

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MEETING OF THE BOARD OF DIRECTORS

April 8, 2008 – 7:00 p.m.

AGENDA

The Coastside County Water District does not discriminate against persons with disabilities. Upon request, the agenda and agenda packet 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.

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 ANNOUNCEMENTS

Any person may address the Board of Directors at the commencement of the meeting on any matter within the jurisdiction of the Board that is not on the agenda for this meeting. Any person may address the Board on an agenda item when that item is called. The chair requests that each person addressing the Board limits their presentation to three minutes and complete and submit a Speaker Slip.

4) CONSENT CALENDAR

The following matters before the Board of Directors are recommended for action as stated by the General Manager.

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

- A. Requesting the Board to review disbursements for the month Ending March 31, 2008 – Claims: \$579,896.78; Payroll: \$65,175.86 for a total of \$645,072.64 ([attachment](#))
- B. Acceptance of Financial Reports ([attachment](#))
- C. Minutes of the March 11, 2008 Board of Directors Meeting ([attachment](#))
- D. Monthly Water Transfer Report ([attachment](#))
- E. Installed Water Connection Capacity and Water Meters Report ([attachment](#))
- F. Total CCWD Production Report ([attachment](#))
- G. CCWD Monthly Sales by Category Report ([attachment](#))
- H. March 2008 Leak Report ([attachment](#))
- I. Rainfall Reports ([attachment](#))
- J. San Francisco Public Utilities Commission Hydrological Conditions Report for March 2008 ([attachment](#))

5) DIRECTOR COMMENTS / MEETINGS ATTENDED

6) GENERAL BUSINESS

- A. San Mateo Local Agency Formation Commission (LAFCo) – Municipal Service Review - Presentation by Martha Poyatos, Executive Officer ([attachment](#))
- B. Phase 3 El Granada Pipeline Replacement Project - Contract Change Order No. 1 ([attachment](#))
- C. El Granada Pipeline Phase 3 Construction Progress Update ([attachment](#))
- D. Fiscal Year 2007-2008 Third Quarter Budget Review ([attachment](#))

- 7) **GENERAL MANAGER'S REPORT, INCLUDING MONTHLY INFORMATIONAL REPORTS** ([attachment](#))
 - A. Monthly Water Resources Report ([attachment](#))
 - B. Water Shortage and Drought Contingency Plan Update ([attachment](#))
 - C. Operations Report ([attachment](#))
 - D. District Engineer Work Status Report ([attachment](#))

- 8) **ADJOURNMENT**

<u>Check Number</u>	<u>Vendor No</u>	<u>Vendor Name</u>	<u>Check Date</u>	<u>Void Amount</u>	<u>Check Amount</u>
10670	ALL04	ALLIED WASTE SERVICES #925	03/06/2008	0.00	205.65
10671	ALV01	ALVES PETROLEUM, INC.	03/06/2008	0.00	2,207.35
10672	ASS06	ACWA / JPIA	03/06/2008	0.00	17,017.00
10673	ATT01	AT&T MOBILTY	03/06/2008	0.00	471.66
10674	COA 15	COASTSIDE NET, INC	03/06/2008	0.00	59.95
10675	COA04	COASTSIDE CATERERS	03/06/2008	0.00	325.79
10676	HAR03	HARTFORD LIFE INSURANCE CO.	03/06/2008	0.00	2,522.15
10677	KAI01	KAISER FOUNDATION HEALTH	03/06/2008	0.00	9,216.00
10678	LAN04	RICOH AMERICAS CORPORATION	03/06/2008	0.00	12.45
10679	PAC02	PACIFICA CREDIT UNION	03/06/2008	0.00	637.00
10680	PAP01	PESTICIDES APPLICATORS PROFESSIONAL ASSOC	03/06/2008	0.00	70.00
10681	SPR01	SPRING MOUNTAIN GALLERY	03/06/2008	0.00	117.38
10682	UNI 09	UNION BANK OF CALIFORNIA	03/06/2008	0.00	34,655.46
10683	UNI08	UNION BANK OF CALIFORNIA, N.A.	03/06/2008	0.00	161,755.34
10684	VAL01	VALIC	03/06/2008	0.00	1,455.00
10685	ASC01	EVERETT ASCHER	03/20/2008	0.00	140.81
10686	ASS01	ACWA SERVICES CORPORATION	03/20/2008	0.00	17,317.32
10687	BRU02	JON BRUCE	03/20/2008	0.00	70.35
10688	HAR03	HARTFORD LIFE INSURANCE CO.	03/20/2008	0.00	2,522.15
10689	LUN01	CRAIG LUNOW	03/20/2008	0.00	190.60
10690	PAC 01	PACIFIC GAS & ELECTRIC CO.	03/20/2008	0.00	7,642.29
10691	PAC02	PACIFICA CREDIT UNION	03/20/2008	0.00	637.00
10692	PUB01	PUB. EMP. RETIRE SYSTEM	03/20/2008	0.00	32,399.29
10693	SPR04	SPRINGBROOK SOFTWARE, INC	03/20/2008	0.00	400.00
10694	TUR 01	TURNER CONSTRUCTION, INC.	03/20/2008	0.00	51.00
10695	VAL01	VALIC	03/20/2008	0.00	1,305.00
10696	COU 05	RECORDER'S OFFICE	03/21/2008	0.00	10.00
10697	3TE01	3T EQUIPMENT COMPANY, INC	03/26/2008	0.00	7,128.34
10698	ACT01	ACT ADVANCED CHEMICAL TRANSPOR	03/26/2008	0.00	8,731.00
10699	ADP01	ADP, INC.	03/26/2008	0.00	593.85
10700	AME09	AMERICAN WATER WORKS ASSOC.	03/26/2008	0.00	69.50
10701	AND01	ANDREINI BROS. INC.	03/26/2008	0.00	196.92
10702	ATC01	ATCHISON, BARISONE	03/26/2008	0.00	2,723.75
10703	AZT01	AZTEC GARDENS	03/26/2008	0.00	190.00
10704	BAS01	BASIC CHEMICAL SOLUTION, LLC	03/26/2008	0.00	2,900.32
10705	BAY07	BAY AREA WATER SUPPLY &	03/26/2008	0.00	232.00
10706	BAY10	BAY ALARM COMPANY	03/26/2008	0.00	675.00
10707	BEN01	BENTLEY SYSTEMS INC	03/26/2008	0.00	624.75
10708	BIG01	BIG CREEK LUMBER	03/26/2008	0.00	152.68
10709	CAL07	CALIFORNIA TANK LINES, INC.	03/26/2008	0.00	506.88
10710	CAL08	CALCON SYSTEMS, INC.	03/26/2008	0.00	24,802.33
10711	CAL15	CALIFORNIA URBAN WATER	03/26/2008	0.00	2,451.06
10712	CAL31	ONTRAC	03/26/2008	0.00	483.87
10713	CAR02	CAROLYN'S CLEANING SERVICE	03/26/2008	0.00	425.00
10714	CAR04	CAROLLO ENGINEERS	03/26/2008	0.00	34,612.42
10715	CIN01	CINTAS FIRST AID & SAFETY	03/26/2008	0.00	3,604.73
10716	COA19	COASTSIDE COUNTY WATER DIST.	03/26/2008	0.00	355.90
10717	DAT01	DATAPROSE	03/26/2008	0.00	2,447.43
10718	DEL07	DEL GAVIO GROUP	03/26/2008	0.00	3,565.19
10719	EIP 01	EIP ASSOCIATES, INC.	03/26/2008	0.00	2,730.00
10720	ENR01	ENRIQUEZ MD, JOSEFINA	03/26/2008	0.00	125.00
10721	FIR06	FIRST NATIONAL BANK	03/26/2008	0.00	2,316.25
10722	GEM01	GEMPLER'S, INC.	03/26/2008	0.00	369.65
10723	GRA 03	GRAINGER, INC.	03/26/2008	0.00	173.92
10724	GRA07	THE GRAPHIC WORKS	03/26/2008	0.00	383.21
10725	HAL 01	HMB BLDG. & GARDEN INC.	03/26/2008	0.00	429.50
10726	HAL04	HALF MOON BAY REVIEW	03/26/2008	0.00	340.00
10727	HAL09	HMB CHAMBER OF COMMERCE	03/26/2008	0.00	618.00
10728	IED01	IEDA, INC.	03/26/2008	0.00	1,000.00
10729	INT04	INTELLIGENT TECHNOLOGIES	03/26/2008	0.00	1,027.00
10730	IRO01	IRON MOUNTAIN	03/26/2008	0.00	218.02
10731	IRV01	IRVINE, DAVID E.	03/26/2008	0.00	1,125.00

<u>Check Number</u>	<u>Vendor No</u>	<u>Vendor Name</u>	<u>Check Date</u>	<u>Void Amount</u>	<u>Check Amount</u>
10732	IRV02	IRVINE, DAVID E.	03/26/2008	0.00	422.30
10733	JAC02	JACK HENRY & ASSOCIATES, INC.	03/26/2008	0.00	893.75
10734	JAM01	JAMES FORD, INC.	03/26/2008	0.00	1,307.03
10735	JMB01	JMB CONSTRUCTION, INC.	03/26/2008	0.00	12,555.00
10736	JMT01	JM TURNER ENGINEERING, INC	03/26/2008	0.00	19,800.00
10737	LAN04	RICOH AMERICAS CORPORATION	03/26/2008	0.00	784.35
10738	LEW01	LEWIS & TIBBITTS, INC	03/26/2008	0.00	6,090.29
10739	MAN01	MANAGEMENT PARTNERS, INC	03/26/2008	0.00	8,900.00
10740	MCT01	MCTV6	03/26/2008	0.00	375.00
10741	MET06	METLIFE SBC	03/26/2008	0.00	1,238.92
10742	MIS01	MISSION UNIFORM SERVICES INC.	03/26/2008	0.00	154.43
10743	MON01	MONTARA FOG	03/26/2008	0.00	300.00
10744	OCE04	OCEAN SHORE CO.	03/26/2008	0.00	833.22
10745	OFF01	OFFICE DEPOT	03/26/2008	0.00	857.03
10746	PAU 01	PAULO'S AUTO CARE	03/26/2008	0.00	612.34
10747	PIT04	PITNEY BOWES	03/26/2008	0.00	154.00
10748	PRI 01	PRINCETON WELDING , INC.	03/26/2008	0.00	60.00
10749	REN01	RENAISSANCE HOLLYWOOD HOTEL	03/26/2008	0.00	798.80
10750	ROB 01	ROBERTS & BRUNE CO.	03/26/2008	0.00	1,183.29
10751	ROG01	ROGUE WEB WORKS, LLC	03/26/2008	0.00	262.50
10752	SAN 03	SAN FRANCISCO WATER DEPT.	03/26/2008	0.00	69,185.90
10753	SAN05	SAN MATEO CTY PUBLIC HEALTH LA	03/26/2008	0.00	264.00
10754	SBC02	AT&T	03/26/2008	0.00	1,110.08
10755	SBC03	AT&T LONG DISTANCE	03/26/2008	0.00	41.94
10756	SEW 01	SEWER AUTH. MID- COASTSIDE	03/26/2008	0.00	570.00
10757	SHE02	SHERMAN & FELLER	03/26/2008	0.00	550.00
10758	SIE 02	SIERRA CHEMICAL CO.	03/26/2008	0.00	3,443.29
10759	SPR04	SPRINGBROOK SOFTWARE, INC	03/26/2008	0.00	9,837.24
10760	STE02	JIM STEELE	03/26/2008	0.00	1,080.00
10761	TET 01	JAMES TETER	03/26/2008	0.00	20,856.62
10762	TRC01	TRC ESSEX	03/26/2008	0.00	5,726.25
10763	UB*00457	NELLA OIL COMPANY LLC C/O OLYM	03/26/2008	0.00	19.70
10764	UB*00458	KRISTINE CANADAS	03/26/2008	0.00	31.29
10765	UB*00459	YOLANDA FUENTES	03/26/2008	0.00	24.74
10766	UB*00460	TONY BOTTINI	03/26/2008	0.00	36.29
10767	UB*00461	TULLY MANSFIELD	03/26/2008	0.00	11.65
10768	UB*00462	JOHN COMPTON	03/26/2008	0.00	63.96
10769	UB*00463	TIM MURPHY	03/26/2008	0.00	41.82
10770	UB*00464	CHRIS HIGHTOWER	03/26/2008	0.00	9.23
10771	UB*00465	VANESSA BALDRIDGE	03/26/2008	0.00	55.17
10772	UB*00466	COLEEN SULLIVAN	03/26/2008	0.00	69.48
10773	UB*00467	DAVID LOVELACE	03/26/2008	0.00	59.37
10774	UB*00468	BILLY BATES	03/26/2008	0.00	58.72
10775	UB*00469	SPENCER GRAY	03/26/2008	0.00	49.05
10776	UB*00470	DALE WILLIAMS	03/26/2008	0.00	69.15
10777	WEA 01	AUCA REG - WEST	03/26/2008	0.00	116.59
10778	WES11	WEST COAST AGGREGATES, INC.	03/26/2008	0.00	811.54
10779	ZWI01	IRENNE ZWIERLEIN	03/26/2008	0.00	6,379.00

Report Total: 0.00 579,896.78

COASTSIDE COUNTY WATER DISTRICT - PERIOD BUDGET ANALYSIS
PERIOD ENDING MARCH 31, 2008

ACCOUNT	DESCRIPTION	CURRENT ACTUAL	CURRENT BUDGET	B/(W) VARIANCE	B/(W) % VAR	YTD ACTUAL	YTD BUDGET	B/(W) VARIANCE	B/(W) % VAR
REVENUE									
1-0-4120-00	Water Revenue -All Areas	369,330	387,287	(17,957)	(4.6%)	3,842,681	4,098,191	(255,510)	(6.2%)
1-0-4170-00	Water Taken From Hydrants	581	2,083	(1,503)	(72.1%)	21,182	18,750	2,432	13.0%
1-0-4180-00	Late Notice -10% Penalty	3,379	5,000	(1,621)	(32.4%)	34,687	45,000	(10,313)	(22.9%)
1-0-4230-00	Service Connections	845	500	345	68.9%	7,080	4,500	2,580	57.3%
1-0-4920-00	Interest Earned	0	0	0	0.0%	111,913	68,394	43,519	63.6%
1-0-4925-00	Interest Revenue T&S Fees	0	0	0	0.0%	0	0	0	0.0%
1-0-4927-00	Inerest Revenue Bond Funds	0	0	0	0.0%	0	0	0	0.0%
1-0-4930-00	Tax Apportionments/Cnty Checks	1,779	2,000	(221)	(11.1%)	374,158	360,000	14,158	3.9%
1-0-4950-00	Miscellaneous Income	3,642	6,000	(2,358)	(39.3%)	59,911	54,000	5,911	10.9%
1-0-4960-00	CSP Assm. Dist. Processing Fee	0	0	0	0.0%	0	0	0	0.0%
1-0-4965-00	ERAF REFUND -County Taxes	0	0	0	0.0%	185,959	100,000	85,959	86.0%
1-0-4235-00	CSP Connection T & S Fees	38,335	0	38,335	0.0%	59,245	0	59,245	0.0%
1-0-4970-00	Wavcrest Reserve Conn. Fees	0	0	0	0.0%	20,074	0	20,074	0.0%
REVENUE TOTALS		417,890	402,870	15,019	3.7%	4,716,890	4,748,835	(31,945)	(0.7%)
EXPENSES									
1-1-5000-00	Gen. Oper. Fund	0	0	0	0.0%	0	0	0	0.0%
1-1-5130-00	Water Purchased	69,186	108,746	39,560	36.4%	903,157	963,098	59,941	6.2%
1-1-5710-00	Deprec, Trucks, Tools, Equipt.	0	0	0	0.0%	0	0	0	0.0%
1-1-5230-00	Pump Exp, Nunes T P	1,467	919	(548)	(59.7%)	11,493	9,700	(1,793)	(18.5%)
1-1-5231-00	Pump Exp, CSP Pump Station	308	0	(308)	0.0%	223,450	202,041	(21,409)	(10.6%)
1-1-5232-00	Pump Exp, Trans. & Dist.	2,110	1,761	(349)	(19.8%)	16,009	18,303	2,294	12.5%
1-1-5233-00	Pump Exp, Pilarcitos Can.	1,987	1,833	(154)	(8.4%)	3,370	9,165	5,795	63.2%
1-1-5234-00	Pump Exp. Denniston Proj.	1,223	5,490	4,267	77.7%	31,218	52,881	21,663	41.0%
1-1-5242-00	CSP Pump Station Operations	592	0	(592)	0.0%	5,698	8,376	2,678	32.0%
1-1-5235-00	Denniston T.P. Operations	814	6,246	5,432	87.0%	41,224	59,922	18,698	31.2%
1-1-5236-00	Denniston T.P. Maintenance	9,226	2,750	(6,476)	(235.5%)	16,562	24,750	8,188	33.1%
1-1-5240-00	Nunes T P Operations	9,420	7,341	(2,079)	(28.3%)	85,407	78,920	(6,487)	(8.2%)
1-1-5241-00	Nunes T P Maintenance	12,046	4,033	(8,013)	(198.7%)	26,709	36,297	9,588	26.4%
1-1-5243-00	CSP Pump Station Maintenance	1,027	2,550	1,523	59.7%	4,192	35,700	31,508	88.3%
1-1-5245-00	Alves/Miramontes Maintenance	0	0	0	0.0%	0	0	0	0.0%
1-1-5400-00	Trans & Dist. Exp.	0	0	0	0.0%	0	0	0	0.0%
1-1-5318-00	Studies/Surveys/Consulting	9,900	2,222	(7,678)	(345.5%)	51,496	23,783	(27,713)	(116.5%)
1-1-5321-00	Water Conservation	3,183	4,458	1,275	28.6%	22,937	42,625	19,688	46.2%
1-1-5322-00	Community Outreach	675	2,023	1,348	66.6%	6,246	18,203	11,956	65.7%

ACCOUNT	DESCRIPTION	CURRENT ACTUAL	CURRENT BUDGET	B/(W) VARIANCE	B/(W) % VAR	YTD ACTUAL	YTD BUDGET	B/(W) VARIANCE	B/(W) % VAR
1-1-5500-00	General Expense	0	0	0	0.0%	0	0	0	0.0%
1-1-5620-00	Office Supplies & Expense	8,036	9,279	1,244	13.4%	79,119	83,512	4,393	5.3%
1-1-5621-00	Computer Services	12,554	11,364	(1,189)	(10.5%)	39,111	34,477	(4,633)	(13.4%)
1-1-5625-00	Meetings / Training / Seminars	3,536	2,333	(1,203)	(51.5%)	20,520	21,000	480	2.3%
1-1-5630-00	Insurance	48,019	50,844	2,826	5.6%	344,617	362,350	17,733	4.9%
1-1-5681-00	Legal	2,903	4,750	1,847	38.9%	38,393	42,750	4,357	10.2%
1-1-5682-00	Engineering	954	2,500	1,546	61.8%	8,810	22,500	13,691	60.8%
1-1-5683-00	Financial Services	0	2,942	2,942	100.0%	14,459	26,475	12,016	45.4%
1-1-5685-00	Board Meeting Expense	0	0	0	0.0%	0	0	0	0.0%
1-1-5686-00	Miscellaneous Expense	0	0	0	0.0%	0	0	0	0.0%
1-1-5687-00	Membership, Dues, Subscript.	868	4,080	3,213	78.7%	31,306	36,724	5,418	14.8%
1-1-5688-00	Election Expenses	0	0	0	0.0%	34,020	15,000	(19,020)	(126.8%)
1-1-5689-00	Labor Relations	0	0	0	0.0%	0	0	0	0.0%
1-1-5690-00	Interest Expense	0	0	0	0.0%	0	0	0	0.0%
1-1-5700-00	San Mateo County Fees	0	250	250	100.0%	7,269	8,450	1,181	14.0%
1-1-5701-00	Property Taxes	0	0	0	0.0%	0	0	0	0.0%
1-1-5705-00	State Fees	0	0	0	0.0%	7,363	32,000	24,637	77.0%
1-1-5711-00	Debt Svc/Existing Bonds 1998A	34,655	35,610	955	2.7%	270,006	271,095	1,089	0.4%
1-1-5712-00	Debt Svc/Existing Bonds 2006B	161,755	160,174	(1,581)	(1.0%)	485,418	483,148	(2,270)	(0.5%)
1-1-5713-00	Contribution to CIP & Reserves	34,311	34,311	0	0.0%	308,797	308,797	0	0.0%
1-1-5714-00	Transfer of Conn Fees to CSP	0	0	0	0.0%	0	0	0	0.0%
1-1-5725-00	Debt Issuance Amorization Exp.	0	0	0	0.0%	0	0	0	0.0%
1-1-5743-00	CSP Assm. Dist. Processing Fee	0	0	0	0.0%	0	0	0	0.0%
1-1-5744-00	Capital Replacement Contri.	0	0	0	0.0%	0	0	0	0.0%
1-1-5411-00	Salaries & Wages -Field	62,704	62,135	(570)	(0.9%)	603,197	590,278	(12,919)	(2.2%)
1-1-5610-00	Salaries/Wages-Administration	42,025	43,631	1,606	3.7%	390,594	414,493	23,899	5.8%
1-1-5640-00	Employees Retirement Plan	31,434	27,298	(4,136)	(15.1%)	272,068	259,331	(12,737)	(4.9%)
1-1-5684-00	Payroll Tax Expense	8,027	7,660	(367)	(4.8%)	73,639	72,774	(865)	(1.2%)
1-1-5412-00	Maintenance -General	12,859	12,048	(811)	(6.7%)	117,108	108,432	(8,676)	(8.0%)
1-1-5414-00	Motor Vehicle Expense	4,785	4,208	(576)	(13.7%)	39,988	37,875	(2,113)	(5.6%)
1-1-5415-00	Maintenance -Well Fields	0	2,753	2,753	100.0%	21,611	19,269	(2,342)	(12.2%)
1-1-5745-00	CSP Connect. Reserve Contribu.	38,335	0	(38,335)	0.0%	59,245	0	(59,245)	0.0%
1-1-5746-00	Wavecrest CSP Connt. Reserve	0	0	0	0.0%	20,074	0	(20,074)	0.0%
EXPENSE TOTALS		630,923	628,543	(2,380)	(0.4%)	4,735,900	4,834,494	98,594	2.0%
NET INCOME		(213,034)	(225,673)	12,639		(19,010)	(85,659)	66,649	

COASTSIDE COUNTY WATER DISTRICT

INVESTMENT REPORT

March 31, 2008

		<i>Restricted</i>	<i>Restricted</i>	<i>Restricted for CSP CIP Projects</i>		
	CASH FLOW & OPERATING RESERVE	EMERGENCY RESERVES	CAPITAL EXPENDITURES	DISTRICT CSP CONTRIBUTION	CSP T&S FEES	TOTAL
DISTRICT BALANCES						
<u>CASH IN FNB</u>						
OPERATING ACCOUNT			\$49,597.03			\$49,597.03
CSP T&S ACCOUNT					\$1,041,987.21	\$1,041,987.21
TOTAL FIRST NATIONAL BANK	\$0.00	\$0.00	\$49,597.03	\$0.00	\$1,041,987.21	\$1,091,584.24
CASH WITH L.A.I.F	\$297,900.00	\$700,000.00	\$1,862,687.21	\$267,655.14	\$2,786,100.69	\$5,914,343.04
UNION BANK - Project Fund Balance			\$4,644,477.51			\$4,644,477.51
CASH ON HAND	\$2,130.00					\$2,130.00
TOTAL DISTRICT CASH BALANCES	\$300,030.00	\$700,000.00	\$6,556,761.75	\$267,655.14	\$3,828,087.90	\$11,652,534.79
ASSESSMENT DISTRICT BALANCES						
<u>CASH IN FIRST NATIONAL BANK (FNB)</u>						
REDEMPTION ACCOUNT		\$ 68,203.16				
RESERVE ACCOUNT (Closed Account 8-4-04)		\$ -				
TOTAL ASSESSMENT DISTRICT CASH		\$ 68,203.16				
<i>This report is in conformity with CCWD's Investment Policy and there are sufficient funds to meet CCWD's expenditure requirements for the next three months.</i>						

**COASTSIDE COUNTY WATER DISTRICT
CRYSTAL SPRINGS PROJECT
CAPITAL PROJECTS FY 07/08**

March 31, 2008

<u>PROJECT</u>	<u>Actual to date</u>	<u>FY 07/08 CIP Budget</u>	<u>% Completed</u>
El Granada Pipeline Phase 3 1128-03	\$213,857	\$2,701,000	7.9%
Contingency		\$100,000	
TOTALS	\$213,857	\$2,801,000	7.6%

<i>Carryover from FY 06/07</i>	<i>Actual - Ending</i>	
	<i>30-Jun-07</i>	<i>FY 06/07 Budget</i>
	<u>\$260,002</u>	<u>\$1,000,000</u>

COASTSIDE COUNTY WATER DISTRICT
NON-CRYSTAL SPRINGS CAPITAL IMPROVEMENT PROJECTS - FY 2007/2008

DATE: MARCH 2008

DESCRIPTION	ACCT NO	CONTRACT AMOUNT	FY 07/08 ACTUAL TO DATE	FY 07/08 CIP BUDGET
<u>PIPELINE PROJECTS</u>				
Main Street/Hwy 92 Widening Project (Non-CSP Portion)	1120-93		\$141,295	\$650,000
<u>WATER TREATMENT PLANTS</u>				
Nunes Filter Media Replacement	1121-25		\$7,162	\$100,000
Nunes WTP- Filter BW Stations	1121-26		\$19,659	\$15,000
Nunes WTP -Raw Water Turbidimeter	1118-10		\$4,588	\$10,000
Nunes UST removal and replaced with AGST	1118-10		\$332	\$60,000
Nunes WTP -Plant Lighting	1118-10		\$14,156	\$15,000
Nunes WTP - Filter, BW, and SW Flow Meters Replacement	1118-10		\$11,486	\$12,000
Nunes WTP - Head Loss System Replacement	1118-10			\$15,000
Denniston WTP- Alarm Annunciator Panel	1118-11			\$3,000
Denniston WTP- Filter Valve Replacement	1118-11			\$75,000
Denniston WTP- Honeywell Recorder	1118-11		\$8,529	\$7,000
Denniston WTP- Filter Flow Meters	1118-11			\$6,000
<u>FACILITIES & MAINTENANCE</u>				
Denniston Restoration	1120-03		\$13,816	\$26,000
Meter Pilot Program	1121-41		\$27,158	\$40,000
Meter Change Program	1117-06		\$10,997	\$16,000
City & County Projects (resurfacing/raising boxes)	1120-86		\$13,783	\$31,000
Replace shop roof	1118-01		\$4,169	\$8,000

COASTSIDE COUNTY WATER DISTRICT
NON-CRYSTAL SPRINGS CAPITAL IMPROVEMENT PROJECTS - FY 2007/2008

EQUIPMENT PURCHASE & REPLACEMENT

Vehicle Replacement	1118-04		\$17,904	\$40,000
Computer System	1118-02		\$9,723	\$15,000
Office Equipment/Furniture	1118-02		\$20,880	\$20,000
SCADA/Telemetry	1121-82		\$2,420	\$125,000
New tapping machine	1118-03			\$6,000
Front-end Loader with Scraper Box	1118-04		\$61,296	\$50,000
Portable trailer light stand	1118-03		\$8,119	\$12,000
Valve and vacuum trailer	1118-03		\$46,073	\$50,000

PUMP STATIONS / TANKS / WELLS

Replace tunnel air transport line	1118-12			\$100,000
Sump Pump in main line vault at Crystal Springs	1118-12			\$3,000
Crystal Springs Soft Starts P1 and P3	1118-12			\$45,000
Well Rehabilitation	1121-38		\$20,527	\$80,000
Cahill Tank - Exterior paint and ladder replacement				\$160,000
PRV Valves Replacement Project	1121-43		\$8,590	\$20,000
Wells- Flow Meter and Chart Recorders				\$25,000
CSP Motor and Pump Rehabilitation	1121-30		\$4,128	\$50,000
El Granada Storage Tank Modification Project	1121-42		\$101,784	

DENNISTON WTP (PRIORITY) IMPROVEMENTS

Denniston Short Term WTP Modifications - Subproject	1121-21		\$60,700	\$842,000
DENNISTON STORAGE TANK MODIFICATION PROJECT	1121-40		\$240,302	\$686,000

COASTSIDE COUNTY WATER DISTRICT
NON-CRYSTAL SPRINGS CAPITAL IMPROVEMENT PROJECTS - FY 2007/2008

NUNES WTP (PRIORITY) IMPROVEMENTS

Nunes WTP Short Term Modifications - Subproject	1121-21		\$19,834	\$809,000
TP/PS - Short Term Improvement Project (work by District Engineer)	1121-21		\$90,642	

NON-BUDGETED ITEMS (CAPITAL EXPEDITURES)

- SAMPLE STATION (8/07)	1118-03	\$3,011
- BOAT W/OARS (8/07)	1118-11	\$2,152
- Drilling/Tapping Machine (9/07)	1118-03	\$4,171
- Air Powered Cut Off Saw (9/07)	1118-03	\$2,590
- Walk behind Saw	1118-03	\$2,566
- Camera for Corp Yard / Alarm for Shop	1121-29	\$3,500
- Cahill Ridge - Tank Study	1120-47	\$816
- Highway One (South) Pipeline Replacment	1121-46	\$550

TOTALS		\$1,009,405	\$4,227,000
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**Legal Cost Tracking Report
12 Months At-A-Glance**

**Acct. No.5681
ANTHONY CONDOTTI
Legal**

Month	Admin (General Legal Fees)	CSP	Transfer Program	CIP	Personnel	Lawsuits 62% Reimbursable	Infrastructure Project Review (Reimbursable)	TOTAL
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Apr-07	4,857	800	156	488	312			6,612
May-07	3,531	1,014	234	566	878		293	6,515
Jun-07	2,716	449	234	117	1,806			5,322
Jul-07	4,386	98	117	98	605	3		5,305
Aug-07	4,363	907	156	98	2,223			7,746
Sep-07	6,119	585			176			6,879
Oct-07	4,143	1,326		253	2,906			8,628
Nov-07	2,916	544	254	156	1,424			5,293
Dec-07	3,710			566	59			4,334
Jan-08	3,854	1,386						5,240
Feb-08	1,630	1,305		1,956				4,891
Mar-08	2,353	312		59				2,724

TOTAL	44,579	8,724	1,151	4,354	10,386	3	293	69,488
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**Engineer Cost Tracking Report
12 Months At-A-Glance**

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

Month	Admin & Retainer	Phase 3 EG Pipeline	CIP	Short Term WTP Imprv.	Studies & Projects	TOTAL	Reimbursable from Projects
Apr-07	3,623	530		11,127	1,961	17,240	152
May-07	1,228	13,388		3,965		18,581	
Jun-07	1,456	4,945		15,097		21,498	
Jul-07	2,507	15,158	659	2,175		20,499	
Aug-07	954	8,400		6,548		15,901	
Sep-07	954	4,033		16,982	157	22,126	157
Oct-07	954	6,380		9,120		16,454	
Nov-07	1,190	813		18,697		20,700	
Dec-07	1,347	1,279		5,269		7,894	
Jan-08	1,268	4,593		7,585	3,249	16,696	3,249
Feb-08	1,190	7,099	1,051	6,246		15,586	
Mar-08	954	1,413	314	18,019	157	20,857	
TOTAL	17,623	68,032	2,024	120,830	5,524	214,032	3,558

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE BOARD OF DIRECTORS MEETING

Tuesday, March 11, 2008 - 7:00 p.m.

