provided by District staff, the water shortage rates were developed as a uniform percentage increase to the proposed water usage charges for FY 2023, which allows for the ability of customers to change their water bill, encourages conservation, and promotes affordability.

1.9.2. PROPOSED WATER SHORTAGE RATES

Table 1-12 and **Table 1-13** show the proposed water shortage rates by customer class and tier for Stages 1 through 6 for FY 2023 and FY 2024, respectively. The water shortage rates for each stage are calculated based on the proportion of drought costs that need to be recovered in each stage multiplied by the base water usage rates. The water shortage rate methodology is based on the prior January 2022 rate study. Based on Proposition 218 requirements, the resulting water shortage rates are the maximum that the Board of Directors can implement. When officially declaring a drought stage, the Board has the discretion to implement a lower water shortage rate, use reserves to make up for lost revenue, defer capital projects to reduce total expenditures, or a combination of any of these strategies to best meet the needs of the District.

Table 1-12: Proposed FY 2023 Water Shortage Rates (\$/ccf)

Line	A Customer Class	B Stage 1	C Stage 2	D Stage 3	E Stage 4	F Stage 5	G Stage 6
1	Single Family						
2	Tier 1	\$2.47	\$4.37	\$6.14	\$8.52	\$12.85	\$25.42
3	Tier 2	\$3.60	\$6.39	\$8.98	\$12.46	\$18.79	\$37.16
4	Tier 3	\$4.36	\$7.73	\$10.87	\$15.07	\$22.73	\$44.97
5	Multi-Family	\$3.29	\$5.82	\$8.19	\$11.36	\$17.12	\$33.88
6	Non-Residential	\$3.50	\$6.21	\$8.73	\$12.10	\$18.25	\$36.10

Table 1-13: Proposed FY 2024 Water Shortage Rates (\$/ccf)

Line	A Customer Class	B Stage 1	C Stage 2	D Stage 3	E Stage 4	F Stage 5	G Stage 6
1	Single Family						
2	Tier 1	\$2.57	\$4.58	\$6.48	\$9.03	\$13.67	\$27.17
3	Tier 2	\$3.75	\$6.69	\$9.47	\$13.20	\$19.98	\$39.71
4	Tier 3	\$4.53	\$8.10	\$11.46	\$15.97	\$24.18	\$48.05
5	Multi-Family	\$3.42	\$6.10	\$8.64	\$12.03	\$18.22	\$36.20
6	Non-Residential	\$3.64	\$6.50	\$9.21	\$12.83	\$19.42	\$38.59

1.9.3. CUSTOMER IMPACTS

Figure 1-5 through **Figure 1-7** show the bill impacts for a Single Family, Multi-Family, and Non-Residential customer, respectively. Each bill calculation uses the most common meter size and the median usage for that customer class.

The figures demonstrate that when the District’s customers comply with the recommended water usage reductions as defined by the Water Shortage Contingency Plan, the customer’s water bill impact will be significantly smaller than if they did not reduce their water consumption.

Figure 1-5: Single Family Residential Bill Impacts

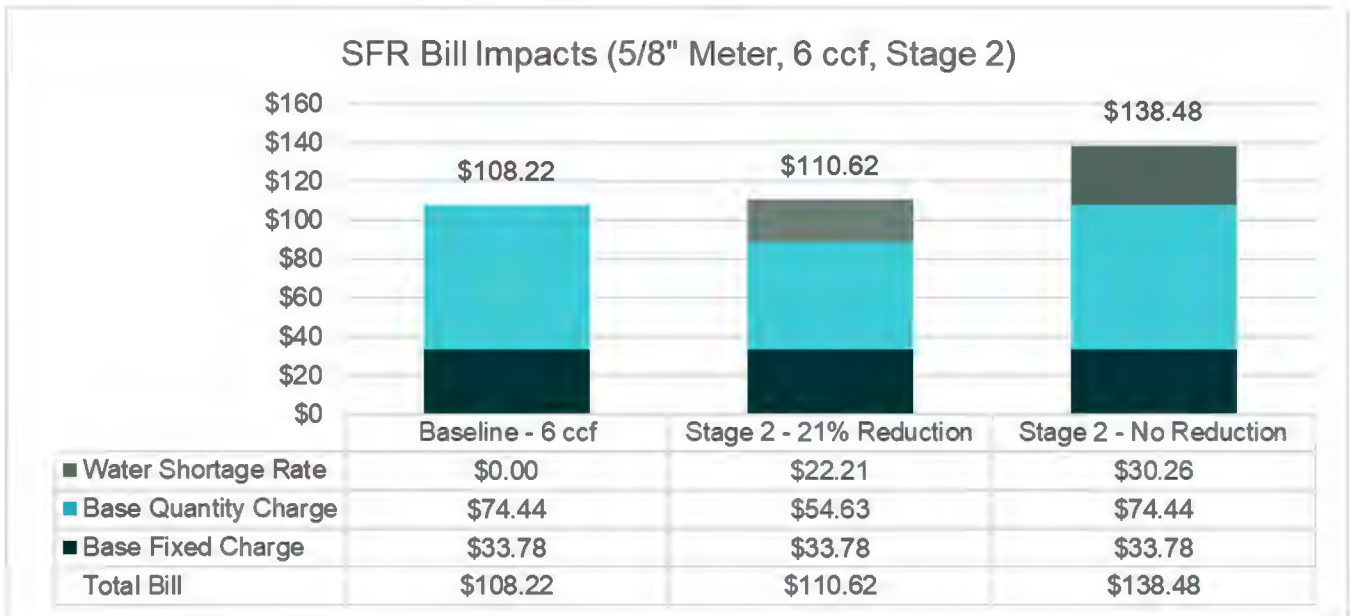


Figure 1-6: Multi-Family Residential Bill Impacts

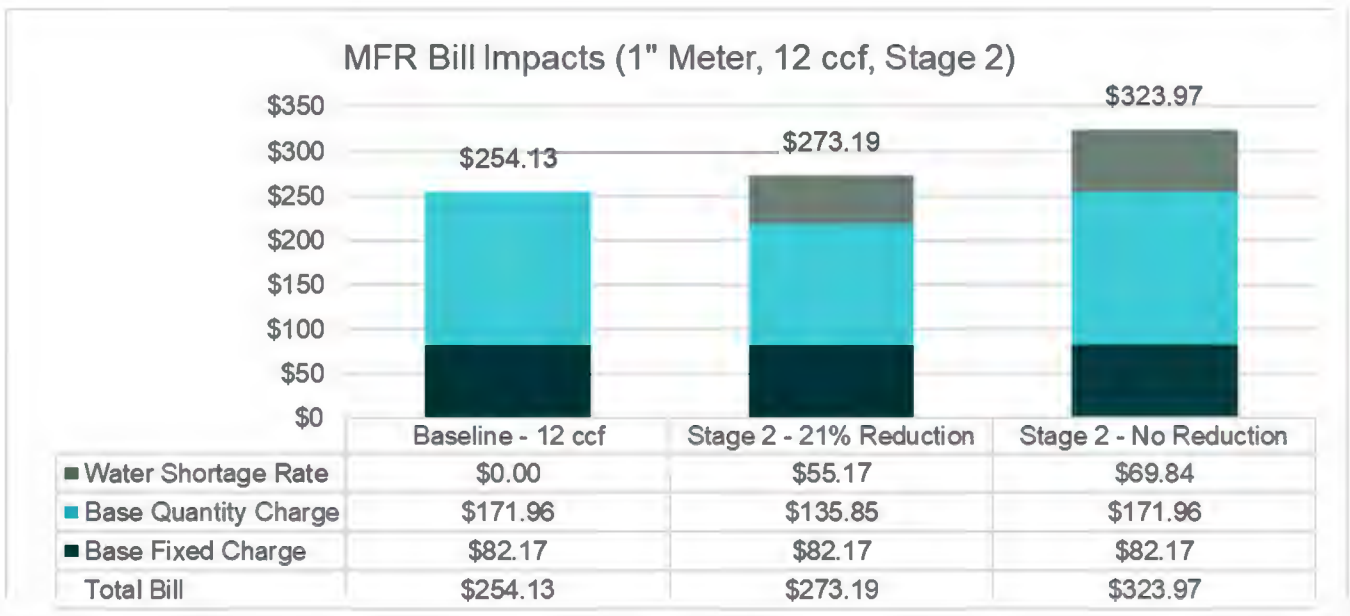
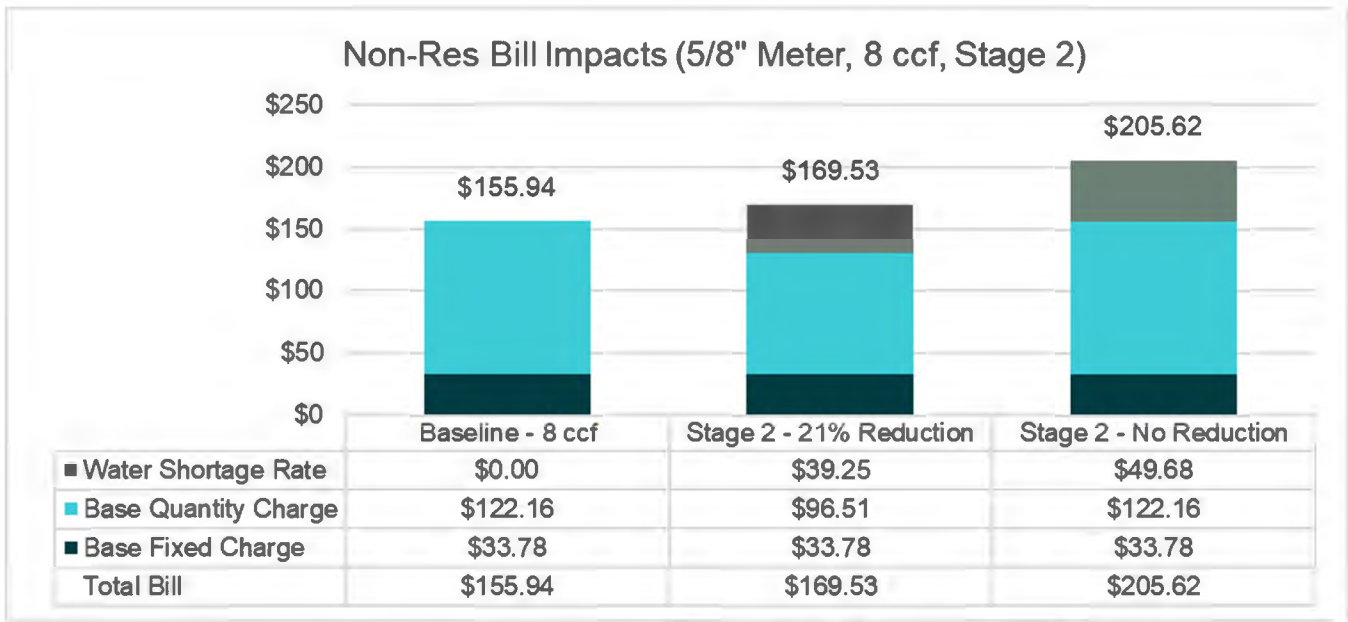


Figure 1-7: Non-Residential Bill Impacts



DRAFT

2. Financial Plan

This section of the report describes the proposed financial plan for the water utility. To develop the financial plan, Raftelis projected annual revenues and expenses, modeled reserve balances, projected capital expenditures, and calculated debt service coverage to estimate the amount of additional rate revenue needed each year. Numbers shown in the tables of this section are rounded. Therefore, hand calculations based on the displayed numbers, such as summing or multiplying, may not equal the exact results shown.

2.1. Inflationary Assumptions

Inflationary factors are used to escalate the revenue and cost categories across the planning period, which for this study is from FY 2023 to FY 2027. The District’s most recent adopted revenue and expense budgets are for FY 2023. Raftelis worked with District staff to escalate individual budget line items according to the appropriate escalation factor. The escalation factors used to project revenues are shown in **Table 2-1**. These factors are based on industry indices, such as general inflation based on CPI, and input from District staff. Inflation factors were increased for FY 2024 because of recent high inflation and were linearly decreased back to historical averages by FY 2027.

Table 2-1: Inflation Factors

Line	A Escalation Factors	B FY 2023	C FY 2024	D FY 2025	E FY 2026	F FY 2027
1	General	2.7%	5.0%	4.2%	3.5%	2.7%
2	Salary	4.5%	6.5%	5.8%	5.2%	4.5%
3	Benefits	6.0%	6.5%	5.8%	5.2%	4.5%
4	Power	5.0%	6.0%	5.7%	5.3%	5.0%
5	Capital	3.2%	5.0%	4.4%	3.8%	3.2%
6	Interest Income	0.3%	0.9%	0.9%	0.9%	0.9%

2.2. Current Water Rates

The District’s current water rates were implemented January 1, 2022 and include a monthly base charge based on meter size, a monthly fire service charge based on fire line size, and a tiered quantity charge for every ccf of water used. **Table 2-2** shows the current monthly base charges by meter size. **Table 2-3** shows the current monthly fire service charges by fire line size. **Table 2-4** shows the current quantity charge by customer class and by monthly tiers.

Table 2-2: Current Monthly Base Charge

Line	A Meter Size	B Current
1	5/8"	\$31.87
2	3/4"	\$47.09
3	1"	\$77.52
4	1 1/2"	\$153.60
5	2"	\$244.91
6	3"	\$534.02
7	4"	\$960.12

Table 2-3: Current Monthly Fire Service Charges

	A	B
Line	Fire Line Size	Current
1	3/4"	\$5.35
2	1"	\$7.13
3	1 1/2"	\$10.70
4	2"	\$14.26
5	3"	\$21.39
6	4"	\$28.52
7	6"	\$42.78
8	8"	\$57.04
9	10"	\$71.30

Table 2-4: Current Quantity Charges

	A	B
Line	Quantity Charges	Current
1	Single Family	
2	Tier 1	\$10.14
3	Tier 2	\$14.83
4	Tier 3	\$17.94
5	Multi-Family	\$13.52
6	Non-Residential	\$14.41

2.3. Customer Accounts and Usage

District Staff provided detailed customer billing data for FY 2022, which included information such as customer class, billed consumption in ccf, and meter size for each of the monthly billing periods. Future usage and accounts were projected based off of FY 2022 data.

Table 2-5 shows the projected meter counts by meter size for the study period. **Table 2-6** shows the projected private fire accounts for the study period. **Table 2-7** shows the projected water demand for the study period. Demand slowly increases from FY 2023 to FY 2025, bouncing back from the current drought conditions. **Table 2-8** shows the resulting projected water usage in ccf by customer class and tier for the study period. We assume no account growth for the study period. There is a projected decrease in demand in FY 2023 recovering to historical demand by FY 2024 as shown in **Table 1-5**.

Table 2-5: Projected Customer Accounts

	A	B	C	D	E	F	G
Line	Customer Accounts	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
1	5/8"	6,114	6,114	6,114	6,114	6,114	6,114
2	3/4"	198	198	198	198	198	198
3	1"	184	184	184	184	184	184
4	1 1/2"	29	29	29	29	29	29
5	2"	34	34	34	34	34	34
6	3"	5	5	5	5	5	5
7	4"	2	2	2	2	2	2
8	Total	6,566	6,566	6,566	6,566	6,566	6,566

Table 2-6: Projected Private Fire Accounts

Line	A Private Fire Accounts	B FY 2022	C FY 2023	D FY 2024	E FY 2025	F FY 2026	G FY 2027
1	3/4"	10	10	10	10	10	10
2	1"	735	735	735	735	735	735
3	1 1/2"	50	50	50	50	50	50
4	2"	89	89	89	89	89	89
5	3"	4	4	4	4	4	4
6	4"	128	128	128	128	128	128
7	6"	62	62	62	62	62	62
8	8"	14	14	14	14	14	14
9	10"	1	1	1	1	1	1
10	Total	1,093	1,093	1,093	1,093	1,093	1,093

Table 2-7: Projected Water Demand

Line	A Projected Water Demand	B FY 2023	C FY 2024	D FY 2025	E FY 2026	F FY 2027
1	% of FY 2022 Usage	97.7%	109.0%	104.2%	100.0%	100.0%
2	Total Projected Water Sales (MG)	550	600	625	625	625

Table 2-8: Projected Water Usage

Line	A Consumption (ccf)	B FY 2022	C FY 2023	D FY 2024	E FY 2025	F FY 2026	G FY 2027
1	Single Family Residential						
2	Tier 1	231,604	226,277	246,642	257,001	257,001	257,001
3	Tier 2	103,832	101,444	110,574	115,218	115,218	115,218
4	Tier 3	53,314	52,088	56,776	59,160	59,160	59,160
5	Multi-Family Residential	39,513	38,604	42,079	43,846	43,846	43,846
6	Non-Residential	324,970	317,496	346,070	360,605	360,605	360,605
7	Total	753,233	735,909	802,140	835,830	835,830	835,830

2.4. Projected Revenues at Current Rates

Rate revenues for FY 2023 through FY 2027 were calculated based on the District's current water rates. The projected annual rate revenues from the monthly base charges are shown in **Table 2-9** and **Table 2-10** shows the projected revenue collected from current quantity charges by customer class. **Table 2-11** shows the total projected revenues including the base charges, fire service charges, and quantity charges.

Table 2-9: Calculated Service Charge Revenue

Line	A Service Charge Revenue	B FY 2022	C FY 2023	D FY 2024	E FY 2025	F FY 2026	G FY 2027
1	Base Charge	\$2,762,265	\$2,829,748	\$2,829,748	\$2,829,748	\$2,829,748	\$2,829,748
2	Fire Service Charge	\$168,168	\$172,275	\$172,275	\$172,275	\$172,275	\$172,275
3	Total Service Charge Revenue	\$2,930,432	\$3,002,023	\$3,002,023	\$3,002,023	\$3,002,023	\$3,002,023

Table 2-10: Calculated Quantity Charge Revenue

Line	A Quantity Charge Revenue	B FY 2022	C FY 2023	D FY 2024	E FY 2025	F FY 2026	G FY 2027
1	Single Family	\$4,715,866	\$4,733,317	\$5,159,316	\$5,376,007	\$5,376,007	\$5,376,007
2	Multi-Family	\$520,013	\$521,929	\$568,902	\$592,796	\$592,796	\$592,796
3	Non-Residential	\$4,558,819	\$4,575,113	\$4,986,873	\$5,196,322	\$5,196,322	\$5,196,322
4	Total Quantity Charge Revenue	\$9,794,698	\$9,830,359	\$10,715,091	\$11,165,125	\$11,165,125	\$11,165,125

Table 2-11: Calculated Water Rate Revenue

Line	A Calculated Rate Revenue	B FY 2022	C FY 2023	D FY 2024	E FY 2025	F FY 2026	G FY 2027
1	Service Charge Revenue	\$2,930,432	\$3,002,023	\$3,002,023	\$3,002,023	\$3,002,023	\$3,002,023
2	Quantity Charge Revenue	\$9,794,698	\$9,830,359	\$10,715,091	\$11,165,125	\$11,165,125	\$11,165,125
3	Total Calculated Rate Revenue	\$12,725,130	\$12,832,382	\$13,717,114	\$14,167,148	\$14,167,148	\$14,167,148

2.5. Projected Revenues

Table 2-12 shows the utility’s projected revenues for the study period. District staff provided budgeted revenues for FY 2023 (Column B). Water rate revenues (Line 3) are equal to the calculated rate revenues at current rates for FY 2023 and beyond.

Miscellaneous, non-rate revenues are considered other revenue (Lines 5, 7-8) and are inflated using the general escalation factor (**Table 2-1**, Line 1). Interest income (Line 6) is calculated based on the reserve interest rate (**Table 2-1**, Line 6) and projected fund balances.

2.6. Estimated Purchased Water Costs

The District purchases most of its water supply from SFPUC. The water utility’s annual purchased water cost includes an annual fixed charge and a variable rate per ccf of water. **Table 2-13** shows the purchased water cost calculations for the study period. The District estimates 8% water loss for the system (Line 1). Water demand (Line 3) is equal to the total water demand for all customers. The amount of water produced (Line 4) is based on water demand accounting for water loss.

District staff provided current and projected SFPUC fixed and variable water costs for FY 2023 through FY 2027. SFPUC variable water costs (Line 20) are calculated by multiplying the water produced (Line 4) by the variable water cost (Line 16). The annual fixed charge for each year (Line 19) is calculated by multiplying the SFPUC monthly charge (Line 15) by 12.

2.7. Projected O&M Expenses

Table 2-15 summarizes the projected O&M expenses for the study period. District staff provided the adopted budget for FY 2023, which was inflated for future years using the escalation factors (**Table 2-1**). Water purchase costs (Line 1) are equal to the calculated costs (**Table 2-13**) from FY 2023 and beyond.

2.8. Existing Debt Service

Table 2-15 shows the District’s existing debt service. Annual existing debt service payments are \$1.5M annually. The District expects to issue any additional debt to fund capital projects in FY 2025.

2.9. Capital Project Funding

Table 2-16 details the District’s capital improvement plan. District staff provided ten-year CIP based on current year dollars. From FY 2023 onward, CIP costs are inflated using the expense escalation factor for capital (**Table 2-1**, Line 5). The District expects to fully fund its water capital program using cash from rate revenues and reserves in all years except FY 2025, where \$7M of the CIP will be funded through debt proceeds.