- 1) **ROLL CALL:** President Ascher called the meeting to order at 7:00 p.m. Present at roll call were Directors Ken Coverdell, Jim Larimer, Chris Mickelsen and Bob Feldman.

Also present were: David Dickson, General Manager; Tony Condotti, Legal Counsel; Joe Guistino, Superintendent of Operations; James Teter, District Engineer; Cathleen Brennan, Public Outreach/Program Development Water Resources Analyst; JoAnne Whelen, Administrative Assistant/Recording Secretary and Gina Brazil, Office Manager.

- 2) **PLEDGE OF ALLEGIANCE**
- 3) **PUBLIC ANNOUNCEMENTS - None**
- 4) **SPECIAL ORDER OF BUSINESS**

Presentation of Coastside County Water District plaque from Board of Directors and Staff, expressing gratitude to Jim Larimer for his leadership and dedication to the goals and mission of the District during his term as President

President Ascher presented the plaque and framed Resolution to Director Larimer.

- 5) **CONSENT CALENDAR**

- A. Requesting the Board to review disbursements for the month Ending February 29, 2008- Claims: \$492,868.86; Payroll: \$65,503.81 for a total of \$558,372.67

- B.** Acceptance of Financial Reports
- C.** Minutes of the February 12, 2008 Board of Directors Meeting
- D.** Authorization to award contract, subject to District Counsel review and approval, for the Nunes Water Treatment Plant Filter 1 & 2 Media Replacement Project to ERS in the amount of \$46,448.38

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

ON MOTION by Vice-President Mickelsen and seconded by Director Coverdell, the Board voted as follows to accept the Consent Calendar in its entirety:

Director Coverdell	Aye
Vice-President Mickelsen	Aye
Director Larimer	Aye
Director Feldman	Aye
President Ascher	Aye

6) DIRECTOR COMMENTS / MEETINGS ATTENDED

Director Coverdell reported on the Bay Friendly Landscape classes he has been attending and shared some landscaping and irrigation incentive measures that the District may wish to consider offering.

Vice-President Mickelsen provided a brief report on the latest Pilarcitos public workshop, conducted on February 24, 2008, which addressed the Pilarcitos Creek Integrated Watershed Management Plan.

Director Feldman also reported on the recent Pilarcitos Restoration meetings, noting that the report Ms. Brennan provided under the Monthly Water Resources Report (item 8G), thoroughly and accurately recorded the activities and outcome of the meetings.

President Larimer stated that he, along with Director Coverdell, had attended the “Creating and Preparing a Competitive Global Workplace Conference”, organized by San Mateo County Supervisor Jerry Hill, and sponsored by Oracle, and provided a few highlights of the workshop.

President Ascher discussed the Association of California Water Agencies (ACWA) Region 5 Board of Director’s interest in conducting their October

2008 meeting on the coastside and noted that ACWA staff and District staff would be working together to coordinate the event.

President Ascher also reported on his attendance at the San Mateo County Watershed Advisory Committee, and informed the Board of a conference scheduled for the upcoming weekend in San Mateo, entitled “Threshold 2008”, which will address housing issues in San Mateo County.

7) **GENERAL BUSINESS**

A. **El Granada Pipeline Phase 3 Construction Progress Update**

Mr. Dickson reviewed project highlights of the progress to date, including the installation of 1,500 feet of pipeline, and mobilization of the jack-and-bore subcontractor. He also stated that, in keeping with the District’s permit conditions, full-time monitors for Native American resources, cultural/archaeological resources and biological impacts are on site and that the contractor and construction management team were performing well and working successfully together.

B. **Approval of Change Order for Denniston Dredging CEQA Work by TRC**

Mr. Dickson introduced this item and provided the background of the item, which included a change in the scope of the initial project, requiring the need for a change order to the contract with the consultant, TRC. Board discussion ensued, which included the permitting costs and process.

ON MOTION by Director Larimer and seconded by Vice-President Mickelsen the Board voted as follows to authorize execution of a change order to the District’s existing contract with TRC to perform CEQA work required for the Denniston Reservoir maintenance dredging project, in an amount not to exceed \$30,000.00:

Director Coverdell	Aye
Vice-President Mickelsen	Aye
Director Larimer	Aye
Director Feldman	Aye
President Ascher	Aye

- C. **Association of California Water Agencies (ACWA) – Opposition to State’s Proposed Tax Revenue Take-Away**

- D. **Association of California Water Agencies (ACWA) – Support for California Comprehensive Water Package**

Mr. Dickson introduced these two agenda items suggested for discussion by President Ascher, which involved requests from the Association of Water Agencies (ACWA) to contact the District’s legislators to oppose the Public Safety Realignment Account (PSRA) and to support negotiations of a comprehensive bond package for water resource projects in California.

ON MOTION by Director Coverdell and seconded by Director Feldman, the Board voted as follows to send the following letters to the District’s state Legislators on behalf of CCWD, stating (1) the District’s opposition to the new ERAF-like Public Safety Realignment Account proposal; and (2) the District’s support of the need for a comprehensive water package:

Director Coverdell	Aye
Vice-President Mickelsen	Aye
Director Larimer	Aye
Director Feldman	Aye
President Ascher	Aye

- E. **Discussion of Draft Local Agency Formation Commission (LAFCo) – Municipal Service Review**

Mr. Dickson provided the background of LAFCo’s Municipal Service Review, noting that the District had recently received a draft from the consultant requesting that staff review the draft utility section for CCWD and provide any comments and/or corrections. He reported that Martha Poyatos, Executive Director of LAFCo, requested that he emphasize that there will be a full Municipal Services Review document released to the public in the near future, which LAFCo feels should be the focus of the attention and discussion.

Board discussion ensued, with Mr. Condotti addressing several questions from the Board in regards to the Municipal Service Review, the legal significance of the document and the process itself.

Bob Ptacek – Montara Water & Sanitary District (MWSD) –Reported some of his experiences and shared some information concerning

LAFCo. He stated that he also shares concerns with some of the draft information contained in the report, and would be relying on MWSD staff to verify the accuracy of the data.

8) MONTHLY INFORMATIONAL REPORTS

Items A through J – President Ascher referenced each of the items included in this monthly informational report section, inviting questions or comments from the Board, which were addressed by Mr. Dickson, Mr. Guistino, and Ms. Brennan.

9) ADJOURNMENT

The meeting was adjourned at 8:50 p.m. The next meeting of the Coastside County Water District is scheduled for Tuesday, April 8, 2008.

Respectfully submitted,

David Dickson, General Manager
Secretary of the Board

Everett Ascher, President
Board of Directors
Coastside County Water District

STAFF REPORT

To: Coastside County Water District Board of Directors

From: David Dickson, General Manager

Agenda: April 8, 2008

Report

Date: March 24, 2008

Subject: Monthly Water Transfer Approval Report

Recommendation:

None. For Board information purposes only.

Background:

At the December 10, 2002 Board meeting and November 18, 2003 Special Board meeting, the Board made several changes to the District's water transfer policy. One of the changes directed the General Manager to approve routine water transfer applications that met the District's criteria as embodied in Resolution 2002-17 and Resolution 2003-19. The General Manager was also directed to report the number of water transfers approved each month as part of the monthly Board packet information.

Since the last Board meeting in November 2007, one transfer application for .5—5/8" (10 gpm) partial capacity, non-priority water service connection was approved. A spreadsheet reporting the transfer for the month of March 2008 follows this report as well as the approval letter from Anthony Condotti and the confirmation letter from Glenna Lombardi.

APPROVED WATER SERVICE CONNECTION TRANSFERS FOR THE 2008 CALENDAR YEAR

DONATING APN	RECIPIENT APN	PROPERTY OWNERS	# OF CONNECTIONS	DATE
037-320-270	047-056-270	Corado-McComas LP to Zarker	.5--5/8" non-priority	Mar-08

ATCHISON, BARISONE, CONDOTTI & KOVACEVICH

A PROFESSIONAL CORPORATION

333 CHURCH STREET

SANTA CRUZ, CALIFORNIA 95060

WEBSITE: WWW.ABC-LAW.COM

TELEPHONE: (831) 423-8383

FAX: (831) 423-9401

EMAIL: ADMIN@ABC-LAW.COM

JOHN G. BARISONE
ANTHONY P. CONDOTTI
GEORGE J. KOVACEVICH
BARBARA H. CHOI
SUSAN E. BARISONE
CELESTIAL CASSMAN

March 18, 2008

RECEIVED

MAR 19 2008

COASTSIDE COUNTY
WATER DISTRICT

*Via Facsimile and
United States Mail*

Glenna Lombardi, Ex. Assistant
Coastside County Water District
766 Main Street
Half Moon Bay, California 94019

Re: Non-Priority Transfer Application:
Corado/McComas, L.P. to Brian and Margo Zarker, Trustees
APN 037-320-270 to APN 047-056-270

Dear Glenna:

This will confirm my review of the Application to Transfer Uninstalled Water Service Connection Rights concerning the above-referenced properties. From my review, it appears that the application is in order and in compliance with the District's transfer policy.

Please feel free to contact me with any questions or comments.

Sincerely,

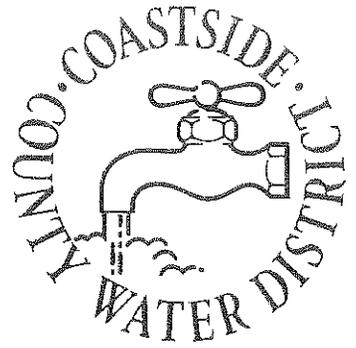


ANTHONY P. CONDOTTI
District Legal Counsel

March 20, 2008

Corado, Inc./Corado-McComas, L.P.
1717 N. Bayshore Drive #1432
Miami, Florida 33132

Brian and Margo Zarker
P.O. Box 1274
El Granada, CA 94018



RE: Request to Transfer an Uninstalled Partial Capacity Non-Priority Crystal Springs Project Water Service Connection

Dear Property Owners:

We are pleased to confirm that the Coastside County Water District has **approved** your request to transfer .5—5/8" (10 gpm) partial capacity, non-priority Crystal Springs Project water service connection. The result of this transfer is as follows:

- **APN 037-320-270** has the remaining rights to 21.5—5/8" (20 gpm) non-priority service connections assigned to it from the Coastside County Water District; and
- **APN 047-056-270** now has the total capacity of a one—3/4" (30 gpm) non-priority water service connection assigned to it from the Crystal Springs Project.

Note: APN 047-056-270 had an original capacity of one—5/8" (20) gpm CSP non-priority water service connection assigned to it. With approval of this transfer request, the parcel now has an additional .5—5/8" (10 gpm) non-priority capacity augmented to it for a total capacity of one—3/4"(30 gpm).

Please be advised that the City Council of the City of Half Moon Bay has recently taken the position that the transfer of a water service connection meets the definition of "development" so as to require a coastal development permit from the City. Applicants are advised to investigate this issue further with the Half Moon Bay Planning Department if applicable. The Coastside County Water District, in approving this application, does not make any representations or warranties with respect to further permits or approvals required by other governmental agencies, including the City of Half Moon Bay.

Sincerely,

A handwritten signature in cursive script that reads "Glenna Lombardi".

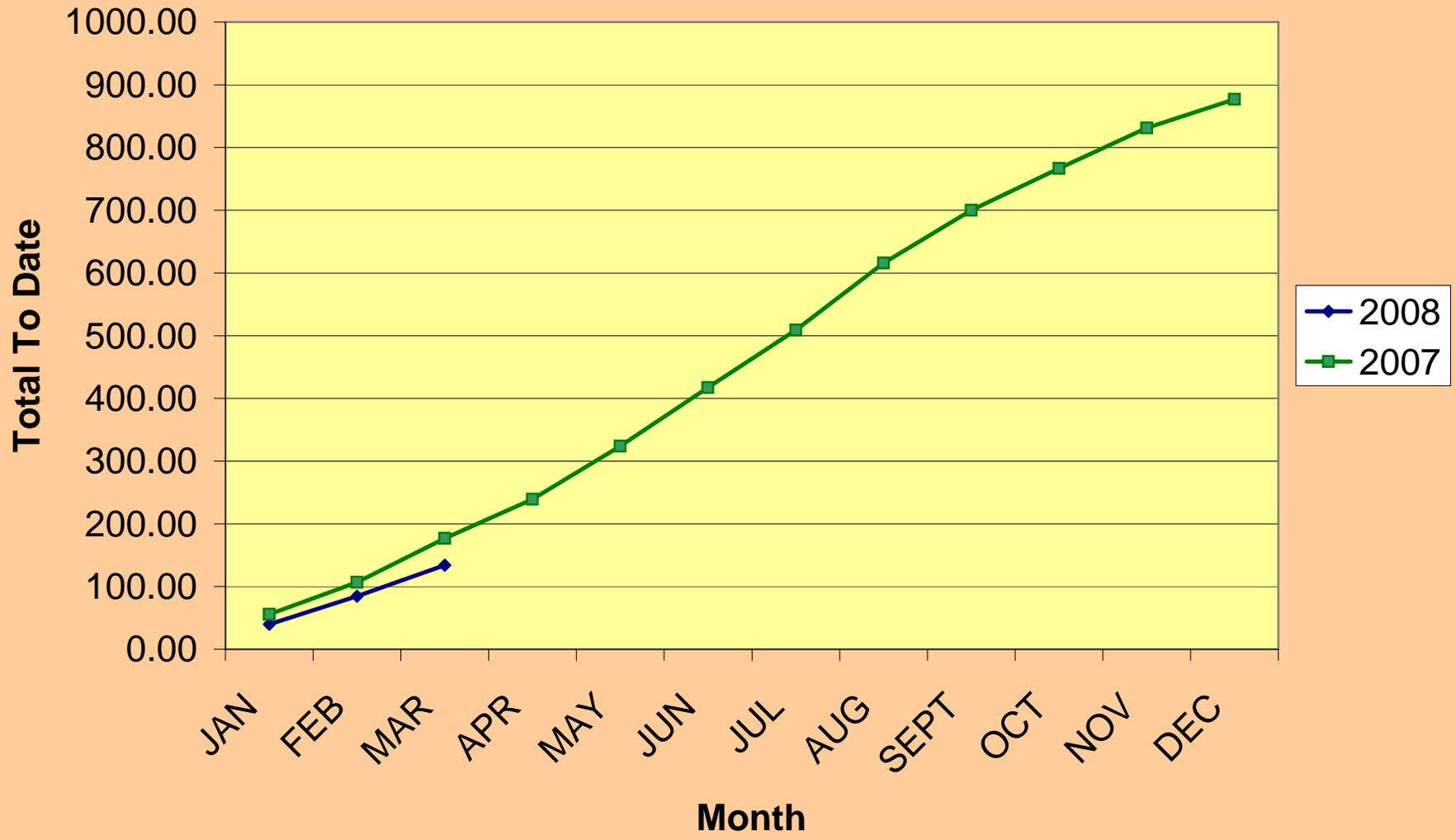
Glenna Lombardi

Cc: David Dickson, General Manager

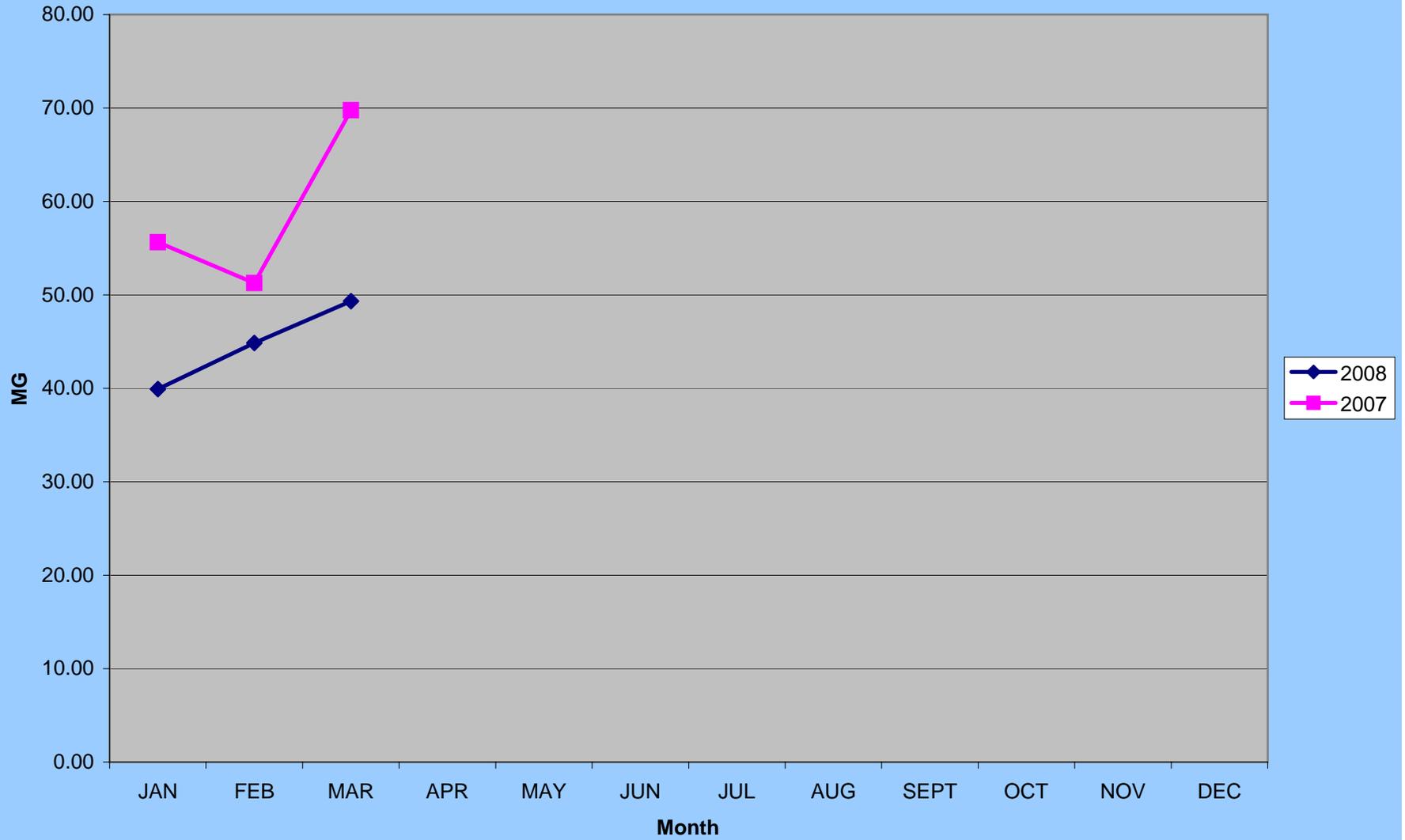
TOTAL CCWD PRODUCTION (MG) ALL SOURCES-2008

	PILARCITOS		DENNISTON		CRYSTAL SPRINGS	SAN VIN.	RAW WATER	UNMETERED	TREATED
	WELLS	LAKE	WELLS	RESERVOIR	RESERVOIR	RESERVOIR	TOTAL	USAGE	TOTAL
JAN	6.69	29.20	0.00	0.00	7.03	0.00	42.92	2.99	39.93
FEB	9.39	38.24	0.00	0.00	0.00	0.00	47.63	2.78	44.85
MAR	9.04	40.42	1.01	2.69	0.00	0.00	53.16	3.83	49.33
APR							0.00		
MAY							0.00		
JUN							0.00		
JUL							0.00		
AUG							0.00		
SEPT							0.00		
OCT							0.00		
NOV							0.00		
DEC							0.00		
TOTAL MG	25.12	107.86	1.01	2.69	7.03	0.00	143.71	9.603	134.11
% TOTAL	17.5%	75.1%	0.7%	1.9%	4.9%	0.0%	100.0%	6.7%	93.3%

CUMULATIVE PRODUCTION



Production 2008 vs 2007



COMPARISON OF SFPUC METERS WITH NUNES INFLUENT METER

		Nunes Meter	BW Return	Wells	Difference	SFPUC Pilarcitos meter	SFPUC CSP meter	Skylawn 1	SFPUC Total	SFPUC - Nunes	% difference
2006	Jun	68.76	3.3	0	65.46	45.54	20.3	0.00	65.84	0.38	0.58
2006	Jul	75.97	3.4	0	72.57	0	91.78	13.80	77.98	5.41	6.94
2006	Aug	71.56	3.42	0	68.14	0	76.55	0.00	76.55	8.41	10.99
2006	Sep	65.09	3.23	0	61.86	0	77.88	13.13	64.75	2.89	4.46
2006	Oct	57.6	3.1	0	54.50	0	64.98	0.00	64.98	10.48	16.13
2006	Nov	50.7	2.96	7.17	40.57	17.2	30.34	9.25	38.29	-2.28	-5.95
2007	Dec	49.94	3.74	7.6	38.60	45.17	0	0.00	45.17	6.57	14.55
2007	Jan	51.29	2.78	5.93	42.58	42.51	0	0.00	42.51	-0.07	-0.17
2007	Feb	48.57	2.56	5.96	40.05	47.08	0	0.00	47.08	7.03	14.93
2007	Mar	54.47	2.99	8.41	43.07	56.11	0	0.00	56.11	13.04	23.24
2007	Apr	50.28	2.49	0	47.79	51.49	0	0.00	51.49	3.70	7.19
2007	May	59	2.5	0	56.50	66.93	4.51	2.50	68.94	12.44	18.04
2007	Jun	70.71	2.64	0	68.07	15.21	63.74	0	78.95	10.88	13.78
2007	Jul	74.67	2.85	0	71.82	0	82.66	15.12	67.54	-4.28	-6.34
2007	Aug	74.46	2.86	0	71.60	0	96.74	2.4	94.34	22.74	24.10
2007	Sep	71.2	2.74	0	68.46	0	73.44	15.34	58.10	-10.36	-17.83
2007	Oct	56.455	2.61	0	53.85	0.03	60.7	0	60.73	6.89	11.34
2007	Nov	51.59	2.463	0	49.13	0	59.937	2.698	57.24	8.11	14.17
2007	Dec	47.84	3.25	1.62	42.97	0	46.11	0.326	45.78	2.81	6.15
2008	Jan	47.75	2.67	6.69	38.39	29.2	7.03	3.02	33.21	-5.18	-15.60
2008	Feb	46.03	2.71	9.39	33.93	38.24	0	0	38.24	4.31	11.27
2008	Mar	54.08	2.59	9.04	42.45	40.42	0	0	40.42	-2.03	-5.02
TOTAL		1298.02	63.85	61.81	1129.90	495.13	856.70	77.59	1274.24	101.89	8.00
AVERAGE		59.00	2.90	2.81	53.80	22.51	38.94	3.53	57.92	4.63	

All results in MG.

confluence
upstream of
meter -
subtracted
from Nunes

also
subtracted
from
Nunes
meter

sent to
Skylawn as
raw water.
Subtracted
from SFPUC
sum

Total

Coastside County Water District
 766 Main Street
 July 2007 - June 2008

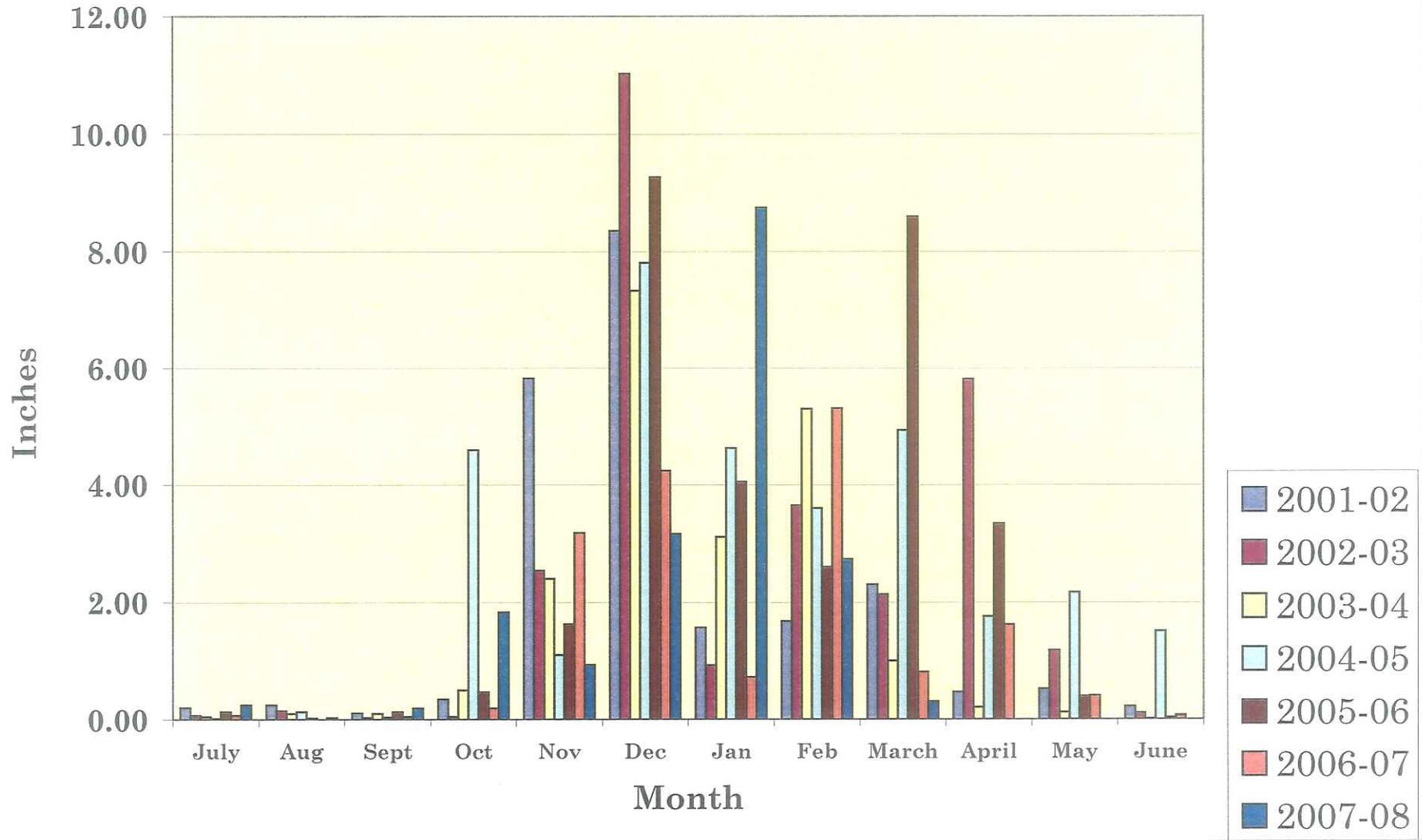
District Office
 Rainfall in Inches

	2007						2008					
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
1	0	0	0	0.03	0.01	0	0	0.01	0.02			
2	0	0	0	0	0	0	0	0.62	0			
3	0	0	0	0	0	0	0.34	0.1	0			
4	0	0	0.03	0	0	0.31	2.57	0	0			
5	0	0.02	0	0	0.01	0	0.58	0	0			
6	0	0	0	0	0	0.36	0.09	0.01	0			
7	0.02	0	0	0	0	0.1	0.01	0.01	0			
8	0	0	0	0	0	0	0.28	0	0			
9	0	0.01	0	0.86	0	0	0	0	0			
10	0	0	0	0.23	0.8	0	0.13	0	0			
11	0	0	0	0	0.08	0	0	0.01	0			
12	0	0	0	0.55	0	0	0	0.01	0			
13	0	0	0	0	0	0	0	0	0.1			
14	0	0	0	0	0	0	0	0	0			
15	0.01	0	0	0.02	0	0	0	0	0.02			
16	0	0	0	0.02	0.01	0.04	0	0	0			
17	0.01	0	0	0.01	0	0.34	0	0	0			
18	0.07	0	0	0.01	0.01	0.87	0	0	0			
19	0	0	0	0.1	0.01	0.08	0	0.72	0.01			
20	0	0	0	0	0	0.75	0.01	0.01	0			
21	0	0	0	0	0	0	0.3	0.17	0			
22	0.01	0	0.1	0	0	0	0.2	0.36	0.01			
23	0.02	0	0	0	0	0	0.05	0.43	0.01			
24	0.03	0	0	0	0	0.01	0.42	0.24	0			
25	0.01	0	0	0	0	0	2.5	0.02	0.01			
26	0.02	0	0	0	0	0.02	0.26	0	0			
27	0.01	0	0	0	0	0.16	0.21	0	0			
28	0.02	0	0.05	0	0	0.04	0.06	0	0.09			
29	0.02	0	0.01	0	0	0.08	0.05	0.01	0.04			
30	0	0	0	0	0	0	0.07		0			
31	0	0		0		0	0.62		0			
Mon.Total	0.25	0.03	0.19	1.83	0.93	3.16	8.75	2.73	0.31	0.00	0.00	0.00
Year Total	0.25	0.28	0.47	2.30	3.23	6.39	15.14	17.87	18.18	18.18	18.18	18.18