Table 2-12: Projected Revenue Summary

Line	A Revenue Summary	B FY 2022	C FY 2023	D FY 2024	E FY 2025	F FY 2026	G FY 2027
1	Rate Revenue						
2	Service Charges	\$2,930,432	\$3,002,023	\$3,002,023	\$3,002,023	\$3,002,023	\$3,002,023
3	Quantity Charges	\$9,794,698	\$9,830,359	\$10,715,091	\$11,165,125	\$11,165,125	\$11,165,125
4	Other Revenue						
5	Fees	\$16,484	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
6	Interest	\$15,097	\$32,000	\$89,725	\$100,162	\$106,549	\$97,062
7	Taxes	\$1,027,746	\$950,000	\$969,000	\$988,380	\$1,008,148	\$1,028,311
8	Other	\$926,166	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000
9	Total Revenue	\$14,710,624	\$14,624,382	\$15,585,839	\$16,065,690	\$16,091,845	\$16,102,521

Table 2-13: Calculated SFPUC Water Supply Cost

Line	A Water Supply Cost	B FY 2022	C FY 2023	D FY 2024	E FY 2025	F FY 2026	G FY 2027
1	Water Loss	8.1%	8.0%	8.0%	8.0%	8.0%	8.0%
2							
3	Water Sales	753,233	735,909	802,140	835,830	835,830	835,830
4	Water Production	819,622	799,901	871,892	908,511	908,511	908,511
5							
6	Water Supply Mix						
7	CCWD Sources	38%	30%	35%	35%	35%	35%
8	SFPUC Sources	62%	70%	65%	65%	65%	65%
9							
10	Water Production & Purchase						
11	CCWD Sources	311,457	239,970	305,162	317,979	317,979	317,979
12	SFPUC Sources	508,166	559,930	566,730	590,532	590,532	590,532
13							
14	Water Supply Costs						
15	SFPUC Fixed Monthly Charge	\$6,782	\$7,264	\$8,054	\$8,054	\$8,054	\$8,071
16	SFPUC Variable Rate (\$/ccf)	\$3.74	\$4.32	\$4.79	\$4.79	\$4.79	\$4.80
17							
18	Calculated Water Costs						
19	SFPUC Fixed Charge	\$81,384	\$87,162	\$96,645	\$96,645	\$96,645	\$96,847
20	SFPUC Variable Charges	\$1,900,540	\$2,418,900	\$2,714,635	\$2,828,650	\$2,828,650	\$2,834,555
21							
22	Total Calculated Water Costs	\$1,981,924	\$2,506,062	\$2,811,280	\$2,925,295	\$2,925,295	\$2,931,402

Table 2-14: Projected O&M Expenses

Line	A Operating Expenditures	B FY 2022	C FY 2023	D FY 2024	E FY 2025	F FY 2026	G FY 2027
1	Water Purchases	\$1,981,924	\$2,506,062	\$2,811,280	\$2,925,295	\$2,925,295	\$2,931,402
2	O&M	\$6,988,556	\$7,996,110	\$8,481,698	\$8,967,527	\$9,330,786	\$9,712,036
3	Total Expenditures	\$8,970,480	\$10,502,172	\$11,292,978	\$11,892,822	\$12,256,081	\$12,643,438

Table 2-15: Existing Debt Service Summary

Line	A Existing Debt Service	B FY 2022	C FY 2023	D FY 2024	E FY 2025	F FY 2026	G FY 2027
1	Existing Bond-CIEDB 11-099	\$335,669	\$335,508	\$335,343	\$335,173	\$334,998	\$334,819
2	CIEDB 16-111	\$322,895	\$322,417	\$321,923	\$321,412	\$320,883	\$320,337
3	Chase - 2018 Loan (Refunding of 2006B Bonds)	\$435,168	\$436,027	\$437,233	\$432,821	\$432,880	\$437,180
4	First Foundation 2022 Loan	\$0	\$495,510	\$417,501	\$417,434	\$417,365	\$417,295
5	Total Existing Debt	\$1,093,732	\$1,589,462	\$1,512,000	\$1,506,840	\$1,506,127	\$1,509,630

Table 2-16: Projected CIP Summary

Line	A Capital Improvement Plan Summary	B FY 2022	C FY 2023	D FY 2024	E FY 2025	F FY 2026	G FY 2027
1	Equipment Purchase & Replacement	\$47,500	\$85,500	\$85,500	\$85,500	\$85,500	\$85,500
2	Facilities & Maintenance	\$152,000	\$180,500	\$142,500	\$142,500	\$142,500	\$142,500
3	Pipeline Projects	\$95,000	\$2,707,500	\$617,500	\$95,000	\$2,470,000	\$3,705,000
4	Pump Stations/Tanks/Wells	\$332,500	\$855,000	\$1,425,000	\$6,270,000	\$2,137,500	\$712,500
5	Water Supply Development	\$285,000	\$380,000	\$1,187,500	\$950,000	\$1,235,000	\$760,000
6	Water Treatment Plants	\$2,755,000	\$3,586,250	\$1,377,500	\$0	\$0	\$0
7	Revised Annual CIP Costs (Additions/Deletions)	\$3,358,250	\$0	\$0	\$0	\$0	\$0
8	Total Projected CIP	\$7,025,250	\$7,794,750	\$4,835,500	\$7,543,000	\$6,070,500	\$5,405,500

2.10. Status Quo Financial Plan

Table 2-17 shows the projected financial plan based on revenues at existing rates with no adjustments, or the “status quo” scenario. Revenues (Lines 1-6) are derived from **Table 2-12**. Note that the revenues from interest income in the status quo scenario is lower due to a decrease in fund balances. O&M expenses (Lines 8-11) are derived from

Table 2-14. Existing debt service (Line 14) and cash funded CIP (Line 19) are derived from **Table 2-15** and **Table 2-16**, respectively.

Net revenue is equal to total revenues (Line 6) less O&M expenses (Line 10). Net cash flow (Line 25) is equal to net revenue less debt service (Line 16) and cash funded CIP (Line 19). Debt coverage (Line 27) is calculated by dividing net revenue by debt service. The water utility will not default on debt coverage during the study period. District staff provided beginning fund balances for FY 2023 (Column B, Line 30). Ending balances (Line 31) are calculated by adding beginning balances to net cash flow. The reserve targets of 25% of annual water O&M expenses are derived from the District’s existing reserve policies. Under the status quo scenario, the water utility as a whole will not meet reserve targets in any year of the study period and fund balances will fall below zero in FY 2026.

Table 2-17: Status Quo Financial Plan

Line	A Financial Plan	B FY 2022	C FY 2023	D FY 2024	E FY 2025	F FY 2026	G FY 2027
1	Revenue						
2	Revenue from Rates	\$12,725,130	\$12,832,382	\$13,717,114	\$14,167,148	\$14,167,148	\$14,167,148
3	Additional Revenue	\$0	\$0	\$0	\$0	\$0	\$0
4	Interest Income	\$15,097	\$32,000	\$80,999	\$48,667	\$5,923	\$0
5	Other Revenue	\$1,970,397	\$1,760,000	\$1,779,000	\$1,798,380	\$1,818,148	\$1,838,311
6	Total Revenue	\$14,710,624	\$14,624,382	\$15,577,114	\$16,014,196	\$15,991,219	\$16,005,459
7							
8	Operating Expenditures						
9	Water Purchases	\$1,981,924	\$2,506,062	\$2,811,280	\$2,925,295	\$2,925,295	\$2,931,402
10	O&M	\$6,988,556	\$7,996,110	\$8,481,698	\$8,967,527	\$9,330,786	\$9,712,036
11	Total Operating Expenditures	\$8,970,480	\$10,502,172	\$11,292,978	\$11,892,822	\$12,256,081	\$12,643,438
12							
13	Debt Service						
14	Existing Debt	\$1,093,732	\$1,093,952	\$1,094,498	\$1,089,406	\$1,088,762	\$1,092,335
15	New Proposed Debt	\$0	\$0	\$0	\$0	\$0	\$0
16	Total Debt Service	\$1,093,732	\$1,093,952	\$1,094,498	\$1,089,406	\$1,088,762	\$1,092,335
17							
18	CIP						
19	Rate Funded	\$7,025,250	\$8,044,182	\$5,239,748	\$8,533,233	\$7,128,388	\$6,550,620
20	Debt Funded	\$0	\$0	\$0	\$0	\$0	\$0
21	Total CIP	\$7,025,250	\$8,044,182	\$5,239,748	\$8,533,233	\$7,128,388	\$6,550,620
22							
23	Total Expenses	\$17,089,462	\$19,640,305	\$17,627,224	\$21,515,461	\$20,473,230	\$20,286,394
24							
25	Net Cashflow	(\$2,378,838)	(\$5,015,923)	(\$2,050,111)	(\$5,501,265)	(\$4,482,011)	(\$4,280,935)
26							
27	Calculated Debt Coverage Ratio	525%	377%	391%	378%	343%	308%
28	Required Debt Coverage Ratio	120%	120%	120%	120%	120%	120%
29							
30	Beginning Balance	\$10,000,000	\$15,500,000	\$10,484,077	\$8,433,966	\$2,932,701	(\$1,549,310)
31	Ending Balance	\$7,621,162	\$10,484,077	\$8,433,966	\$2,932,701	(\$1,549,310)	(\$5,830,244)
32	<i>Minimum Target</i>	<i>\$10,435,806</i>	<i>\$10,819,276</i>	<i>\$11,011,885</i>	<i>\$11,161,201</i>	<i>\$11,255,590</i>	<i>\$11,350,132</i>

Figure 2-1 shows the projected status quo financial plan in graphical format. The bars represent the water utility’s cash needs: O&M expenses (dark blue), debt service (green), rate funded capital (gray), and purchased water (light blue). The solid line represents the current revenues, which is below the stacked bars for each year, signifying that the District’s current water revenues are not sufficient to fund its costs.

Figure 2-1: Status Quo Financial Plan – Water

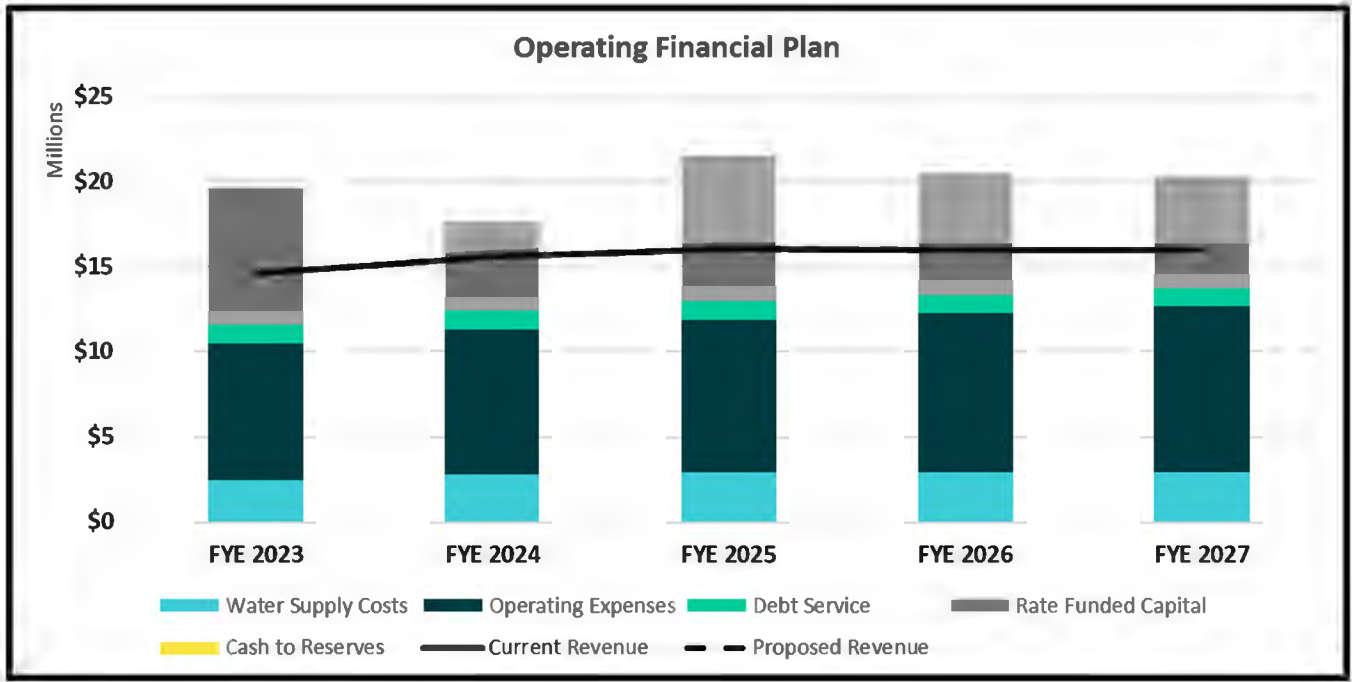


Figure 2-2 shows the projected debt service coverage under the status quo scenario for the study period. The dark blue solid line represents the target debt service coverage of 1.2 and the light blue dashed line represents the calculated debt service coverage. The water utility will not default on debt service coverage during the study period even though fund balances fall far below target.

Figure 2-2: Status Quo Debt Service Coverage

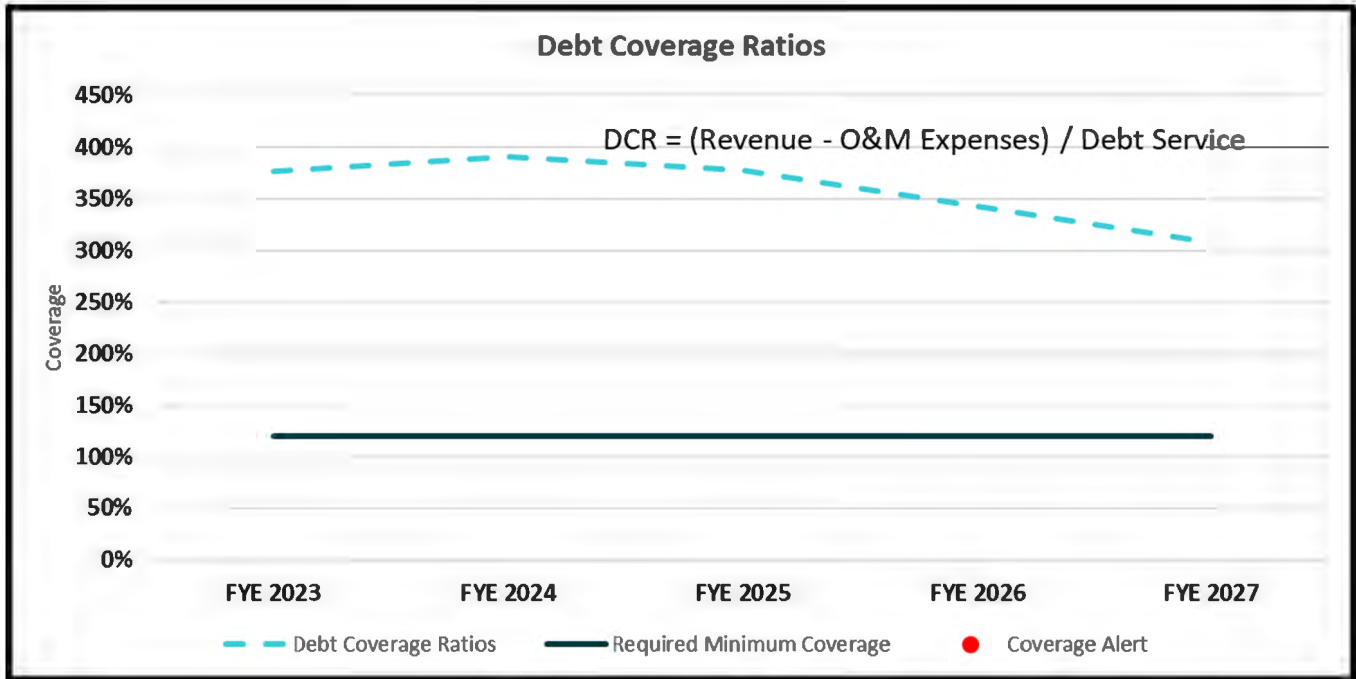
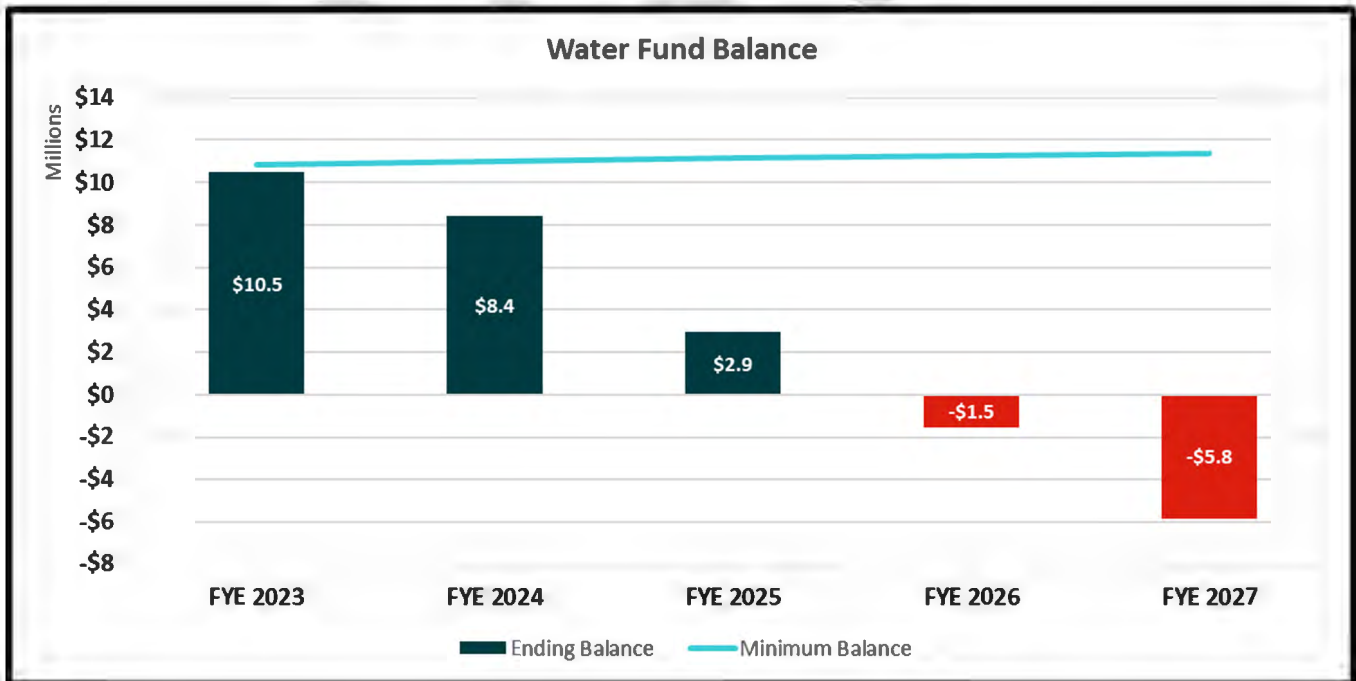


Figure 2-3 shows the projected combined fund balances under the status quo scenario for the study period. The dark blue bars represent the ending balances and the solid light blue line represents the reserve target amounts. The water fund will be under target in every year of the rate study and fall below zero in FY 2026.

Figure 2-3: Status Quo Scenario Fund Balances



2.11. Proposed Financial Plan

Table 2-18 shows the proposed revenue adjustments that allow the District to maintain financial sufficiency, fund operating and capital expenses, and build up cash reserves to achieve target fund balances by the end of the study period. The proposed revenue adjustments represent the increase to total rate revenues required to recover the water utility’s costs and not the expected impact to each customer class. Revenue adjustments in subsequent years are applied across all charges, classes, and tiers proportional to the base year rates developed for FY 2023. The revenue adjustments are effective on January 1 of every year.

Table 2-18: Proposed Revenue Adjustments

	A	B	C
Line	Revenue Adjustment	FY 2023	FY 2024
1	Effective Month	January	January
2	Percent Adjustment	6.0%	6.0%

Table 2-19 shows the projected financial plan with the proposed revenue adjustments in **Table 2-18** applied to the water rate revenues and a proposed debt issuance of \$7M to fund CIP. Revenues from interest income (Line 4) are greater than those shown in the status quo scenario (**Table 2-17**, Line 4) due to additional cash from the proposed adjustments. O&M expenses (Line 11) and debt service (Line 16) are the same as the status quo scenario. Cash funded CIP in FY 2025 (Column E, Line 19) is less than the status quo scenario due to proposed debt proceeds to fund CIP (Column E, Line 20).

Net cash flow (Line 25) is positive in FY 2025 which means that the District will be funding its reserves in those years. Net cash flow is negative for all other years, which means that the District will be drawing down its cash reserves to pay for capital costs. The ending balance (Line 31) will meet or almost meet the reserve target (Line 32) in FY 2023 through FY 2027. Calculated debt service coverage (Line 27) exceeds target debt service coverage (Line 28) in all years through FY 2027.