Coastside County Water District

Rainfall by Month

July '07 thru Jun '08

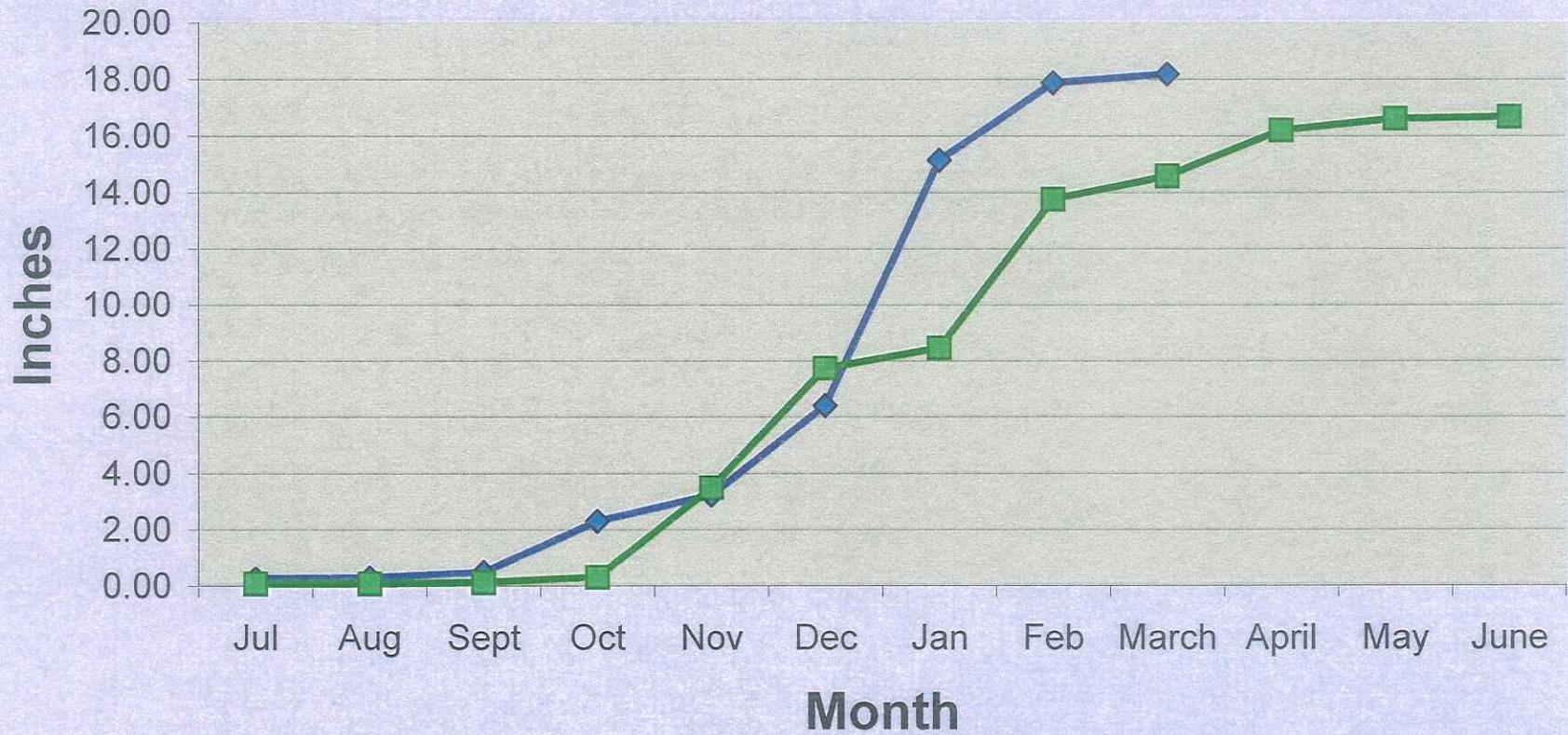


Rainfall by Month

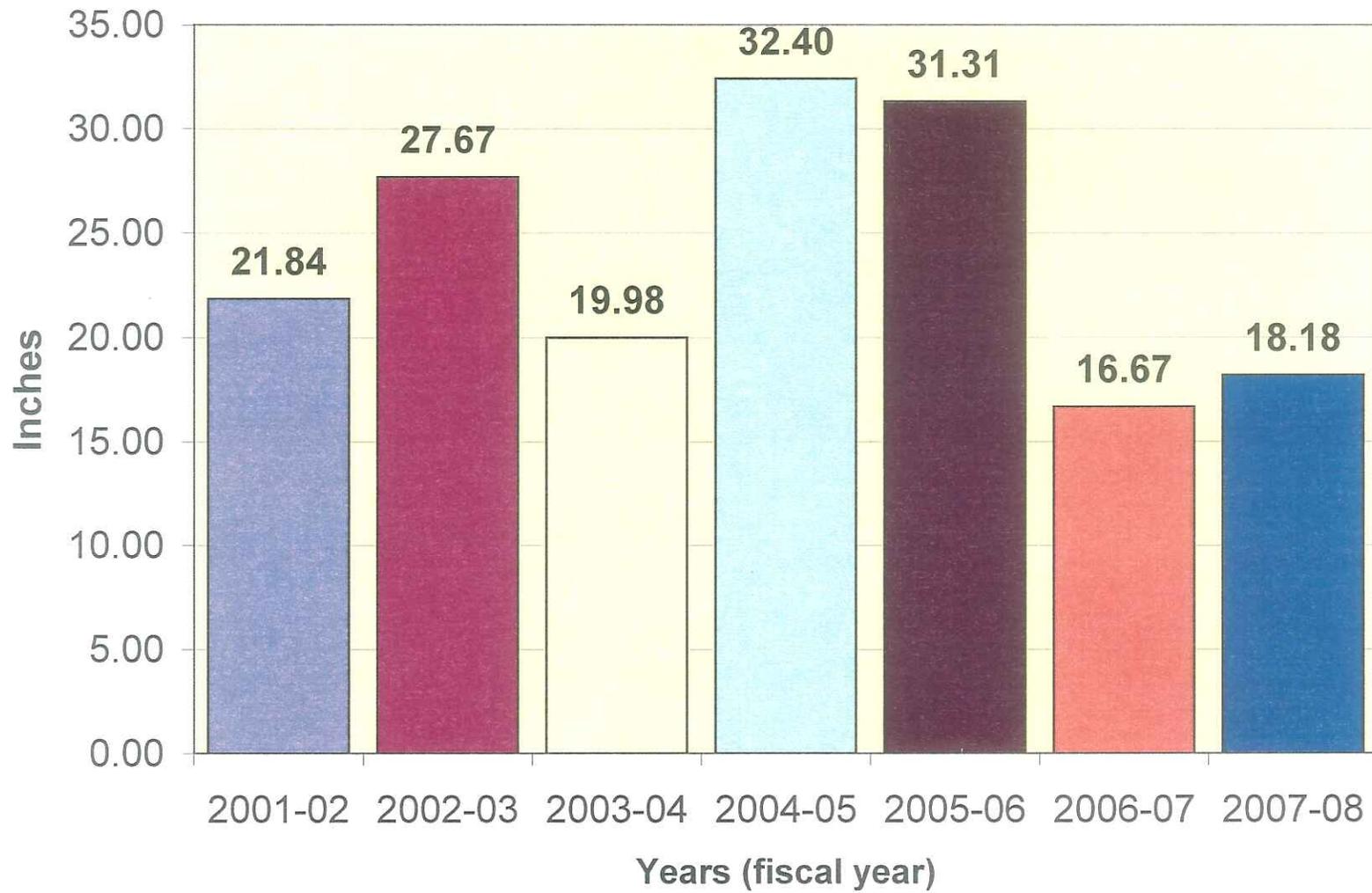
July 2007 - June 2008

FY 08

FY 07



Rain Totals



MONTHLY CLIMATOLOGICAL SUMMARY for MAR. 2008

NAME: Office CITY: Half Moon Bay STATE: CA ELEV: 80 LAT: 37 38' 00" LONG: 122 25'59"

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

DAY	MEAN TEMP	HIGH	TIME	LOW	TIME	HEAT DEG DAYS	COOL DEG DAYS	RAIN	AVG WIND SPEED	HIGH	TIME	DOM DIR
1	52.7	57.7	11:00a	45.8	12:00m	12.3	0.0	0.02	2.4	21.0	4:30p	NNW
2	51.9	64.2	1:30p	43.4	6:30a	13.1	0.0	0.00	2.2	19.0	11:00a	N
3	51.6	65.4	2:30p	40.7	6:30a	13.1	0.0	0.00	1.6	14.0	10:00a	N
4	50.6	62.7	11:00a	41.1	3:30a	14.4	0.0	0.00	1.5	14.0	3:30p	N
5	51.6	66.1	1:30p	41.4	3:30a	13.4	0.0	0.00	2.0	15.0	11:30a	N
6	51.1	65.6	11:30a	40.4	4:30a	13.9	0.0	0.00	1.0	12.0	1:30p	NNE
7	54.4	68.4	4:00p	42.6	2:00a	10.7	0.1	0.00	1.1	12.0	2:30p	SW
8	50.2	58.8	1:30p	42.1	7:00a	14.8	0.0	0.00	1.5	14.0	2:30p	WSW
9	50.9	62.5	3:00p	41.4	4:30a	14.1	0.0	0.00	0.9	9.0	3:30p	SSW
10	54.0	62.8	3:30p	45.3	6:00a	11.0	0.0	0.00	1.4	12.0	2:00p	SW
11	54.2	65.0	12:30p	45.9	6:00a	10.8	0.0	0.00	1.2	13.0	3:00p	SW
12	56.0	65.5	3:00p	48.8	6:30a	9.0	0.0	0.00	1.4	11.0	12:30p	SSW
13	57.1	64.1	3:00p	52.7	12:00m	7.9	0.0	0.10	1.9	10.0	2:00p	SW
14	55.7	64.4	1:30p	49.9	5:30a	9.3	0.0	0.00	2.3	14.0	2:00p	SW
15	50.0	57.0	3:30p	42.8	6:30a	15.0	0.0	0.02	2.7	20.0	4:30p	NNW
16	48.9	59.8	2:30p	40.7	4:30a	16.1	0.0	0.00	2.3	17.0	4:30p	E
17	49.7	58.6	1:00p	39.8	6:30a	15.3	0.0	0.00	1.6	19.0	3:00p	WSW
18	54.6	63.7	3:30p	46.9	12:30a	10.4	0.0	0.00	1.4	13.0	2:00p	SSW
19	56.3	65.2	3:00p	51.6	11:00p	8.7	0.0	0.01	1.1	9.0	12:30p	SSW
20	51.4	58.2	2:00p	43.4	5:30a	13.6	0.0	0.00	1.9	13.0	12:30p	SW
21	50.2	61.3	12:00p	41.0	5:00a	14.8	0.0	0.00	2.0	18.0	2:30p	N
22	50.0	61.9	2:00p	39.9	5:30a	15.0	0.0	0.01	1.1	13.0	3:30p	SW
23	49.8	59.3	4:00p	39.4	6:30a	15.2	0.0	0.01	1.4	14.0	4:00p	SW
24	54.5	61.9	2:30p	47.0	12:30a	10.5	0.0	0.00	1.7	15.0	3:30p	SE
25	56.0	64.3	1:30p	47.5	12:00m	9.0	0.0	0.01	1.1	10.0	12:00p	SW
26	51.2	60.4	5:00p	41.6	5:00a	13.8	0.0	0.00	1.5	11.0	11:30a	NNE
27	49.4	58.1	12:00p	40.5	6:00a	15.6	0.0	0.00	2.0	16.0	1:00p	N
28	54.1	65.3	12:30p	43.5	6:00a	10.8	0.0	0.09	1.5	11.0	3:00p	SE
29	54.0	62.1	1:30p	49.2	10:00p	11.0	0.0	0.04	2.1	14.0	12:00m	SW
30	49.8	54.6	12:30p	44.7	7:00a	15.2	0.0	0.00	3.6	20.0	1:30p	WSW
31	48.9	58.4	3:00p	38.0	6:00a	16.1	0.0	0.00	2.1	13.0	10:30a	SSW

	52.3	68.4	7	38.0	31	394.0	0.1	0.31	1.7	21.0	1	SW

Max >= 90.0: 0

Max <= 32.0: 0

Min <= 32.0: 0

Min <= 0.0: 0

Max Rain: 0.10 ON 3/13/08

Days of Rain: 5 (>.01 in) 0 (>.1 in) 0 (>1 in)

Heat Base: 65.0 Cool Base: 65.0 Method: Integration

San Francisco Public Utilities Commission

Hydrological Conditions Report

For March 2008

J. Chester, B. McGurk, A. Mazurkiewicz, M. Tsang, April 3, 2008

Current System Storage

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

Table 1. Current Storage as of April 1, 2008							
Reservoir	Current Storage		Maximum Storage		Available Capacity		Percent of Maximum Storage
	Acre-Feet	Millions of Gallons	Acre-Feet	Millions of Gallons	Acre-Feet	Millions of Gallons	
Tuolumne System							
Hetch Hetchy ^{1/}	163,604		340,830		177,226		48.0%
Cherry ^{2/}	167,425		268,810		101,385		62.3%
Lake Eleanor ^{3/}	9,422		23,541		14,119		40.0%
Water Bank	539,823		570,000		30,177		94.7%
Tuolumne Storage	880,274		1,203,181		322,907		73.2%
Local Bay Area Storage							
Calaveras ^{4/}	48,084	15,668	96,824	31,550	48,740	15,882	49.7 %
San Antonio	46,927	15,291	50,496	16,454	3,569	1,163	92.9 %
Crystal Springs	49,126	16,008	58,377	19,022	9,251	3,014	84.2 %
San Andreas	16,002	5,214	18,996	6,190	2,994	976	84.2 %
Pilarcitos	2,675	872	3,100	1,010	425	138	86.3 %
Total Local Storage	162,814	53,053	227,793	74,226	64,979	21,173	71.5 %
Total System	1,043,088		1,430,974		387,885		72.9%

^{1/} Maximum Hetch Hetchy Reservoir storage with drum gates deactivated.

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

^{3/} Maximum Lake Eleanor storage with all stop-logs out.

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

Hetch Hetchy System Precipitation Index ^{5/}

Current Month: The March 31st precipitation index is 0.59 inch, or 11 % of the average index for the month. March 2008 was the 5th driest in 114 years in the state.

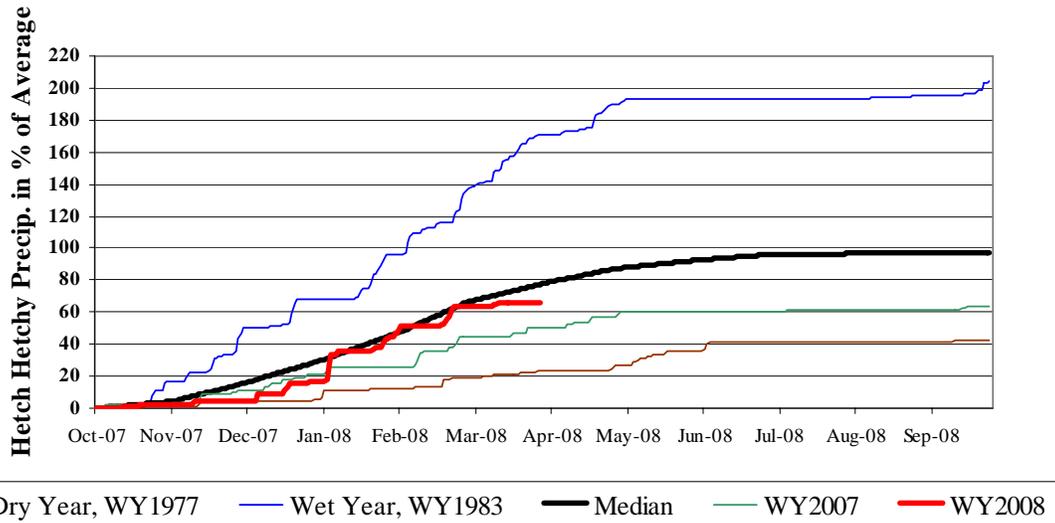
Cumulative Precipitation to Date: The accumulated precipitation index for water year 2008 is 24.6 inches, which is 69% of the average annual water year total, or 84% of the season-to-date precipitation. The cumulative precipitation for the Hetch Hetchy gauge is shown in Figure 1 in red, and is increasingly below the median line.

Snow Water Content: Based on manual snow course measurements in the Stanislaus, San Joaquin, Walker, Mono Lake, Merced and Tuolumne basins, the April 1, 2008 snowpack is about 99% of the long-term average. This is a 7% decline from the March 1 snow survey result.

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

Figure 1: Water year 2008 cumulative precipitation received at Hetch Hetchy Reservoir through the end-of-month March. Precipitation curves for wet, dry, median, and WY 2007 years for the station at Hetch Hetchy are included for comparison purposes.

Precipitation at Hetch Hetchy: Water Year 2008



Tuolumne Basin Unimpaired Inflow

Unimpaired inflow to SFPUC reservoirs and Tuolumne River at La Grange as of March 31st is summarized below in Table 2. Water available to the City is also shown in Table 2. March inflow has been the closer to normal than any month so far this water year.

	March 2008				October 1, 2007 through March 31, 2008			
	Observed Flow	Median ⁶	Average ⁶	Percent of Average	Observed Flow	Median ⁶	Average ⁶	Percent of Average
Inflow to Hetch Hetchy Reservoir	39,554	38,023	41,388	95.6%	79,676	114,363	131,004	60.8%
Inflow to Cherry Reservoir and Lake Eleanor	40,729	36,974	41,474	98.2%	78,942	109,583	135,854	58.1%
Tuolumne River at La Grange	123,327	161,637	191,542	64.4%	331,993	508,939	611,219	54.3%
Water Available to the City	5,425	30,065	69,031	7.8%	35,275	143,062	231,718	15.2%

⁶ Hydrologic Record: 1919 – 2005.

Hetch Hetchy System Operations

After the near-average February, March was very dry and had only 0.7 inch of precipitation at Hetch Hetchy. The snowpack in the middle and high elevations became more dense but only lost a little snow water equivalent during the clear weather. By the end of March, there was significant melting of the snow below 5,000 ft. An early assessment of the forecasted runoff suggests that all reservoirs will fill and spill even under a very dry 99% exceedence level forecast. Powerdraft from Hetch Hetchy was increased in March to reduce the projected May and June spill.

Cherry Lake was at 62.3% of capacity at the end of March. The 30 inches of snow that was on the ground at Cherry Dam on February 1 is now gone. In March, over 10,485 acre-feet of water was transferred from Lake Eleanor to Cherry Reservoir by gravity flow. During March, about 17.5 TAF of powerdraft was made from Cherry Reservoir to support the City's Municipal load, and the water was transferred to the City's Water Bank in Don Pedro Reservoir.

SJPL Diversion

The average rate of the San Joaquin Pipeline diversion during March was 126.3 mgd. This is an increase over February's average rate of 85 mgd. The increase was due to the return of the larger SJPL#3 back into service and was associated with the relative lack of local rainfall during March.

Local System Operations

The average rate at the Sunol Valley Water Treatment Plant for March was 47 mgd. The Harry Tracy Treatment Plant for the same period averaged 50 mgd. March water demand averaged 207 mgd, up approximately 7% over February's demand. Water demand on April 1, 2008 was 221 mgd.

March was unseasonably dry in the local watersheds. Precipitation averaged only 11% of normal for the month. However, because of above-normal rainfall in January and February, the accumulated year-to-date totals are about 87% of the expected totals. Precipitation totals for key reservoirs are presented in Table 3.

Table 3 - Precipitation Totals for March at Three Local Reservoirs

Reservoir	Month Total (inches)	Percentage of Normal for the Month	Year To Date ⁷ (inches)	Percentage of Normal for the Year to Date ⁷
Pilarcitos	0.64	12 %	30.80	88 %
Lower Crystal Springs	0.25	6 %	20.89	87 %
Calaveras	0.50	15 %	16.26	85 %

⁷ Since 7-1-2007

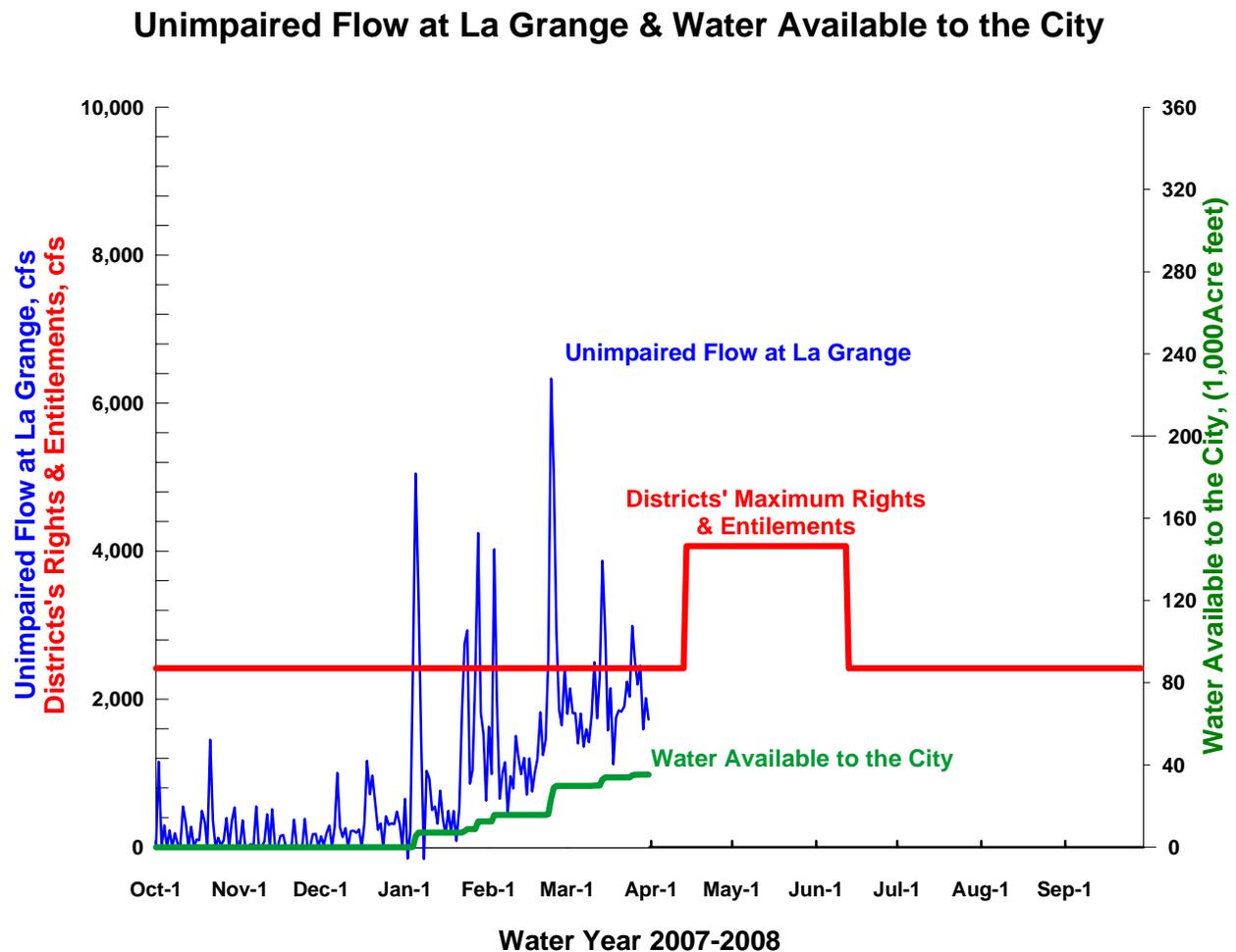
Snowmelt and Water Supply

The City's entitlement during March was only 5,425 acre-feet in spite of the near-normal unimpaired inflow to the City reservoirs (Table 2). Inflow to Don Pedro during March was only 65% of normal. Without storms to generate inflows above the District entitlement level, the near-normal City reservoir inflows during March did not create very much City entitlement. The City's entitlement since October 1 is 35,275 acre-feet (Figure 2), about 15% of average. The

extremely-dry March reduced the snowpack to just slightly below the long-term average (99%). The April 1 snow course measurements in the Up-country watersheds indicate that the overall snow density is already close to the typical May value of 45%. This suggests that significant spring snowmelt runoff is likely to start early, so April may see significant snowmelt and June snowmelt may be reduced, depending on weather conditions.

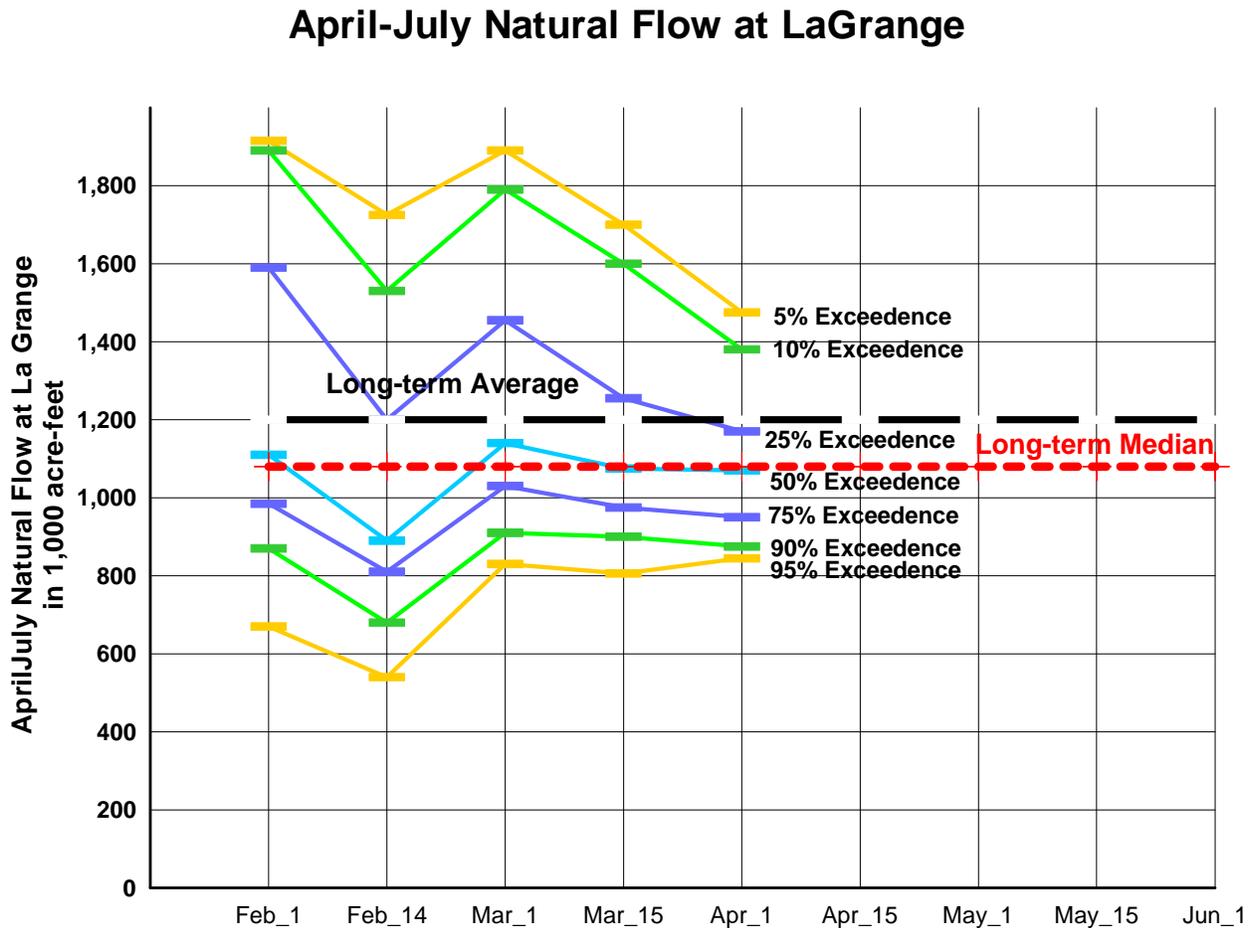
Current weather forecasts are for a return of the off-shore high-pressure system after the current minor cloudiness. Cool temperatures and clear skies are likely to persist for at least the first 10 days of April. This pattern is consistent with the observed La Nina condition. La Nina events in the past have been associated with a slightly elevated chance of dry winters in central California. The April long-range forecast is for normal temperature and precipitation, and the April-May-June forecast is for slightly-above normal temperature and normal precipitation.

Figure 2: Calculated unimpaired flow at La Grange and the allocation of flows between the Districts and the City. Water available to the City for the period from October 1, 2007 through March 31st, 2008 is 35,275 acre-feet.



The April 1 forecast indicates that the median amount of runoff that may occur this year is about 98.1% of the long-term median, down from the 105% that was predicted as of March 1 (Figure 3). The median forecast of April-to-July runoff is about 1,060 TAF, compared to the long-term median runoff for the April-to-July period of 1,080 TAF. For natural flow at La Grange, there is an 80 percent chance that the April-to-July natural runoff will be between 860 TAF and 1,380 TAF.

Figure 3: Tuolumne River at La Grange April-July runoff forecast



cc	HHWP Records	DeGraca, Andrew	Kehoe, Paula	Samii, Camron
	Bauer, Leo	Fong, Mike	Levin, Ellen	Sandkulla, Nicole
	Briggs, David	Gass, Matt	Mazurkiewicz, Adam	Sanguinetti, Dave
	Cameron, David	Hale, Barbara	McGurk, Bruce	Tsang, Michael
	Carlin, Michael	Hannaford, Margaret	Meier, Steve	
	Chester, John	Jensen, Art	Rickson, Norman	

STAFF REPORT

To: Coastside County Water District Board of Directors

From: David Dickson, General Manager

Agenda: April 8, 2008

Report

Date: April 3, 2008

Subject: San Mateo County LAFCO Draft Midcoast Area Municipal Service Review

Recommendation:

None, information only.

Background:

On March 19, 2008, the San Mateo County Local Agency Formation Commission (LAFCO) released the circulation draft of its Midcoast Area Municipal Service Review (MSR). The Board reviewed and discussed a preliminary draft of the Water, Wastewater and Solid Waste chapter of the MSR at its March 11 meeting.

LAFCO has requested that comments on the draft MSR be submitted by April 8. The Commission will consider the MSR, comments and recommended determinations at a hearing to be held on April 16, 2008 at 4:00 p.m. at Half Moon Bay High School Multi-purpose/Student Center.

Martha Poyatos, Executive Officer of LAFCO, will make a presentation to the Board on the Municipal Service Review, answer questions, and hear comments.

San Mateo Local Agency Formation Commission

March 19, 2008

TO: City of Half Moon Bay
Coastside County Water District
Granada Sanitary District
Montara Water and Sanitary District
Sewer Authority Midcoastside
County of San Mateo
Midcoast Community Council
Interested individuals & agencies

SUBJECT: Municipal Service Review for the City of Half Moon Bay and
Urban Midcoast

This draft municipal service review for the agencies listed above is being circulated for review and public comment prior to consideration by the San Mateo Local Agency Formation Commission. As noted in the draft document, LAFCo is required by State law to complete municipal service and sphere of influence reviews for all cities and special districts in the County. Affected agencies, residents, property owners and interested individuals and groups are invited to comment on the municipal service review to assist the Commission in making determinations regarding the agencies under study as required by Government Code Section 56430.

This draft report is available on line at www.sanmateolafco.org.

Comments on the draft report should be submitted to LAFCo by April 8, 2008 at the following address:

Martha Poyatos, Executive Officer
San Mateo LAFCo
455 County Center
Redwood City, CA 94063
650/363-4224 650/363-4849 (FAX)
mpoyatos@co.sanmateo.ca.us

The Commission will consider the municipal service review, comments and recommended determinations at a hearing to be held on April 16, 2008 at 4:00 p.m. at Half Moon Bay High School Multi-purpose/Student Center.

**Municipal Service Review of the
City of Half Moon Bay and Unincorporated
Midcoast**

SAN MATEO COUNTY LAFCO

PUBLIC CIRCULATION DRAFT



March 18, 2008

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1. INTRODUCTION

This report presents the Municipal Service Review for Half Moon Bay and the unincorporated area of the Midcoast. This report was prepared for the Local Agency Formation Commission (LAFCO) of San Mateo County.

1. LAFCO MUNICIPAL SERVICE REVIEW BACKGROUND

A Municipal Service Review is a State-required comprehensive study of services within a designated geographic area. This requirement is contained in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.) that took effect on January 1, 2001. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCO to review and update Sphere's of Influence not less than once every five years and to review municipal services before updating Spheres of Influence. The requirement for service reviews arises from the identified need for a more coordinated and efficient public service structure to support California's anticipated growth. The service review provides LAFCO, the public agencies under review, and the community with a tool to study existing and future public service conditions comprehensively and to evaluate organizational options for accommodating growth, preventing urban sprawl, and ensuring that critical services are provided efficiently.

The Municipal Service Review process does not require LAFCO to initiate changes of organization based on service review findings; it only requires that LAFCO identify potential government structure options and determine their advantages and disadvantages per Government Code Section 56430. However, LAFCO, other local

agencies, and the public may subsequently use the determinations to analyze prospective changes of organization or reorganization or to establish or amend Sphere's of Influence.

2. LAFCO MUNICIPAL SERVICE REVIEW REQUIREMENTS

As part of the Municipal Service Reviews, LAFCO must prepare an analysis and written statement of determinations regarding nine evaluation categories.

- **Infrastructure needs and deficiencies.** This evaluation category focuses on the adequacy of existing and planned public facilities in accommodating future growth and the efficient delivery of public services.
- **Growth and population projections for the affected area.** This evaluation category focuses on projected short and long-term demand for services within the particular area, as measured by current and future population and their relationship to land use plans and programs.
- **Financing constraints and opportunities.** Under this evaluation category, LAFCO examines service financing conditions and practices and weighs a community's public service needs against the resources available to fund the services.
- **Cost avoidance opportunities.** This evaluation category relates to service duplication, inefficiencies due to overlapping boundaries, and other practices or circumstances that may increase service costs. Cost reduction opportunities related to economies of scale, shared facilities, transferring service obligations, financing opportunities, and infrastructure upgrades, and other practices are identified.
- **Opportunities for rate restructuring.** This evaluation category relates to rate review including, for example, rate-setting methodologies, conditions that could impact future rates, variances among rates, fees, taxes, and charges, and opportunities to modify rates.
- **Opportunities for shared facilities.** This evaluation category pertains to the opportunity to reduce costs by sharing facilities and eliminating duplications.
- **Government structure options including advantages and disadvantages of consolidation or reorganization of service providers.** LAFCO must adopt written determinations with respect to government structure options that could improve service conditions and government accountability

- **Evaluation of management efficiencies.** This evaluation examines efficiencies of an agency in the context of effectiveness and ability to provide service with resources available.
- **Local accountability and governance.** This evaluation category focuses on the visibility and accessibility of the decision-making body, staff and the decision-making process, public participation in elections, publicly disclosed agency budgets, programs, and plans, as well as public participation in the consideration of work and infrastructure plans.

The Municipal Service Reviews are intended as an informational tool to help LAFCO, other agencies and the public understand the public service structure.

3. HOW THE MUNICIPAL SERVICE REVIEW REPORT WILL BE UTILIZED

The Municipal Service Review report and the data collected through the process of preparing the report will be used by the LAFCO of San Mateo County to review and update the Sphere's of Influence of cities and special districts in the Midcoast area. Government Code §56375(a) gives LAFCO the power to initiate certain types of boundary changes consistent with service reviews and Sphere of Influence studies.

These boundary changes include:

- Consolidation of districts (joining two or more into a single successor district);
- Dissolution (termination of a district and its corporate powers);
- Merger (termination of a district by merging that district with a city);
- Establishment of a subsidiary district (where a city council becomes the board of directors of the district); or
- A reorganization that includes any of the above.

The following types of boundary changes may be proposed to LAFCO:

- Formation of a new district or city;
- Annexation to or detachment from a city or district; or

- A reorganization that includes any of the above.

LAFCO may also use the information presented in the Municipal Service Review report to review future proposals for extension of service beyond a local governments jurisdictional boundaries or for amendment of urban service area boundaries of a city.

2. AGENCY OVERVIEW

This chapter provides an overview of the local governments that provide services in the San Mateo Midcoast area, their respective population, and projected growth.

1. SERVICE PROVIDERS IN THE MIDCOAST AREA

This Municipal Service Review was conducted for the Midcoast area only and includes local governments involved in the delivery of street maintenance, law enforcement, parks and recreation, water and wastewater, and street lighting. The local governments that were included in this review are presented in the table below.¹

City / County	Independent Special Districts	Dependent Special Districts	Joint Powers Authority
Half Moon Bay	Coastside County Water District	County Service Area #6	Sewer Authority Mid-Coastside
San Mateo County	Granada Sanitary District Montara Water and Sanitary District	Granada Lighting District Montara Highway Lighting District	

A brief description of these governments is provided below.

- City of Half Moon Bay.** Services in the incorporated portion of the Midcoast area are provided by the City of Half Moon Bay. Half Moon Bay is a general law city. The City has a five-member City Council, was incorporated in 1959, and has an all-funds budget of \$25.1 million which includes General Funds of \$10.7, Enterprise \$4.06, Special Revenue Funds \$2.8, Capital Projects \$10.4, Internal Service Funds 1.04 and Debt Service \$3.16. (See budget summary) The City provides a full-range of municipal services including law enforcement, engineering, building inspection and plan checking, parks and recreation, land use planning, street maintenance, finance, executive management, and legal services. The City also manages a contract for solid waste collection services. The City is one of three members of the Sewer Authority Mid-Coastside, a Joint Powers Authority, which provides wastewater treatment services. Of the City’s \$10.7 million 2007-08 General Fund Budget, public safety (police) expenditures comprise 47% of general fund budget, followed by general government administration (22%), Public Works (12%), Planning, 11% and Recreation

¹ A Municipal Service Review for fire service was conducted separately and resulted in consolidation of the Half Moon Bay & Pt. Montara Fire Districts to form the Coastside Fire Protection District, which serves the entire study area.

Services 10%. On the revenue side, the City's General Fund Revenue of \$10.3 million, with the largest revenue sources being Transient Occupancy Tax (29%), Property Tax (21%) and Sales Tax (20%). The City has recently begun to grapple with a \$36.8 million judgment against the City related to a land use decision denying development of a 24-acre parcel. The City is exploring options including appeal and settlement and indicates that pending the appeal there will be no impact to city services. If the City eventually loses on appeal, an analysis would be made of how services might be impacted in order to pay the settlement amount and/or whether a voter approved tax or assessment would be proposed. The City is providing on going information to residents on status of the litigation on the City's website.

- **Unincorporated portion of the Midcoast area.** A mix of local governments deliver service in the unincorporated area - San Mateo County, independent special districts, dependent special districts, and a joint powers authority. The County of San Mateo, however, has jurisdiction over land use, police and roads, streetlights and drainage. The MidCoast Community Council, which is an elected advisory body, makes recommendations to the Planning Commission and Board of Supervisors on matters concerning the unincorporated Midcoast. Brief descriptions of the service providers in the unincorporated area are presented below.
 - **Coastside County Water District.** A five-member Board of Directors governs this independent special district. The District provides water services to customers located in Half Moon Bay and the unincorporated coastal communities of El Granada, Miramar and Princeton-By-The-Sea. The service territory encompasses approximately 14 square miles, 18,000 residents, and 6,731-metered connections. The FY 2007 / 08 budget amounts to \$6.2 million.
 - **Granada Sanitary District** A five-member Board of Directors governs this independent special district. The District provides sewer and solid waste services to El Granada, Princeton-by-the-Sea, Miramar, and the northern portion of Half Moon Bay (from Frenchman's Creek north). The District is one of three members of the Sewer Authority Mid-Coastside, a Joint Powers Authority, which provides wastewater treatment services. The District is managed by an "on call" General Manager, a full-time District Administrator, and a half-time Administrative Assistant. The FY 2007 / 08 budget amounts to \$1.8 million.
 - **Montara Water and Sanitary District.** A five-member Board of Directors governs this independent special district. The District provides residents of Montara, Moss Beach, and adjacent areas located north of Half Moon Bay and south of Pacifica with water, wastewater and solid waste collection services. The District is one of three members of the Sewer Authority Mid-

Coastside, a Joint Powers Authority, which provides wastewater treatment services. The District has a FY 2007 / 08 budget that amounts to \$3.7 million.

- **County Service Area #6.** This is a dependent special district of San Mateo County governed by the Board of Supervisors. The District provides street lighting service to Princeton-by-the-Sea and includes 66 streetlights. The District has a FY 2007 / 08 budget that amounts to \$47,590.
- **Granada Lighting District.** This is a dependent special district of San Mateo County governed by the Board of Supervisors. This district includes 125 streetlights and serves El Granada and Miramar. The District has a FY 2007 / 08 budget that amounts to \$79,000.
- **Montara Highway Lighting District.** This is a dependent special district of San Mateo County governed by the Board of Supervisors. This district includes 204 streetlights and serves Montara and Moss Beach. The District has a FY 2007 / 08 budget that amounts to \$33,500.
- **Sewer Authority Mid-Coastside.** Half Moon Bay, Granada Sanitary District, and Montara Water and Sanitary District formed the Sewer Authority Mid-Coastside to provide wastewater treatment services to the three agencies. The Sewer Authority Mid-Coastside has a FY 2007 – 08 budget of \$3.9 million.
- **San Mateo County.** The County provides law enforcement services and street maintenance services in the unincorporated portion of the Midcoast area. A five-member Board of Supervisors governs the County. The County has 5,777 employees and an all-funds budget in 2007 / 08 of \$1,648,248,306.

The services delivered by these local governments in the Midcoast Area that were included in the Municipal Service Review are portrayed below.

Provider	Street Maintenance	Street Lighting	Parks and Recreation	Water	Sewer	Solid Waste	Law Enforcement
Half Moon Bay	✓		✓		✓	✓	✓
San Mateo County	✓		✓				✓
Coastside County Water District				✓			
Granada Sanitary District					✓	✓	
Montara Water and Sewer District				✓	✓	✓	
County Service Area #6		✓					
Granada Lighting District		✓					
Montara Highway Lighting District		✓					
Sewer Authority Mid-Coastside					✓		

2. POPULATION GROWTH PROJECTIONS

Based on varied data acquired from the County of San Mateo's Planning Department and the Association of Bay Area Governments, the following table presents the existing population estimates for the Midcoast area.

Population Estimates, 2007

LOCATION	2007 Estimate
Montara Census Designated Place (CDP)	3,198
Moss Beach CDP	2,020
El Granada CDP	5,934
Total CDP:	11,152
Half Moon Bay	12,308
TOTAL	23,460

The following is noted regarding the data contained in the table and population projections for the Midcoast area.

- Based on data provided by the County, the Midcoast area has experienced an increase in population of approximately 24% since 1990, from approximately 18,800 to approximately 23,500 residents.

- The Association of Bay Area Governments (ABAG), in their 2005 growth projections, projected that the population of the unincorporated area of the Midcoast would increase to 12,100 by the year 2025.
- The City of Half Moon Bay has experienced the most significant estimated growth from 1990 to 2007. However, Measure D, passed in 1999, limits population growth to a maximum of 1% per year, with the option of an additional increase of 0.5% growth in the Downtown Area. The Association of Bay Area Governments (ABAG), in their 2005 growth projections, projected that the population of Half Moon Bay would increase to 14,600 by the year 2025.
- The estimated residential population for the Midcoast area is projected in 2025 at just below 27,000 residents, an increase of 13.8% over 2007 population estimates. This is based upon the Association of Bay Area Governments (ABAG) growth projections prepared in 2005.

The population in Half Moon Bay and the unincorporated area of the San Mateo County coastside will continue to increase.

3. PARKS AND RECREATION

This chapter of the report provides a Municipal Service Review of the San Mateo County Midcoast area local governments involved in parks and recreation service delivery.

1. THERE ARE TWO LOCAL GOVERNMENTS THAT PROVIDE PARK AND RECREATION SERVICES TO THE SAN MATEO COUNTY MIDCOAST AREA.

The following two local governments provide park and recreation services to the communities within the San Mateo Midcoast area.

- **Half Moon Bay.** The Public Works Department delivers parks and recreation services in Half Moon Bay. The Recreation Division, within the department, is authorized four staff: a Recreation Services Manager, a Recreation Supervisor, an Administrative Assistant to the Department Head, and an Administrative Assistant. The Recreation Division provides a variety of activities for the residents of all ages and interests including instructional classes, youth and adult sports, teen activities, day camps, special needs programs, citywide special events, and a summer aquatics program. Residents of the City and the unincorporated area can register for these classes on-line. The Recreation Division operates a community center (the Ted Adcock Community Center) located at 535 Kelly Avenue. The center is open six days a week. The FY 2007-08 budget for the Division is \$1,091,459; its cost recovery, in terms of revenue the Division generates, is 40.2%. The Building and Park Maintenance Division, within the Public Works Department, is responsible for maintaining the City's parks, grounds, facilities, street and park trees, and streets. The Division is authorized ten staff for maintenance of these assets including a Maintenance Supervisor, seven Maintenance Workers, and two Custodians. The FY 2007-08 budget for the Division is \$728,358. Half Moon Bay has an adopted Parks and Recreation Element of its General Plan. The element was adopted in 1990, and revised in 1995. It updated its Park Master Plan in 2007.
- **The San Mateo County Parks Department.** The San Mateo County Parks Department is responsible for providing regional passive recreation opportunities, and protecting and restoring natural resources within the County park system. The department currently operates 17 parks, three regional trails several county and local trails accounting for 15,680 acres. Only two of these parks, Fitzgerald Marine Reserve and Quarry Park, are located in the coastside area of San Mateo County. The annual operating budget for the two parks is approximately \$210,000 annually. The County adopted a General Plan in 1986 that includes

Park and Recreation Resources. In addition, the County completed a *Mid-Coast Recreational Needs Assessment* in October 2002 and updated in 2007.

2. INFRASTRUCTURE NEEDS OR DEFICIENCIES.

In evaluating infrastructure needs and deficiencies, there are a number of factors that can be considered including such factors as the condition of the infrastructure, infrastructure capabilities to accommodate future development, location of existing facilities and / or planned facilities, etc.

The City of Half Moon Bay has 24 acres of developed parks. Smith Field, a 15-acre developed park, has five baseball fields used for youth and adult softball and youth baseball. The table, below, presents the developed park acreage. These are neighborhood or community parks as designated in the City's general plan.

Park	Developed Acreage
Carter Park	1.10
Fernandez Park	0.20
Frenchman's Creek Park	3.77
Kehoe Park	0.15
Mac Dutra Park	0.09
Oak Avenue Park	3.24
Ocean View Park	0.45
Smith Field	15.00
TOTAL	24.00

The City has other parks, such as Coastside Community Park or Poplar Park, but these are undeveloped at this time.

The City's General Plan proposed a standard of 8 acres per 1,000 residents. As the General Plan noted, this proposed standard fell halfway between the six to ten acre range suggested by the *National Recreation and Park Association*. The general plan did not include school grounds as part of this standard due to limitations in their use. The general plan did not include regional parks in this standard.

The County has two regional parks in the unincorporated portion of the San Mateo County Midcoast area, Fitzgerald Marine Reserve and Quarry Park. The Parks Department allocates two staff – two Park Rangers – to the operation of the Fitzgerald Marine Reserve. The Quarry Park is operated by the Midcoast Park Lands in a partnership with the County. A description of these two facilities is presented in the table below.

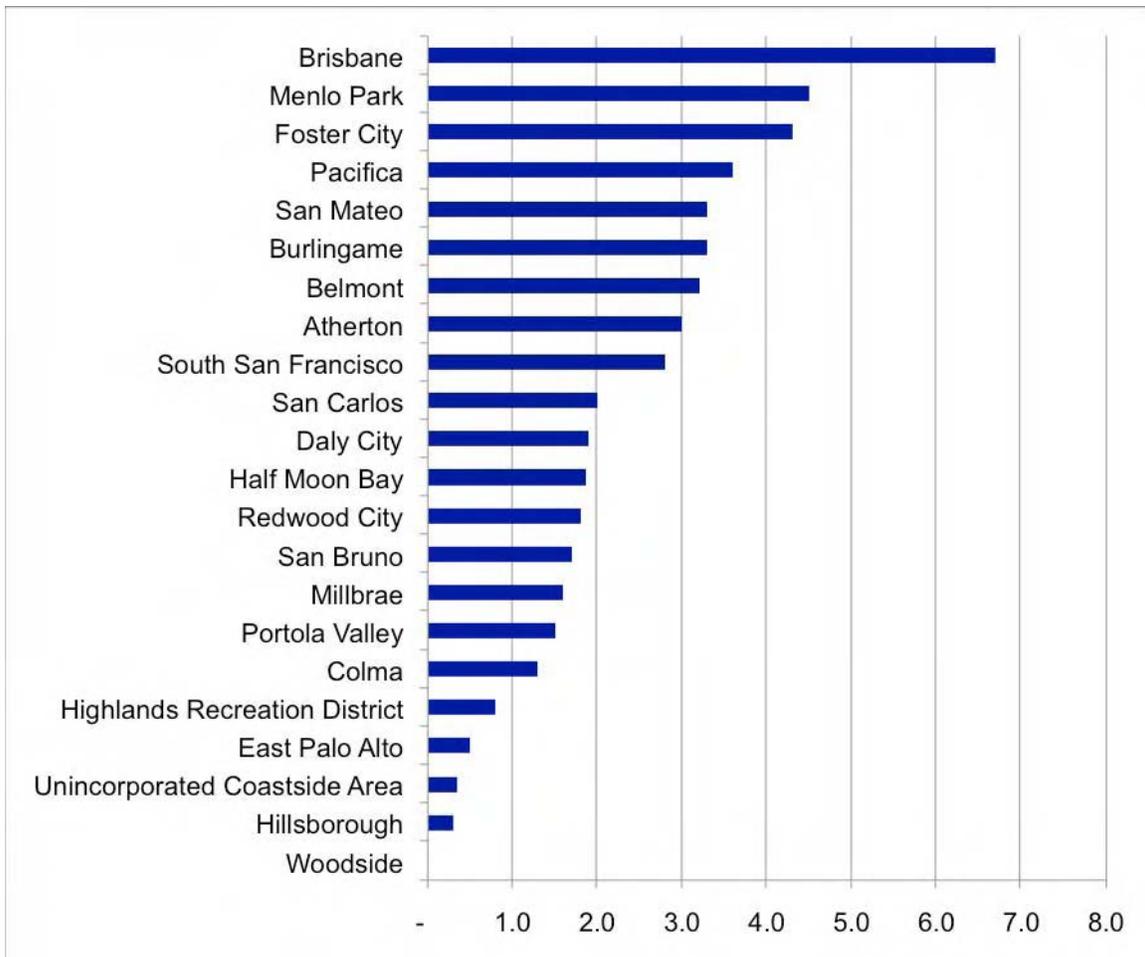
Park	Description of the Park
Fitzgerald Marine Reserve	<ul style="list-style-type: none"> • Size of the park is 45 acres (20% developed including parking lot, trails, stairways, visitor lot). • This park is identified as a regional park in the <i>Mid-Coast Recreational Needs Assessment</i>. • The capacity of the park is 100 persons at any one time • Reservations for groups of more than 10 people are needed.
Quarry Park	<ul style="list-style-type: none"> • Size of the park is estimated at 39.5 acres (4 acres identified as a neighborhood park in the <i>Mid-Coast Recreational Needs Assessment</i>). • Spend on average of \$30,000 annually on park maintenance. • This park is identified as a neighborhood park and open space area in the <i>Mid-Coast Recreational Needs Assessment</i>). • Mostly steep topography with eucalyptus forest, and vehicular access through a residential area of El Granada limit the extent of development of the site.

As the table indicates, these two regional parks provide 4 acres of neighborhood parks.

Half Moon Bay and the unincorporated portion of the San Mateo County urban coastsides area do not meet the standards for park acreage adopted by the *National Recreation and Park Association*. Based upon the standards adopted by the National Recreation and Park Association, Half Moon Bay should have approximately 74 to 123 acres of developed parks. This compares to the existing 24 acres of developed parks. The unincorporated portion of the San Mateo County Midcoast area should have

approximately 67 to 111 acres of developed park acres. This compares to the existing 4 acres of developed parks.

The unincorporated portion of the San Mateo Midcoast area does not compare favorably to other cities and towns in San Mateo County as noted in the chart below.



The median amount of developed park acreage in these cities amounts to 1.9 acres of parks. Half Moon Bay slightly exceeds this median; the unincorporated portion of the San Mateo County Midcoast area does not.

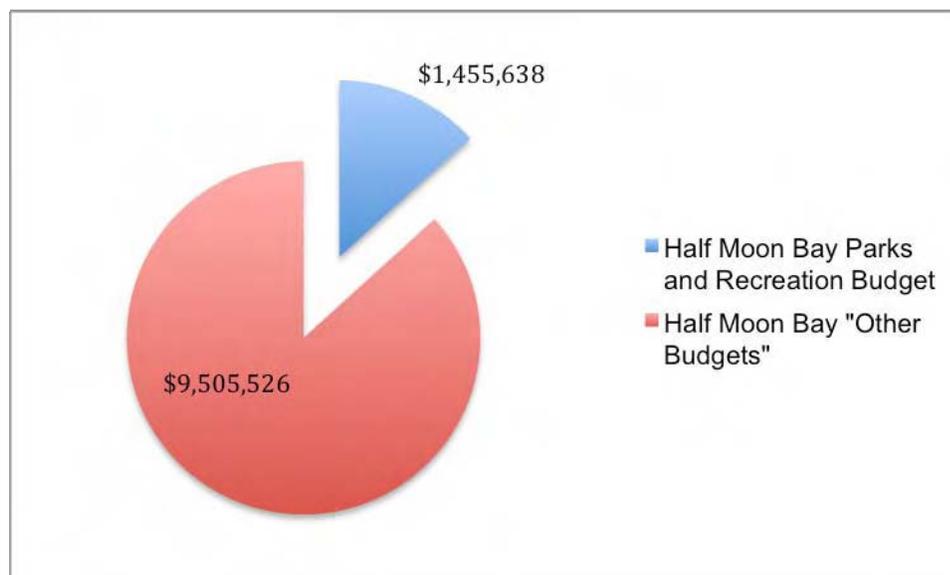
In addition, Half Moon Bay operates a community center: the Ted Adcock Community Center. The unincorporated portion of the San Mateo County Midcoast area does not have a community center.