Table 2-19: Proposed Financial Plan

Line	A Financial Plan	B FY 2022	C FY 2023	D FY 2024	E FY 2025	F FY 2026	G FY 2027
1	Revenue						
2	Revenue from Rates	\$12,725,130	\$12,832,382	\$13,717,114	\$14,167,148	\$14,167,148	\$14,167,148
3	Additional Revenue	\$0	\$384,971	\$1,259,231	\$2,228,606	\$3,212,351	\$4,255,121
4	Interest Income	\$15,097	\$32,000	\$89,725	\$100,162	\$106,549	\$97,062
5	Other Revenue	\$1,970,397	\$1,760,000	\$1,779,000	\$1,798,380	\$1,818,148	\$1,838,311
6	Total Revenue	\$14,710,624	\$15,009,354	\$16,845,070	\$18,294,296	\$19,304,196	\$20,357,642
7							
8	Operating Expenditures						
9	Water Purchases	\$1,981,924	\$2,506,062	\$2,811,280	\$2,925,295	\$2,925,295	\$2,931,402
10	O&M	\$6,988,556	\$7,996,110	\$8,481,698	\$8,967,527	\$9,330,786	\$9,712,036
11	Total Operating Expenditures	\$8,970,480	\$10,502,172	\$11,292,978	\$11,892,822	\$12,256,081	\$12,643,438
12							
13	Debt Service						
14	Existing Debt	\$1,093,732	\$1,093,952	\$1,094,498	\$1,089,406	\$1,088,762	\$1,092,335
15	New Proposed Debt	\$0	\$0	\$0	\$558,999	\$558,999	\$558,999
16	Total Debt Service	\$1,093,732	\$1,093,952	\$1,094,498	\$1,648,405	\$1,647,761	\$1,651,335
17							
18	CIP						
19	Rate Funded	\$7,025,250	\$8,044,182	\$5,239,748	\$1,533,233	\$7,128,388	\$6,550,620
20	Debt Funded	\$0	\$0	\$0	\$7,000,000	\$0	\$0
21	Total CIP	\$7,025,250	\$8,044,182	\$5,239,748	\$8,533,233	\$7,128,388	\$6,550,620
22							
23	Total Expenses	\$17,089,462	\$19,640,305	\$17,627,224	\$15,074,460	\$21,032,229	\$20,845,393
24							
25	Net Cashflow	(\$2,378,838)	(\$4,630,952)	(\$782,154)	\$3,219,836	(\$1,728,033)	(\$487,751)
26							
27	Calculated Debt Coverage Ratio	525%	412%	507%	388%	428%	467%
28	Required Debt Coverage Ratio	120%	120%	120%	120%	120%	120%
29							
30	Beginning Balance	\$10,000,000	\$15,500,000	\$10,869,048	\$10,086,894	\$13,306,730	\$11,578,697
31	Ending Balance	\$7,621,162	\$10,869,048	\$10,086,894	\$13,306,730	\$11,578,697	\$11,090,946
32	<i>Minimum Target</i>	<i>\$10,435,806</i>	<i>\$10,819,276</i>	<i>\$11,570,884</i>	<i>\$11,720,201</i>	<i>\$11,814,589</i>	<i>\$11,909,132</i>

Figure 2-4 shows the projected financial plans with the proposed revenue adjustments. The dotted line represents the proposed revenues with the adjustments applied.

Figure 2-4: Proposed Water Financial Plan

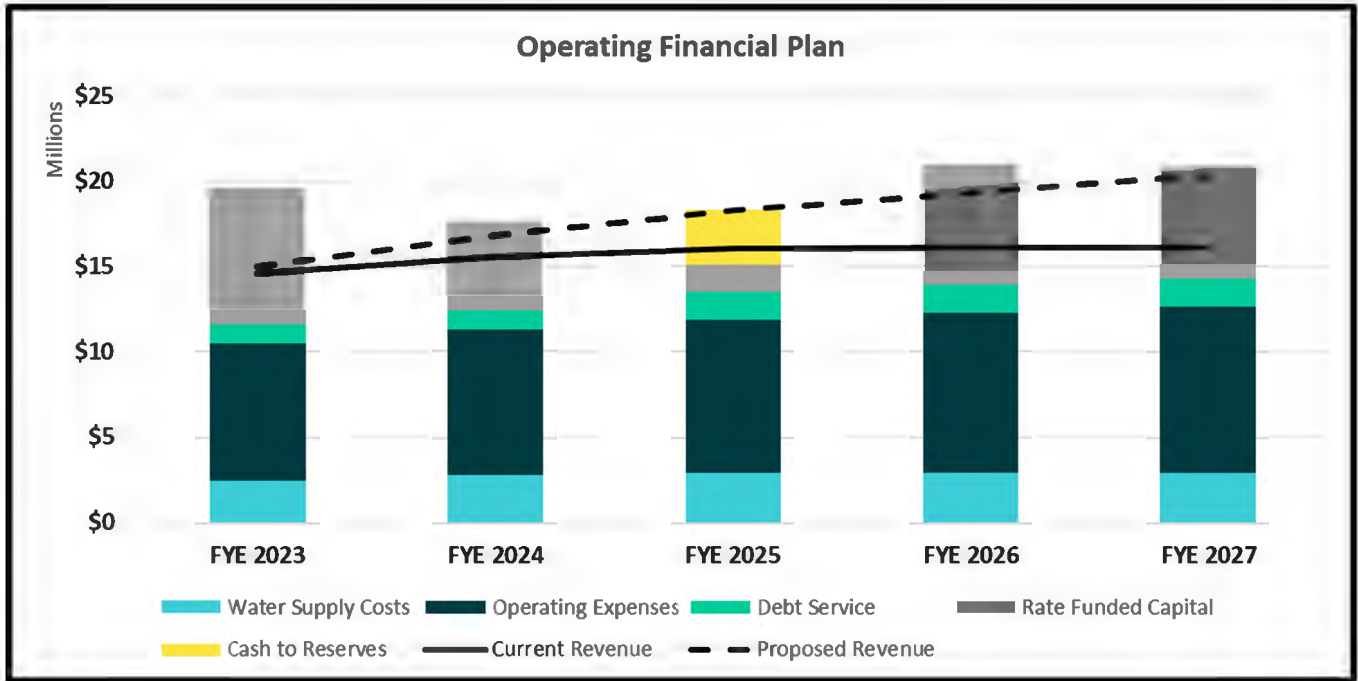


Figure 2-5 shows the projected debt service coverage for the water utility with the proposed adjustments in Table 2-18 applied over the study period. The water utility is expected to meet its debt service coverage target in each year through FY 2027.

Figure 2-5: Proposed Debt Service Coverage

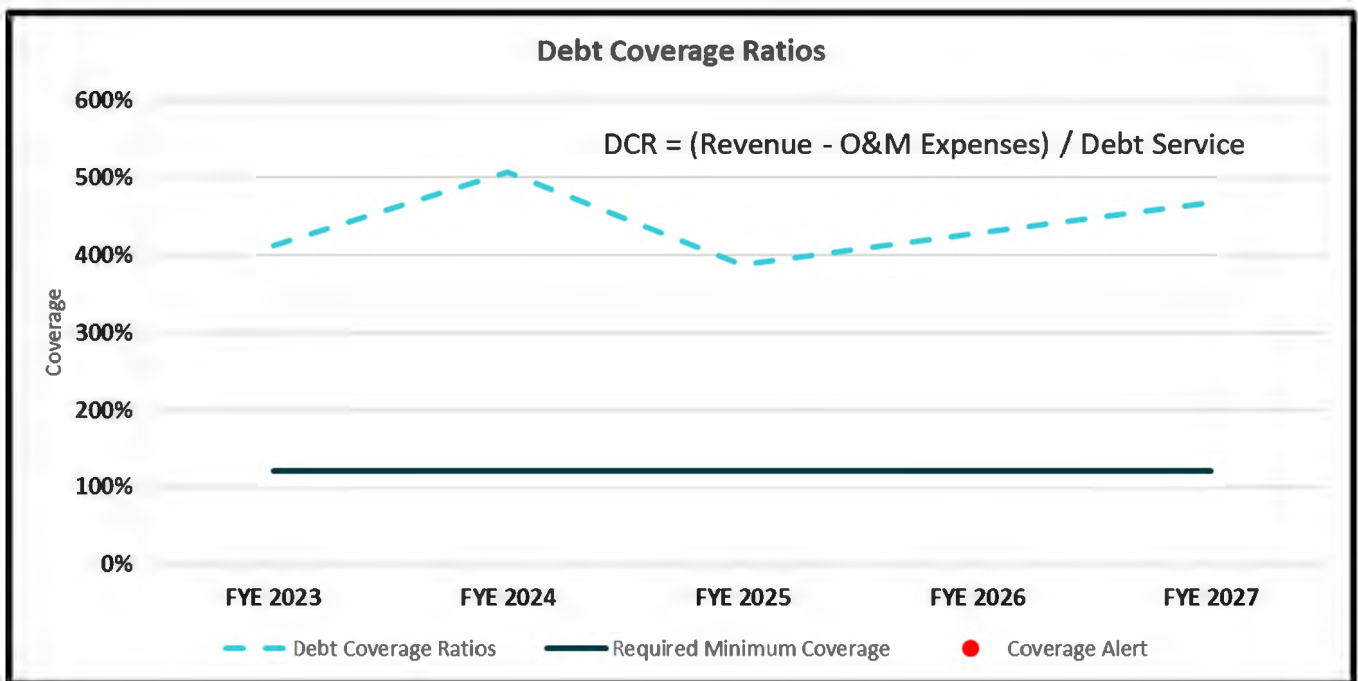
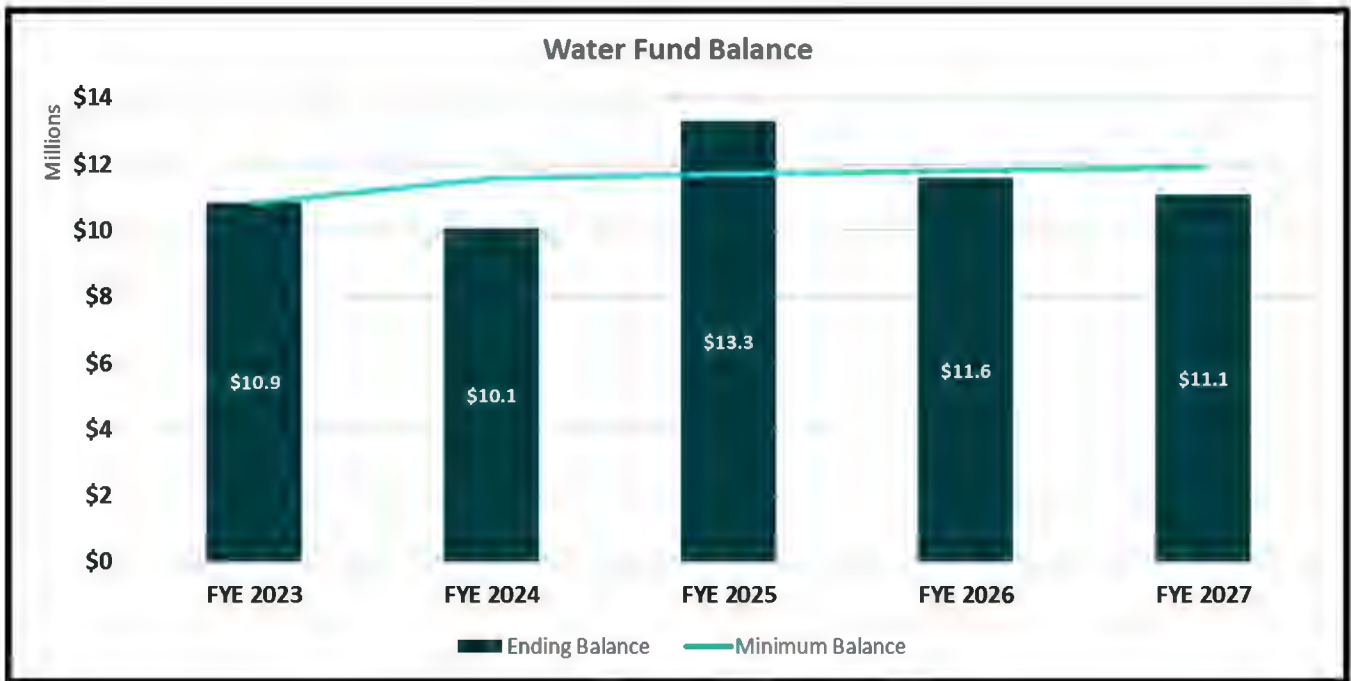


Figure 2-6 shows the projected combined fund balances with the proposed adjustments in Table 2-18 applied over a 5-year period. The District's water fund expected to meet or almost meet its reserve target from FY 2023 through FY 2027.

Figure 2-6: Proposed Ending Fund Balances



3. Proposed Rates

This section of the report details the calculation of the proposed water rates that were developed in the study. Numbers shown in the tables of this section are rounded. Therefore, hand calculations based on the displayed numbers, such as summing or multiplying, may not equal the exact results shown in this Report. All rates shown in this section are rounded up to the nearest cent.

3.1. Proposed Adjustments

Table 3-1 shows the proposed revenue adjustments from the financial plan. Revenue adjustments in each year are applied across all charges, classes, and tiers proportional to the current rates.

Table 3-1: Proposed Revenue Adjustments

	A	B	C
Line	Revenue Adjustment	FY 2023	FY 2024
1	Effective Month	January	January
2	Percent Adjustment	6.0%	6.0%

3.2. Proposed Rate Schedule

The rates shown in this subsection are increased for FY 2023 and beyond based on the proposed revenue adjustments shown in **Table 3-1**. The proposed water rates are reflective of an across-the-board increase based on the District’s existing water rate structure, developed in the 2018 Water Cost of Service and Rate Study. **Table 3-2** shows the two-year rate schedule for the proposed monthly base charges. **Table 3-3** shows the two-year rate schedule for monthly fire service charges. **Table 3-4** shows the two-year rate schedule for quantity charges.

Table 3-2: Proposed Monthly Base Charges

	A	B	C	D
Line	Meter Size	Current FY 2022	Proposed FY 2023	Proposed FY 2024
1	5/8"	\$31.87	\$33.78	\$35.81
2	3/4"	\$47.09	\$49.92	\$52.92
3	1"	\$77.52	\$82.17	\$87.10
4	1 1/2"	\$153.60	\$162.82	\$172.59
5	2"	\$244.91	\$259.60	\$275.18
6	3"	\$534.02	\$566.06	\$600.02
7	4"	\$960.12	\$1,017.73	\$1,078.79

Table 3-3: Proposed Monthly Fire Service Charges

	A	B	C	D
Line	Fire Line Size	Current FY 2022	Proposed FY 2023	Proposed FY 2024
1	3/4"	\$5.35	\$5.67	\$6.01
2	1"	\$7.13	\$7.56	\$8.01
3	1 1/2"	\$10.70	\$11.34	\$12.02
4	2"	\$14.26	\$15.12	\$16.03
5	3"	\$21.39	\$22.67	\$24.03
6	4"	\$28.52	\$30.23	\$32.04
7	6"	\$42.78	\$45.35	\$48.07
8	8"	\$57.04	\$60.46	\$64.09
9	10"	\$71.30	\$75.58	\$80.11

Table 3-4: Proposed Quantity Charges

	A	B	C	D
Line	Customer Class	Current FY 2022	Proposed FY 2023	Proposed FY 2024
1	Single Family			
2	Tier 1	\$10.14	\$10.75	\$11.40
3	Tier 2	\$14.83	\$15.72	\$16.66
4	Tier 3	\$17.94	\$19.02	\$20.16
5	Multi-Family	\$13.52	\$14.33	\$15.19
6	Non-Residential	\$14.41	\$15.27	\$16.19

3.3. Customer Impacts

Figure 3-1 through Error! Reference source not found. **Figure 3-3** show the impacts for Single Family Residential, Commercial, and Multi-Family Residential customers, respectively. The monthly bills are calculated using the most common meter size for each customer class at various levels of usage.

Figure 3-1: Single Family Residential Bill Impacts

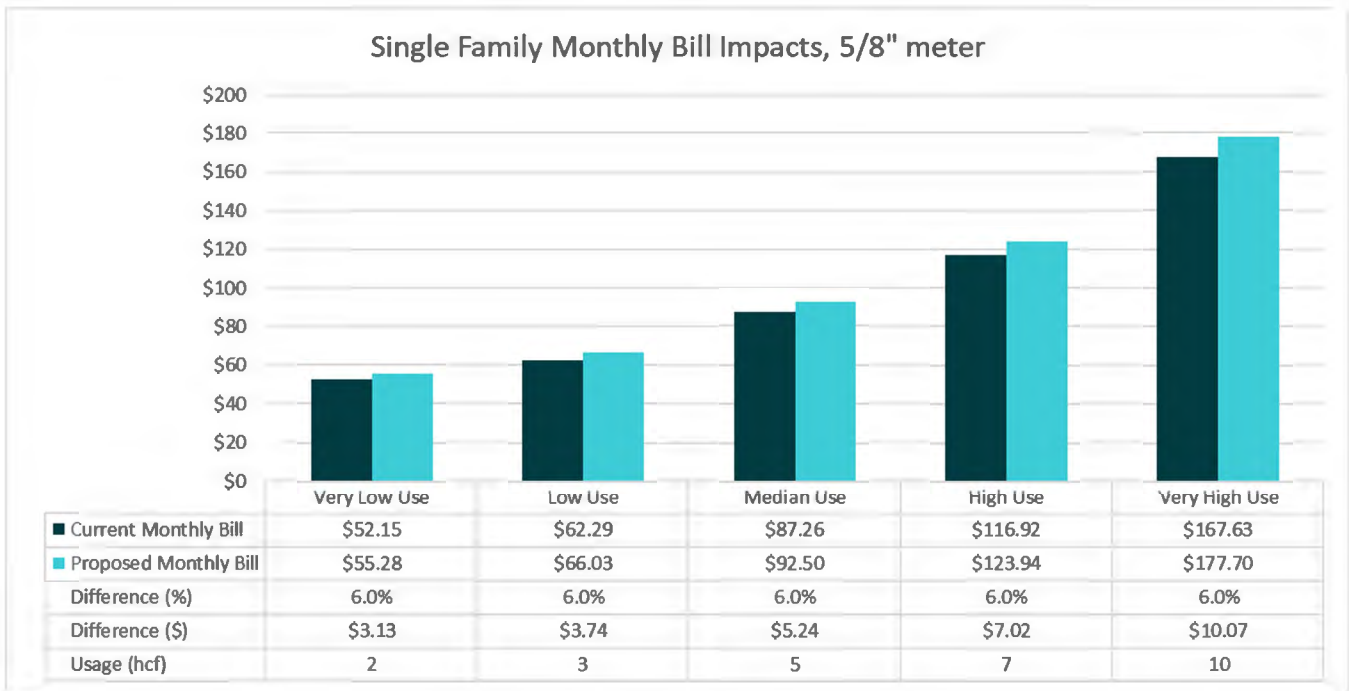


Figure 3-2: Commercial Bill Impacts

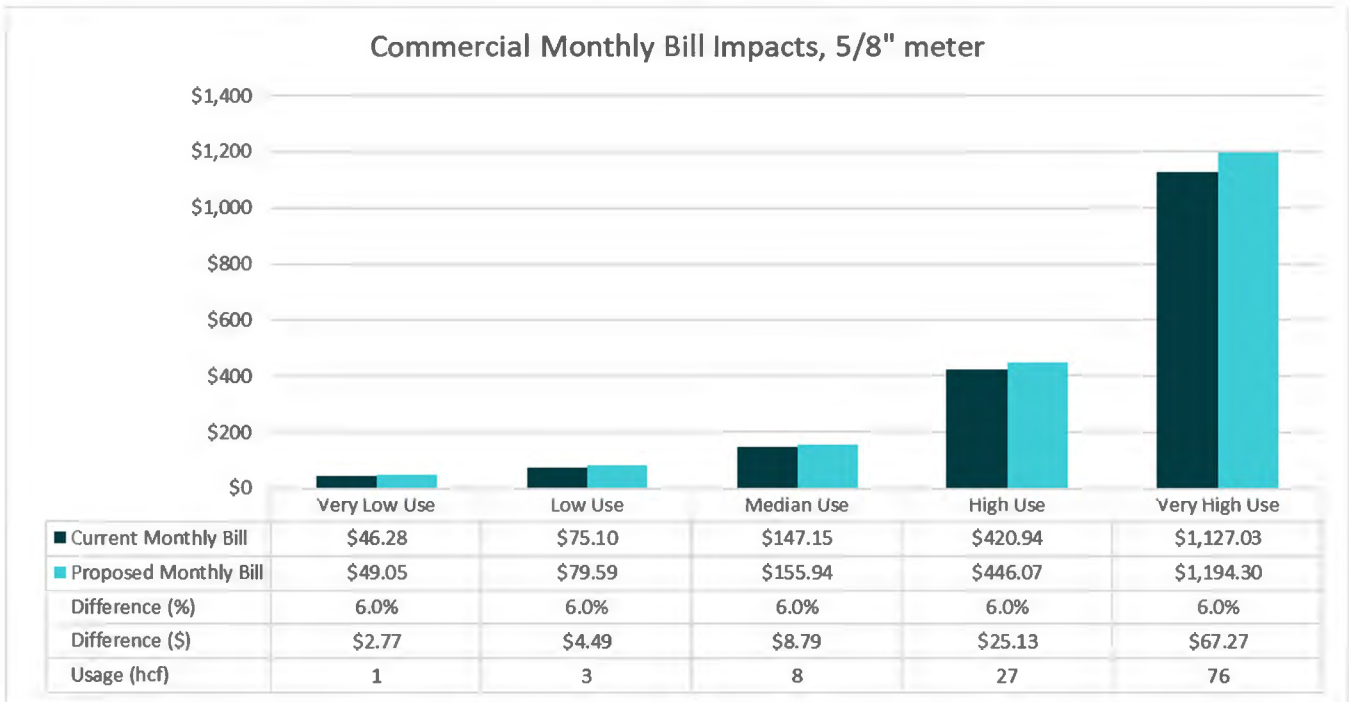
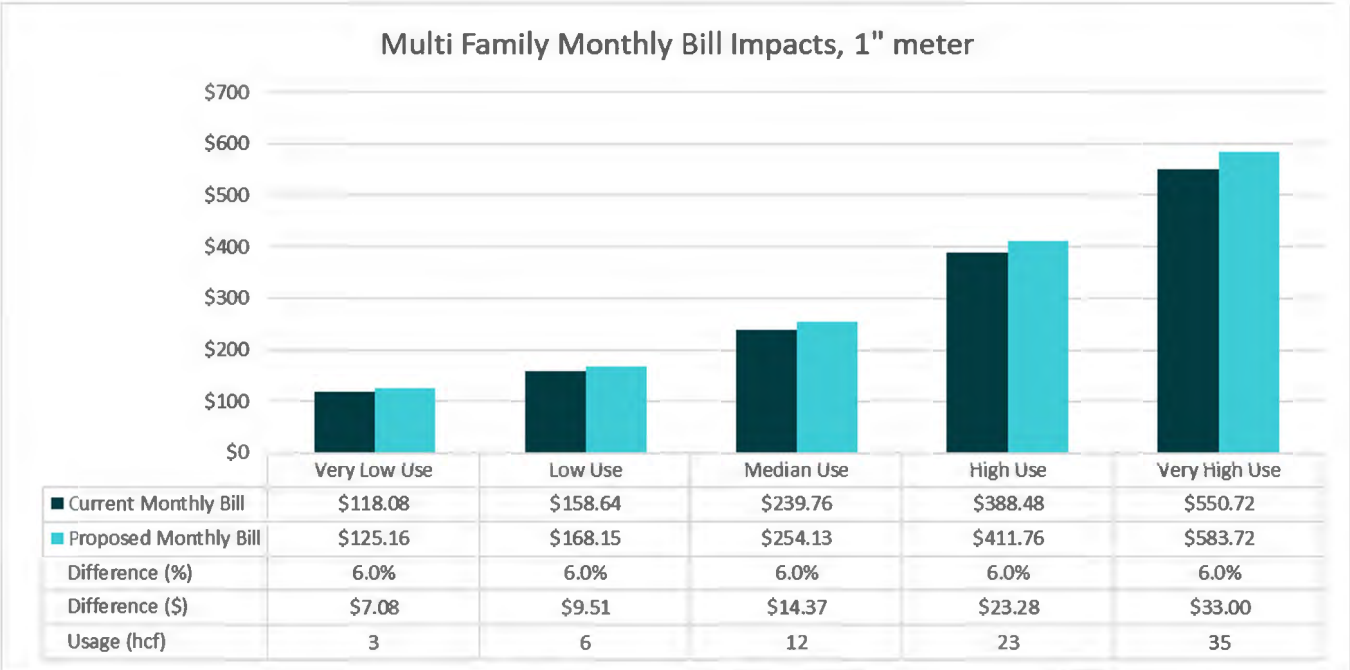