3. FINANCING CONSTRAINTS AND OPPORTUNITIES.

The following information provides our project team's review of financing constraints and opportunities associated facing Half Moon Bay and the unincorporated portion of the San Mateo County Midcoast area. In identifying these constraints and opportunities, the project team considered the level of funding available for the delivery of park and recreation services, service-related financing constraints and opportunities including revenue sources, financing constraints, development impact and parks in-lieu fees.

(1) The FY 2007-08 Budget for Parks and Recreation in Half Moon Bay Amounts to \$1.45 Million.

The City of Half Moon Bay expends approximately 13% of the City's budget on park and recreations services. This is reflected in the pie chart below.



The FY 2007 – 08 annual budget for recreation services is presented in the table below. This presents both the expenditures and revenues for recreation services.

	Actual 2005-2006	Actual 2006-2007	Adopted 2007-2008
Expenditures			
Salary & Benefits	\$542,088	\$578,723	\$667,819
Supplies & Materials	\$121,524	\$128,140	\$141,090
Contract Services	\$192,717	\$211,905	\$223,500
Inter-fund Transfers	\$45,150	\$58,450	\$59,050
Total Expenditures	\$901,479	\$977,218	\$1,091,459
Revenues			
City Notes Advertising	\$791	\$4,000	\$4,500
Contract Classes	\$190,481	\$211,000	\$223,000
Gymnastics	\$342	\$-	\$-
Special Events	\$860	\$900	\$950
Teen/Youth Events	\$16,279	\$-	\$500
Sporting Events	\$-	\$13,000	\$16,000
Summer Camp	\$62,881	\$64,000	\$83,000
Swimming	\$29,279	\$27,100	\$30,200
Community Center Facility Fees	\$22,500	\$26,000	\$28,000
Parks Facility Rental	\$2,863	\$4,200	\$4,400
SMC-Contribution	\$20,000	\$10,000	\$10,000
Total Revenues	\$346,276	\$360,200	\$400,550

As the table indicates, the City is expending a little over \$1 million for recreation services. However, the City reports cost recovery of 40.2%. The largest components of this revenue consist of contract classes and summer camp. The City does charge an additional \$5 fee for participants in these programs that do not live within the City of Half Moon Bay.

The table below presents the annual budget for parks and building maintenance services for Half Moon Bay.

Expenditures	Actual 2005-2006	Actual 2006-2007	Adopted 2007-2008
Salary & Benefits	\$280,645	\$327,386	\$351,828
Supplies & Materials	\$180,446	\$157,680	\$146,580
Contract Services	\$67,610	\$56,640	\$170,000
Inter-fund Transfers	\$56,150	\$59,950	\$59,950
Total Expenditures	\$584,851	\$601,656	\$728,358

The project team estimates that approximately one-half of this annual budget, or approximately \$364,179 in FY 2007-08, consists of park maintenance services.

Altogether, the City of Half Moon Bay is expending a total of approximately \$1,455,638 for park and recreation services in FY 2007 – 08. Altogether, the general fund of the City provides a net contribution, or general fund subsidy, to the City's parks and recreation services of \$1,055,088 in FY 2007 – 08 for park and recreation services, considering the amount of revenue generated by these services.

Expenditures by Half Moon Bay for parks and recreation services amounts to \$113 per capita. This falls at the lower end of the range for many other park and recreation departments in San Mateo County: higher than Daly City and Pacifica for example, but lower than San Mateo, Foster City, Burlingame, San Carlos, and Redwood City.

The City has a park facilities special revenue fund. The fund was established to account for proceeds of construction and development fees, whose purpose is the acquisition, development, improvement, and expansion of parks and recreational areas. The fund also accounts for operations of the public library, funded by contributions from the City and the San Mateo County Library Joint Powers Authority.

There was not any significant park capital project expenditures budgeted in FY 2007-08 by the City.

(2) San Mateo County Is Spending Approximately \$300,000 Annually for Park and Recreation Services for the Unincorporated San Mateo County Midcoast Area.

The County Parks Department allocates two Park Rangers to staff the Fitzgerald Marine Reserve – a regional park. In addition, the department expends approximately

\$30,000 annually on the maintenance of Quarry Park. Altogether, the expenditures amount to approximately \$300,000 annually for park and recreation services for the unincorporated portion of the San Mateo Midcoast area. This amounts to \$27 per capita, far less than many other local government park and recreation departments in San Mateo County. However, the County Parks Department is responsible for providing regional passive recreation opportunities, and protecting and restoring natural resources within the County park system, and not for providing park and recreation services comparable to those of Half Moon Bay. That is not the Department's mission.

The County also requires developers to dedicate land for parks, pay a fee in-lieu of dedication, or both depending on project size and the County's discretion. The fee applied to new residential and remodeling where additional living space is added. The County is currently considering upgrading and modifying their current Quimby Ordinance to provide a greater funding level countywide.

The County has a limited number of capital projects budgeted for the Midcoast area including the Fitzgerald Seal Cove Trail stairway, and the Midcoast Master Plan. These two projects were budgeted at \$175,000.

4. COST AVOIDANCE OPPORTUNITIES.

Cost avoidance opportunities consider such issues as the opportunity for joint agency practices, duplication of services, the impact of service practices and / or facilities in relation to service cost, opportunities for savings in overhead, etc.

There has been much discussion regarding the methodology and approach for the delivery of park and recreation services in the unincorporated portion of the San Mateo County Midcoast area. This includes such actions as the following:

- In 1994, the County took steps to form a community services district on the coast. Two measures for park development were placed on the ballot. The vote to form the District was successful, but the vote on a tax assessment failed. The District was never formed.
- The Granada Sanitary District sought re-organization as a Community Services District with expanded powers *for* park and recreation services. These expanded services would have been for their service area in Half Moon Bay and El Granada. The San Mateo LAFCO did not approve the reorganization.
- In 2004, the Mid-Coast Park and Recreation Task Force recommended to the San Mateo County Board of Supervisors the creation of Midcoast Park and Recreation District for the delivery of recreation and park services in the unincorporated Midcoast communities. The Task Force recommended the combination of sites, a locally elected governing board for a Midcoast Park and Recreation District, and a local tax to pay for these services. It should be noted that the Task Force recommended “the Board request further consideration of the relationship of this effort to the various intervening developments (El Granada Sanitary, Montara Water and Sanitary, Moss Beach Park, and a county-wide park district with assessment). This matter could also be forwarded to LAFCO for consideration of how best to meet the park and recreation needs of the Midcoast.”

Each of these efforts would have resulted in a second provider of recreation services in a community with a 2007 population of 23,460 (half Moon Bay and unincorporated Midcoast area) with a travel distance of 8 miles from Half Moon Bay to Montara.

A comparable recommendation was made in the County’s *Recreational Needs Assessment* for the Midcoast. The needs assessment noted “this again points up the need to collaborate with and complement any new recreational programming with Half Moon Bay’s offer to provide that critical mass of participants to achieve a financially viable program. Achieving maximum public benefit in all programming with limited resources will be an ongoing challenge.”

Despite the time and effort by the County and its residents over these past

fourteen years, the situation remains unchanged. The only public recreation program provider for the residents of the unincorporated area of the Midcoast is the City of Half Moon Bay.

5. OPPORTUNITIES FOR RATE RESTRUCTURING.

Rate restructuring opportunities consider such issues as the local governments methodology for determining rates, the availability of revenue enhancement opportunities, the cost of services versus fees, etc.

The City of Half Moon Bay achieves a 40.2% cost recovery for the recreation services delivered by the City. Based on experience with other cities, the recovery level for city park and recreation departments ranges from 20% to 45% cost recovery including indirect costs. Considering that no pricing policies or cost recovery methodology had been in place, the City is well positioned as far as cost recovery is concerned in relation to like recovery rates. However, in light of the continuing pressures from the economy, State of California, and requests for services, the Recreation Division could develop a formal cost recovery policy for consideration of the City Council, and continue to take a close look at ways to insure that the delivery of recreational services to the community are in line with City Council goals for cost recovery. This might include evaluation of best practices in setting resident and non-resident fees.

The County and the City both charge park development impact fees (or park in lieu fees) to fund the acquisition and development of park and recreation facilities. Both the fees charged by the County and the fees charged by the City are low in comparison to their peers in the County.

6. OPPORTUNITIES FOR SHARED FACILITIES.

Half Moon Bay already leverages a significant number of non-City-owned facilities to deliver recreation services. These include such facilities as noted below:

- Alvin S. Hatch elementary school;
- Half Moon Bay High School;
- Sea Crest School; and
- Pillar Point Harbor.

The City has developed and adopted a formal written agreement with Sea Crest school regarding the use of the facilities at the school by the City. This allows the City to use of the school gymnasium with a fixed schedule of 70 hours per month for recreational classes (jazzercise, fencing, Special Olympics, adult drop-in basketball, summer camps) and for operation of sports camps on the school site during the February, April, and summer holidays.

The City has not yet adopted a formal written agreement with the Cabrillo Unified School District for the use of the district's facilities for the delivery of recreation services.

There are also a number of Cabrillo Unified School District school facilities in the unincorporated Midcoast area of San Mateo County. These school sites and their available recreation facilities are presented below.

School	
Farallone View	3.7 acres passive greenspace 2 softball fields 1 paved court (1,800 s.f.) 2 paved basketball courts 1 handball court 2 small child play areas
El Granada	.2 acres greenspace 2 softball fields 1 paved volleyball field 2 passive hard courts 2 basketball courts 1 handball court 2 small child play areas

The County does not have a joint use agreement for the use of Cabrillo Unified School District school facilities including Farallone View and El Granada schools.

Half Moon Bay has a community center. The *Mid-Coast Recreational Needs Assessment* recommended a community center for the unincorporated portion of the San Mateo County Midcoast area. This would result in two community centers to serve a population of 23,460 at present. Based on comparative data from other cities, the addition of a second community center in the Midcoast area would result in a higher level of service for the existing or projected 2025 population than other cities.

7. EVALUATION OF MANAGEMENT EFFICIENCIES.

This section provides an evaluation of management efficiencies at the park and recreation service providers – Half Moon Bay and San Mateo County. This section considers their effectiveness in providing efficient, quality public services. Efficiently managed agencies are deemed those that consistently implement plans to improve service delivery, reduce waste, eliminate duplications of effort, contain costs, maintain qualified employees, and build and maintain adequate contingency reserves.

Half Moon Bay provides efficient and effective park and recreation services. This is apparent based upon a number of factors as discussed below.

- The City has recently updated its park master plan.
- The City has developed a master plan for Community Park that involved the community in its development.
- The Recreation Division publishes its Activity Guide to its web site.
- The Recreation Division is utilizing school facilities to enhance the cost effectiveness of its service delivery.
- Residents can register for recreation classes on-line.
- The per capita expenditures by the City for park and recreation services tend to be at the lower end of the range compared to many other cities in the County.

The County of San Mateo is a regional park and recreation provider. In regard to services provided on the Midcoast, the County allocates two staff to the delivery of recreation services in the study area. Specific to the Midcoast park and recreation needs.

- The County completed a *Mid-Coast Recreational Needs Assessment* in October 2002 and updated the needs assessment in 2007.
- The Board of Supervisors have completed a Visioning Project to help shape the County's future including the delivery of park and recreation services.

Overall, however, the level of spending for recreation services for the unincorporated portion of the San Mateo Midcoast area amounts to \$27 per capita. This is far less than other local government park and recreation departments in San Mateo County. However, the County Parks Department is responsible for providing regional passive recreation opportunities, and not for providing park and recreation services comparable to those of Half Moon Bay. That is not the Department's mission.

4. STREET MAINTENANCE

This chapter of the report provides a services overview for the local governments involved in street maintenance in the San Mateo County Midcoast area.

1. THERE TWO LOCAL GOVERNMENTS PROVIDING STREET MAINTENANCE AND STREET LIGHTING SERVICES IN THE SAN MATEO COUNTY MIDCOAST REGION.

Two local governments provide street maintenance services to the communities within the San Mateo County Midcoast area: Half Moon Bay and San Mateo County.

Descriptions of these services are presented below.

- **San Mateo County.** The County's Road Services and the County's Engineering Services divisions are responsible for the maintenance and repair of the road system in the unincorporated San Mateo Midcoast area. This includes such communities as Montara, Moss Beach, Princeton, Miramar, and El Granada. The primary role for the Road Services Division includes maintenance of roadways, associated landscape areas, and storm drains. The Road Maintenance Supervisor and four maintenance workers are dedicated to the maintenance and repair of this infrastructure in the unincorporated Midcoast area. This staff is assigned to a County road station in Princeton. In addition, two other crews are allocated to the maintenance and repair of roads infrastructure in the unincorporated area as required: a concrete crew and a construction crew. These two crews are countywide crews, and their operations are not limited to the unincorporated Midcoast area. These crews are responsible for construction and installation of sidewalks, signs and road markings, patching streets, sign replacements, and painting. The primary role for the Engineering Services Division is the management of nearly all street improvement work that is contracted out, such as slurry seals, chip seals and paving projects. Overall, there are 47 centerline miles of paved roads in the unincorporated Midcoast area. San Mateo County generally does not maintain creeks or channels, or sewers or water distribution systems. Creeks and channels are the responsibility of the private property owners over which they flow. In most instances, the County only maintains the pipes that cross underneath the roads and those portions of the channels within a few feet of these pipes. Sewer and water system maintenance are the responsibility of the independent service districts.
- **Half Moon Bay.** The Public Works Department delivers the street maintenance services in Half Moon Bay. The Building and Park Maintenance Division, within the department, is responsible for maintaining the City's streets, parks, grounds

and facilities, street and park trees and street signs and traffic control painting. The Division is authorized eleven staff for maintenance of these assets including a Maintenance Supervisor, seven Maintenance Workers, two Custodians, and an Administrative Assistant to the Department Head. Street maintenance services include maintenance of City streets and rights-of-ways, including pavement, curb, gutter, sidewalks, streetlights, traffic signs and traffic control painting. The staff will also, as necessary, maintain, rehabilitate and repair the wastewater collection system when these services are not provided by SAM. The staff maintains 28 centerline miles of roads.

The County and Half Moon Bay are each required by State law to prepare a General Plan and periodically update it. The General Plan includes a Circulation Element that provides information on existing conditions and future plans for the roadways in their jurisdiction, factoring in growth and land use policy. Half Moon Bay adopted its Circulation Element in 1992. San Mateo County adopted its Circulation Element in 1986.

In addition to these General Plans, the County has developed a Countywide Transportation Plan. The existing Countywide Transportation Plan was prepared in 2001. The Countywide Transportation Plan addresses existing and future transportation problems, potential solutions and identifies both the funding and policies necessary to meet the needs of all of San Mateo County. The Countywide Transportation Plan noted that eastern Highway 92 was one of the most congested corridors in the County, and that the most significant increase in congestion from 1990 to 2010 would occur on two highways, one of which was westbound Highway 92 in which congestion was projected to increase by 218%. The other highway that was expected to experience the most significant increase was Highway 1, in which congestion was projected to increase by 197%. These increases were projected by the Countywide Transportation Plan to occur “due to the anticipated levels of new development on the Coastside and the continued

pattern of Coastsiders out-commuting to jobs in San Francisco and on the Bayside.” The Countywide Transportation Plan recommended a number of improvements for Highway 92 including new mixed flow lanes for westbound Highway 92. Highway 92 has since been widened between Highway 35 to Pilarcitos Creek, which included the addition of an uphill climbing lane, a concrete median divider and widening the shoulders for safety. Highway 92 is now being widened from the Half Moon Bay city limits to Pilarcitos Creek.

2. INFRASTRUCTURE NEEDS OR DEFICIENCIES.

In evaluating infrastructure needs and deficiencies, there are a number of factors that can be considered including such factors as the condition of the infrastructure, infrastructure capabilities to accommodate future development, location of existing facilities and / or planned facilities, etc.

The condition of road and street infrastructure is a factor of infrastructure preservation funding and levels of service. Two management tools that are used by the County and Half Moon Bay are a Pavement Management Program and a Pavement Condition Index. A Pavement Management Program serves as a master plan and identifies maintenance needs, pavement condition, and projected costs. A Pavement Condition Index (PCI) is generated by an inventory of street and road segments and an evaluation of their present condition that reflects the weighted average condition of all road segments for which an agency bears maintenance responsibility. A PCI of 75 or more is considered to be very good condition, PCI of 60-74 is good condition, PCI of 45-59 is fair condition, and PCI below 45 is poor condition.

An agency's average PCI can easily fluctuate over a given time period due to funding availability, weather, and the amount of deferred maintenance.

The Metropolitan Transportation Commission reported the PCI for the streets in Half Moon Bay as 55 (or in fair condition), and as 65 (or in good condition) for all of the unincorporated roads in San Mateo County.² The County, however, reported that the PCI for unincorporated roads in the Midcoast area was 54 (or fair condition).

The Metropolitan Transportation Commission (MTC) estimated the cost of addressing the pavement backlog in San Mateo County in 2005-06³. MTC estimated that the pavement backlog in the incorporated County amounted to \$31,447,598 or \$99,517 per centerline mile of road; this would result in a pavement backlog of \$4,677,299 for the unincorporated portion of the Midcoast area (allocating the backlog proportionately based upon the centerline miles in the unincorporated Midcoast area in comparison to all of the centerline miles in the unincorporated area of the County). MTC estimated that the pavement backlog in Half Moon Bay amounted to \$14,656,671 or \$523,452 per centerline mile of road.

The County and Half Moon Bay face a significant backlog of deferred maintenance for their street and road system. In fact, the 2007-08 budget for Half Moon Bay states "the Pavement Management Program budget is only adequate to fund about one-seventh of the needed road repairs."

² Metropolitan Transportation Commission, Pavement Condition Index (PCI) for Bay Area Jurisdictions, 2006.

³ Metropolitan Transportation Commission, Bay Area Street and Road Needs by Jurisdiction, FY 2005-06.

3. FINANCING CONSTRAINTS AND OPPORTUNITIES.

In evaluating financing constraints and opportunities, there are a number of factors to consider including appropriate financing / funding practices, the potential for shared financing and / or joint funding applications, opportunities for additional revenue streams, etc.

The Public Policy Institute noted in its 2005 publication, *California 2025; Taking on the Future*, that “although the overall level of spending on highways and roads is now comparable to that of the earlier period [1967], less of this money is now spent on construction and more is spent on operations. In 1967 and 2002, the combined capital and operating expenses for highways and roads totaled \$315 and \$332 per capita, respectively. In 1967, \$231 went to capital, versus only \$156 more recently.”⁴

(1) Revenue for Streets and Roads Maintenance

The most significant sources for revenue of street maintenance services for Half Moon Bay and the County are gas taxes, the County’s transportation sales tax (Measure A), general fund revenues, and federal and State funds. Capital project financing sources include Federal and State funds, development requirements, etc.

A breakdown of the revenue budgeted by Half Moon Bay for the Streets and Roads special revenue fund in 2007-08 and the two previous fiscal years is presented in the table below.

⁴ Public Policy Institute, *California 2025: Taking on the Future*, 2005.

Half Moon Bay Streets and Roads Fund Revenue

Revenue Source	2005-06 Actual	% of Total	2006-07 Projected	% of Total	2007-08 Budget	% of Total
Interest	\$41,711	4.3%	\$57,000	5.6%	\$58,000	3.7%
Measure A	\$214,473	22.3%	\$217,700	21.3%	\$220,900	14.3%
Gas Tax	\$245,103	25.4%	\$245,000	24.0%	\$245,000	15.8%
Transient Occupancy Tax	\$400,000	41.5%	\$400,000	39.1%	\$400,000	25.8%
AB 1546 Co. Motor Vehicle Fees	\$5,199	0.5%	\$11,000	1.1%	\$11,200	0.7%
Proposition 42 State Transportation	\$56,632	5.9%	\$90,944	8.9%	\$-	0.0%
State Transportation Grants	\$-	0.0%	\$-	0.0%	\$113,000	7.3%
Local Transportation Grants	\$-	0.0%	\$-	0.0%	\$500,000	32.3%
Miscellaneous	\$-	0.0%	\$200	0.0%	\$200	0.0%
TOTAL	\$963,118	100.0%	\$1,021,844	100.0%	\$1,548,300	100.0%

As the table indicates, the general fund has been an important source of funding for the Streets and Roads Fund. Transient and occupancy revenue in two of the three fiscal years comprised approximately 40% of all revenues for this fund. Gas tax revenue, in two of the three fiscal years, has comprised only 25% of all revenues for the fund. Measure A funds have comprised a little more than 20% of the revenues for this fund in two of the three years. In fiscal year 2007-08, local transportation grants for trails and pathways will provide almost 40% of the revenue for the fund or \$613,000. These grants are the cause of the increase in revenue for the fund in 2007-08.

Half Moon Bay, in 2007-08, was budgeted to receive \$33,403 per centerline mile in revenue for its Streets and Roads special revenue fund.

The County, on the other hand, did not allocate general fund revenue to its Road special revenue fund in 2007-08. The table below presents the revenue for 2007-08 and the two previous fiscal years for the Road special revenue fund. This represents countywide revenue, not just the unincorporated Midcoast area.

County Road Special Revenue Fund Revenue

Revenue Source	2005-06 Actual	% of Total	2006-07 Actual	% of Total	2007-08 Adopted	% of Total
Licenses and Permits	\$-	0.0%	\$-	0.0%	\$90,000	0.4%
Use of Money and Property	\$283,808	1.5%	\$328,000	1.6%	\$203,500	0.9%
Intergovernmental Revenues	\$15,426,121	83.3%	\$18,096,000	90.1%	\$19,424,140	87.8%
Charges for Services	\$698,252	3.8%	\$587,000	2.9%	\$667,042	3.0%
Interfund Revenue	\$774,383	4.2%	\$1,005,000	5.0%	\$1,577,360	7.1%
Miscellaneous Revenue	\$1,345,477	7.3%	\$75,000	0.4%	\$158,000	0.7%
TOTAL	\$18,528,041	100.0%	\$20,091,000	100.0%	\$22,120,042	100.0%

As the table indicates, the largest source of revenue for the Road special revenue fund was intergovernmental revenue, which comprised 87.8% of the total revenue. The County, in 2007-08, was budgeted to receive \$70,000 in revenue per centerline mile; this would result in approximately \$3,290,000 in annual revenue for the unincorporated portion of the Midcoast area (allocating the revenue proportionately based upon the centerline miles in the unincorporated Midcoast area in comparison to all of the centerline miles in the unincorporated area of the County).

The County and Half Moon Bay receive revenues for streets and roads from a variety of different sources as portrayed below.

- **State Gas Tax.** The State retains about 65% of the revenue from the state gas tax, with the remainder distributed to counties and cities for local streets and roads. The California State Constitution (Article XIX) restricts the use of state gasoline tax revenues for certain purposes. These monies may only be used to plan, construct, maintain, and operate public streets and highways; and to plan, construct, and maintain mass transit tracks and related fixed facilities (such as stations). The gasoline tax revenues cannot be used to operate or maintain mass transit systems or to purchase or maintain rolling stock (trains, buses, or ferries). There are four formulas used to distribute state gas tax funds to California cities.
 - §2105 of the California Streets and Highways Code allocates 11.5% of revenues in excess of 9 cents per gallon based on population.
 - §2106 allocates revenues equal to 1.04 cents per gallon to cities primarily based on population.

- §2107 allocates revenues equal to 1.315 cents per gallon primarily based on population, with additional funds allocated to cities with snow removal costs.
- §2107.5 allocates additional funds based on population to be used exclusively for engineering costs and administrative expenses related to city streets.

Counties receive most of their gas tax funding under §2104 of the California Streets and Highways Code.

- **Measure A.** In 1988, County voters approved Measure A. A total of 20% of the funds generated by Measure A are allocated to local cities and San Mateo County for improvements to local transportation. The funds are distributed on a formula, based on population and the number of road-miles, to the cities and the County. Half Moon Bay has received a total of \$2,341,232 as of 2004-05 in Measure A funds, while the County had received \$20,835,315. These funds can be used to maintain local streets and roads by paving streets, repairing potholes and sidewalks, promoting and/or operating alternative modes of transportation such as shuttles, carpools, bicycle and pedestrian programs, and developing and implementing traffic operation and safety projects.
- **General Fund.** General fund revenues, including vehicle license fees, are an important source of revenue for Half Moon Bay's Street and Roads Fund. However, these revenues amount to a little less than 4% of total general fund revenues. The proportion of general fund revenue allocated by Half Moon Bay to the Street and Roads Fund is comparable to other cities in the Bay Area. The County, on the other hand, does not allocate any general fund revenue to its Roads Fund.
- **STIP.** The State Transportation Improvement Program (STIP) is the primary state program for construction of new transportation projects. The STIP has traditionally been a funding program primarily directed to projects on the state highway system - interstate highways, U.S. highways, and state routes. Funding comes primarily from the State Highway Account and federal funds. Funding is programmed every two years for a four-year planning horizon. CalTrans is allocated 25% of the funds for interregional transportation improvements, and the remaining 75% is allocated by regional transportation planning agencies (the Metropolitan Transportation Commission in the Bay Area). Local agencies nominate street projects for funding consideration. Each region submits its list of recommended projects to the California Transportation Commission (CTC) by mid-December in odd years. After holding public hearings, the CTC adopts the STIP plan by April 1 in even years. The CTC does not nominate projects, but acts as an arbiter of proposals made by Caltrans and regional transportation

agencies. This has been an important source of funding for Highway 92 widening, a project managed by Half Moon Bay. The County has also received STIP revenue for the Pescadero Creek Road Resurfacing, Guadalupe Canyon Parkway Rehabilitation, and for various streets rehabilitation.

- **Proposition 42.** Proposition 42, or the Transportation Congestion Improvement Act, requires that existing revenues resulting from state sales and use taxes on the sale of motor vehicle fuel be used for transportation purposes as provided by law until June 30, 2008. After July 1, 2008, existing revenues resulting from state sales and use taxes are required to be used for public transit and mass transportation, city and county street and road repairs and improvements, and state highway improvements. Starting in 2008-09, about \$1.4 billion in gasoline sales tax revenues, increasing annually thereafter, would continue to be used for state and local transportation purposes. Half Moon Bay and the County receive Proposition 42 revenues.
- **Miscellaneous Revenues.** A number of cities levy a construction and refuse collection vehicle roadway maintenance impact fee to compensate for the impact of these vehicles on street maintenance costs. This includes Atherton, Menlo Park, San Mateo County, Hillsborough, San Carlos, Belmont, Los Altos Hills, etc. In 2006-07, Los Altos Hills collected \$326,316 in roadway impact fees. Half Moon Bay does not charge a roadway maintenance impact fee.

(2) Expenditures for Streets and Roads Maintenance.

Half Moon Bay adopted a 2007-08 budget for its Street and Roads Fund in the amount of \$2,181,460, with a projected year-end fund balance of \$551,618; \$600,000 was allocated to the Highway 1 Trail – Phase 2, and \$100,000 for the Miramontes Avenue Pathway. Overall, this amounts to an equivalent expenditure of \$52,909 per centerline mile of street excluding the trail and pathway expenditures.

The County's expenditures in 2006-07 for Road Construction and Operations amounted to \$17,121,000 or the equivalent of \$54,180 per centerline mile of road in the unincorporated area of the County. (The source of the total expenditures was page 82 of the County's *Comprehensive Annual Financial Report*). This would be equivalent to annual expenditures of \$2,546,460 for the roads in the unincorporated area of the

Midcoast (allocating the expenditures proportionately based upon the centerline miles in the unincorporated Midcoast area in comparison to all of the centerline miles in the unincorporated area of the County).

4. COST AVOIDANCE OPPORTUNITIES.

Cost avoidance opportunities consider such issues as the opportunity for joint agency practices, duplication of services, the impact of service practices and / or facilities in relation to service cost, opportunities for savings in overhead, etc.

There are no real opportunities to reduce the level of capital spending for street and road infrastructure preservation spending for Half Moon Bay or the unincorporated area of the Midcoast.

The Metropolitan Transportation Commission (MTC) estimated the cost of addressing the pavement backlog in San Mateo County in 2005-06⁵. MTC estimated that the pavement backlog in the incorporated County amounted to \$31,447,598 or \$99,517 per centerline mile of road; this would result in a pavement backlog of \$4,677,299 for the unincorporated portion of the Midcoast area (allocating the backlog proportionately based upon the centerline miles in the unincorporated Midcoast area in comparison to all of the centerline miles in the unincorporated area of the County).