Figure 3-3: Multi-Family Residential Bill Impacts



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4. Water Shortage Rates

This section details the methodology used to calculate the District's proposed water shortage rates. Numbers shown in the tables of this section are rounded. Therefore, hand calculations based on the displayed numbers such as summing or multiplying, may not equal the exact results shown in this report.

4.1. Overview

The District engaged Raftelis to update water shortage rates as part of the Water Rate Study. The District adopted its latest Water Shortage Contingency Plan in June of 2021, which details the six drought stages and the corresponding water usage reductions. The resulting water shortage rates align with Proposition 218 requirements and allow the District to reliably recover the necessary revenue to fully fund the water system in times of reduction in water demand. The water shortage rate methodology is based on the prior January 2022 rate study.

The major objectives when developing water shortage rates include:

- Determine water allocations for each customer class during each drought stage based on the 2021 Water Shortage Contingency Plan
- Calculate the financial impacts of reduced water sales and changes to water supply sources
- Evaluate various rate structures to determine the structure best suited to meet the District's needs
- Develop water shortage rates that recover the financial impacts of each drought stage based on the cost of providing service

4.2. Process and Approach

Water shortage rates are governed by the requirements of Proposition 218 and Article X of the California Constitution. The development of water shortage rates must show the nexus between the costs of providing water service and the rates charged to customers, should maximize the beneficial use of water (often defined as indoor use for health and hygiene), and should encourage conservation.

Water shortage rates are designed to recover lost revenue due to reduction in water use during each stage, to incorporate the potential changes to the District's water supply sources and their corresponding costs, to align with specific drought stages outlined in the 2020 Water Shortage Contingency Plan, and to provide financial flexibility for the District when declaring drought stages and implementing the appropriate water shortage rates. The proposed rates are based on the District's proposed water rates for FY 2023, which will go into effect January 1, 2023.

There are four steps to conducting a water shortage rate study, which include:

1. Allocating water reductions between various customer classes based on defined drought stages
2. Calculating financial impacts to the District in each stage
3. Determining the most appropriate drought cost recovery mechanism (rate structure)
4. Evaluating financial impacts to customers

4.3. Drought Allocations and Costs

This subsection details the water usage allocations and financial impacts of each drought stage, which results in the total amount of revenue to be collected from water shortage rates in each stage.

4.3.1. WATER ALLOCATIONS

The first step in the development of water shortage rates involves allocating water usage reductions between the District’s customer classes based on the drought stages defined in the Water Shortage Contingency Plan. **Table 4-1** shows the overall reduction targets for the entire water system and for each customer class.

Table 4-1: Drought Stages and Reduction

Line	A Customer Class	B Baseline	C Stage 1	D Stage 2	E Stage 3	F Stage 4	G Stage 5	H Stage 6
1	Single Family Residential	0%	15%	21%	30%	36%	41%	52%
2	Multi-Family Residential	0%	14%	21%	30%	35%	41%	52%
3	Non-Residential	0%	5%	21%	30%	43%	62%	88%
4								
5	Target Reduction Goal	0%	≤10%	20%	30%	40%	50%	>50%

Water usage by customer class for each drought stage is calculated once the water reductions are determined. **Table 4-2** shows the estimated water usage in ccf for each stage of drought that align with the percent reduction targets for the system (**Table 4-1**). Baseline use (Column B) is equal to the estimated water demand determined as the “new normal” based on FY 2025 usage, as directed by District Staff. The percent reduction from Baseline (Line 8) is the difference between the total usage in Stages 1 through 6 compared to the Baseline scenario. Note that the percent reduction from Baseline is about equal to the target reduction for the system. The usage reductions for Single Family Residential customers are assumed to reduce from the highest tiers first, which provides the most conservative revenue projections and shows the prioritization for beneficial water use for indoor health and hygiene based on the guidance in Article X of the California Constitution.

Table 4-2: Estimated Water Usage by Stage

Line	A Customer Class	B Baseline	C Stage 1	D Stage 2	E Stage 3	F Stage 4	G Stage 5	H Stage 6
1	Single Family Residential							
2	Tier 1	257,312	257,312	257,312	257,312	257,312	254,822	207,313
3	Tier 2	115,357	109,804	83,890	45,019	19,105	0	0
4	Tier 3	59,232	0	0	0	0	0	0
5	Multi-Family Residential	43,899	37,753	34,680	30,729	28,534	25,900	21,072
6	Non-Residential	361,042	342,990	285,223	252,729	205,794	137,196	43,325
7	Total (ccf)	836,842	747,859	661,106	585,790	510,745	417,918	271,709
8	% Reduction from Baseline	0%	11%	21%	30%	39%	50%	68%

4.3.2. FINANCIAL IMPACTS

The next step is to determine the financial impacts to the District during each stage of drought. The cost implications of drought consider the following:

- Lost commodity charge revenue due to water usage reductions in each drought stage
- Potential changes to operating costs, which include water supply sources and their associated costs

For the District, the most significant financial consequence is the loss of consumption-based revenue, the severity of which depends on the drought stage. Drought conditions will also require more staff to be hired to handle conservation efforts and respond to an increase in customer service requests. Additionally, water shortage conditions impact the District’s access to local water sources, which necessitates purchasing more expensive imported water from SFPUC to meet customer demands.

Table 4-3 shows the quantity charge revenue for Stages 1 through 6 compared to baseline excluding revenues collected from allotment usage. This is calculated based on the proposed FY 2023 commodity charges (**Table 3-4**) multiplied by the estimated water usage by drought stage for each customer class (**Table 4-2**). The difference in commodity charge revenue (Line 9) is equal to the difference between the Baseline revenue and the estimated revenue for Stages 1 through 6, which represents the amount of lost quantity charge revenue in each stage.

Table 4-4 shows the additional staffing costs associated with each stage of drought. Additional staff are required to manage a combination of increased water conservation efforts and customer service requirements.

Table 4-5 shows the percentage of water supplied by local water and imported water from SFPUC. A significant portion of demand is met using local water during normal conditions. However, under water shortage conditions, the availability of local water is reduced. Beginning in Stage 2, local water sources are depleted, and the District is fully reliant on imported water from SFPUC.

Table 4-6 shows the water produced from both sources during each stage of water shortage. Water demand (Line 1) is equal to the total estimated water usage for all classes in each stage (**Table 4-2**, Line 7). Water production (Line 3) is equal to water demand plus a portion of system water loss (Line 2). The amount of water produced from each source is based on the percentages from **Table 4-5**.

Although total water production in Stages 1 through 3 is less than Baseline, the amount of water purchased from SFPUC in those stages is greater than the amount purchased in the Baseline scenario due to the shifts in water supply availability by source. The District is expected to purchase less water from SFPUC in Stages 4 through 6 compared to the Baseline scenario.

Table 4-7 shows the estimated water purchase costs from SFPUC for each water shortage stage. The District purchases raw water from SFPUC, which is reflected in the variable rate per ccf of water (Line 1). The amount of water purchased (Line 3) is based on the amount of water produced from SFPUC (**Table 4-6**, Line 6). The water purchase costs (Line 4) are calculated by multiplying the variable rate by the amount of water purchased. The difference in water purchase costs (Line 6) is equal to the difference between the water purchase costs from SFPUC in Stages 1 through 6 compared to the Baseline scenario.

Table 4-8 shows the total cost of drought at Stages 1 through 6, which includes the lost commodity revenue (**Table 4-3**, Line 9), one-time increases to operating costs (**Table 4-4**, Line 1), and changes to SFPUC water purchase costs (**Table 4-7**, Line 6).

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Table 4-3: Expected Revenue Loss by Stage

Line	A Customer Class	B Baseline	C Stage 1	D Stage 2	E Stage 3	F Stage 4	G Stage 5	H Stage 6
1	Single Family Residential							
2	Tier 1	\$2,766,106	\$2,766,106	\$2,766,106	\$2,766,106	\$2,766,106	\$2,739,336	\$2,228,612
3	Tier 2	\$1,813,419	\$1,726,120	\$1,318,751	\$707,697	\$300,327	\$0	\$0
4	Tier 3	\$1,126,591	\$0	\$0	\$0	\$0	\$0	\$0
5	Multi-Family Residential	\$629,072	\$541,002	\$496,967	\$440,351	\$408,897	\$371,153	\$301,955
6	Non-Residential	\$5,513,110	\$5,237,455	\$4,355,357	\$3,859,177	\$3,142,473	\$2,094,982	\$661,573
7	Total	\$11,848,298	\$10,270,684	\$8,937,181	\$7,773,331	\$6,617,803	\$5,205,470	\$3,192,140
8								
9	Change in Quantity Charge Revenue		(\$1,577,615)	(\$2,911,117)	(\$4,074,968)	(\$5,230,495)	(\$6,642,828)	(\$8,656,159)
10	Difference (%)	-13%	-25%	-34%	-44%	-56%	-73%	-73%

Table 4-4: Additional O&M Costs by Stage

Line	A One Time Expenses	B Baseline	C Stage 1	D Stage 2	E Stage 3	F Stage 4	G Stage 5	H Stage 6
1	Conservation Outreach	\$0	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000

Table 4-5: Water Supply Sources

Line	A Water Supply Mix	B Baseline	C Stage 1	D Stage 2	E Stage 3	F Stage 4	G Stage 5	H Stage 6
1	CCWD Sources	38%	10%	0%	0%	0%	0%	0%
2	SFPUC Sources	62%	90%	100%	100%	100%	100%	100%

Table 4-6: Water Production by Source

Line	A Water Production/Purchase	B Baseline	C Stage 1	D Stage 2	E Stage 3	F Stage 4	G Stage 5	H Stage 6
1	Water Demand (ccf)	836,842	747,859	661,106	585,790	510,745	417,918	271,709
2	System Water Loss	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
3	Water Production (ccf)	909,611	812,891	718,593	636,728	555,158	454,259	295,336
4								
5	CCWD Sources	345,652	81,289	0	0	0	0	0
6	SFPUC Sources	563,959	731,601	718,593	636,728	555,158	454,259	295,336
7	Total Production (ccf)	909,611	812,891	718,593	636,728	555,158	454,259	295,336

Table 4-7: SFPUC Water Purchase Costs

Line	A Water Purchase Costs	B Baseline	C Stage 1	D Stage 2	E Stage 3	F Stage 4	G Stage 5	H Stage 6
1	SFPUC Variable Rate (\$/ccf)	\$4.32	\$4.32	\$4.32	\$4.32	\$4.32	\$4.32	\$4.32
2								
3	Water Purchased (ccf)	909,611	812,891	718,593	636,728	555,158	454,259	295,336
4	Water Purchase Costs from SFPUC	\$2,436,303	\$3,160,518	\$3,104,322	\$2,750,665	\$2,398,282	\$1,962,399	\$1,275,852
5								
6	Difference in Water Purchase Costs		\$724,215	\$668,019	\$314,362	(\$38,021)	(\$473,904)	(\$1,160,451)

Table 4-8: Total Drought Costs by Stage

Line	A Drought Revenue Requirement	B Stage 1	C Stage 2	D Stage 3	E Stage 4	F Stage 5	G Stage 6
1	Lost Revenue	\$1,577,615	\$2,911,117	\$4,074,968	\$5,230,495	\$6,642,828	\$8,656,159
2	Water Purchases	\$724,215	\$668,019	\$314,362	(\$38,021)	(\$473,904)	(\$1,160,451)
3	One Time Expenses	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
4	Total	\$2,351,830	\$3,629,136	\$4,439,329	\$5,242,474	\$6,218,924	\$7,545,708

4.4. Water Shortage Rates

The next step after determining the drought costs by stage is evaluating the drought cost recovery mechanism, or water shortage rate structure, that best meets the needs of the District and its customers. Based on direction provided by District staff, the water shortage rates were developed as a proportional commodity charge increase to the proposed commodity charges for FY 2023, which allows for the ability of customers to change their water bill, encourages conservation, and promotes affordability.

4.4.1. PROPOSED WATER SHORTAGE RATES

Table 4-9 shows the water shortage rate percentage calculation. This is calculated by dividing the total drought cost (Line 2) by the total expected commodity revenue (Line 1). This water shortage rate percentage is then multiplied with the proposed FY 2023 commodity rates (**Table 3-4**) to obtain the proposed water shortage rates shown in **Table 4-10**. The water shortage rates for FY 2024 are shown in **Table 4-11**. It is important to note that the water shortage rates are rounded to the nearest cent and therefore may not match hand calculations.

Table 4-9: Water Shortage Rate Percentage Calculation

Line	A	B	C	D	E	F	G	H
		Baseline	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
1	Expected Revenue	\$11,848,298	\$10,270,684	\$8,937,181	\$7,773,331	\$6,617,803	\$5,205,470	\$3,192,140
2	Total Drought Cost		\$2,351,830	\$3,629,136	\$4,439,329	\$5,242,474	\$6,218,924	\$7,545,708
3	% Increase		23%	41%	57%	79%	119%	236%

Table 4-10: Proposed FY 2023 Water Shortage Rates

Line	A	B	C	D	E	F	G	H
	Customer Class	Baseline	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
1	Drought Increase (%)		23%	41%	57%	79%	119%	236%
2								
3	Proposed Water Shortage Rates							
4	Single Family							
5	Tier 1	\$0.00	\$2.47	\$4.37	\$6.14	\$8.52	\$12.85	\$25.42
6	Tier 2	\$0.00	\$3.60	\$6.39	\$8.98	\$12.46	\$18.79	\$37.16
7	Tier 3	\$0.00	\$4.36	\$7.73	\$10.87	\$15.07	\$22.73	\$44.97
8	Multi-Family	\$0.00	\$3.29	\$5.82	\$8.19	\$11.36	\$17.12	\$33.88
9	Non-Residential	\$0.00	\$3.50	\$6.21	\$8.73	\$12.10	\$18.25	\$36.10
10								
11	Combined Quantity Rates							
12	Single Family							
13	Tier 1	\$10.75	\$13.22	\$15.12	\$16.89	\$19.27	\$23.60	\$36.17
14	Tier 2	\$15.72	\$19.32	\$22.11	\$24.70	\$28.18	\$34.51	\$52.88
15	Tier 3	\$19.02	\$23.38	\$26.75	\$29.89	\$34.09	\$41.75	\$63.99
16	Multi-Family	\$14.33	\$17.62	\$20.15	\$22.52	\$25.69	\$31.45	\$48.21
17	Non-Residential	\$15.27	\$18.77	\$21.48	\$24.00	\$27.37	\$33.52	\$51.37

Table 4-11: Proposed FY 2024 Water Shortage Rates

Line	A Customer Class	B Baseline	C Stage 1	D Stage 2	E Stage 3	F Stage 4	G Stage 5	H Stage 6
1	Drought Increase (%)		23%	41%	57%	79%	119%	236%
2								
3	Proposed Water Shortage Rates							
4	Single Family							
5	Tier 1	\$0.00	\$2.57	\$4.58	\$6.48	\$9.03	\$13.67	\$27.17
6	Tier 2	\$0.00	\$3.75	\$6.69	\$9.47	\$13.20	\$19.98	\$39.71
7	Tier 3	\$0.00	\$4.53	\$8.10	\$11.46	\$15.97	\$24.18	\$48.05
8	Multi-Family	\$0.00	\$3.42	\$6.10	\$8.64	\$12.03	\$18.22	\$36.20
9	Non-Residential	\$0.00	\$3.64	\$6.50	\$9.21	\$12.83	\$19.42	\$38.59
10								
11	Combined Quantity Rates							
12	Single Family							
13	Tier 1	\$11.40	\$13.97	\$15.98	\$17.88	\$20.43	\$25.07	\$38.57
14	Tier 2	\$16.66	\$20.41	\$23.35	\$26.13	\$29.86	\$36.64	\$56.37
15	Tier 3	\$20.16	\$24.69	\$28.26	\$31.62	\$36.13	\$44.34	\$68.21
16	Multi-Family	\$15.19	\$18.61	\$21.29	\$23.83	\$27.22	\$33.41	\$51.39
17	Non-Residential	\$16.19	\$19.83	\$22.69	\$25.40	\$29.02	\$35.61	\$54.78

4.4.2. CUSTOMER IMPACTS

Figure 4-1 through Figure 4-3 show the bill impacts at Stage 2 water shortage for Single Family, Multi-Family, and Non-Residential customers, respectively. Each graph shows bills using the most common meter size and the median usage for that customer class.

The figures show the impacts in each stage based on the components of the customer bill, which includes the base charge by meter size, the quantity charge per ccf of use, and the water shortage rate per ccf of use. The base charge by meter size does not change based on drought stages or water usage. The three stacked bars in each figure show the difference between the baseline scenario (no drought), the drought scenario with commensurate reduction in water use (meaning the customer reduces their water based on the declared drought stage), and the drought scenario without reduction in water use (meaning the customer does not reduce their water use even when a drought stage has been declared).

The figures demonstrate that when the District’s customers comply with the recommended water usage reductions as defined by the Water Shortage Contingency Plan, the customer’s water bill impact will be significantly smaller than if they did not reduce their water consumption.

Figure 4-1: Single Family Residential Bill Impacts

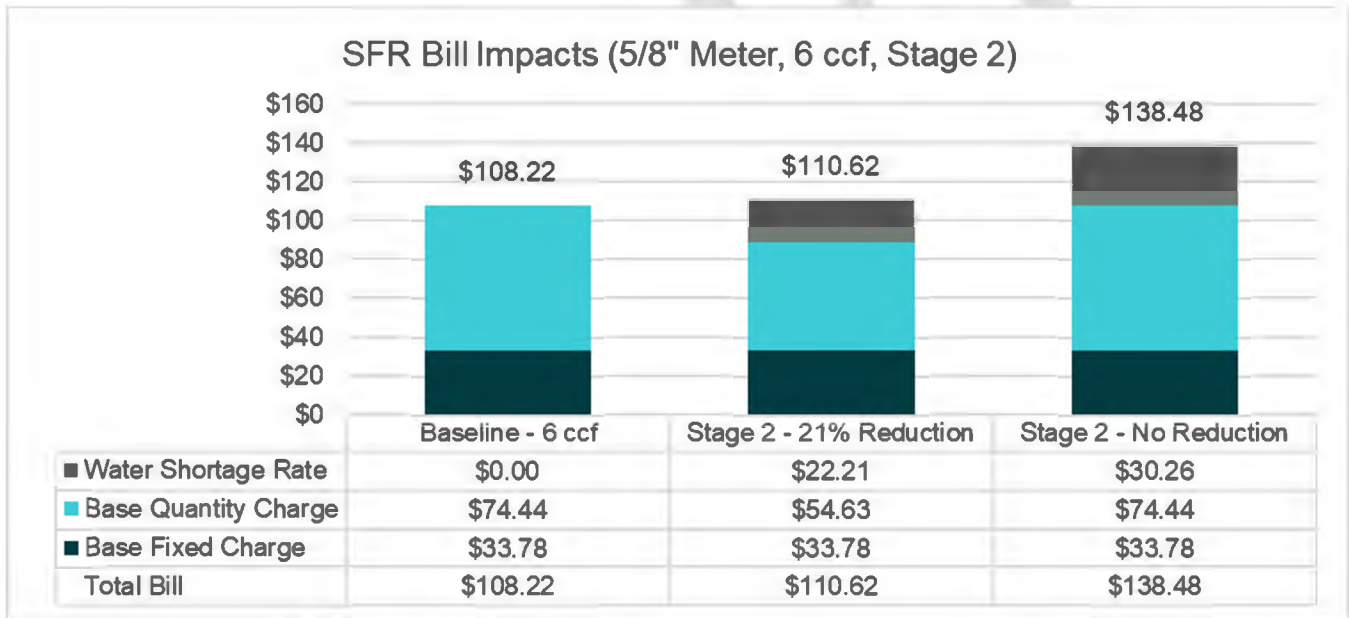


Figure 4-2: Multi-Family Residential Bill Impacts

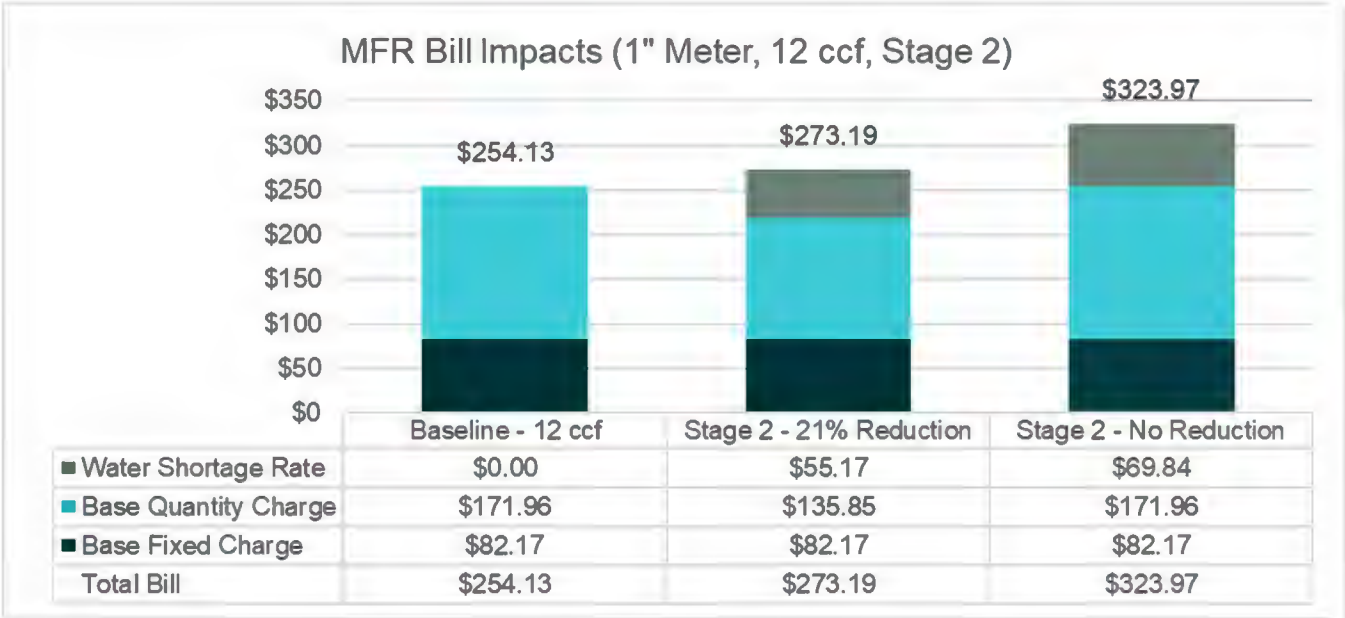
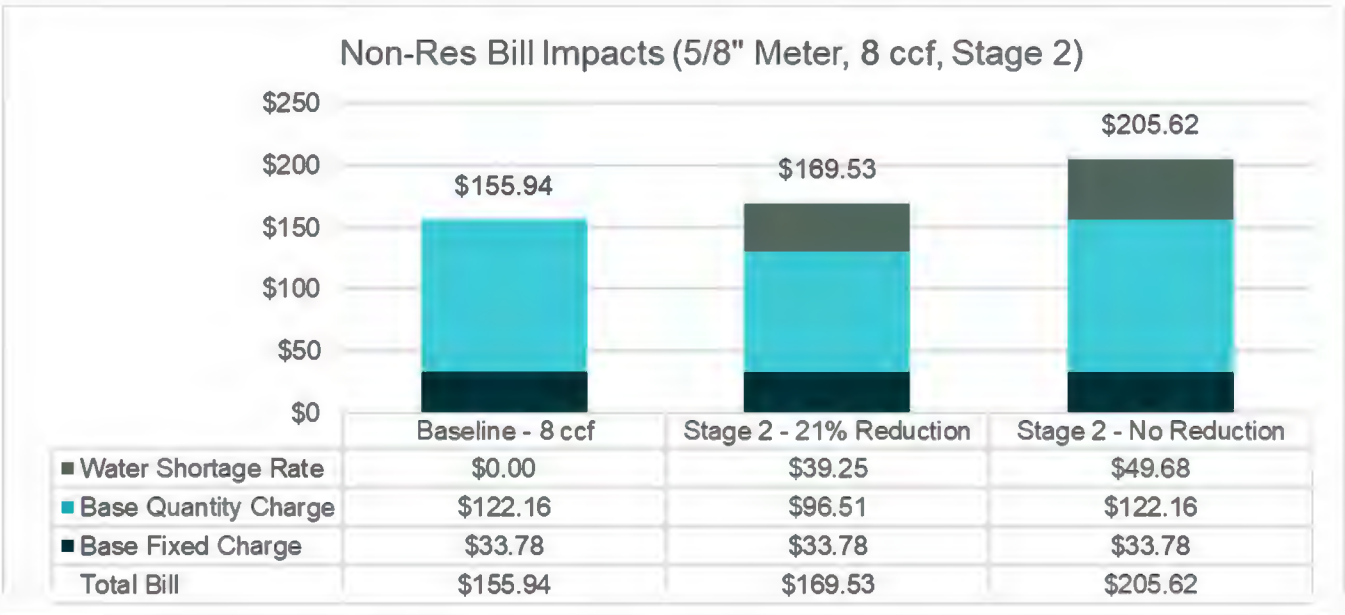


Figure 4-3: Commercial Bill Impacts



FINAL 6.14.2022
COASTSIDE COUNTY WATER DISTRICT
Operations & Maintenance Budget - FY 2022-2023

Account Number	Description	FY 2022/23 (before rate adjustment) Approved 6.14.2022 Budget	Approved 10.9.2020 FY2021/22 Budget	FY22/23 Budget Vs. FY 21/22 Budget \$ Change	FY22/23 Budget Vs. FY 21/22 Budget % % Change	Proj Year End FY21/22	FY 22/23 Budget Vs. FY 21/22 Projected Actual \$ Change	FY 22/23 Budget Vs. FY 21/22 Projected Actual % % Change	YTD Actual as of April 30, 2022
OPERATING REVENUE									
4120	Water Sales *	\$12,791,000	\$13,387,000	(596,000)	-4.5%	\$12,500,000	291,000	2.3%	\$10,441,516
	Water Sales in MG	550 MG	603 MG						
Total Operating Revenue		\$12,791,000	\$13,387,000	(596,000)	-4.5%	\$12,500,000	291,000	2.3%	\$10,441,516
NON-OPERATING REVENUE									
4170	Hydrant Sales	\$48,000	\$52,000	(4,000)	-7.7%	\$50,000	(2,000)	-4.0%	\$48,172
4180	Late Penalty	\$50,000	\$50,000	0	0.0%	\$0	50,000		\$0
4230	Service Connections	\$10,000	\$10,000	0	0.0%	\$17,000	(7,000)	-41.2%	\$15,105
4920	Interest Earned	\$32,000	\$56,250	(24,250)	-43.1%	\$15,000	17,000	113.3%	\$12,030
4930	Property Taxes	\$950,000	\$780,000	170,000	21.8%	\$950,000	0	0.0%	\$926,801
4950	Miscellaneous	\$10,000	\$7,000	3,000	42.9%	\$10,000	0	0.0%	\$10,000
4955	Cell Site Lease Income	\$192,000	\$184,000	8,000	4.3%	\$184,000	8,000	4.3%	\$149,981
4965	ERAF Refund	\$500,000	\$400,000	100,000	25.0%	\$676,164	(176,164)	-26.1%	\$676,164
Total Non-Operating Revenue		\$1,792,000	\$1,539,250	252,750	16.4%	\$1,902,164	(110,164)	-5.8%	\$1,838,253
TOTAL REVENUES		\$14,583,000	\$14,926,250	(343,250)	-2.3%	\$14,402,164	180,836	1.3%	\$12,279,769
OPERATING EXPENSES									
5130	Water Purchased	\$2,187,719	\$2,176,101	11,618	0.5%	\$2,000,000	187,719	9.4%	\$1,493,956
5130A	BAWSCA Bond Surcharge	\$279,784	\$145,620	134,164	92.1%	\$145,620	134,164	92.1%	\$121,350
5230	Electrical Exp. Nunes WTP	\$48,000	\$44,800	3,200	7.1%	\$44,800	3,200	7.1%	\$36,650
5231	Electrical Expenses, CSP	\$366,000	\$342,000	24,000	7.0%	\$342,000	24,000	7.0%	\$261,320
5232	Electrical Expenses/Trans. & Dist.	\$25,000	\$23,000	2,000	8.7%	\$23,000	2,000	8.7%	\$17,981
5233	Elec Exp/Pilarcitos Cyn	\$64,000	\$36,000	28,000	77.8%	\$60,000	4,000	6.7%	\$57,880
5234	Electrical Exp., Denn	\$77,000	\$64,000	13,000	20.3%	\$72,000	5,000	6.9%	\$53,116
5242	CSP - Operation	\$12,000	\$17,000	(5,000)	-29.4%	\$10,000	2,000	20.0%	\$7,491
5243	CSP - Maintenance	\$35,000	\$38,000	(3,000)	-7.9%	\$38,000	(3,000)	-7.9%	\$24,004
5246	Nunes WTP Oper	\$97,000	\$92,500	4,500	4.9%	\$70,000	27,000	38.6%	\$47,848
5247	Nunes WTP Maint	\$119,000	\$128,400	(9,400)	-7.3%	\$90,000	29,000	32.2%	\$57,930
5248	Denn. WTP Oper.	\$64,000	\$56,500	7,500	13.3%	\$50,000	14,000	28.0%	\$33,424
5249	Denn WTP Maint	\$140,000	\$135,600	4,400	3.2%	\$170,000	(30,000)	-17.6%	\$158,482
5250	Laboratory Expenses	\$77,000	\$77,000	0	0.0%	\$70,000	7,000	10.0%	\$45,027
5260	Maintenance Expenses	\$380,000	\$358,000	22,000	6.1%	\$375,000	5,000	1.3%	\$296,983
5261	Maintenance, Wells	\$50,000	\$30,800	19,200	62.3%	\$90,000	(40,000)	-44.4%	\$80,511
5263	Uniforms	\$12,000	\$10,300	1,700	16.5%	\$12,063	(63)	-0.5%	\$12,063
5318	Studies/Surveys/Consulting	\$157,000	\$154,000	3,000	1.9%	\$154,000	3,000	1.9%	\$135,073
5321	Water Resources	\$26,700	\$26,700	0	0.0%	\$20,000	6,700	33.5%	\$5,431
5322	Community Outreach	\$68,000	\$60,000	8,000	13.3%	\$60,000	8,000	13.3%	\$31,548
5325	Water Shortage Program	\$50,000	\$0	50,000		\$50,000	0	0.0%	\$37,749
5381	Legal	\$110,000	\$100,000	10,000	10.0%	\$120,000	(10,000)	-8.3%	\$101,053
5382	Engineering	\$76,000	\$67,800	8,200	12.1%	\$77,000	(1,000)	-1.3%	\$65,509
5383	Financial Services	\$23,000	\$22,600	400	1.8%	\$22,600	400	1.8%	\$12,731
5384	Computer Services	\$309,025	\$217,300	91,725	42.2%	\$260,000	49,025	18.9%	\$190,022
5410	Salaries, Admin.	\$1,267,717	\$1,181,400	86,317	7.3%	\$1,025,000	242,717	23.7%	\$811,350
5411	Salaries - Field	\$1,764,505	\$1,666,000	98,505	5.9%	\$1,666,000	98,505	5.9%	\$1,282,041
5420	Payroll Taxes	\$224,338	\$206,700	17,638	8.5%	\$190,000	34,338	18.1%	\$150,935

FINAL 6.14.2022

COASTSIDE COUNTY WATER DISTRICT

Operations & Maintenance Budget - FY 2022-2023

Account Number	Description	FY 2022/23 (before rate adjustment) Approved 6.14.2022 Budget	Approved 10.9.2020 FY2021/22 Budget	FY22/23 Budget Vs. FY 21/22 Budget \$ Change	FY22/23 Budget Vs. FY 21/22 Budget % % Change	Proj Year End FY21/22	FY 22/23 Budget Vs. FY 21/22 Projected Actual \$ Change	FY 22/23 Budget Vs. FY 21/22 Projected Actual % % Change	YTD Actual as of April 30, 2022
5435	Employee Medical Insurance	\$505,000	\$542,100	(37,100)	-6.8%	\$482,000	23,000	4.8%	\$401,228
5436	Retiree Medical Insurance	\$52,000	\$63,900	(11,900)	-18.6%	\$53,000	(1,000)	-1.9%	\$43,361
5440	Employee Retirement	\$600,506	\$518,600	81,906	15.8%	\$525,000	75,506	14.4%	\$455,432
5445	SIP 401a Plan	\$36,000	\$35,000	1,000	2.9%	\$36,000	0	0.0%	\$0
5510	Motor Vehicle Exp.	\$80,000	\$77,100	2,900	3.8%	\$77,100	2,900	3.8%	\$59,808
5620	Office & Facilities Expenses	\$192,500	\$168,500	24,000	14.2%	\$200,000	(7,500)	-3.8%	\$171,790
5620A	Credit Card/bank Fees & Billing Expenses	\$200,000	\$150,000	50,000	33.3%	\$200,000	0	0.0%	\$141,877
5620B	Bad Debt Expense	\$20,000	\$10,000	10,000	100.0%	\$20,000	0	0.0%	\$0
5625	Meetings/Training/Seminars	\$41,000	\$33,000	8,000	24.2%	\$28,000	13,000	46.4%	\$13,948
5630	Insurance	\$161,000	\$163,300	(2,300)	-1.4%	\$140,000	21,000	15.0%	\$116,148
5687	Memberships & Subscriptions	\$99,975	\$87,400	12,575	14.4%	\$90,000	9,975	11.1%	\$76,425
5688	Election Expense	\$20,000	\$0	20,000		\$30,000	(10,000)	-33.3%	\$30,000
5689	Labor Relations	\$6,000	\$6,000	0	0.0%	\$6,000	0	0.0%	\$0
5700	County Fees	\$31,400	\$25,700	5,700	22.2%	\$29,031	2,369	8.2%	\$14,509
5705	State Fees	\$42,000	\$37,500	4,500	12.0%	\$40,000	2,000	5.0%	\$37,687
Total Operating Expenses		\$10,197,169	\$9,396,221	800,948	8.5%	\$9,263,214	933,955	10.1%	\$7,191,671
CAPITAL ACCOUNTS									
5715	Existing Bond-CIEDB 11-099	\$335,508	\$335,825	(317)	-0.1%	\$335,669	(161)	0.0%	\$335,669
5716	CIEDB 16-111	\$322,417	\$322,895	(478)	-0.1%	\$322,895	(478)		\$322,895
5717	Chase-2018 Loan	\$436,027	\$435,168	859	0.2%	\$434,895	1,132		\$434,895
5718	First Foundation Bank - 2022	\$495,510		495,510			495,510		
Total Capital Accounts		\$1,589,462	\$1,093,888	495,574	45.3%	\$1,093,459	496,003	45.4%	\$1,093,459
TOTAL REVENUE LESS TOTAL EXPENSE		\$2,796,369	\$4,436,141	(1,639,772)	-37.0%	\$4,045,491	(1,249,122)	-30.9%	\$3,994,639
5713	Cont. to CIP & Reserves	\$2,796,369							

* EXCLUDES ANY RATE ADJUSTMENT (Last increase was 1/1/2022)

Budget will be adjusted to reflect a rate increase when approved.

Project #	Project Name	Status	Priority	Projected FY 22/23 to FY 30/32 Total	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY26/27	FY27/28	FY28/29	FY 29/30	FY 30/31	FY 31/32	Projected FY 22/23 to FY 30/32 Total
Equipment Purchase & Replacement															
06-03	SCADA/Telemetry/Electric Controls Replacement	Ongoing		\$ 500,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 500,000
15-04	Vactor Truck/Trailer		4	\$ 500,000							\$ 500,000				\$ 500,000
99-02	Vehicle Fleet Replacement	Ongoing		\$ 400,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 400,000
	Equipment Purchase & Replacement Totals			\$ 1,400,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 590,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 1,400,000
Facilities & Maintenance															
09-09	Fire Hydrant Replacement	Ongoing	2	\$ 1,400,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 1,400,000
NN-00	Pilarcitos Canyon Culvert Replacement	Not started	1	\$ 40,000	\$ 40,000										\$ 40,000
99-01	Meter Change Program	Ongoing	2	\$ 100,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 100,000
	Facilities and Maintenance Totals			\$ 1,540,000	\$ 190,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 1,540,000
Pipeline Projects															
13-02	Pipeline Replacement Under Creek at Pilarcitos Ave. (Strawflower) - CARRYOVER FROM FY 2021/2022	In Construction (June-July 2022)	1	\$ 400,000	\$ 400,000										\$ 400,000
14-01	Highway 92 - Replacement of Welded Steel Line (CARRYOVER from FY 2021/2022)	In Design	1	\$ 3,700,000	\$ 700,000				\$ 1,000,000	\$ 2,000,000					\$ 3,700,000
20-08	Grandview Pipeline Replacement Project CARRYOVER FROM FY2021/2022	100% Design, Bid Opening 4.26.2022; Construct Summer 2022	1	\$ 1,650,000	\$ 1,650,000										\$ 1,650,000
14-33	Miramar Cast Iron Pipeline Replacement	Not started	5	\$ 2,500,000						\$ 1,000,000	\$ 1,500,000				\$ 2,500,000
16-09	Magellan at Hwy 1/Miramar Dead Ends	Not started	5	\$ 500,000							\$ 500,000				\$ 500,000
18-01	Pine Willow Oak Pipeline Replacement	100% Design	2	\$ 2,500,000				\$ 2,500,000							\$ 2,500,000
21-01	Redondo Beach Loop to St Andrews Road	Not started	4	\$ 150,000		\$ 150,000									\$ 150,000
21-09	Miramar Tank/Pipeline Replacement (600 ft)	Not started	4	\$ 500,000							\$ 500,000				\$ 500,000
22-01	Miramontes Point Road Water Main Replacement	In Design	2	\$ 3,800,000					\$ 2,800,000	\$ 1,000,000					\$ 3,800,000
22-07	Alameda Ave Crossing at Medio Creek	Study	1	\$ 400,000		\$ 400,000									\$ 400,000
23-01	Seahaven/Spindrift Neighborhood Pipeline Replacement	Not started	4	\$ 2,000,000									\$ 2,000,000		\$ 2,000,000
23-02	Poplar Avenue Pipeline Replacement	Not started	5	\$ 2,000,000										\$ 2,000,000	\$ 2,000,000
NN-00	Unscheduled CIP			\$ 1,000,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 1,000,000
	Pipeline Projects Totals			\$ 21,100,000	\$ 2,850,000	\$ 650,000	\$ 100,000	\$ 2,600,000	\$ 3,900,000	\$ 4,100,000	\$ 2,600,000	\$ 100,000	\$ 2,100,000	\$ 2,100,000	\$ 21,100,000
Pump Stations/Tanks/Wells															
21-07	Carter Hill Tank Improvement Project	In Design	1	\$ 19,200,000	\$ 200,000	\$ 1,000,000	\$ 6,000,000	\$ 2,000,000				\$ 500,000	\$ 5,000,000	\$ 4,500,000	\$ 19,200,000
08-14	Alves Tank Rehabilitation/Replacement	100% Design Rehab	3	\$ 3,000,000							\$ 3,000,000				\$ 3,000,000
19-01	EG#1 Tank Improvement Project/New Pump Station	Design	3	\$ 1,000,000						\$ 1,000,000					\$ 1,000,000
14-33	Miramar Tank Rehabilitation	Not started	5	\$ 200,000							\$ 200,000				\$ 200,000
08-16	Cahill Tank Rehabilitation	Not started	3	\$ 125,000					\$ 125,000						\$ 125,000
20-16	Denniston Tank Rehabilitation	Not started	3	\$ 125,000					\$ 125,000						\$ 125,000
09-18	Upper Pilarcitos Well Field Replacements	Not started	2	\$ 1,000,000		\$ 500,000			\$ 500,000						\$ 1,000,000
16-08	Denniston Well Field Replacements	Not started	2	\$ 1,500,000	\$ 500,000		\$ 500,000				\$ 500,000				\$ 1,500,000
20-01	CSP Pump #1 Replacement		2	\$ 100,000			\$ 100,000								\$ 100,000
21-03	CSP Pump #3 Replacement	Not started	2	\$ 250,000				\$ 250,000							\$ 250,000
23-03	CSP Fire Sprinklers	Not started	1	\$ 150,000	\$ 150,000										\$ 150,000
19-05	Tanks - THM Control	Ongoing	1	\$ 50,000	\$ 50,000										\$ 50,000
	Pump Stations/Tanks/Wells Totals			\$ 26,700,000	\$ 900,000	\$ 1,500,000	\$ 6,600,000	\$ 2,250,000	\$ 750,000	\$ 1,000,000	\$ 3,700,000	\$ 500,000	\$ 5,000,000	\$ 4,500,000	\$ 26,700,000