MTC estimated that the pavement backlog in Half Moon Bay amounted to \$14,656,671 or \$523,452 per centerline mile of road.

Half Moon Bay and the County need greater capital outlay resources for street and road infrastructure preservation than currently available.

⁵ Metropolitan Transportation Commission, Bay Area Street and Road Needs by Jurisdiction, FY 2005-06.

However, Half Moon Bay and the County do not jointly issue invitations to bid for street and road preventive maintenance and repair contracts. If Half Moon Bay participated with the County in the County's invitation to bid, it is likely that Half Moon Bay would be able to obtain lower unit prices given the volume of capital projects for the County.

The County dedicates five staff full-time to the maintenance and repair of roads in the unincorporated Midcoast area. This includes a crew supervisor and four equipment operators. These five staff are responsible for 47 centerline miles of roads. There are, in addition, two countywide crews: a construction crew and a concrete crew. These crews are authorized eighteen staff. Since the Midcoast area comprises 15% of the County's total centerline miles, 2.7 full-time equivalent staff from these two countywide crews could be allocated to the maintenance and repair of roads in the Midcoast area (allocating the staff proportionately based upon the centerline miles in the unincorporated Midcoast area in comparison to all of the centerline miles in the unincorporated area of the County). This would result in a total of 7.7 full-time equivalent road maintenance staff allocated to the maintenance and repair of roads by the County in the unincorporated area of the Midcoast. This is equivalent of 16.4 road maintenance staff per 100 centerline miles of roads. In the experience of the project team, this closely approximates the median level of road maintenance staffing of urban areas for the maintenance and repair of roads.

Half Moon Bay dedicates approximately four staff to street and road maintenance. The four staff are responsible for the maintenance and repair of 28 centerline miles of roads. This is equivalent of 14.3 road maintenance staff per 100

centerline miles of roads, In the experience of the project team, this closely approximates the median level of staffing of urban areas for the maintenance and repair of streets.

5. OPPORTUNITIES FOR RATE RESTRUCTURING.

Rate restructuring opportunities consider such issues as the local governments methodology for determining rates, the availability of revenue enhancement opportunities, the cost of services versus fees, etc.

As a non-enterprise activity, opportunities for rate restructuring for street and road maintenance are fairly limited. Establishing assessment districts and general fund tax rates are subject to voter approval requirements.

Half Moon Bay and the County do have opportunities to restructure user fees and development impact fees. However, there are limits to these increases that may be enacted. In order to raise user fees, Half Moon Bay and the County must document that the fee recoups only the cost of providing the fee-related service. For development impact fees, Half Moon Bay and the County must justify the fees as an offset to the future impact that development will have on infrastructure. There are opportunities for Half Moon Bay and the County to increase these fees, and many local governments do increase user fees on an annual basis.

As noted earlier, while San Mateo County does charge a roadway maintenance impact fee, Half Moon Bay does not.

6. OPPORTUNITIES FOR SHARED FACILITIES.

Opportunities for shared facilities considers such factors as current shared activities with other service providers including shared facilities and staff, opportunities for shared facilities, opportunities for conjunctive or joint use projects, etc.

At present, the County staff assigned to the maintenance and repair of the roads in the unincorporated area of the Midcoast are assigned to a corporation yard located in Princeton-By-The-Sea on Cornell Avenue. The street maintenance staff for Half Moon Bay are assigned to a corporation yard located Stone Pine Road. The distance between these two corporation yards is five miles or about eleven minutes travel time.

An alternative for shared facilities would be consideration of the consolidation of these two facilities so that the street and road maintenance staff worked jointly from one corporation yard. In addition, the County and Half Moon Bay have a number of capital projects in 2007-08 for the preservation of their street and road system. These are presented in the table below. The expenditures for the County reflect those for the Midcoast, Coastside, and countywide.

Agency	Area	Type of Project	Amount
County	Coastside	Resurfacing Projects	\$1,000,000
	Midcoast	Reconstruction	\$500,000
	Midcoast	Reconstruction in Princeton	\$220,000
	Countywide	Slurry / chip seal	\$1,460,000
		Total	\$3,180,000
Half Moon Bay	Half Moon Bay	Pavement Maintenance & Reconstruction	\$610,000
		Total	\$610,000

As the table indicates, the County is budgeted to spend a significantly greater amount of moneys for preservation of its streets and roads than Half Moon Bay. Joint

procurement and issuance of invitations to bid would potentially offer Half Moon Bay better unit prices for these capital projects than would possible by its own effort.

7. EVALUATION OF MANAGEMENT EFFICIENCIES.

This section provides an evaluation of management efficiencies in the context of road and street maintenance service providers – Half Moon Bay and the unincorporated Midcoast area. This section considers their effectiveness in providing efficient, quality public services. Efficiently managed agencies are deemed those that consistently implement plans to improve service delivery, reduce waste, eliminate duplications of effort, contain costs, maintain qualified employees, and build and maintain adequate contingency reserves.

Half Moon Bay implements best practices in street maintenance services. This is apparent based upon a number of factors as discussed in the paragraphs below.

- The Public Works Department utilizes the Pavement Management System developed by the Metropolitan Transportation Commission.
- The Public Works Department uses effective infrastructure preservation practices. It applies slurry seal to streets based upon the PCI data contained within the Pavement Management System.

However, the level of spending for preservation of roads in Half Moon Bay is insufficient as noted above.

The County also implements best practices in road maintenance services. This is apparent based upon a number of factors as discussed in the paragraphs below.

- The Public Works Department utilizes the Pavement Management System developed by the Metropolitan Transportation Commission.
- The Public Works Department uses effective infrastructure preservation practices. It applies slurry seal and chip seal to roads in the unincorporated area based upon the PCI data contained within the Pavement Management System.

Overall, however, the level of spending for preservation of roads in the unincorporated portion of the San Mateo Coastside is insufficient as noted in discussion above.

5. LAW ENFORCEMENT

This chapter of the report provides a Municipal Service Review for the two local governments involved in law enforcement service delivery within the San Mateo County Midcoast area.

1. THERE ARE TWO LAW ENFORCEMENT AGENCIES PROVIDING SERVICES TO THE SAN MATEO COUNTY MIDCOAST AREA.

Two local governments provide law enforcement services to the communities within the San Mateo County Midcoast area. These two local governments are presented below.

- **Half Moon Bay Police Department** provides law enforcement services to within Half Moon Bay. The Police Department is managed by a Police Chief with two direct reports: a Police Captain responsible for Patrol Services and support services such as the School Resource Officer, investigations, canine and Motors, and a Records Supervisor overseeing administrative functions such as Records and Property and Evidence. Dispatch services are provided by a contract with the San Mateo County Communications Department - a regional dispatch center for law enforcement, fire and EMS dispatch.
- **The San Mateo County Sheriff's Office** provides law enforcement services to the residents in the unincorporated area of the San Mateo County Midcoast area, and, as necessary, provides specialized support services to Half Moon Bay based on a mutual aid agreement. The Sheriff's Office operates a substation located in Moss Beach. This substation serves the San Mateo County Sheriff's Office Midcoast Patrol Unit. This Unit is responsible for the law enforcement activities for over 60% of San Mateo County and, in part, serves El Granada, Princeton, Montara, Moss Beach, and Miramar. This geographical area is known as Sheriff's Office Beat 70. Similar to Half Moon Bay, dispatch services are provided by the San Mateo County Communications Department.

2. INFRASTRUCTURE NEEDS OR DEFICIENCIES.

Infrastructure information as it relates to the affected law enforcement agencies is restricted to the police facilities serving the respective areas. The Half Moon Bay Police Department has a station located at 537 Kelly Avenue that has been the location

of the Department since 1987. Although there is no planning / engineering information readily available to determine the present suitability of the Police Department station, anecdotally the structure has been referenced regularly throughout the years in various articles, such as the Half Moon Bay Review. By example, it has been described as “the long-delayed police station” referenced in opposition to a 2003 Measure D ordinance. Additionally, in 1999, discussions occurred regarding the construction of a new police building (and other facilities) using redevelopment monies. Consequently, the current facility may not be adequate and there appears opportunity to re-visit the suitability of the facility if capital improvement or other monies become available.

The Sheriff’s Office Moss Beach substation is located at 500 California Street in Moss Beach. It is described thusly: “Sheriff Horsley found it to be in the best interest of the community to establish a practical and efficient substation located in Moss Beach. The Moss Beach substation offers the largest law enforcement facility on the coast. Its location is ideal since it is easily viewed from State Highway 1.”⁶ Based on this information, there appear to be no infrastructure deficiencies related to the Sheriff’s Office substation.

3. FINANCING CONSTRAINTS AND OPPORTUNITIES.

The following information provides our project team’s review of financing constraints and opportunities associated with the law enforcement agencies in the Midcoast area.

⁶ http://www.co.sanmateo.ca.us/smc/department/home/0,,14095463_14132044_59222338,00.html

(1) Half Moon Bay Police Department's FY 2007 / 08 Budget Is Approximately \$4.66 Million.

Half Moon Bay expends over 40% of its city's budget on police services. The Half Moon Bay Police Department budget is presented in the table below.

Half Moon Bay Police Department FY 07/08 Budget Detail

Expenditures	Actual 2005-2006	Actual 2006-2007	Adopted 2007-2008
Salary & Benefits	\$3,224,889.00	\$3,339,080.00	\$3,935,309.00
Supplies & Materials	\$100,640.00	\$81,450.00	\$108,760.00
Contract Services	\$289,588.00	\$301,700.00	\$318,500.00
Animal Control	\$89,856.00	\$83,705.00	\$82,120.00
Inter-fund Transfers	\$189,650.00	\$213,700.00	\$213,700.00
Total Expenditures	\$3,894,623.00	\$4,019,635.00	\$4,658,389.00
Revenues			
Fines & Forfeitures	\$42,859.00	\$36,650.00	\$35,400.00
False Alarm Fees	\$10,425.00	\$8,075.00	\$8,100.00
DUI Recovery	\$2,955.00	\$500.00	\$500.00
Investigation & Report Fees	\$4,534.00	\$4,315.00	\$4,400.00
PD-Special Revenue	\$15,240.00	\$14,000.00	\$15,000.00
Fingerprint Fee			
1/2 Cent Sales Tax	\$17,968.00	\$18,000.00	\$18,000.00
General Subsidy	\$3,800,642.00	\$3,938,095.00	\$4,576,989.00
Total Revenues	\$3,894,623.00	\$4,019,635.00	\$4,658,389.00

The police department relies, for the most part, on the general fund for its sources of revenues, and constraints are driven by the ability of the City to collect sufficient property, sales, and other taxes to fund this essential service. As reflected by the table, only a small portion of revenues, specifically 1.7%, are provided by sources other than the General Fund. As a result, the police budget, and the attendant operations, is inextricably linked to the health of the City's General Fund budget.

The cost per capita for delivery of law enforcement services for the City approximates \$378.

(2) San Mateo County Sheriff’s Office Allocated Costs to the Unincorporated Portion of the Midcoast Area of Approximately \$3.68 Million in FY 2007 / 08.

As noted previously, Sheriff’s Office serves constituents in the San Mateo Midcoast area from the Moss Beach Sub-station in an area known as Beat 70. The following costs were provided relative to the Beat 70 allocation for FY 2007 / 08.

Sheriff’s Office Beat 70 FY 07/08 Budget Detail

Sheriff's Patrol	Adopted 2007/2008
Team 1	\$511,718
Team 2	\$511,718
Team 3	\$740,009
Team 4	\$738,550
Sheriff's Investigation	\$360,432
Sheriff's Community Services	\$162,529
Mid-Coast Supervision/Administration	\$422,911
HMB Substation	\$92,404
Outside Agency Charges	\$139,898
Total Cost	\$3,680,169

The cost per capita for delivery of law enforcement services for Beat 70 approximates \$330.

The data reflect that the cost of SMSO services provided to constituents of Beat 70 are approximately 13% less per capita than the cost to residents of Half Moon Bay for police services.

4. COST AVOIDANCE OPPORTUNITIES.

Cost avoidance opportunities can be framed by comparing the delivery of service of the respective agencies within this chapter. It should be noted that only broad indicators are available. Nevertheless, given the information provided in the financing constraints and opportunities section, linking financial information to service delivery metrics can reveal potential cost avoidance opportunities.

(1) Based on Estimated Population Figures for 2007, the County spends approximately 13% less per capita for Sheriff's Office Beat 70 Than Half Moon Bay for Law Enforcement Services.

Based exclusively on population, a 13% cost differential for law enforcement services is not dramatic, and cannot solely demonstrate potential cost avoidance issues. Given figures are based on population estimates, conclusions should not be drawn from this information alone.

(2) Based on 2006 Calls for Service Data, Half Moon Bay Residents Pay Approximately 7% Less Per Call Than Beat 70 Constituents.

The project team collected calendar 2006 calls for service data for the two agencies. Based on these data, the Beat 70 and Half Moon Bay residents generated 0.45 and 0.55 calls for service per year, respectively. This range is typical of most law enforcement agencies in the United States.

Based on calls for service data, the cost per call for service for the two law enforcement agencies is different than population data; the Half Moon Bay Police Department is approximately 7% less than the Sheriff's Office in cost per call for service. Similarly, this cost differential for law enforcement services is not dramatic, and cannot solely demonstrate potential cost avoidance issues, particularly in light of lower costs for each agency dependent upon the driving variable used (e.g. population versus calls for service).

(3) Based on Various Service Delivery Measures, Service Levels Are Comparable and Do Not Indicate Cost Avoidance Opportunities.

In law enforcement agencies, service levels can be measured in a variety of ways. Two measures are the response time for a call for service as well as the time spent by law enforcement staff with the reporting party and investigating the call.

Generally speaking, the shorter the response time and the longer the reporting party has with the officer / deputy, the better the perceived level of service. The table below shows information collected by the project team as it relates to these variables.

Calendar 2006 Service Level Data Based on Times Spent

Agency	Average Call Take to Dispatch	Average Dispatch to Arrival	Response Time from Reporting Party's Perspective	Average Arrival to Clear	Average Dispatch to Clear
Beat 70	01:58	10:58	12:56	26:23	35:11
HMBPD	01:46	07:58	9:44	22:18	28:05

Important points to note regarding the data contained in the table are presented below.

- The time a call takes to dispatch from the San Mateo County Communications Department is comparable for both the Half Moon Bay Police Department and the Beat 70 Sheriff's staff. This indicates no relevant service level differentiation and no cost avoidance opportunities as it relates to dispatch services.
- Response time is approximately three minutes quicker, on average, for Half Moon Bay service recipients compared to Beat 70 recipients. The lower the response time, often times the better the community perception and the "higher the service level." There are numerous variables, however, that drive response time (geography, topography, officer availability, etc.). In sum, these average response times for all calls for service are more than adequate for both agencies.
- Average time spent with the reporting party is approximately 4 minutes longer for Beat 70 than Half Moon Bay. As noted previously, within reason, the longer the time an officer / deputy can spend on a call, the perception of service delivered is often "better." It should be noted, however, that the "Average Dispatch to Clear" figure should be in the range of thirty minutes per call average; both agencies fall well within this parameter.

In sum, based only on these service level metrics, there appears no relevant difference between the Half Moon Police Department and the San Mateo County Sheriff's Office as it relates to service levels for patrol services.

The costs are comparable. In this instance, based on calls for service data, the time spent on calls, and the annual budgets, the cost per minute of service is approximately 9% less for the Sheriff's Office Beat 70 service recipients than Half Moon Bay Police Department recipients. The project team does not view this cost difference as significant.

Another broad measure of service delivery can be calculated by comparing service costs to the number of Part I crimes occurring in the community. Part I crimes are felonious crimes that all communities wish to prevent and/or solve. These include seven major crimes including homicide, rape, robbery, aggravated assault, burglary, larceny and arson.

Again, the data are comparable. In this example, the cost per Part I crime is approximately 13% less for the Half Moon Bay Police Department than for Beat 70's San Mateo County Sheriff's Office.

In sum, based on numerous variables, costs for service associated with the Half Moon Bay Police Department and the San Mateo County Sheriff's Office are comparable. Nevertheless, there may be opportunities for further refinement.

(4) Despite Comparable Costs Based on Various Service Provision Variables, the Half Moon Bay May Benefit from Contracted Law Enforcement Services with the County.

Previous data suggests that the cost for services provided by the Half Moon Bay Police Department and the San Mateo County Sheriff's Office to Beat 70 is generally equivalent.

Nevertheless, given the benefits related to economies of scale, the both agencies, in particular the City might benefit from exploring the potential costs and

benefits of contracting for law enforcement services with the San Mateo County Sheriff's Office. The City already cost-effectively contracts for services with the County for provision of dispatch services. Contract services provided by Sheriff's Offices to municipalities are found throughout the United States, with major jurisdictions receiving such services. Twenty counties in the state of California provide contracted law enforcement services to municipalities including Sheriff services provided directly to such large jurisdictions as Rancho Cucamonga, Temecula, Victorville, Moreno Valley, Santa Clarita, Mission Viejo, Danville, Dublin and others. Currently the San Mateo County Sheriff's Office contracts with both Portola Valley and Woodside. By example, the cost for service based on population figures to Portola Valley is approximately \$103 per resident.

While It is unclear if the San Mateo County Sheriff's Office could significantly reduce costs for law enforcement services provided to Half Moon Bay, savings in administration could be achieved through elimination of a chief and other positions duplicated as a result of having two law enforcement agencies working side by side. The City and the County are encouraged to examine the potential savings and other benefits of contracting with the San Mateo County Sheriff's Office for law enforcement service delivery, with specific service provision measures to ensure the same levels of service.

5. OPPORTUNITIES FOR RATE RESTRUCTURING.

As noted previously, revenues linked to fines, fees and forfeitures represent an infinitesimal component of the Half Moon Bay Police Department's budget - less than 2% - and as a result revising these fees within community-acceptable parameters would

have limited impact on the City's revenue stream. Conversely, given the "other revenue sources" associated with the San Mateo County Sheriff's budget, exploration of rate restructuring opportunities (e.g. parking violation amounts, jail services charges, etc.) could prove beneficial. The County should have in place a practice whereby such law enforcement-related rates are consistently re-evaluated by the Controller's Office, preferably on a fixed schedule, to ensure alternate revenue streams are available to the County beyond General Fund monies.

6. OPPORTUNITIES FOR SHARED FACILITIES.

As noted previously, there are two facilities allocated for the delivery of law enforcement services: one for the Half Moon Bay Police Department and the other for the San Mateo County Sheriff's Office. These two facilities are approximately 6.5 miles apart and the City's station may represent an alternate deployment location for the San Mateo County Sheriff's Office if space could be provided. This option is likely impractical unless the Sheriff's Office fully contracted service to Half Moon Bay, thereby transforming the current police department facility into a regional sub-station.

In addition, the San Mateo County Sheriff's Office could contract with the Half Moon bay for maintenance and repair of their law enforcement vehicles. The County already contracts with Half Moon Bay for the maintenance of the County library located in Half Moon Bay.

7. EVALUATION OF MANAGEMENT EFFICIENCIES.

A number of local governments in California contract with the County Sheriff's Office for delivery of law enforcement services. In San Mateo County, for example, that includes Portola Valley and Woodside. As noted above, the City of Half Moon Bay

might benefit from contracting for sheriff services. Other management efficiencies are limited given the relatively low number of support and management staff for the Half Moon Bay Police Department and for Beat 70 of the Sheriff's Office.

6. WATER, WASTEWATER, AND SOLID WASTE

This chapter of the report provides a services overview for the local governments in the Midcoast area of San Mateo County involved in water, wastewater, and solid waste systems service delivery.

1. FIVE LOCAL GOVERNMENTS PROVIDE WATER, WASTEWATER AND SOLID WASTE SERVICES TO THE SAN MATEO COUNTY MIDCOAST AREA.

The following local governments provide water, wastewater and solid waste services to the communities within the San Mateo Midcoast area.

- **Sewer Authority Mid-Coastside (SAM)** is a public agency, operating under a joint powers agreement that provides wastewater treatment services to Half Moon Bay, the Granada Sanitary District and the Montara Water and Sanitary District.
- **Montara Water and Sanitary District (MWSD)** provides residents of Montara, Moss Beach, and adjacent areas located north of Half Moon Bay and south of Pacifica with water, wastewater and solid waste services. MWSD is a member of SAM.
- **Granada Sanitary District (GSD)** provides wastewater services to customers in El Granada, Princeton, Princeton-By-Sea, Miramar, and the northern portion of the City of Half Moon Bay. GSD provides solid waste service to El Granada, Princeton, Princeton-By-Sea, and Miramar. The Granada Sanitary District is a member of SAM. It should be noted that the GSD provides sewer services to a portion of Half Moon Bay.
- **Coastside County Water District (CCWD)** provides potable water service to customers located in Half Moon Bay and the unincorporated coastal communities of El Granada, Miramar and Princeton.
- **Half Moon Bay.** Half Moon Bay (HMB) is a member of SAM, and owns the wastewater collection system within the City, and manages the delivery of solid waste collection services through a franchise agreement. The wastewater services are funded via a sewer enterprise fund.

These local governments provide or receive services further defined as follows:

- **Service Provider (P)** – The agency is a direct provider of the relevant service and typically has staff dedicated to the appropriate core business function(s).
- **Service Deliverer (D)** – The agency provides the relevant service via a contract with a privatized entity or acts as a “pass-through” agency for another government organization, thereby providing administrative oversight for the service in question.
- **Service Recipient (R)** – The organization receives services from one of the four special district agencies.

Based on the information provided, the following matrix shows the service delivery inter-relationships for the four special district agencies noted, as well as their recipient communities. The coding within the matrix is consistent with the definitions provided above and further notated in the footnote.

**Inter-relationships among Special Districts and Communities
in the San Mateo County Midcoast Area⁷**

Agency/Community	Wastewater Treatment	Wastewater Collection	Water Treatment	Water Distribution	Solid Waste Service
Sewer Authority Mid-Coastside (SAM)	P				
Coastside County Water District			P	P	
Montara Water & Sanitary District	R1/D1	R1/D1	P	P	D
Granada Sanitary District	R1/D1	R1/D1			D
Half Moon Bay	R1	R1	R2	R2	R4 ⁸
El Granada	R4	R4	R2	R2	R4
Miramar	R4	R4	R2	R2	R4
Princeton	R4	R4	R2	R2	R4
Montara	R3	R3	R3	R3	R3
Moss Beach	R3	R3	R3	R3	R3
Unincorporated Co. N. of HMB	R3	R3	R3	R3	R3

These functional relationships help drive important service delivery throughout the San Mateo County Midcoast area

⁷ Coding: Service (P)rovider; Service (D)eliverer; Service (R)ecipient. The # reflects the relationship to one of the noted special districts. By example, R3 reflects services received by the Montara Water and Sanitary District. The “D” code without a number reflects a privatized or other entity involved with service delivery (e.g. SFPUC).

⁸ Allied Waste (formerly BFI Inc.) is the franchised waste hauler for the City of Half Moon Bay and provides service for the residential and commercial sectors.

2. INFRASTRUCTURE NEEDS OR DEFICIENCIES.

Infrastructure information is typically found in Master Plans, Capital Improvement Programs, and other associated documents and should be readily available at the appropriate special district agencies. The following table summarizes relevant infrastructure documentation and plans associated with the listed special district.

Plan Documentation by Agency

Agency	Wastewater	Water	Solid Waste
Sewer Authority Mid-Coastside (SAM)	Sewer Master Plan (1999) 5-year Capital Asset Mgmt. Improvement Schedule 2005 Water Reuse Feasibility Study	Not Applicable	Not Applicable
Coastside County Water District	Not Applicable	2005-2010 Urban Water Management Plan 2006 Water Supply Evaluation Report	Not Applicable
Montara Water & Sanitary District	See SAM Standard Sewer Specifications	2004 Water System Master Plan 2005 Water Rate Study	Privatized and Contracted to Seacoast Disposal
Granada Sanitary District	See SAM Standard Sewer Specifications Comprehensive Pipe Database With Condition Assessment CCTV Inspection and Assessment Log	Not Applicable	Privatized and Contracted to Seacoast Disposal
Half Moon Bay	No Sewer Master Plan	Not Applicable	Privatized and Contracted to Allied Waste

The following points are noted regarding the respective agencies and the Matrix Consulting Groups review of infrastructure needs or deficiencies.

(1) Infrastructure Overview of the Sewer Authority Mid-Coastside (SAM).

The following summarizes major infrastructure assets for SAM.

- Average plant capacity is 4.0 MGD with a current average dry weather discharge of 1.7 MGD and peak hourly wet weather flow at 15 MGD.

- The SAM plant provides secondary treatment with chlorine disinfection of effluent. Primary plant asset facilities include the following.

SAM Major Plant Assets – Treatment Processes

Major Asset	# of Assets
Headworks	1
Influent Pumps	8
Grit Removal Tanks	2
Primary Sedimentation Basins	3
Aeration Basins	4
Secondary Clarifiers	2
Chlorine Contact Basin	2
Effluent Pumps	3
Anaerobic Digesters	2

(1.1) The Sewer Authority Mid-Coastside (SAM) Has a Five-Year Capital Improvement Program and a Sewer Master Plan.

The SAM has incorporated into their annual Comprehensive Budget document continuously updated five-year Capital Asset Management Improvement Schedules. The following table reflects the most recent five-year budget based on fiscal year 2007-08 information.

SAM Five-Year Capital Asset Management Improvements – Estimated Costs

	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	5-year Total
Current Capital Budget Total	\$142,000	\$597,124	\$1,565,845	\$1,946,472	\$207,934	\$4,459,375
Continuing Capital Budget Total	\$423,231	\$413,103	\$331,717	\$286,141	\$286,141	\$1,740,333
Total Capital Requirement	\$565,231	\$1,010,227	\$1,897,562	\$2,232,613	\$494,075	\$6,199,708

The totals reflected above include capital purchases or improvements related to administrative services and treatment (current and continuing items); collections (current and continuing items); and IPS/Pump Stations (current and continuing items). SAM further identifies infrastructure projects with project worksheets in the annual budget.

SAM has a Sewer Master Plan upon which the Capital Asset Management Improvement Schedules are based; this sewer master plan for its infrastructure was developed in 1999.

Since 2005, SAM and its member agencies have jointly been developing a Sanitary Sewer Management Plan (SSMP). This plan will be developed and adopted by August 2008. SAM's SSMP includes all elements of a sewer master plan and is more comprehensive than a sewer master plan.

(1.2) The Sewer Authority Mid-Coastside (SAM) Is Addressing Treatment Plant and Pumping Infrastructure Needs.

Based on the review of available capital improvement project information, it appears SAM is generally rehabilitating or replacing Plant and Pump related capital assets in a reasonable manner. By example, one major project, the Wet Weather Capital Improvement – Phase II, is a successor project to a wet weather management initiative that began in 1996 and a major plant upgrade in 1999 expanding the plant to a capacity of four million gallons per day (MGD). The total estimated cost for this project represents nearly 73% of the entire five-year plan.

(2) Infrastructure Overview of the Coastside County Water District (CCWD).

The following summarizes major infrastructure assets for the Coastside County Water District (CCWD).

- The water distribution system has 10 water storage tanks at a capacity of 8.1 million gallons.
- There are 3 pressure zones and five pump stations.
- There are two Water Treatment Plants: Nunes-4.5 MGD and Denniston-1.0 MGD.

- There are 100 miles of transmission and distribution pipeline in the CCWD system. The transmission pipeline consists of 17 miles, while the distribution pipeline consists of 83 miles.

(2.1) CCWD Has a Ten-Year Capital Improvement Plan

The CCWD has incorporated into their fiscal year budget documents a continuously updated ten-year Planned Capital Projects section. The following table reflects the most recent ten-year budget based on fiscal year 2007 - 08 information.

CCWD Ten-Year Planned Capital Projects – Estimated Costs

FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
\$4,227,000	\$1,876,000	\$1,951,000	\$6,085,000	\$1,879,000
FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17
\$960,000	\$1,151,000	\$155,000	\$159,000	\$163,000

The totals reflected above include sub-categories related to Pipeline Projects; Water Treatment Plants; Facilities & Maintenance; Equipment Purchase & Replacement; Pumps, Tanks & Wells; and Other (typically specialized) projects.

(2.2) CCWD Is Addressing Infrastructure Needs.

Based on the review of available capital improvement project information that includes budgetary data, the Urban Water Master Plan, the 2006 Water Supply Evaluation Report and other data, it appears CCWD is generally rehabilitating or replacing capital assets in a reasonable manner and there are no relevant deficiencies.