Project #	Project Name	Status	Priority	Projected FY 22/23 to FY 30/32 Total	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY26/27	FY27/28	FY28/29	FY 29/30	FY 30/31	FY 31/32	Projected FY 22/23 to FY 30/32 Total
Water Supply Development															
12-12	San Vicente/Denniston Water Supply Project	Ongoing	1	\$ 4,500,000	\$ 300,000	\$ 1,000,000	\$ 1,000,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 1,000,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 4,500,000
13-04	Denniston Reservoir Restoration	Ongoing	1	\$ 1,000,000				\$ 1,000,000							\$ 1,000,000
23-04	Lower Pilarcitos Well Development	Not started	2	\$ 2,750,000		\$ 250,000			\$ 500,000	\$ 1,000,000	\$ 1,000,000				\$ 2,750,000
17-12	Recycled Water Project Development	Not started	1	\$ 100,000	\$ 100,000										\$ 100,000
	Water Supply Development Totals			\$ 8,350,000	\$ 400,000	\$ 1,250,000	\$ 1,000,000	\$ 1,300,000	\$ 800,000	\$ 1,300,000	\$ 2,000,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 8,350,000
Water Treatment Plants															
20-14	Nunes Water Treatment Plant Improvement Project	Construction	1	\$ 4,500,000	\$ 3,500,000	\$ 1,000,000									\$ 4,500,000
23-05	Sodium Hypochlorite Generator Replacement (Nunes)	Not started	2	\$ 200,000	\$ 200,000										\$ 200,000
23-06	Existing Sedimentation Basin Rehabilitation	Not started	1	\$ 300,000		\$ 300,000									\$ 300,000
23-07	Denniston Contact Clarifier Hatch Replacements	Not started	2	\$ 75,000	\$ 75,000										\$ 75,000
NN-00	Denniston Water Treatment Plant Improvement Project	Not started	3	\$ 4,000,000								\$ 4,000,000			\$ 4,000,000
21-06	Nunes Effluent Meter	In design	2	\$ 150,000		\$ 150,000									\$ 150,000
	Water Treatment Plants Totals			\$ 9,225,000	\$ 3,775,000	\$ 1,450,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000,000	\$ -	\$ -	\$ 9,225,000
GRAND TOTAL				\$ 68,315,000	\$ 8,205,000	\$ 5,090,000	\$ 7,940,000	\$ 6,390,000	\$ 5,690,000	\$ 6,640,000	\$ 9,040,000	\$ 4,940,000	\$ 7,440,000	\$ 6,940,000	\$ 68,315,000

Carryover	\$ 6,250,000	\$ 1,000,000
New	\$ 1,955,000	\$ 4,090,000
	\$ 7,940,000	\$ 6,390,000
	\$ 5,690,000	

RESOLUTION NO. 2022-13

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE COASTSIDE COUNTY WATER DISTRICT
AMENDING THE RATE AND FEE SCHEDULE
TO INCREASE WATER SERVICE RATES AND WATER SHORTAGE RATES AND
FINDING THAT THE AMENDMENTS ARE EXEMPT FROM THE CALIFORNIA
ENVIRONMENTAL QUALITY ACT**

THIS RESOLUTION IS ADOPTED with reference to the following facts and circumstances which are found and declared by the Board of Directors:

1. The General Manager and Finance Committee, during consideration and preparation of the budget for Fiscal Year 2022-2023 and capital improvement program for Fiscal Years Fiscal Years 2022/23 to 2031/32 determined that financing the District's operating expenses, debt service, and capital improvement program, as well as maintaining the District's existing reserve levels, will require an increase in water rates. California Water Code Section 31007 authorizes the District to establish rates and charges to yield an amount sufficient to pay operating expenses, to provide for repairs and depreciation of works owned and operated by the District, to pay interest on bonded debt, and to provide a fund to pay principal on bonded debt.

2. The District's financial consultant, Raftelis Financial Consultants, Inc. ("Raftelis"), prepared a "Cost of Service and Rate Study" dated May 15, 2018 that analyzed the District's Fiscal Year 2018-2019 and Fiscal Year 2019-2020 revenue requirements based upon a cost of service analysis, that was used to set the District's rates for Fiscal Year's 2018-2019 and 2019-2020 and to comply with the substantive requirements of Proposition 218. Subsequently, Raftelis prepared a "Water Financial Plan And Rate Update Study" dated August 2, 2020 (and utilizing the 2018 Cost of Service and Rate Study) that was used to set the District's rates effective January 1, 2021 and January 1, 2022. Raftelis next prepared a "Water Shortage Contingency Stage Rate Study" dated November 5, 2021. Utilizing the 2018 Cost of Service and Rate Study and the 2020 Water Financial Plan and Rate Update Study, and in accordance with Proposition 218 requirements, Raftelis developed Water Shortage Rates (formerly called Water Shortage Contingency Stage Rates) as a tool that allow the District to reliably recover the necessary revenue to fully fund the water system in times of reduced water demand at each Board declared water shortage contingency stage. In October 2022, Raftelis prepared a "Water Financial Plan and Rate Update Study" dated October 26, 2022 (and utilizing the 2018 Cost of Service and Rate Study) that provides support for a 6% increase to the Water Service Rates and Water Shortage Rates to be effective on January 19, 2023 and a 6% increase to the Water Service Rates and Water Shortage Rates to be effective on January 18, 2024, and in accordance with substantive requirements of Proposition 218. Raftelis conducted a Board Workshop at a special meeting on August 24, 2022 to review the District's financing model and to evaluate the

District's reserves and proposed reserve targets. District staff prepared staff reports and presentations for the October 11, 2022, November 8, 2022, and December 13, 2022 Board of Directors Regular Board Meetings that summarized Raftelis' analysis, the District's financial model, reserves, and proposed increases to the District's Water Service Rates and Water Shortage Rates. The Cost of Service and Rate Study dated May 15, 2018, the Water Financial Plan and Rate Update Study dated October 26, 2022, staff reports, and staff and Raftelis presentations are incorporated into this Resolution by this reference.

3. The Board has considered the May 15, 2018 Cost of Service and Rate Study and the October 26, 2022 Water Financial Plan And Rate Update Study in light of the approved Fiscal Year 2022-2023 Operation and Maintenance Budget and Fiscal Years 2022/23 to 2031/32 Capital Improvement Program and determined that the projects identified are important for the safe and efficient operation of the District's water system and to preserve and improve the reliability of the water system. The Fiscal Year 2022-2023 Operations and Maintenance Budget and the Fiscal Year 2022/23 to 2031/32 Capital Improvement Program were approved at the June 14, 2022 Regular Board of Directors Meeting. The approved budget and Capital Improvement program documents, by this reference are incorporated into this resolution.

4. The anticipated increases in expenses are attributable to a number of factors including but not limited to, payment of capital project costs, debt service for financing of necessary capital improvements and replacement of aging facilities, higher costs for personnel, materials and services.

5. On October 11, 2022, the Board of Directors at its Regular Board meeting evaluated the proposed modifications to the District's Rate and Fee Schedule and set a scheduled public hearing for December 13, 2022 at its Regular Board Meeting at 7 PM to consider the modifications to the District's Rate and Fee Schedule.

6. The District prepared a notice that described the amounts, the basis for calculating, and the reasons for the adjusted Water Service Rates and charges and Water Shortage Rates, and identified the date, time, and location for the public hearing on the adjusted rates and charges, and the procedures for submitting a protest. The District mailed the written notice to the property owners and customers in the District at least 45 days before the date of the public hearing.

7. The Board considered its options at a public hearing at which the specific rate proposal enacted herein was addressed. Notice of the public hearing was provided to each parcel subject to the proposed rate increase. Notice of the public hearing was also advertised in the November 9, 2022 and November 16, 2022 editions of the Half Moon Bay Review newspaper. Additionally, the notice was placed on the District's website. At the public hearing, the Board of Directors considered all protests against the proposed rate modification to the Water Service Rates and Water Shortage Rates, and written protests against the proposed rate increase were not presented by a majority of owners of the parcels subject to the proposed rate increase.

8. After discussion and consideration of the comments received before and at the public hearing, the Board finds the Water Service Rates and Water Shortage Rates hereinafter set forth to be reasonable and required for the proper operation of the District.

9. The Board further finds that the amendments to the Rate and Fee Schedule and the amount of the Water Service Rates and Water Shortage Rates hereinafter set forth does not exceed the amount of the estimated costs required to provide the services for which the rates are levied.

10. The Board further finds that the increases in Water Service Rates and Water Shortage Rates effected by this Resolution are reasonable and required for the proper operation of the District, and are exempt from the California Environmental Quality Act, pursuant to Section 21080(b)(8) of the Public Resources Code, because they are for the purposes of (1) meeting operating expenses, (2) purchasing or leasing supplies, equipment and materials, (3) meeting financial reserve requirements, and (4) obtaining funds for capital projects necessary to maintain service within existing service areas. The analysis in this Resolution and the documents incorporated into this Resolution by reference justify that the modifications to the rates and charges are for the purposes set forth in section 21080(b)(8).

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

1. Section 1.A, Base Charge, of the Rate and Fee Schedule is hereby amended to read as follows:

A. Base Charge

The following base charge is the minimum charge to be paid by all customers on a monthly basis. Customers may be billed on a monthly basis depending on type of meter, customer class, service address, or water usage:

Size of Meter	Effective January 19, 2023 Monthly Base Charge	Effective January 18, 2024 Monthly Base Charge
5/8 x 3/4 inch	\$33.78	\$35.81
3/4 inch	\$49.92	\$52.92
1 inch	\$82.17	\$87.10
1-1/2 inch	\$162.82	\$172.59
2 inch	\$259.60	\$275.18
3 inch	\$566.06	\$600.02
4 inch	\$1017.73	\$1078.79

Meters larger than 4 inches will be subject to base charges as determined by the Board of Directors.

2. Section 1.B, Quantity Charge, of the Rate and Fee Schedule is hereby amended to read as follows:

"B. Quantity Charge

In addition to the base charge set forth in Section 1A, the following quantity charges shall be paid per one hundred cubic feet (hcf) of water delivered:

<i>Residential Customers</i>		
Quantity Delivered (During Monthly Billing Period)	Effective January 19, 2023 Monthly Water Consumption Charge per hcf	Effective January 18, 2024 Monthly Water Consumption Charge per hcf
1 - 4 hcf	\$10.75	\$11.40
5 - 8 hcf	\$15.72	\$16.66
9 or more hcf	\$19.02	\$20.16

Definition of Residential Customers: For purposes of Sections 1 and 2, Residential Customers are single family homes, single family homes with one accessory dwelling unit, condominiums, townhouses, and all residential buildings with individual meters for separate residential dwelling units. Residential buildings with a single "master meter" measuring consumption within multiple dwelling units are not "Residential Customers" for purposes of Sections 1 and 2 but are classified as "Multi-Family" in Section 3 below.

<i>All Other Customers</i>		
	Water Rate Quantity Charge Per Unit	
Customer Type	Effective January 19, 2023	Effective January 18, 2024
Multi-Family	\$14.33	\$15.19
All Other Customers	\$15.27	\$16.19

- Section 3.D, Portable Meters, of the Rate and Fee Schedule, is hereby amended to read as follows:

"D. Portable Meters

Customers requesting water service through portable meters shall pay:

1. a deposit in an amount, as estimated by the General Manager, equal to the replacement cost of the meter:
 - 2.a. effective January 19, 2023, a monthly rental charge of \$106.00
 - 2.b. effective January 18, 2024, a monthly rental charge of \$112.36
 - 3.a. effective January 19, 2023, a consumption charge of \$15.27 per hcf of water delivered.
 - 3.b. effective January 18, 2024, a consumption charge of \$16.19 per hcf of water delivered.

- Section 3.E, Fire Service Charge, is hereby amended to read as follows:

“E. Fire Service Charge

Effective January 19, 2023, monthly service charge for a fire service is \$7.56 per inch of service line size. Effective January 18, 2024, the monthly service charge for a fire service is \$8.01 per inch of service line size. In addition, the customer must pay the actual cost of installation of the fire service. The estimated cost of installation must be deposited prior to commencement of work

5. Section 3.O., Water Shortage Rates (formerly called Water Shortage Contingency Stage Rates), is hereby amended to read as follows:

“O. Water Shortage Rates

To ensure that the District receives sufficient revenues to cover its cost of providing water service when consumption decreases due to a Board declared water shortage situation such as a drought, natural disaster, or other water supply interruption, the Board of Directors, at its discretion, may implement Water Shortage Rates (formerly called Water Shortage Contingency Stage Rates.). Water Shortage Rates are set up incrementally to reflect the stages of a water shortage that the District has defined in its Urban Water Management Plan, specifically the Water Shortage Contingency Plan. The Water Shortage Rates show the maximum rate levels that could be charged PER UNIT during each of the six (6) Water Shortage Stages when the District’s Board of Directors activates the Water Shortage Contingency Plan.

There are two actions by the Board of Directors and one additional notice that must take place before the Water Shortage Rates are implemented:

1. First, a Water Shortage Stage must be declared by the Board of Directors.
2. Second, the Board of Directors must take action to implement the Water Shortage Rates.
3. Third, a written notice must be mailed to all customers at least 30 days prior to implementing the Water Shortage Rates.

If a higher water shortage stage is declared by the Board, the Board may choose to increase the Water Shortage Rates up to the maximum level of the declared stage, and upon 30 days advance written notice to all customers. If a lower water shortage stage is declared by the Board, the Board will adjust the Water Shortage Rates to no more than the maximum level of the lower stage. The Water Shortage Rates would be repealed when the Water Shortage situation is declared to be over by the Board of Directors.

WATER SHORTAGE RATES - QUANTITY CHARGE (Monthly Rates)

Effective January 19, 2023

Table 1A shows the incremental Monthly Water Shortage Rate Quantity Charge per UNIT* by Water Shortage Stage.

Customer Type	Baseline*	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
Residential							
Tier 1 1 - 4 units	\$0.00	\$2.47	\$4.37	\$6.14	\$8.52	\$12.85	\$25.42
Tier 2 5 - 8 units	\$0.00	\$3.60	\$6.39	\$8.98	\$12.46	\$18.79	\$37.16
Tier 3 9+ units	\$0.00	\$4.36	\$7.73	\$10.87	\$15.07	\$22.73	\$44.97
Multi-Family	\$0.00	\$3.29	\$5.82	\$8.19	\$11.36	\$17.12	\$33.88
Non-Residential	\$0.00	\$3.50	\$6.21	\$8.73	\$12.10	\$18.25	\$36.10

Table 1B shows the combined Monthly **Baseline Quantity Charge** (rates in effect January 19, 2023) **plus the Water Shortage Rate Quantity Charge** per UNIT by Water Shortage Stage.

Customer Type	Baseline*	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
Residential							
Tier 1 1 - 4 units	\$10.75	\$13.22	\$15.12	\$16.89	\$19.27	\$23.60	\$36.17
Tier 2 5 - 8 units	\$15.72	\$19.32	\$22.11	\$24.70	\$28.18	\$34.51	\$52.88
Tier 3 9+ units	\$19.02	\$23.38	\$26.75	\$29.89	\$34.09	\$41.75	\$63.99
Multi-Family	\$14.33	\$17.62	\$20.15	\$22.52	\$25.69	\$31.45	\$48.21
Non-Residential	\$15.27	\$18.77	\$21.48	\$24.00	\$27.37	\$33.52	\$51.37

** Baseline - Quantity Charge effective 1/19/2023
1 Unit = 1 hcf (hundred cubic feet) = 748 gallons*

**WATER SHORTAGE RATES - QUANTITY CHARGE (Monthly Rates)
Effective January 18, 2024**

Table 2A shows the incremental Monthly **Water Shortage Rate Quantity Charge** per UNIT* by Water Shortage Stage.

Customer Type	Baseline*	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
Residential							
Tier 1 1 - 4 units	\$0.00	\$2.57	\$4.58	\$6.48	\$9.03	\$13.67	\$27.17
Tier 2 5 - 8 units	\$0.00	\$3.75	\$6.69	\$9.47	\$13.20	\$19.98	\$39.71
Tier 3 9+ units	\$0.00	\$4.53	\$8.10	\$11.46	\$15.97	\$24.18	\$48.05
Multi-Family	\$0.00	\$3.42	\$6.10	\$8.64	\$12.03	\$18.22	\$36.20
Non-Residential	\$0.00	\$3.64	\$6.50	\$9.21	\$12.83	\$19.42	\$38.59

Table 2B shows the combined Monthly **Baseline Quantity Charge** (rates in effect January 18, 2024) **plus the Water Shortage Rate Quantity Charge** per UNIT by Water Shortage Stage.

Customer Type	Baseline*	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
Residential							
Tier 1 1 - 4 units	\$11.40	\$13.97	\$15.98	\$17.88	\$20.43	\$25.07	\$38.57
Tier 2 5 - 8 units	\$16.66	\$20.41	\$23.35	\$26.13	\$29.86	\$36.64	\$56.37
Tier 3 9+ units	\$20.16	\$24.69	\$28.26	\$31.62	\$36.13	\$44.34	\$68.21
Multi-Family	\$15.19	\$18.61	\$21.29	\$23.83	\$27.22	\$33.41	\$51.39
Non-Residential	\$16.19	\$19.83	\$22.69	\$25.40	\$29.02	\$35.61	\$54.78

* Baseline - Quantity Charge effective 1/18/2024

1 Unit = 1 hcf (hundred cubic feet) = 748 gallons

Table 3 shows the six (6) **Water Shortages Stages** outlined in the District’s Water Shortage Contingency Plan.

Water Shortage Stage	Shortage Level	Shortage Description
Stage 1	Up to 10%	Water Shortage Advisory
Stage 2	Up to 20%	Water Shortage Emergency Warning
Stage 3	Up to 30%	Water Shortage Emergency
Stage 4	Up to 40%	Water Shortage Severe Emergency
Stage 5	Up to 50%	Water Shortage Extreme Emergency
Stage 6	Up to 60%	Water Shortage Catastrophic Emergency

“

6. This Resolution shall be effective for water delivered and services provided on or after January 19, 2023 and January 18, 2024 and any billing for the current billing cycle that includes water delivered before the effective date shall be pro-rated.
7. The General Manager shall arrange for the Rate and Fee Schedule to be re-codified to incorporate the changes effected by this Resolution.
8. The General Manager is directed to file a Notice of Exemption with the County Clerk and to take such other actions as may be necessary to give effect to this Resolution.

PASSED AND ADOPTED THIS 13th day of December, 2022, by the following vote of the Board:

AYES:

NOES:

ABSENT:

Robert Feldman, President
Board of Directors

ATTEST:

Mary Rogren, General Manager
Secretary of the District

NOTICE OF EXEMPTION
COASTSIDE COUNTY WATER DISTRICT

TO: San Mateo County
Assessor-County Clerk-Recorder
555 County Center, 1st Floor
Redwood City, CA 94063-1665

FROM: Coastside County Water District
766 Main Street
Half Moon Bay, California 94019

PROJECT TITLE: Increase of Certain District Rates and Fees (Water Service Rates and Water Shortage Rates) to be effective January 19, 2023 and January 18, 2024

PROJECT LOCATION: Throughout the service area of the Coastside County Water District, which is within the City of Half Moon Bay and certain areas of unincorporated San Mateo County.

DESCRIPTION OF NATURE, PURPOSE AND BENEFICIARIES OF PROJECT:

The nature of the project is to amend and increase certain District rates and fees. The purpose of the project is to generate revenue for the purposes listed below. The beneficiaries of the project are the customers of the District.

NAME OF PUBLIC AGENCY APPROVING PROJECT: Coastside County Water District.

NAME OF PERSON OR AGENCY CARRYING OUT PROJECT: Coastside County Water District.

EXEMPT STATUS: (Check One)

- Statutory Exemption (Public Resources Code Section 21080(b)(8)) – Meeting operating expenses; purchasing or leasing supplies, equipment or materials; meeting financial reserve needs and requirements; obtaining funds for capital projects necessary to maintain services within existing service areas.
- Ministerial (Sec. 15073)
- Declared Emergency (Sec. 15071 (a))
- Emergency Project (Sec. 15071 (b) and (c))
- Categorical Exemption (State Type and Section Number :)
- No possible significant effect on the environment (Sec. 15060)

REASON WHY PROJECT IS EXEMPT:

The “Cost of Service and Rate Study” prepared by Raftelis Financial Consultants, LLC. (dated May 15, 2018), the subsequent “Water Financial Plan and Rate Update Study” (dated August 3, 2020), the “Water Shortage Contingency Stage Rate Study” (dated November 5, 2021), and the “Water Financial Plan and Rate Update Study” (dated October 26, 2022) were prepared in compliance with the substantive requirements of Proposition 218. Revenues derived from the

water rates do not exceed the funds required to provide the services for which the rates are charged, and the amounts of the rates imposed do not exceed the proportional cost of service attributable to the property. The District's water rates enable the District to (1) to meet its operating expenses; (2) to purchase or lease supplies, equipment, and materials; (3) to meet financial reserve needs and requirements; and (4) to obtain funds for capital projects necessary to maintain service within the existing service area. The District's rate studies, budgets and Capital Improvement Program are available at the District. All projects to be funded by the increased rates and charges are to maintain existing water service provided within the District's service area.

Contact Person

Area Code Telephone

Mary Rogren

(650)

726-4405

Date: December 13, 2022

Mary Rogren, General Manager

EXHIBIT F – PROTEST LETTERS

10/29/2022

I protest the proposed 2023 water
rate hike.

Laurie Schutters

740 Le Mans Way, Half Moon Bay CA
94019

Parcel # 048-391-110

Laurie Schutters

RECEIVED

NOV 03 2022

COASTSIDE COUNTY
WATER DISTRICT

RECEIVED

DEC 13 2022

COASTSIDE COUNTY
WATER DISTRICT

Attn: General Manager

I am owner of 335 Spruce St.
and I am writing in protest
of the rate hikes for water
usage/proposed increases to
be discussed December 13, 2022.

TERESA HERNANDEZ
Acct # 141-02313-00

Teresa Furdley

Coastside County Water District

Water Rate Study

Public Hearing

December 13, 2022



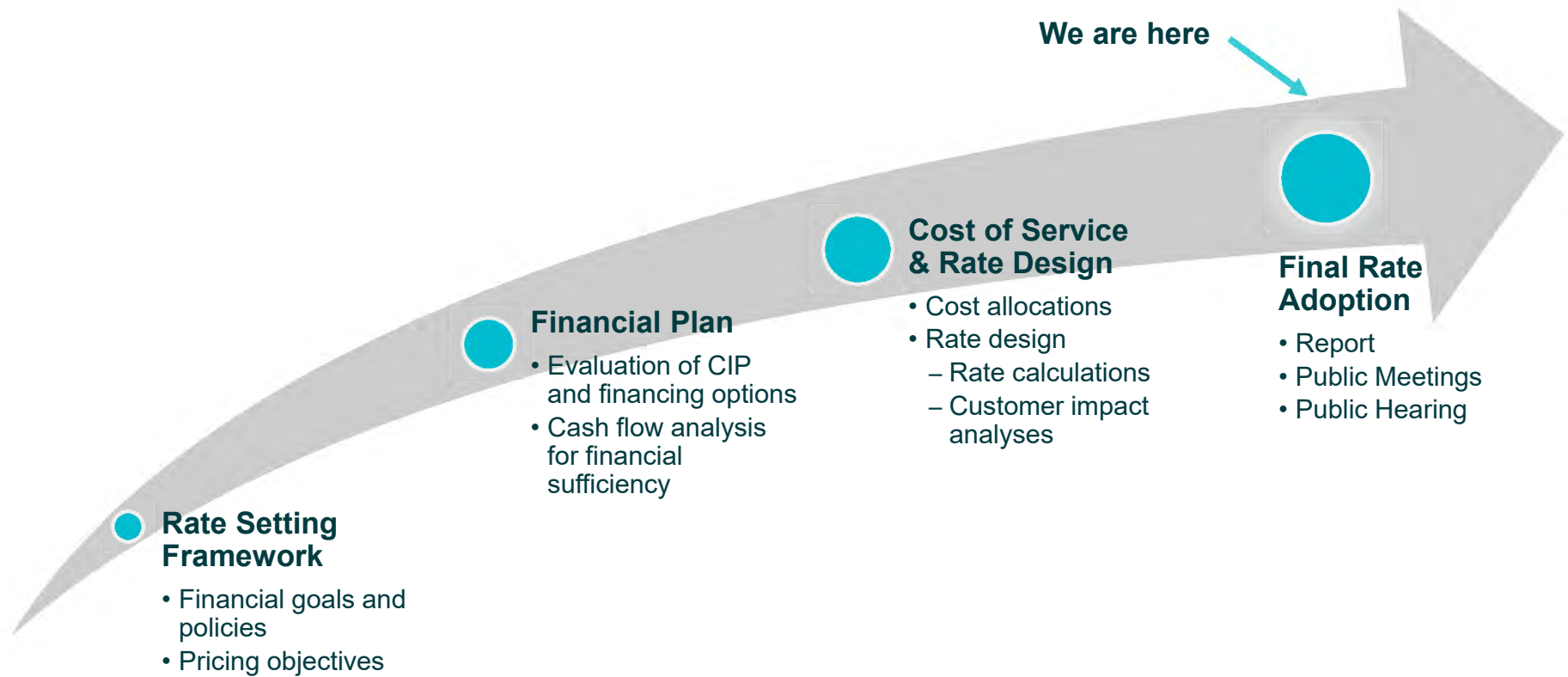
Agenda

- Rate Study Overview
- Financial Plan
- Water Rates
- Water Shortage Rates

Rate Study Overview



Rate Study at a Glance



What is Cost of Service?

- Required by Proposition 218
- Different types of customers generate different costs because their patterns of use or characteristics are different
- Cost of service allows the matching of rates charged with the costs of serving each group (classes and tiers)
- Financial plan determines total revenue needed for the whole system, whereas cost of service determines how to split the revenue needs between customer classes

Financial Plan



Financial Drivers

- Increased SFPUC purchased water costs
 - › Approximately 16% increase in FY 2023 and 11% increase in FY 2024
- Increased capital program investment
 - › 5-year average CIP from prior study was \$4.6M per year, now increasing to a 5-year average CIP of \$7.1M
- Reduced water sales projections
 - › Current year projections of 550 MG compared to prior 580 MG

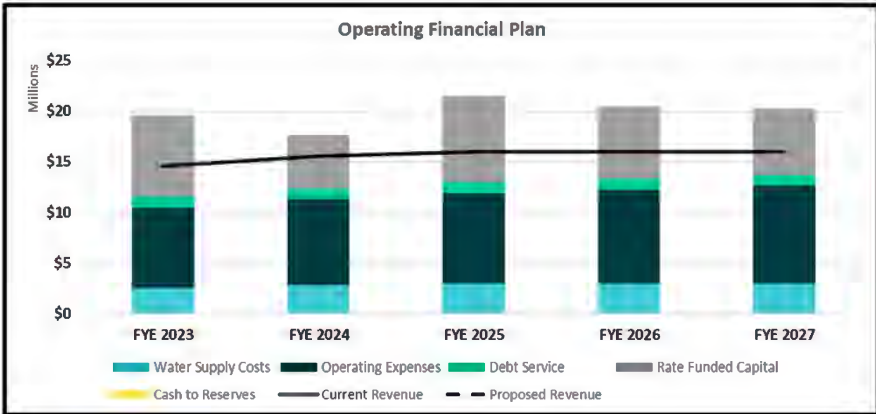
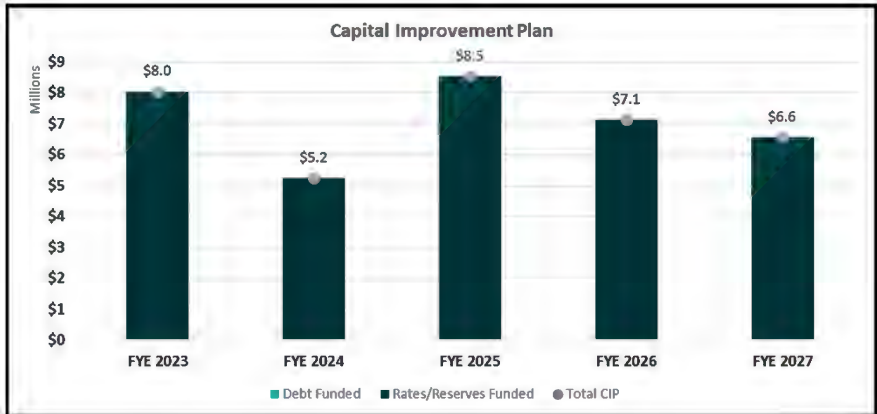
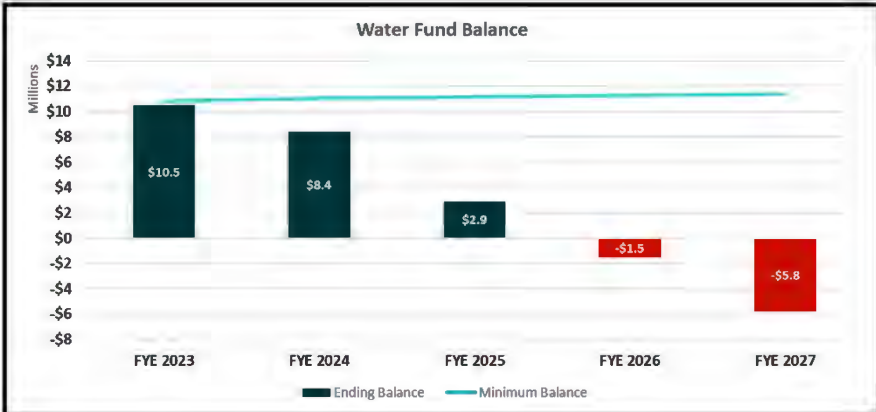
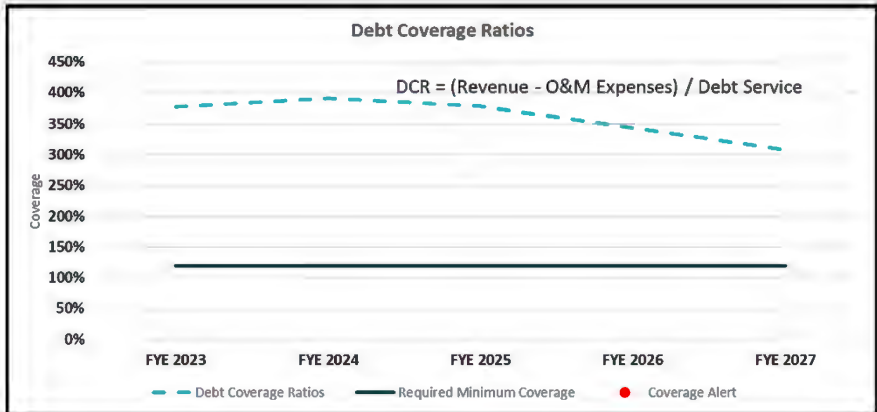
Fund Balance and Financial Policies

- FYE 2023 beginning balance: \$15.5M
- Operating Reserve Target: 25% of Operating Expenses
- Capital Replacement Reserve Target: Average CIP over 5 years
- Meet debt service coverage of 120%

All scenarios assume 95% CIP Funding

Financial Plan Scenario – Status Quo

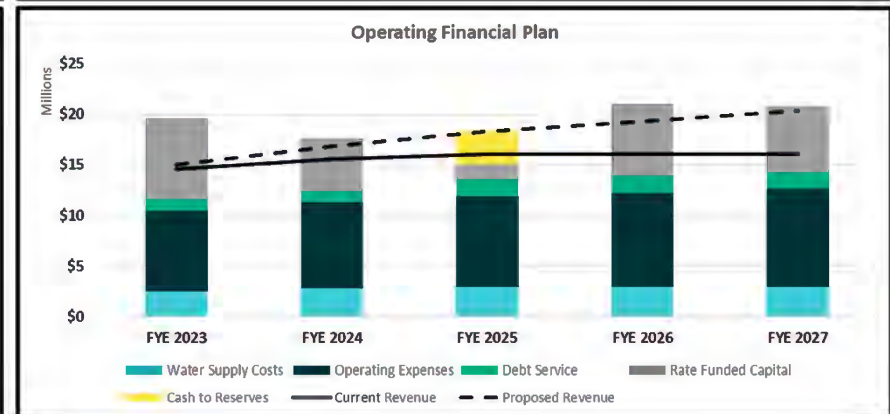
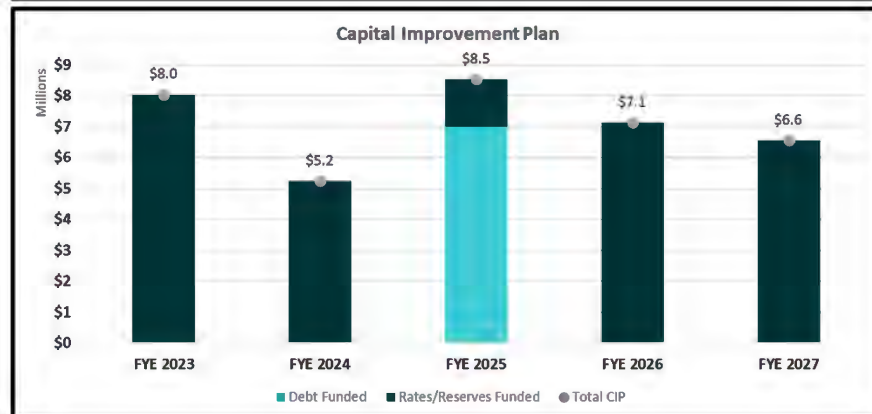
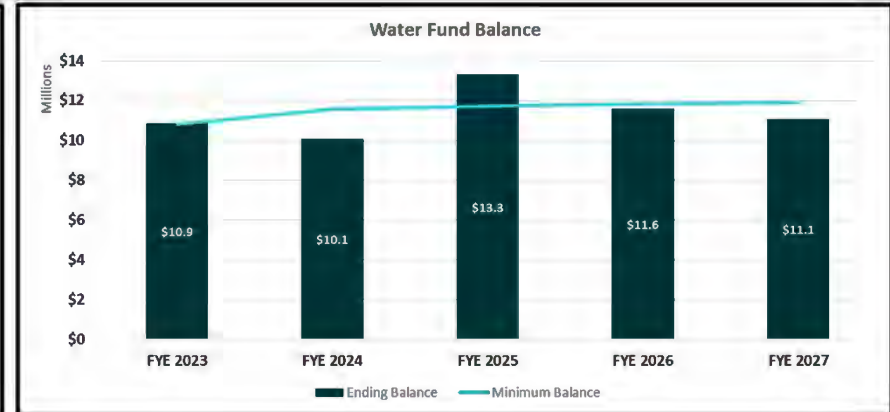
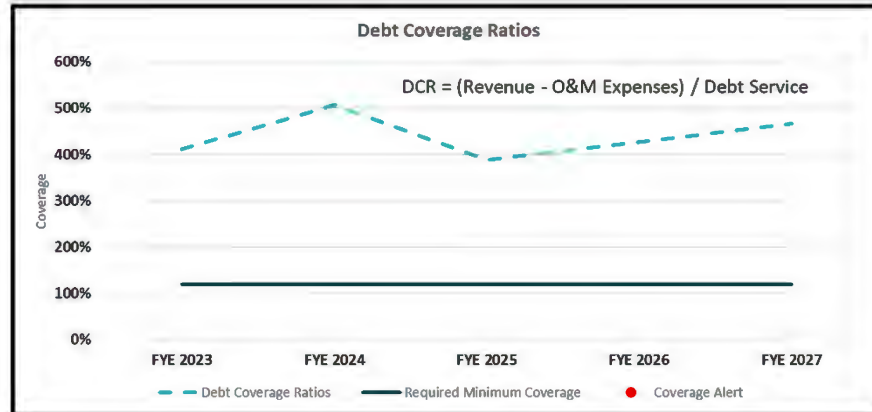
	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027
Revenue Adjustments	0%	0%	0%	0%	0%
Proposed Debt Proceeds	\$0	\$0	\$0	\$0	\$0



All scenarios assume 95% CIP Funding

Financial Plan Scenario – Debt Financing

	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027
Revenue Adjustments	6.0%	6.0%	6.0%	6.0%	6.0%
Proposed Debt Proceeds	\$0	\$0	\$7.0M	\$0	\$0



Water Rates



Proposed Water Rates

- Current rates are increased 6% across the board for FY 2023 and FY 2024 based on the results of the financial plan
- Water rate structure was developed in the 2018 COS study

Monthly Base Charges

Base Charge	Current FY 2022	Proposed FY 2023	Proposed FY 2024
5/8"	\$31.87	\$33.78	\$35.81
3/4"	\$47.09	\$49.92	\$52.92
1"	\$77.52	\$82.17	\$87.10
1 1/2"	\$153.60	\$162.82	\$172.59
2"	\$244.91	\$259.60	\$275.18
3"	\$534.02	\$566.06	\$600.02
4"	\$960.12	\$1,017.73	\$1,078.79

Monthly Fire Service Charges

Fire Service Charge	Current FY 2022	Proposed FY 2023	Proposed FY 2024
3/4"	\$5.35	\$5.67	\$6.01
1"	\$7.13	\$7.56	\$8.01
1 1/2"	\$10.70	\$11.34	\$12.02
2"	\$14.26	\$15.12	\$16.03
3"	\$21.39	\$22.67	\$24.03
4"	\$28.52	\$30.23	\$32.04
6"	\$42.78	\$45.35	\$48.07

Quantity Charges (\$/ccf)

Quantity Charge	Current FY 2022	Proposed FY 2023	Proposed FY 2024
Single Family			
Tier 1	\$10.14	\$10.75	\$11.40
Tier 2	\$14.83	\$15.72	\$16.66
Tier 3	\$17.94	\$19.02	\$20.16
Multi-Family	\$13.52	\$14.33	\$15.19
Non-Residential	\$14.41	\$15.27	\$16.19

Single Family Customer Impacts

Table 1

Example of Single Family Residential Monthly Water Bills With 6% Adjustment

Units of Water Billed	Current Bill Amount	Effective January 19, 2023 Proposed Bill Amount	Additional Monthly Cost	Effective January 18, 2024 Proposed Bill Amount
2	\$52.15	\$55.28	\$3.13	\$58.61
4	\$72.43	\$76.78	\$4.35	\$81.41
6	\$102.09	\$108.22	\$6.13	\$114.73
9	\$149.69	\$158.68	\$8.99	\$168.21
12	\$203.51	\$215.74	\$12.23	\$228.69

Note: Bill amount includes base charge plus consumption (quantity) charge.

1 unit = 748 gallons = 100 cubic feet = 1 ccf

Water Shortage Rates



Steps to Develop Water Shortage Rates

What are the reductions in each stage?

What are the financial impacts?

What rate structure is most appropriate?

What are the customer impacts?