For example:

- The District has an ongoing pipeline replacement program that continually removes sections of old inefficient pipeline and replaces it with new ductile iron pipeline that reduces leaks and reassures more water for firefighting purposes. In 2004 for example, approximately 7,465 feet of pipeline was replaced to reduce leaks.
- According to the 2006 Water Supply Evaluation Report, in 2006, the CCWD completed the Avenue Balboa Project, the Nunes Treatment Plant Influent Flow Meter Project, the Nunes Influent Valve Project, The Denniston Backwash Return

Project and the Carter Hill West Project. In progress (as of 2007) are the Nunes Backwash Flow Meter Project, the Nunes Filter Media Replacement Project, SCADA/Telemetry Upgrades, Office Equipment Upgrades, and the Nunes Filter Backwash Valves. Phase III of the El Granada pipeline replacement project is in progress and scheduled to be complete in spring of 2008.

(3) Infrastructure Overview of the Montara Water and Sanitary District (MWSD).

The following summarizes major infrastructure assets for the Montara Water and Sanitary District (MWSD).

- MWSD is responsible for approximately 25 miles of sewer lines (1,800 connections) and 13 lift stations. These are maintained by SAM under a contract with MWSD.
- Wastewater treatment facilities are provided by SAM as part of the joint powers agreement.
- Yearly cleaning of the system, general maintenance of the pump station, and response to field call-outs are provided by SAM staff under the terms of a separate 1988 maintenance agreement, independent of the JPA agreement. All lateral, manhole, pump station, and sewer main repairs or improvements are designed by the District as necessary, and bid out to private construction companies.
- MWSD is responsible for one water treatment plant, the Alta Vista Water Treatment Plant at 77,000 gallons and approximately three miles of distribution pipeline and approximately 28.6 miles of water system mains.
- The water system includes a surface water source, Montara Creek, which is diverted to the Alta Vista Water Treatment Plant and stored in Alta Vista storage tank.
- MWSD obtains groundwater from 10 wells: 1) Airport North (100 gpm); 2) Airport South (55 gpm); 3) Airport 3 (100 gpm); 4) Drake (35 gpm); 5) Park (23 gpm); 6) Portola Estates (10 gpm); 7) Portola Estates II (10 gpm); 8) Portola Estates III (10 gpm); 9) Portola Estates IV (16 gpm); and 10) Wagner 3 (70 gpm).
- MWSD is responsible for three Storage Tanks: 1) Portola Estates (100,000 gallons); 2) Alta Vista (462,000 gallons); and 3) Schoolhouse (100,000 gallons) totaling approximately 0.7 MG of storage capacity.
- The MWSD acquired the water utility in 2002. The District filed a condemnation action to acquire the local water system. The District's filing came after the voters

of Montara and Moss Beach, with 81% of the votes in favor, authorized the issue of up to \$19 million in general obligation bonds to purchase and rehabilitate the water system. The District, in a special meeting held on May 29, 2003, approved a Settlement and Asset Purchase Agreement with the California-American Water Company (Cal-Am), which owned the water system serving Montara, Moss Beach, and adjacent areas. The Agreement was negotiated under the auspices of the San Mateo County Superior Court. The Agreement approved on May 29, 2003 authorized the District to take possession of Cal-Am's Montara water system and all its assets on August 1, 2003. In a document dated August 1, 2003, DHS approved the application for a permit amendment requested by the District.

(3.1) MWSD Completed a 2004 Water System Master Plan, a 2005 Addendum and Has a Five-Year Water and Sewer Capital Improvement Program.

The MWSD completed a 2004 Water System Master Plan that identified Capital Improvement Program needs for both near and long-term projects; an addendum was prepared in 2005.

The Plan identified over \$10.4 million in capital needs in the short and long-term.

These planned costs are presented in the five-year Water CIP noted in the following table:

MWSD FY 07-11 Planned Capital Projects – Water

PROJECT	FY06/07	FY07/08	FY08/09	FY09/10	FY10/11
Mechanical System Repairs & Replacements	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Emergency/Contingency/Spot Repairs	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Centralized Water Treatment at Airport	\$167,000	\$0			
Replace Fire Hydrants	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Well Rehabilitation		\$50,000	\$50,000	\$50,000	\$50,000
Vehicle Replacement Fund	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Water Main Replacements		\$103,000	\$103,000	\$103,000	\$103,000
Install Alta Vista Well	\$227,000				
Renovate Alta Vista Reservoir Roof with Solar	\$100,000				
Add new well to SCADA, improve remainder	\$120,000				
Renovate Maintenance Building	\$261,000				
Retrofit all well pumps with variable speed	\$220,000				
Replace all water meters with automated meters	\$856,000				
Install new 1 million gal tank at Alta Vista		\$0			
Replace School House Tank with 200k tank		\$0			
Desalination Feasibility study	\$250,000	\$250,000			
Drill Test Wells for New Water Sources	\$25,000	\$75,000			
TOTAL ANNUAL COST	\$2,273,000	\$525,000	\$200,000	\$200,000	\$200,000

MWSD delayed significant CIP planning for water related to the resolution of legal action with the County that was resolved on December 19, 2007. As a consequence of this, the Water CIP, as shown in the prior table, was not updated for the fifth year in FY 2011-12.

Additionally, MWSD has a five-year CIP related to sewer (collection system improvements) as shown on the following table:

MWSD FY 08-12 Planned Capital Projects – Sewer

PROJECT	FY07/08	FY08/09	FY09/10	FY10/11	FY11/12
Mechanical System Repairs & Replacements	\$10,000	\$10,000	\$20,000	\$25,000	\$25,000
Inflow & Infiltration Testing	\$5,000	\$5,000	\$25,000	\$25,000	\$25,000
Emergency/Contingency/Spot Repairs	\$10,000	\$25,000	\$50,000	\$45,000	\$45,000
Replace Pump Station Pumps		\$20,000	\$20,000	\$50,000	\$50,000
Replace Seal Cove Pump Station Covers	\$40,000				
Vallepar Pump Station Generator	\$90,000				
Automatic Transfer Switch for Pump Stations	\$10,000	\$10,000	\$10,000	\$10,000	
Replace Date Harte Generator		\$40,000			
Replace Airport Pump Station Generator		\$40,000			
Update Date Harte Pump Station		\$30,000	\$25,000	\$25,000	
Seal Cove Grinder Pump Replacements	\$20,000				
Replace Line on Farallone south of 8th Street	\$48,000				
Replace Line on Main Street at Fourth Street	\$78,000				
Replace Line on Main St. north of 9th Street	\$11,000				
Replace Line on Cabrillo Hwy at 7th Street	\$12,000				
Replace Line on 6th Street btw Farallone & East	\$75,000				
Replace Line on 8th Street at East Avenue	\$79,000				
Replace Line on Cedar btw George & Harte Sts.	\$104,000				
Replace Medium High Priority Sewer Mains		\$230,000	\$230,000	\$300,000	\$300,000
TOTAL ANNUAL COST	\$592,000	\$410,000	\$380,000	\$480,000	\$445,000

(3.2) MWSD Has a Number of Water Infrastructure Needs.

Despite the Capital Improvement Programs, the aforementioned Water System Master Plan identified several shortcomings in the MWSD infrastructure. The following is abstracted in entirety from that document.

“The implementation plan proposed in this section is structured to address the following key issues for the Water System: 1) Existing water supply and reliability deficiencies to ensure adequate daily service and fire protection for District customers; 2) System seismic reliability and emergency response deficiencies; 3) Provide a plan for lifting the moratorium on new water connections; and 4) Provide a plan for addressing the demands at build-out.

“The implementation plan presented below is based on the potential improvements identified in the water system analysis work. The implementation plan is designed to provide MWSD with a reliable water supply in the near term and the capability of meeting the water needs of the build-out population in 20+ years. A number of analyses, assessments, and investigations will be required before the design and construction of improvement projects, to better define system needs and generate adequate data to

select cost-effective solutions. These studies or pre-design tasks are critical to the planning effort and should have the highest priority. The implementation of the reliability improvements selected through these studies is anticipated to occur in a 5-year planning horizon. Implementation of improvements required to supply the build-out population may be expected in 20 years.

“The District faces water quality, supply, storage, and distribution system challenges. The projects and actions described below would allow the District to fulfill its mission and meet regulatory requirements. The feasibility of the long-term improvements has to be verified over the next three years.”⁹

Based on the review of available information, the MWSD water infrastructure is faces a number of challenges in meeting future needs. This is summarized by the following observation noted in the Water System Master Plan.

“The identification of supplemental water sources has been a central issue in the Montara/Moss Beach area since 1986, when the California Public Utilities Commission (PUC) as the agency having jurisdiction over the water system under the previous ownership, established a moratorium on new water connections based on the finding that water supplies were inadequate to meet demands on the system. The moratorium was fully supported by DHS and remains in place in January 2004 (and to date).”¹⁰

These challenges reflect the infrastructure that the MWSD acquired from California-American Water Company, and not problems that originate with the MWSD. However, MWSD must strive to address these water demand needs and execute an aggressive Capital Improvement Program over the near-term years. Funding has not been consistent to meet the MWSD Near-Term Capital Projects identified in the Master Plan.

(3.3) MWSD Has A Number of Sewer Infrastructure Needs.

Based on available information, sewer collection system replacement is scheduled on a 40-year interval (2.5% per year). This is an appropriate cycle. Based on

⁹ 2004 Water Systems Master Plan; Olivia Chen Consultants, Inc; page 6-2.

¹⁰ 2004 Water Systems Master Plan; Olivia Chen Consultants, Inc; page 1-4.

estimated funding, however, there appears to be potential revenue issues beyond the 2011-2012 fiscal year as ending capital fund balance data estimates provided decrease from \$136,350 in FY 2007-08 to \$25,910 in FY 2011-12.

There is not a Sewer Master Plan upon which the CIP is based; however, a Sewer System Master Plan (SSMP) is scheduled for this fiscal year in concert with SAM.

(3.4) MWSD Contracts for Solid Waste and Is Not Directly Responsible for Landfill Infrastructure Considerations.

MWSD currently contracts for solid waste services with Seacoast Disposal, Inc. A review of contract and recent contract amendment language indicates that Seacoast is directly responsible for waste stream diversion and consequently MWSD does not currently have to consider issues related to landfill or other solid waste infrastructure. As identified in the contract:

“Whereas Contractor hereby agrees to provide for the Collection and Disposal of all Solid Waste within the District’s Service Area, and acknowledges that District does not, and shall not, (emphasis added) hereby instruct Contractor how to collect, process and dispose of Solid Waste, Recyclable Materials and Yard Waste.”

Given these terms and conditions, MWSD is effectively abrogated from considering solid waste infrastructure issues such as those related to landfill use, monitoring, etc.

(4) Infrastructure Overview of the Granada Sanitary District (GSD).

The following summarizes major infrastructure assets for the Granada Sanitary District (GSD).

- The collection system has 33 miles of sewer line and the Naples Beach pump station that pumps approximately 40,000 gallons per day and has 1500 feet of force main.

- Yearly cleaning of the system, general maintenance of the pump station, and response to field call-outs are provided by SAM staff under the terms of a separate 1988 maintenance agreement, independent of the JPA agreement. All lateral, manhole, pump station, and sewer main repairs or improvements are designed by the District as necessary, and bid out to private construction companies.

It should be noted that the District provides sewer collection services to the northern portion of Half Moon Bay.

(4.1) The Granada Sanitary District Has a Five-Year Capital Improvement Program.

The Granada Sanitary District has a five-year Capital Improvement Program that was prepared by Kennedy/Jenks Consultants. The plan, which was not updated for fiscal year 2007-08, categorizes projects into three areas: Major CIP Projects; Regulatory Compliance; and General Upgrades and Condition Assessments. The Five-year CIP is duplicated, in its entirety, in the table below. The Matrix Consulting Group added the final column to indicate total estimated costs for the fiscal year, based on available data.

Granada Sanitary District FY 07-11 Capital Projects

Fiscal Year	Major CIP Projects	Regulatory Compliance	General Upgrades & Condition Assessment	Total Est.
FY 06/07	Permitting, CEQA, Easement, Survey & Soils (\$300K)	Raise Low and Buried Manhole Rims (\$300K)	Replace Known Problem Sewers; CCTV1 Suspected Problem Sewers (\$340K)	\$ 940,000
FY 07/08	Design/Bid/Award Construction contract for Medio Creek/Naples Beach, Phase I (\$900K)	Survey Collection System & Inventory Manhole Condition; Prepare GIS Maps of sewers; Coordinate with SAM preparing Sewer System Master Plan.	Identify and prioritize sewer upgrade projects from CCTV1. Design/Bid/Award construction contract Priority 1 projects.	\$ 900,000
FY 08/09	Evaluate Benefit/Cost of Phase 2, diverting remaining 16 EDUs (3,500 gpd). Permitting, CEQA, Easement, Survey & Soils, as necessary (\$60K)	Complete SSMP including capacity analysis.	Design/Bid/Award construction contract Priority 2 projects. CCTV2 sewers not TV'd previously or in 2002.	\$ 60,000
FY 09/10	Tentative Phase 2 Design/Bid/Award construction contract for Medio Creek/Naples Beach, Phase 2 (\$450K)	N / A	Identify and prioritize sewer upgrade projects from CCTV2.	\$ 450,000
FY 10/11	Tentative removal of Medio Creek Sewer Crossing (\$20K)	N / A	Design/Bid/Award construction contract Priority 1 projects.	\$ 20,000

There is not a Sewer Master Plan upon which the CIP is based; however, a Sewer System Master Plan (SSMP) is scheduled for this fiscal year in concert with SAM.

(4.2) The Granada Sanitary District Has Been Dedicating Significant Funding to Address Infrastructure Replacement Challenges.

The Granada Sanitary District provided a relatively detailed asset inventory of their collection system to the project team.

Just over one-quarter of the collection system assets are less than 25 years old. Nearly two-thirds of the assets are over forty years old with a small percentage, 6%,

built in 1920. Collection system replacement cycles should be based on a 40-50 year cycle with an on-going capital improvement funding of 2 to 2.5% of the assessed valuation. Clearly, based on the age of the collection system inventory, some the GSD's infrastructure is aged.

The District has spent approximately \$3.5 million over the past several years replacing aging sewer mains alone. There remains, however, the 6% of the collection system that was built in 1920.

(4.3) The Granada Sanitary District Contracts for Solid Waste and Is Not Directly Responsible for Landfill Infrastructure Considerations.

Similar to MWSD, the Granada Sanitary District currently contracts for solid waste services with Seacoast Disposal, Inc. As a consequence, Seacoast is directly responsible for waste stream diversion and consequently the Granada Sanitary District does not currently have to consider issues related to landfill or other solid waste infrastructure.

(5) Half Moon Bay Wastewater Collection System maintained by SAM

The following summarizes major infrastructure assets for Half Moon Bay.

- The collection system has 34.48 miles of sewer line.
- The collection system has three lift stations.
- Yearly cleaning of the system, general maintenance of the pump station, and response to field call-outs are provided by SAM staff under the terms of a separate 1988 maintenance agreement, independent of the JPA agreement. All lateral, manhole, pump station, and sewer main repairs or improvements are designed by the City as necessary, and bid out to private construction companies.
- Wastewater treatment facilities maintenance and repair are provided by SAM as part of a joint powers agreement.

(5.1) HMB Has a Basic Five-Year Capital Improvement Program for Its Sewer Collection System.

Half Moon Bay has a five-year Capital Improvement Program (CIP) for its sewer collection system. The five-year CIP is duplicated for this system, in its entirety, in the table below.

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	TOTAL
Update Infrastructure Standards	\$2,500	\$2,500	\$-	\$-	\$-	\$5,000
Sewer Map Update	\$7,979	\$8,000	\$7,958	\$-	\$-	\$23,937
Sewer Fee Study	\$50,000	\$50,000	\$-	\$-	\$-	\$100,000
Sewer and Lift Station Improvements	\$70,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,070,000
Sewer Rehab Phase III-Study	\$5,000	\$5,000	\$15,357	\$-	\$-	\$25,357
Sanitary Sewer Rehab-Phase III Construction	\$88,485	\$-	\$-	\$-	\$-	\$88,485
Bell Moon Lift Station	\$384,572	\$-	\$-	\$-	\$-	\$384,572
Pelican Point Lift Station	\$223,460	\$140,000	\$-	\$-	\$-	\$363,460
Ocean Colony Force Main	\$350,000	\$470,000	\$-	\$-	\$-	\$820,000
Sewer Trench Repairs	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$750,000
TOTAL	\$1,331,996	\$1,075,500	\$423,315	\$400,000	\$400,000	\$3,630,811

There is not a Sewer Master Plan upon which the CIP is based; however, a Sewer System Master Plan (SSMP) is scheduled for this fiscal year in concert with SAM.

(5.2) Half Moon Bay Contracts For Solid Waste and Is Not Directly Responsible For Landfill Infrastructure Considerations.

Half Moon Bay (HMB) currently contracts for solid waste services with Allied Waste. A review of contract and recent contract amendment language indicates that Allied Waste is directly responsible for waste stream diversion and consequently HMB does not currently have to consider issues related to landfill or other solid waste

infrastructure. Given these terms and conditions, HMB is effectively abrogated from considering solid waste infrastructure issues such as those related to landfill use, monitoring, etc.

3. FINANCING CONSTRAINTS AND OPPORTUNITIES.

The following information provides our Matrix Consulting Group's review of financing constraints and opportunities associated with the agencies in this chapter.

(1) Financial Overview of the Sewer Authority Mid-Coastside (SAM).

The tables below reflect fiscal year 2007/08 budgetary allocation and other information. Revenue sources for SAM are related to two sources:

- Non-Domestic Waste Source Control Program (NDWSCP) that is self-funded with monies provided by commercial users for point-source control purposes.
- Member agency "fees for service" from Half Moon Bay, Montara Water and Sanitary District and Granada Sanitary District.

SAM FY 2006/07 and 2007/08 Budget Comparison

	Approved 2006/07	Proposed 2007/08
Operating Budgets		
General	\$2,564,286	\$2,739,760
Collection	\$637,668	\$649,052
IPS/Pump Station	\$0	\$0
Total Operating Budgets	\$3,201,954	\$3,388,812
Capital Budgets		
General	\$281,244	\$465,122
Collection	\$76,236	\$68,123
IPS/Pump Stations	\$130,823	\$0
Total Capital Budgets	\$488,303	\$533,245
Subtotal All Budgets	\$3,690,257	\$3,922,057
Non-Domestic Waste Source Control Program		
Operating Budget	\$14,137	\$20,865
Capital Budget	\$0	\$0
Total NDWSCP	\$14,137	\$20,865
Total All Budgets	\$3,704,394	\$3,942,922

SAM FY 2007/08 Cost Allocation to Member Agencies

	Half Moon Bay	Granada Sanitary District	Montara Water and Sanitary District	TOTAL
General Operating	\$1,405,773	\$804,293	\$529,694	\$2,739,760
General Capital	\$234,886	\$137,211	\$93,024	\$465,121
Collections Operating	\$185,030	\$226,063	\$237,959	\$649,052
Collections Capital	\$20,120	\$24,177	\$23,826	\$68,123
IPS / Pump Stations Operating	\$-	\$-	\$-	\$-
IPS / Pump Stations Capital	\$-	\$-	\$-	\$-
NDWSCP Operating	\$-	\$-	\$-	\$-
NDWSCP Capital	\$-	\$-	\$-	\$-
TOTAL	\$1,845,809	\$1,191,744	\$884,503	\$3,922,056
% OF TOTAL	47.1%	30.4%	22.6%	100.0%

Based on details within the Joint Powers Agreement creating SAM among the three user-agencies, “the total expenses operation and maintenance of all of the components of the Present Project shall be shared in a manner based on flows into the single consolidated treatment plant facility.” In sum, the revenue stream of SAM is based upon flow rates from the respective agencies. These flows are metered at various junctions to ensure accurate cost allocation. As demonstrated in budgetary information provided previously, Half Moon Bay, GSD and MWSD contribute a proportionally different amount to SAM based on their constituents’ use. Half Moon Bay contributes 47%, MWSD 23% and GSD 30%.

(2) Financial Overview of the Montara Water and Sanitary District (MWSD).

The following is noted for fiscal year 2007/08 budgetary allocation and other relevant information for the MWSD.

- Sewer Service Charges, Connection Fees (and connection fee-remodels), and tax revenue represent 90% of MWSD’s estimated sewer revenue stream of nearly \$2.06 million in FY 2007/08.
- The 10% balance for sewer revenue is associated with prior year carry-forwards, solid waste franchise fee, interest income, and other minor sources.

- A small franchise fee is paid by Seacoast Disposal for rights to manage solid waste in the MWSD service area.
- Water sales, Connection Fees, and tax revenue represent 97% of MWSD's estimated water revenue stream of nearly \$1.63 million in FY 2007/08.
- The remaining small balance for water revenue is associated with private fire protection deposits, property rents and interest income.

The following tables show more detailed revenue and expenditure information for the prior two years.

MWSD FY 2006/07 and 2007/08 Sewer Budget Comparison

	Budget 2006/07	Budget 2007/08
Revenue		
Revenue-Operating	\$1,618,231	\$1,891,261
Revenue-Non Operating	\$152,500	\$166,600
Revenue -Restricted		
Total Revenue	\$1,770,731	\$2,057,861
Expenses		
Total Internal Expenses	256,150	259,250
Total Professional Services	188,200	197,200
Total Insurance Expenses	3,700	6,500
Total Projects Expenses	463,350	463,350
Total SAM Assessment	859,331	1,012,061
Total Operating Expenses	1,770,731	1,938,361
Total Non-Operating Expenses/Other		119,500
Total Expenses-Unrestricted Funds	1,770,731	2,057,861
Total Expenses-Restricted Funds		
Total Expenses	\$1,770,731	\$2,057,861

MWSD FY 2006/07 and 2007/08 Water Budget Comparison

	Budget 2006/07	Budget 2007/08
Revenue		
Income	1,550,500	1,625,500
Total Revenue	\$1,550,500	\$1,625,500
Expenses		
Total Internal Expenses	51,150	79,650
Total Operating Expense - Water	552,050	642,300
Total Payroll	473,100	471,350
Total Professional Services	235,000	317,000
Total Insurance Expenses	25,200	25,200
Total Projects Expenses	0	90,000
Total Expenses	\$1,336,500	\$1,625,500

An enterprise district operates as a business to account for revenues received for goods or services provided to the general public on a continuing basis and primarily financed through user charges. Three criteria used to determine if an operation should be an enterprise fund include:

- A legal ability to generate independent revenues;
- An entity that provides goods or services to the general public on a consistent basis; and
- An organization that can operate as a stand-alone entity.

The MWSD operates consistent with the three criteria noted and consequently is an independent “enterprise fund organization.” MWSD can generate revenue through a variety of user fees to fully fund its operations. Consequently, the use of tax revenues to augment operations runs counter to that of the intent of the State Legislature. MWSD budgeted \$237,500¹¹ in tax revenue in fiscal year 2007/08. The water and sewer rates of the MWSD would need to be raised by 7.7% if the property tax revenue was not available.

¹¹ \$125,000 for sewer, \$112,500 for water.

Since implementation of Proposition 13, many enterprise districts in the State receive a share of the 1% property tax in addition to enterprise revenues from user fees. This is based on taxes levied by the agency prior to Prop. 13. Shares of the property tax revenues of other water districts in San Mateo County range from 1% to 9% of the 1%.

In essence, Proposition 13 changed special district funding in that enterprise districts lost the ability to raise revenue through property tax. Government Code Section 16270 states: "The Legislature finds and declares that many special districts have the ability to raise revenue through user charges and fees and that their ability to raise revenue directly from the property tax for district operations has been eliminated by Article XIII A of the California Constitution. It is the intent of the Legislature that such districts rely on user fees and charges for raising revenue due to the lack of the availability of property tax revenues after the 1978-79 fiscal year. Such districts are encouraged to begin the transition to user fees and charges during the 1978-79 fiscal year. "

(3) Financial Overview of the Granada Sanitary District (GSD).

The following is noted regarding fiscal year 2007/08 budgetary allocation and other relevant information for the GSD.

- Sewer Service Charges, Connection Fees, and tax revenue represent 85% of GSD's estimated sewer revenue stream of over \$1.82 million in FY 2007/08.
- The 15% balance for sewer revenue is largely associated with interest income, with a small proportion associated with a solid waste franchise fee payment and other minor revenue sources.
- A small franchise fee is paid by Seacoast Disposal for rights to manage solid waste in the GSD service area.

The following table shows more detailed revenue and expenditure information for this fiscal year.

GSD FY 2007/08 Sewer Budget Information

Revenues	
Connection Fees	\$118,000
Interest on Reserves	\$232,000
Property Tax Allocation	\$450,000
Annual Sewer Service Chargers	\$988,000
Reim. From Assessment District-Salary and Overhead	\$8,000
Seacoast Disposal Franchise Fee	\$18,000
Miscellaneous	\$10,000
Total Revenues	\$1,824,000
Expenditures	
Operating Expenditures	\$1,125,356
Administration Expenditures	\$356,500
Total Expenditures	\$1,481,856
Net to Reserves	\$342,144
Total Capital Improvement Projects	\$1,107,012
Total Reserve at End of Fiscal Year	\$4,279,413

As discussed previously in the MWSD section, the GSD operates consistent with the three criteria used to determine if an operation should be an enterprise fund and consequently is an independent “enterprise fund organization.” As stipulated, the use of tax revenues to augment operations is counter to that of the intent of the State Legislature. This is particularly evident in an organization with a 189% reserve fund level compared to total expenditures. This is a high reserve level. Further, an enterprise district with taxes representing 25% of the revenue base (\$450,000 budgeted in FY 2007/08) and 13% interest income is problematic, especially in light of the reserve levels. The sewer rates of the GSD would need to be raised by 32.8% if the property tax revenue was not available.

Since implementation of Proposition 13, many enterprise districts in the State receive a share of the 1% property tax in addition to enterprise revenues from user fees.

This is based on taxes levied by the agency prior to Prop. 13. Shares of the property tax revenues of other water districts in San Mateo County range from 1% to 9% of the 1%.

In essence, Proposition 13 changed special district funding in that enterprise districts lost the ability to raise revenue through property tax. Government Code Section 16270 states: "The Legislature finds and declares that many special districts have the ability to raise revenue through user charges and fees and that their ability to raise revenue directly from the property tax for district operations has been eliminated by Article XIII A of the California Constitution. It is the intent of the Legislature that such districts rely on user fees and charges for raising revenue due to the lack of the availability of property tax revenues after the 1978-79 fiscal year. Such districts are encouraged to begin the transition to user fees and charges during the 1978-79 fiscal year. "

(4) Financial Overview of the Coastside County Water District (CCWD).

The paragraphs below reflect fiscal year 2007/08 budgetary allocation and other relevant information. The following is noted.

- Water sales and tax revenue represent 95% of CCWD's estimated water revenue stream of nearly \$6.26 million in FY 2007/08. Whereas connection fee revenue represented \$236,000 in FY 06/07, it only represents \$6,000 this fiscal year.
- The remaining small balance for water revenue is associated with an ERA Refund, interest income, hydrant sales, and other miscellaneous income.

The following table shows more detailed revenue and expenditure information for the prior two years.

CCWD FY 2006/07 and 2007/08 Water Budget Comparison

	Approved FY 06/07	Proposed FY 07/08
Revenues		
Water Sales	\$4,777,257	\$5,302,221
Hydrant Sales	\$30,000	\$25,000
Late Penalty	\$50,000	\$60,000
Service Connections	\$236,000	\$6,000
Interest Earned	\$66,086	\$91,192
Property Taxes	\$450,000	\$600,000
Miscellaneous	\$72,000	\$72,000
ERAF Refund	\$173,000	\$100,000
Total Revenue	\$5,854,343	\$6,256,413
Expenses		
Water Purchased	\$1,089,879	\$1,344,656
Electrical Expenses	\$154,864	\$205,118
Nunes WTP Operations	\$98,273	\$107,960
Salaries-Field	\$792,401	\$807,749
Maintenance Expenses	\$117,560	\$144,586
Salaries, Admin.	\$539,991	\$567,201
Office Expenses	\$108,130	\$111,350
Insurance	\$458,250	\$522,133
Employee Retirement	\$375,340	\$354,874
Total Operating Expenses	\$4,571,844	\$5,090,442
Total Capital Accounts	\$1,282,500	\$1,165,972
Total Expenses	\$5,854,344	\$6,256,413

The CCWD receives property tax revenues, yet the CCWD is an enterprise district that should operate on a 100% user fee approach. Water rates would need to be increased by 8.3% if the property tax revenue were not available.