Water Shortage Rate Structure

- Water shortage stages and reductions based on the 2020 Water Shortage Contingency Plan
- Includes lost commodity revenues from usage reductions, changes to SFPUC water purchase costs, and one-time expenses due to drought
- Following the same rate structure as prior year's water shortage rates
- Uniform percentage increase: all customers will see the same percentage increase for the water shortage rate

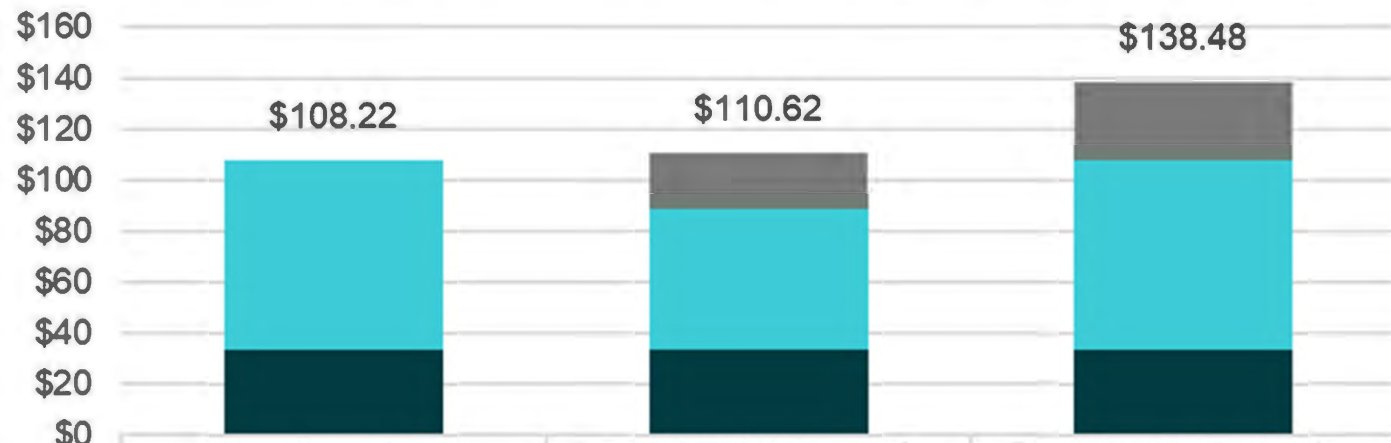
Proposed Water Shortage Rates

Water Shortage Rates	Baseline*	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
Proposed Water Shortage Rates							
Single Family							
Tier 1	\$0.00	\$2.47	\$4.37	\$6.14	\$8.52	\$12.85	\$25.42
Tier 2	\$0.00	\$3.60	\$6.39	\$8.98	\$12.46	\$18.79	\$37.16
Tier 3	\$0.00	\$4.36	\$7.73	\$10.87	\$15.07	\$22.73	\$44.97
Multi-Family	\$0.00	\$3.29	\$5.82	\$8.19	\$11.36	\$17.12	\$33.88
Non-Residential	\$0.00	\$3.50	\$6.21	\$8.73	\$12.10	\$18.25	\$36.10
Combined Commodity Rates							
Single Family							
Tier 1	\$10.75	\$13.22	\$15.12	\$16.89	\$19.27	\$23.60	\$36.17
Tier 2	\$15.72	\$19.32	\$22.11	\$24.70	\$28.18	\$34.51	\$52.88
Tier 3	\$19.02	\$23.38	\$26.75	\$29.89	\$34.09	\$41.75	\$63.99
Multi-Family	\$14.33	\$17.62	\$20.15	\$22.52	\$25.69	\$31.45	\$48.21
Non-Residential	\$15.27	\$18.77	\$21.48	\$24.00	\$27.37	\$33.52	\$51.37

*Baseline rates effective 1/1/2023 with a 6% across-the-board increase

Single Family Residential (SFR) Impacts – Stage 2

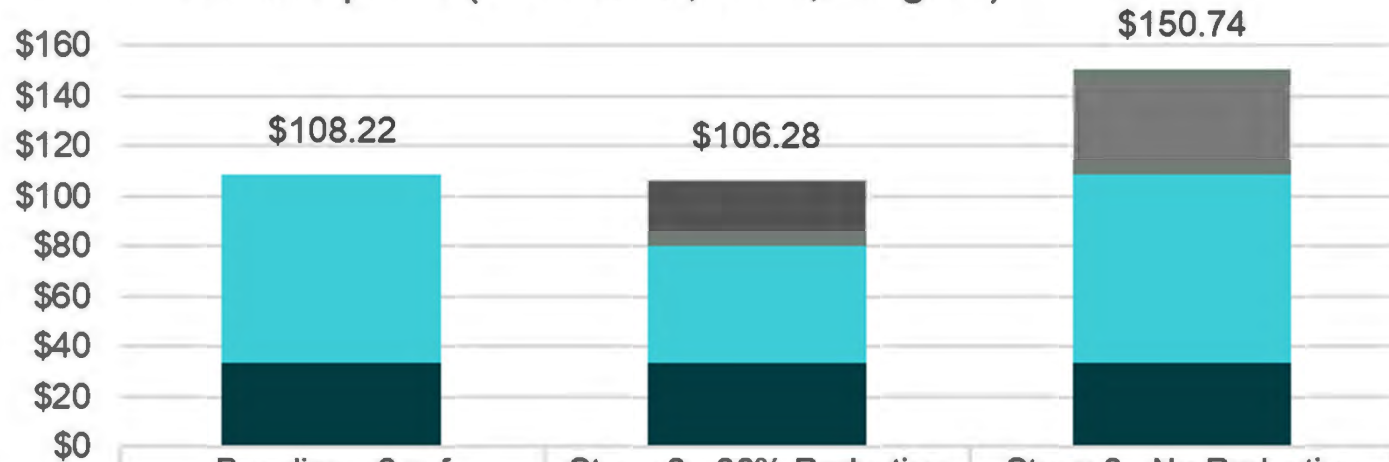
SFR Bill Impacts (5/8" Meter, 6 ccf, Stage 2)



	Baseline - 6 ccf	Stage 2 - 21% Reduction	Stage 2 - No Reduction
■ Water Shortage Rate	\$0.00	\$22.21	\$30.26
■ Base Quantity Charge	\$74.44	\$54.63	\$74.44
■ Base Fixed Charge	\$33.78	\$33.78	\$33.78
Total Bill	\$108.22	\$110.62	\$138.48

Single Family Residential (SFR) Impacts – Stage 3

SFR Bill Impacts (5/8" Meter, 6 ccf, Stage 3)



	Baseline - 6 ccf	Stage 3 - 30% Reduction	Stage 3 - No Reduction
■ Water Shortage Rate	\$0.00	\$26.36	\$42.52
■ Base Quantity Charge	\$74.44	\$46.14	\$74.44
■ Base Fixed Charge	\$33.78	\$33.78	\$33.78
Total Bill	\$108.22	\$106.28	\$150.74

Water Shortage Rate Implementation

- Based on Proposition 218 requirements, the proposed water shortage rates are the **maximum** that the Board can implement
 - › Additional drought-related SFPUC costs could be passed through
- Board has the discretion to:
 - › Implement a lower water shortage rate
 - › Use reserves
 - › Defer capital projects
 - › Any combination of the above
- Water shortage rates are implemented by:
 - › Declaring a water shortage emergency
 - › Board action and 30-day noticing period



Thank you!

Contact:

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Nancy Phan

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Lindsay Roth

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STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, General Manager

Agenda: December 13, 2022

Date: December 9, 2022

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: Coastside County Water District Board of Directors

From: Mary Rogren, General Manager

Agenda: December 13, 2022

Date: December 9, 2022

Subject: Award of Contract to Casey Construction for the Installation of a Magnetic Flow Meter at Nunes Water Treatment Plant

Recommendation: Authorize the General Manager to enter into a contractual agreement with Casey Construction for the installation of a magnetic flow meter at the Nunes Water Treatment Plant for a total cost of \$97,460.

Background: The Denniston and Nunes Water Treatment Plant (WTP) production numbers are calculated using numerous flow meters within the plants themselves and includes estimates for water used from the sample taps and other plant use. The installation of this 16" magnetic flow meter below the Half Moon Bay tank farm will further enhance water loss accounting. This meter will read and totalize bi-directionally and produce a more accurate and precise number of how much water has been sent to distribution.

Denniston currently has a magnetic flow meter installed at the finished water pump station programmed to totalize bi-directionally. Once this 2nd flow meter is installed at Nunes, staff will be able to quantify the amount of water that has entered distribution in any given time period. If staff pulls the AMI data on the same date/time, we will be able to more accurately audit water produced vs water sold along with a whole host of other water treatment plant data needs.

District staff has purchased all the parts, less the meter, vault and electrical conduit, before going to bid for installation due to ongoing supply chain issues. Freyer & Laureta Inc., completed a simple design and bid announcement to solicit bids for the installation. The District has spent \$88,869 on parts to date. Sealed bid results for installation below:

Bidder	Amount
Casey Construction	\$97,460.00
GSW Construction	\$128,800.00
Golden Bay Construction	\$130,987.00
Andreini Bros. Inc.	\$142,948.05

Fiscal Impact: \$150,000 is budgeted in the FY23/24 CIP for this work.

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, General Manager

Agenda: December 13, 2022

Report

Date: December 9, 2022

Subject: General Manager's Report

Recommendation:

Information Only.

ACWA JPIA - President's Special Recognition Awards

Annually, ACWA-JPIA recognizes members that have a loss ratio of 20% or less in their Liability, Property or Worker's Compensation programs (loss ratio = total losses/total premiums.) The Coastside County Water District recently received President's Special Recognition awards for all three insurance programs as a result of keeping claims low (Attachment A.)



YOUR BEST PROTECTION

11/28/2022

ACWA JPIA

P. O. Box 619082
Roseville, CA 95661-9082

phone
916.786.5742
800.231.5742

www.acwajpia.com

President

E.G. "Jerry" Gladbach

Vice President

Melody A. McDonald

Chief Executive Officer

Walter "Andy" Sells

Executive Committee

Fred Bockmiller

David Drake

E.G. "Jerry" Gladbach

Cathy Green

Brent Hastey

Chris Kapheim

Melody A. McDonald

Randall Reed

J. Bruce Rupp

Coastside County Water District (C030)
766 Main Street
Half Moon Bay, CA 94019-1925

General Manager:

Each year at Fall Conference, the JPIA recognizes members that have a Loss Ratio of 20% or less in either of the Liability, Property or Workers' Compensation programs (loss ratio = total losses / total premiums).

The members with this distinction receive the "**President's Special Recognition Award**" certificate for each Program that they qualify in.

The JPIA is extremely pleased to present Coastside County Water District (C030) with this special recognition and commends the District on the hard work in reducing claims.

Congratulations to you, your staff, Board, and District. Keep up the good work!

The JPIA wishes you the best in 2023.

Sincerely,

Melody McDonald
President

Enclosure: President's Special Recognition Award(s)

Core Values

- People
- Service
- Integrity
- Innovation

President's Special Recognition Award

*The President of the
ACWA JPIA
hereby gives Special Recognition to*

Coastside County Water District

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"
in the Workers' Compensation Program for the period 07/01/2018 - 06/30/2021
announced at the Board of Directors' Meeting in Indian Wells.*

Melody McDonald

Melody McDonald, President



November 28, 2022

President's Special Recognition Award

*The President of the
ACWA JPIA
hereby gives Special Recognition to*

Coastside County Water District

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"
in the Property Program for the period 07/01/2018 - 06/30/2021
announced at the Board of Directors' Meeting in Indian Wells.*



Melody McDonald, President



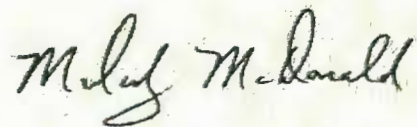
November 28, 2022

President's Special Recognition Award

*The President of the
ACWA JPIA
hereby gives Special Recognition to*

Coastside County Water District

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"
in the Liability Program for the period 10/01/2018 - 09/30/2021
announced at the Board of Directors' Meeting in Indian Wells.*



Melody McDonald, President



November 28, 2022

MONTHLY REPORT

To: Mary Rogren, General Manager
From: James Derbin, Superintendent of Operations
Agenda: December 13, 2022
Report Date: December 9, 2022

Monthly Highlights

- Grandview mainline is in and still on schedule to be complete end of the year
- Pilarcitos wells on
- Sealed bids in for Mag meter installation, Casey Construction was the low bidder at \$97,460

November Sources: Pilarcitos Lake/Wells, Denniston Reservoir/Wells, Crystal Springs

Projects

Nunes Water Treatment Plant Improvement Project. Ranger work is still paused due to persistent supply chain issues. Progress since last board meeting:

- There has been no work performed by Ranger onsite at Nunes since the last board meeting due to material delays.
- Ranger has received a portion of the valves and anticipates working the last 2 weeks of the year.
- The MCC is 90% complete, delivery date TBD.
- Still waiting for knife gate valve for new sedimentation basin. Suppliers are looked at American Iron and Steel (AIS) and have substituted where available at no cost to the District.
- While Ranger does not have firm commitments from suppliers on the Motor Control Center (MCC) and Variable Frequency Drives (VFDs) due to supply chain issues, Ranger anticipates being able to complete the project by the end of January 2024.
- EKI
 - Grandview/Hwy 1 Crossing and Main Replacement project - Construction started on 10/3/22. 100% of mainline installed including the PRV vault and testing. Estimated completion is end of December 2022
 - Miramontes Point Road - 100% Design under review
 - Poplar East is almost 100%
- HDR
 - Half Moon Bay Tank replacement project - Plans for replacement of HMB tanks 1&2 at 100% design and under internal review.

STAFF REPORT

To: Board of Directors

From: Cathleen Brennan, Water Resources Analyst

Agenda: December 13, 2022

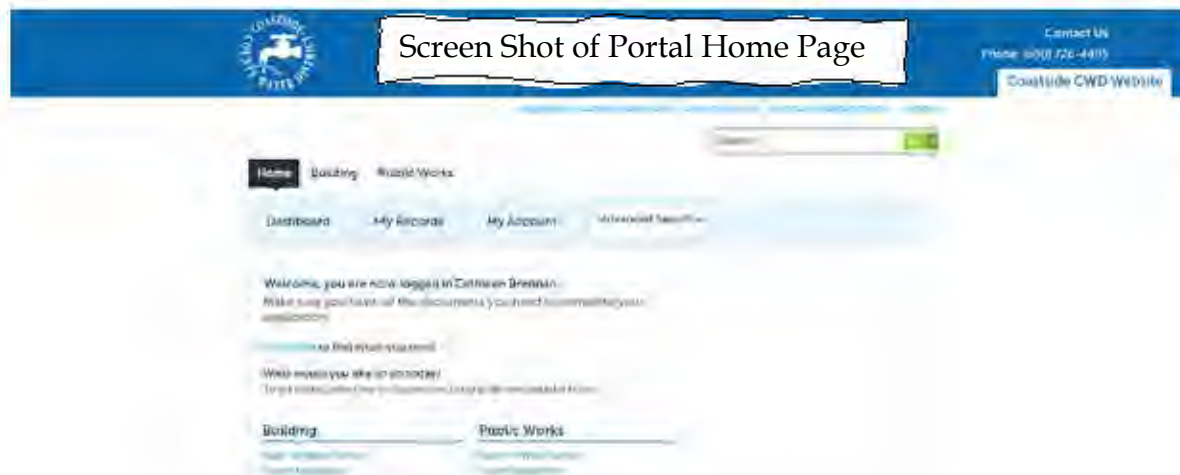
Report: December 8, 2022

Subject: Water Resources Informational Report

Attachment: Flyer for Capital Improvement Program

Accela Civic Platform and Citizen Access Portal

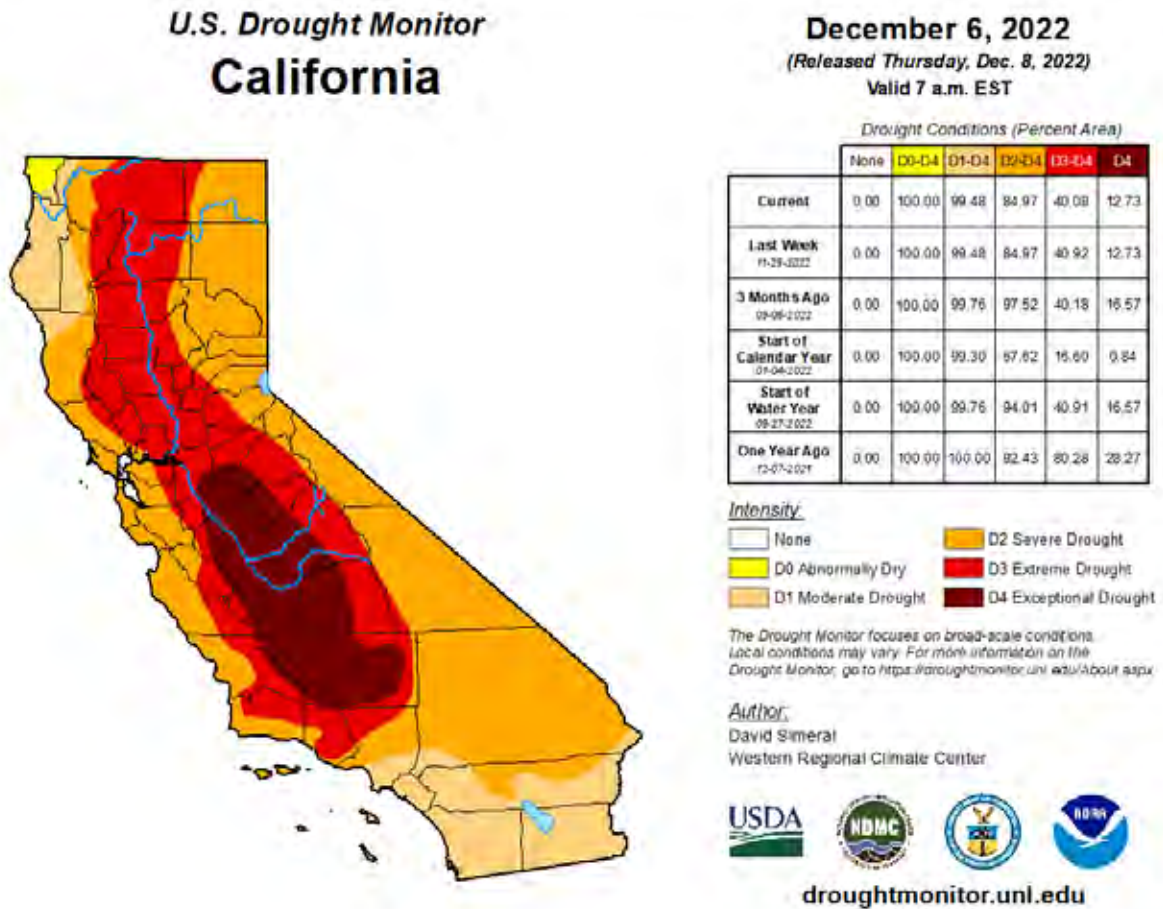
The district reviews plans and other documents for water and fire services. The plan reviews may now be done online through the [Citizen Access Portal](#). The first step for all applicants is to register on the portal. Applicants just need to register once, no matter how many times you apply. District staff can manage the application through the platform, including sending communications to the applicant. The applicant can view the status of the review process through the Citizen Access Portal. The application types under the building module are residential, commercial, mixed use, and fire sprinkler systems. There is also a public works module for pipeline extension applications and other public works projects. The first step for all applicants is to register or create an account on the Citizen Access Portal. After registration, the process is slightly different depending on if the project is in the City of Half Moon Bay or in an unincorporated area. The primary difference is that the City of Half Moon Bay provides the district with a set of plans for the project, but the county (unincorporated) requires the applicant to provide a set of plans for the project to the district.



Water Shortage Emergency Update

On December 7, 2022, the State Water Resources Control Board readopted the emergency water conservation regulation previously adopted in January 2022, ensuring those provisions remain in effect for up to an additional year of continued drought conditions. If not readopted, the regulations would have expired on January 18, 2023. These provisions prohibiting wasteful water uses will be added to title 23 of the California Code of Regulations.

Current California Drought Conditions



General Outreach

Customer service mailed out a flyer on November 18th at the request of the Board of Directors. The flyer was a summary of the District’s capital improvement program and is attached to this report.

COASTSIDE COUNTY WATER DISTRICT

YOUR DOLLARS AT WORK



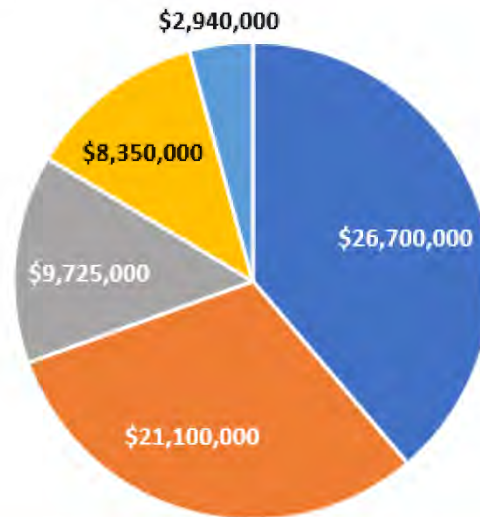
The Value of Water Infrastructure

FY2022-2023 to FY2031-32

10 Year Capital Improvement Program

\$68 Million

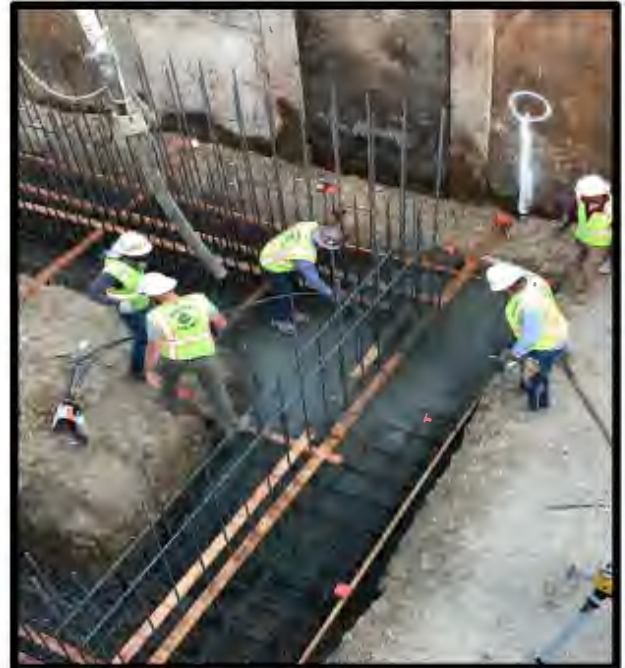
- Water Tanks, Pump Stations, Wells
- Pipeline Projects
- Water Treatment Plants
- Water Supply Development
- Equipment and Facilities



Current and Recent Projects

\$9,000,000	Nunes Water Treatment Plant Improvements
\$1,700,000	Grandview Neighborhood Pipeline Replacements
\$700,000	Lower Pilarcitos Creek Undercrossing at Oak Avenue
\$200,000	5,000 Gallon Diesel Tank and 1,000 Gallon Unleaded Tank Funded by grant from California Office of Emergency Services

Nunes Water Treatment Plant Upgrades 2021-2023



Future Project- Next Five Years

\$9,000,000	Carter Hill Tank Replacement Project (with 2.1 Million Gallon Concrete Storage Tank)
\$1,000,000	Well Rehabilitation and Replacements
\$500,000	Poplar Avenue East Pipeline Replacement
\$200,000	Recycled Water Feasibility Study
\$10,000,000+	Other Pipeline Replacements around District