Since implementation of Proposition 13, many enterprise districts in the State receive a share of the 1% property tax in addition to enterprise revenues from user fees. This is based on taxes levied by the agency prior to Prop. 13. Shares of the property tax revenues of other water districts in San Mateo County range from 1% to 9% of the 1%.

In essence, Proposition 13 changed special district funding in that enterprise districts lost the ability to raise revenue through property tax. Government Code Section 16270 states: "The Legislature finds and declares that many special districts have the ability to raise revenue through user charges and fees and that their ability to raise

revenue directly from the property tax for district operations has been eliminated by Article XIII A of the California Constitution. It is the intent of the Legislature that such districts rely on user fees and charges for raising revenue due to the lack of the availability of property tax revenues after the 1978-79 fiscal year. Such districts are encouraged to begin the transition to user fees and charges during the 1978-79 fiscal year. “

(5) Financial Overview of Utility Services for Half Moon Bay.

While Seacoast Disposal provides solid waste service to impacted residents through the Granada Sanitary District and Montara Water and Sanitary District, Half Moon Bay is provided solid waste services, through contract, by Allied Waste Services.

The operating and capital budget for the sewer services for Half Moon Bay are presented below. The operating fund largely consists of the City's proportionate contribution to SAM. The capital expenditures largely consist of repair and rehabilitation expenditures for the sewer collection system.

	2006-07 Projected	2007-08 Adopted
	Sewer Operating Fund	
Revenue		
Interest Revenue	\$-	\$-
Sewer Service Charges	\$2,141,600	\$2,150,000
Miscellaneous	\$-	\$-
Total Revenue	\$2,141,600	\$2,150,000
Expenditures		
Salary and Benefits	\$143,010	\$151,300
Material & Supplies	\$21,540	\$25,040
Contract Services	\$2,072,927	\$2,096,349
Total Expenditures	\$2,237,477	\$2,272,689
	Sewer Capital Fund	
Revenue		
Interest	\$90,000	\$80,000
Sewer Connection Fees	\$71,763	\$77,500
Miscellaneous	\$-	\$-
Total Revenue	\$161,763	\$157,500
Expenditures		
Operations and Maintenance	\$445,000	\$517,000
Capital Projects	\$305,110	\$1,025,500
Total Expenditures	\$750,110	\$1,542,500

It is important to note that both of these Half Moon Bay revenues are entirely reliant on user fees, and, unlike GSD and MWSD, Half Moon Bay does not receive nor allocate property tax revenue for operation of the sewer utility.

(6) The Special Districts Are Subject to Proposition 218 Limitations Relative to Sewer and Water Rate Increases.

A recent California Supreme Court case involving Proposition 218 requires local governments to notify property owners of certain proposed rate increases, including water rates and sewer service charges. Districts must notify, in writing, property owners of proposed rate increases. If written protests are submitted against the proposed fees or against a particular fee by the owners of a majority of the parcels identified by the District, the fees or fee will not become effective. If a majority of property owners do not submit written protests against the fees or a fee, upon adoption of an ordinance

enacting the fees or fee, they will become effective. It is a necessity to inform parcel owners of each rate increase and consequently the administrative costs of such Proposition 218 notification can become burdensome.

4. COST AVOIDANCE OPPORTUNITIES.

Cost avoidance opportunities consider such issues as the opportunity for joint agency practices, duplication of services, the impact of service practices and / or facilities in relation to service cost, opportunities for savings in overhead, etc.

The project team has identified various practices that have resulted in cost avoidance. These include:

- The creation of SAM through the partnership of Half Moon Bay, the Montara Water and Sanitary District and the Granada Sanitary District reflects a best management practice. This partnership takes advantage of cost avoidance and enhanced service level opportunities as a result of serving common constituents and taking advantage of economies of scale.
- The contracting of solid waste management by the various agencies is an example of cost avoidance through privatization. Typically smaller agencies, particular those serving geographically large and diverse areas, cannot develop an in-house operation that can effectively compete with a privatized regional service provider. As a result, the current privatization of solid waste management by Half Moon Bay, MWSD and GSD is a best management practice.
- Implementation of water conservation programs is indicative of cost avoidance strategies. For example, the Montara Water and Sanitary District has implemented rebates for low flow toilets and high-efficiency washing machines that ultimately reduce consumption and save costs. Further, MWSD has implemented a WaterWiser drip calculator on their website to show the costs and cost avoidance opportunities associated with leaks. CCWD became a signatory to the California Urban Water Conservation Council, which implements Best Management Practices for urban water conservation. Since becoming a signatory, CCWD has increased its water use efficiency programs and outreach efforts and has a detailed website identifying conservation and cost avoidance opportunities.
- The use of an contract general manager by the Granada Sanitary District to minimize administrative costs.

These examples are representative of cost avoidance opportunities that have been implemented by the respective agencies. However, in regard to further cost avoidance opportunities, the philosophies previously adopted by the agencies may be expanded. This includes:

- Similar to the creation of SAM, further agency consolidation could likely benefit through economies of scale¹² resulting in cost avoidance opportunities. By example, of the nine (9) city water providers, eleven (11) special water districts, and one (1) major private (water) utility company operating in San Mateo County, both MWSD and CCWD are among the smaller service providers. GSD, with the exception of solid waste contractual management services, is generally a “pass-through” organization since SAM provides sewer service.
- Further cost avoidance opportunities may be available by jointly contracting with the same solid waste service provider to serve the entire region. As stated previously, two different contractors currently serve Half Moon Bay, MWSD and GSD. Collective negotiations among all these agencies for solid waste services with one privatized service provider could result in reduced fees for service for all participating agencies.

These types of cost avoidance examples should be explored by the collective agencies as part of efforts to reduce overall service delivery costs while maintaining or exceeding existing levels of service. Consolidation issues could benefit the region beyond cost avoidance opportunities as described later in this chapter.

5. OPPORTUNITIES FOR RATE RESTRUCTURING.

The following information provides the project team’s review of rate restructuring opportunities associated with the local governments in this chapter.

¹² **Economies of scale** characterizes a production process in which an increase in the scale of the organization causes a decrease in the long run average cost of each “unit of service” produced.

(1) Water Service Rates are Different for the Various Utility Agencies in the San Mateo County Midcoast Area.

The following sections indicate the water utility agencies noted in this chapter have different approaches, and attendant results, to charging for service delivery.

(1.1) The Coastside County Water District (CCWD) Charges Fees Based on Bi-Monthly Hundred Cubic Feet of Water Used and Water Meter Size.

The CCWD charges constituents on a bi-monthly flat fee basis based on the water meter size plus a consumption charge based on Hundred Cubic Feet (HFC) of water used in the period. CCWD has a tiered rate structure meaning higher water users pay an increasing fee based on a graduated scale of water usage. This is a best management practice.

(1.2) The Montara Water and Sanitary District (MWSD) Charges Fees Based on Monthly Hundred Cubic Feet of Water Used and Water Meter Size.

The MWSD charges constituents on a monthly basis based a flat fee based on the water meter size plus a usage fee based on Hundred Cubic Feet (HFC) of water used in the period. MWSD also has a tiered rate structure and as a consequence has implemented a best management practice.

(1.3) Water Fees for Service Are Dramatically Different between MWSD and CCWD.

An examination of data from both MWSD and CCWD indicates a significantly different philosophy relative to charging customers based upon both meter size and water usage. Although MWSD and CCWD calculate fees based on monthly and bimonthly methods, respectively, the following information is calculated based upon an “equivalent standard” for comparative purposes.

“Monthly” Charges Based on Meter Size

Meter Size	MWSD	CCWD	% Dif. MWSD vs. CCWD
5/8 x 3/4-inch meter:	\$30.76	\$ 9.85	212%
¾-inch meter:	\$36.69	\$ 14.81	148%
1-inch meter:	\$49.94	\$ 24.69	102%
1 ½-inch meter:	\$66.71	\$ 47.67	40%
2-inch meter:	\$90.13	\$ 79.01	14%
3-inch meter:	\$166.72	\$ 172.84	-4%
4-inch meter:	\$226.77	\$ 592.66	-62%

“Bi-Monthly” Charges Based on Hundred Cubic Feet (HCF) Used

Bi-Monthly HCF Used¹³	MWSD	CCWD	% Dif. MWSD vs. CCWD
0-8	\$ 4.73	\$ 3.22	47%
9-25	\$ 4.73	\$ 3.55	33%
26-40	\$ 4.73	\$ 4.61	3%
41+	\$ 6.29	\$ 5.70	10%

The following is noted:

- Both MWSD’s monthly meter fees and Hundred Cubic Feet of water usage charges exceed in most instances CCWD’s fees.
- MWSD’s water sources are local including treated surface water (Montara Creek treated at the Alta Vista Water Treatment Plant) and local groundwater wells. This compares to CCWD’s approximate 80% of water provided by the SFPUC at wholesale rates with remaining sources from local surface and groundwater. Clearly the different water sources impact cost of production and end-user fees; however, typically local water sources are preferred and designed to be cheaper than regional water sources (e.g. Hetch-Hetchy) and consequently the significantly more expensive “local water” of MWSD is somewhat atypical compared to CCWD’s rates. Despite this, water sales represent approximately 85% of both agencies revenue. Tax income is within a 7% to 10% range for both agencies. The existing rates appear applicable and appropriate for both agencies unless both agencies were no longer allocated tax revenue.
- As noted previously, whereas CCWD’s current capital improvement programming is appropriate, MWSD has important infrastructure challenges to address. As a result, higher rates for MWSD are likely appropriate. There are not any MWSD financial reserves related to water, and according to the General Manager, all

¹³ MWSD only has a monthly two-tiered system with rates for 0-19 HCF and 20+ HCF per month. These were modified and displayed on a bi-monthly schedule for comparative purposes.

water income is used to cover the cost of operations and for capital improvements.

In sum, despite relatively dramatic differences in water rates between agencies in the San Mateo County Midcoast area, these rates were developed based on appropriate practices and are accurate from the perspective of service level and infrastructure needs.

(2) Sewer Service Rates Are Different for Half Moon Bay, MWSD and GSD.

The following sections indicate the sewer utility agencies noted in this chapter have different approaches, and attendant results, to charging for service delivery. As noted previously, many of these charges go to paying SAM for treatment of wastewater and disposal of effluent and biosolids.

(2.1) With Little Exception, All Agencies Charge Sewer Fees Based on a Derivative of Hundred Cubic Feet of Water Used and Influent “Strength Factor.”

Half Moon Bay, MWSD and GSD all charge customers a sewer fee based on Hundred Cubic Feet (HCF) of water used. Additionally, dependent upon the facility-type (e.g. residential versus restaurant), a different fee is charged based on the “strength factor” of the wastewater influent. GSD charges all residential customers a flat fee of \$314 per annum for sewer usage. Additionally, any non-residential facility’s sewer charge is based on HCF for GSD; however, the minimum annual payment is also \$314. This charging methodology, based on water usage and strength factor, is consistent with best management practices.

(2.2) Despite Similar Sewer Fee Charge Approaches, Rates Are Significantly Different.

As with the water rates noted previously, sewer rates for the three involved agencies are significantly different. This is demonstrated in the table below showing rates by facility type.

Sewer Rates by Facility-Type/Agency Based on Hundred Cubic Feet (HCF) Used

Facility-Type	HMB	GSD	MWSD
Residential	\$ 14.45	\$ 10.83 ¹⁴	\$ 27.44
Restaurants	\$ 26.01	\$ 5.82	\$ 49.78
Motels/Hotels	\$ 17.75	\$ 4.62	\$ 29.50
Offices	\$ 8.67	\$ 2.59	\$ 24.26
General Commercial	\$ 12.39	\$ 3.03	\$ 26.29
All Other Commercial	n/a	n/a	\$ 28.59
Schools	\$ 9.50	\$ 2.63	\$ 24.70
Hospitals/Convalescent	\$ 14.45	\$ 2.79	\$ 27.60

Important points to note regarding the data contained in the table are presented below.

- The table generally reflects the use of “strength factor” in sewer fee calculations whereby restaurants (concentrated influent) have the highest HCF factor.
- MWSD sewer fees are the highest, and are, on average, approximately double Half Moon Bay rates and significantly higher than GSD’s moderate rates.
- Based on available data provided elsewhere in this chapter, GSD’s sewer rates may be artificially low, being subsidized by tax income representing 25% of the annual budget as well as interest income representing 13% of the annual budget. Only residential sewer fees are “reasonably competitive” with adjoining sewer agencies.
- As with water rates, MWSD sewer fees are set to incorporate infrastructure improvement needs. As shown in a prior table, over the next five years approximately half-million dollars will be spent annually on collections system and pump improvements.

¹⁴ Residential rate based on HCF of water is calculated from \$314 flat per annum divided by the average “class usage” figure of 2,900 cubic feet of water used/year by the “average residence.”

In sum, based on available information, MWSD and Half Moon Bay sewer rates appear appropriate given need; however GSD sewer rates are subsidized at too high a rate given property tax revenue collected.

(3) Solid Waste Rates Are Linked to Privatized, Contracted Vendors for Service Recipients in the San Mateo Midcoast area.

As noted elsewhere, solid waste service is provided to the sub-region by two privatized contractors—Allied Waste Services and Seacoast Disposal, Inc. Both companies pay moderate franchise fees to the respective oversight agencies. Equivalent comparisons between these contracted rates are difficult as the two companies take advantage of different collection processes. For example, Allied generally collects commercial waste in bins whereas Seacoast Disposal will collect in cans or commercial containers with the resultant varying fees. Half Moon Bay, for example, has its solid waste fees augmented by 10% for the franchise fee and 6% for AB 939 requirements.

Overall, fees are largely influenced by the contractors’ costs and negotiated profit margins. Thus, solid waste rate savings are largely only possible through economies of scale. As noted previously, collective negotiations among Half Moon Bay, GSD and MWSD for solid waste services provided by only one agency could result in reduced fees for service for all participating agencies. The existing monthly refuse collection fees for a curbside once-a-week collection of a 20-gallon can, is presented in the table below.

Agency	Monthly Refuse Collection Fee For a 20-Gallon Can Collected Once-A-Week
Half Moon Bay	\$7.89
MWSD	\$8.71
GSD	\$7.99

6. OPPORTUNITIES FOR SHARED FACILITIES.

Our review of the various facilities and infrastructure of the respective agencies indicates that the Midcoast area has accomplished important sharing of facilities, as practical. Of important note, SAM's sewer treatment facilities are an excellent example of Half Moon Bay, GSD and MWSD constructing and sharing the costs associated with joint facilities.

Regarding water services, MWSD has within their 2004 Water System Master Plan an intertie¹⁵ between MWSD and CCWD. This "facility sharing project" has not yet been accomplished. The infrastructure and end-user benefits of such an intertie include:

- In the event of a severe drought that affects MWSD's local surface and groundwater sources, but not Hetch Hetchy, CCWD could attempt to get an emergency exception from the SFPUC to allow transfer of some water to MWSD customers. The costs of this transfer would require reimbursement to the water supplier/purveyor.
- If the Hetch Hetchy system failed due to an earthquake or prolonged drought, MWSD and CCWD might have a sufficient local water surplus to provide restricted water supplies to CCWD and MWSD during the water shortage period.
- In the event of a major fire event in either the CCWD or MWSD service areas, the combined water storage capacities of the agencies' two systems could be utilized to perform fire suppression services.

The Matrix Consulting Group noted that a proposed intertie project was reviewed at length to bring a "CCWD pipeline" via Moss Beach that largely would have been funded by a proposed developer. However, this project was not completed due a number of challenges including potential growth inducing impacts and regulatory constraints of SFPUC and the Local Coastal Program (LCP). Regardless of these

¹⁵ An intertie is pipeline constructed to link two independent water infrastructures.

impediments, an intertie project as proposed in MWSD's Water Master Plan would prove beneficial to both agencies, and should be further explored.

7. EVALUATION OF MANAGEMENT EFFICIENCIES.

Both the GSD and the MWSD are small utility providers from the standpoint of customers served. MWSD provides water service to approximately 5,000 residents and has about 1,800 sewer connections. The GSD also serves a comparatively small number of customers with service limited to sewer and contract solid waste disposal. However, MWSD is authorized three administrative staff (a General Manager, an Account Specialist, and a District Clerk), while the GSD is authorized two part-time staff (the General Manager, a contract position, and an Administrative Assistant) and a full-time District Administrator. Given the small number of customers served by these two utilities, this represents a significant amount of administrative support staff that could be reduced with the options for government structure presented elsewhere in this document.

7. STREET LIGHTING

This chapter of the report provides a services overview for street lighting districts service delivery in the Unincorporated Midcoast area.

The County of San Mateo provides street lighting services to the communities within the San Mateo Midcoast area. This is accomplished through three street lighting districts as described below:

- County Service Area Number 6 serves Princeton-by-the-Sea and includes 66 streetlights;
- Granada Highway Lighting District includes 125 streetlights and serves El Granada and Miramar; and
- Montara Highway Lighting District includes 204 streetlights and serves Montara and Moss Beach.

The Public Works Department of San Mateo County administers these three lighting districts. Public Works Department staff maintains and services the streetlight fixtures on both Pacific Gas and Electric (PG & E) and County-owned poles. PG&E provides electricity and an electrical connection to each streetlight. PG & E is paid a fixed monthly fee for electrical energy to these fixtures. District revenue is provided by a share of the 1% property on the tax bills for properties located in County Lighting Districts.

The streetlights in these three districts are a mixture of high and low pressure sodium.

Additional details, including maps, are located in the Profile found in the appendix of this report.

The current Sphere of Influence (SOI) for all three lighting districts are

coterminous with their respective district boundaries. The districts currently are unable to expand their services or annex additional territory beyond their current district boundaries due to the fact that the SOI does not include additional territory.

1. INFRASTRUCTURE NEEDS OR DEFICIENCIES.

The County has not developed a streetlight master plan to plan for future street lighting. The master plan would define lighting levels, lighting standards, lighting types, fixture and pole styles, etc.

Streetlights in the three districts are added on a case-by-case basis. During FY 2006-07 the streetlight districts implemented the use of new maps using GIS and implemented a computerized maintenance management system to schedule and track streetlight repairs.

2. FINANCING CONSTRAINTS AND OPPORTUNITIES FOR RATE RESTRUCTURING.

An examination of financing constraints and opportunities includes an evaluation of issues that affect the cost and implementation of financing mechanisms or practices used to fund needed improvements and enhance revenue streams.

The revenues associated with public street lighting systems in the County are obtained from property taxes. Under the provisions of Proposition 13, property tax is limited to a share of the 1%.

The expenditures for the three districts are based upon the rate structure charged by PG&E. PG&E has two electric rate schedules approved by the California Public Utilities Commission (CPUC) regarding street and highway lighting services. Schedule LS-1 is for PG & E owned and maintained street lighting. Schedule LS-2 is for

customer owned street lighting. There are three classes of service under the LS-2 Schedule. Under Class A, PG & E only supplies energy and switching services. PG&E supplies energy, switching and maintenance services for lamps and glassware under Class B. Under Class C, PG & E supplies energy, switching and maintenance service for the entire system including lamps and glassware. The districts are Schedule LS-2, Class A.

As lighting districts, the districts do not charge fees. The three lighting districts obtain revenue primarily from secured taxes. All of the lighting districts for the year ending June 30, 2008 had revenues that exceeded expenditures. Each of the three districts have significant fund balances as indicated in the table below.

	2005-06 Actual	2006-07 Actual	2007-08 Budgeted
Montara Lighting District			
Revenue	\$122,521	\$137,939	\$92,437
Expenditures	\$24,140	\$26,468	\$33,500
Difference	\$98,381	\$111,471	\$58,937
Fund Balance	\$862,288	\$980,526	\$1,039,463
CSA #6			
Revenue	\$61,679	\$74,222	\$61,788
Expenditures	\$8,931	\$34,700	\$47,590
Difference	\$52,748	\$39,522	\$14,198
Fund Balance	\$578,505	\$618,027	\$629,565
Granada Lighting District			
Revenue	\$61,485	\$73,828	\$58,462
Expenditures	\$13,891	\$55,674	\$79,000
Difference	\$47,594	\$18,154	\$(20,538)
Fund Balance	\$515,491	\$533,645	\$513,107

The fund balances range from a little more than 6 times annual expenditures for the Granada Lighting District to 31 times annual expenditures for the Montara Lighting District. These reserves are high relative to annual expenditures.

3. OPPORTUNITIES FOR SHARED FACILITIES.

Public service costs may be reduced if service providers develop strategies for sharing facilities and resources. Sharing facilities and utilizing excess capacity in another agency's service system works to avoid service duplications, reduces costs, and minimizes unnecessary resource consumption.

The County has already assumed responsibility for the maintenance and repair of streetlights in these three districts. The County already owns these streetlights. The streetlight electrical costs as a result, are approximately 60% less than if PG & E owned, operated, and maintained the streetlights.

4. EVALUATION OF MANAGEMENT EFFICIENCIES.

This section provides an evaluation of management efficiencies in the context of streetlight service providers. This section considers their effectiveness in providing efficient, quality public services.

The County's Public Works Department currently manages the six lighting districts and one county service area providing street lighting within the County. There are a number of factors that suggest the County provides efficient and effective streetlight service by the County. For example, County has already assumed responsibility for the maintenance and repair of streetlights in these three districts. The County already owns these streetlights. The streetlight electrical costs, as a result, are approximately 60% less than if PG & E owned, operated, and maintained the streetlights.

8. GOVERNMENT STRUCTURE OPTIONS

Government structure opportunities consider such issues as options to provide more logical service boundaries, availability of government options that stabilize, steady and / or clarify the government process in order to reduce costs or increase customer satisfaction, opportunities to integrate services without excessive cost. Availability of government options that allow appropriate facilities to be shared and avoid the construction of extra and/or unnecessary infrastructure, etc.

This chapter presents an analysis of the options for government structure for those local governments included in this Municipal Service Review.

1. GOVERNMENT STRUCTURE OPTIONS.

There is no doubt that there are multiple government structure options that can be applied to any governmental entity. According to California Association of LAFCOs (CALAFCO), one of the fundamental objectives of LAFCO's is *To Encourage the Orderly Formation of Local Governmental Agencies*. More specifically:

“LAFCOs review proposals for the formation of new local governmental agencies and for changes in the organization of existing agencies. There are 58 LAFCOs working with nearly 3,500 governmental agencies (400+ cities, and 3,000+ special districts). Agency boundaries are often unrelated to one another and sometimes overlap at random, often leading to higher service costs to the taxpayer and general confusion regarding service area boundaries. LAFCO decisions strive to balance the competing needs in California for efficient services, affordable housing, economic opportunity, and conservation of natural resources.”

Government structure options provided herein are based on fundamental precepts as noted below.

- Governmental structures can benefit from economies of scale characterized by an organization in which an increase in the scale of the organization causes a decrease in the long-run average cost of government operations.
- Governmental structures must be designed such that a policy-making body appropriately represents constituent interests.
- There are significant benefits to regionalism and regional governments. The impact of localism resulting from autonomous local governments directing policy can generate an insular perspective and fragmentation that results in decision-making that is good at the local level but less optimal, potentially costly, and/or detrimental at the regional level.
- Smaller governmental entities generally have less resources—fiscal, managerial, and personnel diversity—and consequently reduced capacity to deal with various issues.
- To facilitate simplification of government structure, legislation specific to governmental reorganization allows for consolidation of special districts that are formed under different enabling legislation.

Based on these guiding principles, the following options were developed.

2. OPTION 1: CONSOLIDATE SERVICES IN THE UNINCORPORATED AREA INTO A COMMUNITY SERVICES DISTRICT.

This option would dissolve the independent and dependent special districts in the unincorporated Midcoast area and establish a community services district.

A community services district for the Midcoast area could deliver a full range of services including parks and recreation, streetlights, water and wastewater utilities, solid waste collection, etc. There is ample precedent for community service districts in California. Examples of these community service districts are presented below.

- **Consumnes Community Services District.** This district, founded in 1985 and located in Elk Grove, provides fire protection services to the cities of Elk Grove and Galt, as well as unincorporated areas in the region. Additionally, the district provides parks and recreation services to the Elk Grove community. The District encompasses roughly 157 square miles and an estimated population of 169,100 people – 136,000 in the Elk Grove area and 33,100 in the Galt region. The

District has a FY 2008 budget of \$98.5 million; 39% of the revenue consists of property tax revenue, and 19% of in lieu / State Aid.

- **Cambria Community Services District.** The Cambria Community Services District was initially formed in 1967 to provide sewer services to the community. In 1976, other small services districts in Cambria were consolidated under this district. This facilitated the expansion of the district services to include water, wastewater, fire protection, lighting, refuse, and parks, recreation, and open space. The district encompasses close to 3,200 acres and five square miles. Currently, the district serves a population of approximately 6,400 with a substantial tourist and secondary home population. The district employs approximately 33 full-time administrative and technical staff to manage its wide range of community services. The District has a FY 2008 budget of approximately \$8.4 million; 24% of the revenues consist of property tax revenue.
- **Tamalpais Community Services District.** This district is located in Mill Valley. The district delivers parks and recreation, solid waste collection, and sanitary sewer collection services. The district has a FY 2007-08 budget of \$3.9 million.

There is clear and ample precedence for the formation of a community services district for the unincorporated portion of the San Mateo County Midcoast area, with a locally elected board, that could deliver the full range of services.

There are potential advantages and disadvantages to such a consolidation; these are summarized \on the following two pages.

Advantages and Disadvantages Matrix

Issue Area	Advantage	Disadvantage
Operational Costs	<p>Overall cost of service would decline, at minimum as a result of staffing decreases associated with the consolidation of executive and administrative staff and probable reduction in the costs associated with currently independent Board operations. By example, 3.25 “General Manager” positions provide oversight to the four independent special districts and each has reasonable legal representation costs. Some constituents may pay less for services as a result of “rate smoothing” among all existing agencies.</p> <p>Application of property tax to non-enterprise activities would enhance ability of local government to provide other services such as park and recreation</p>	<p>Operational costs associated with consolidation could be significant, including legal; Proposition 218 requirements as a result of revised rate setting; further feasibility and other studies resulting from consolidation initiatives; public relations costs (e.g. focus groups, surveying); etc. Some constituents would pay more for services as a result of “rate smoothing” among all existing agencies.</p>
Infrastructure Value and Costs	<p>Regional strategic and master planning of infrastructure could help identify the most critical needs for enhancement, rehabilitation and replacement. The region would benefit from implementation of advanced asset management practices and pooling of capital monies for CIP expenditures would help expedite effective lifecycle management.</p>	<p>Ensuring equity among areas serves as it relates to the true value/cost and lifecycle status of existing infrastructure would be problematic. Devising a cost allocation formula to ensure appropriate parity among the varied constituents who “own infrastructure assets” would be difficult.</p>
Service Provision	<p>Consolidation of services would result in a “one stop shop” for regional constituents as it relates to these service areas. A consolidated agency could be able to offer more and / or better services as it relates to services, short and long-term planning, etc.</p>	<p>Given the size of existing agencies, and the probable manageable size of a consolidated agency, there is the opportunity, though it appears to be minimal, for further bureaucratization thereby resulting in reduced service levels.</p>

Issue Area	Advantage	Disadvantage
Political Representation	A consolidated Board membership could be include appropriate representation for the region and be elected “at large” or by specific representation area. The linkage between services, and representatives dealing with common issues related thereto, would likely benefit both short and long-term planning related to these services.	There may be both a perception of loss of local control due to consolidated services. Local constituents may not believe their best interests would be served relative to their particular issue areas (e.g. focus on water, sewer recreation, and/or solid waste).
Implementation and Transitional Impacts	Consolidation can result in re-evaluating all agency operational protocols, resulting in future benefits if “best management practices” are adopted. Consolidated implementation and transitioning provides an opportunity to re-visit strategic planning, and adopt appropriate goals and objectives to move the organization forward efficiently and effectively.	Implementation and transitional impacts are likely the greatest impediment to a consolidated organization. Effectively implementing a transition from multiple agencies to one consolidated agency can administratively and politically be overwhelming, and would require significant grass-roots and political support, as well as consistent championing, to successfully effectuate.

3. OPTION 2: SAM COULD BE THE SOLE SEWER AGENCY IN THE REGION, RESPONSIBLE FOR ALL WASTEWATER TREATMENT, COLLECTION AND DISPOSAL SERVICES.

With the exception of the funding of rehabilitation and replacement of local sewer infrastructure (e.g. collection system, pumps, lift stations), the Granada Sanitary District (GSD) and the sewer responsibilities of the Montara Water and Sanitary District (MWSD) are extremely limited. These two utilities do not have staff dedicated to the maintenance and repair of their sewer systems; the districts contract with SAM for those services or outsource replacement. In effect, excluding the funding of capital improvement needs, both GSD and MWSD are “pass-through” agencies, moving funds from end-users to the SAM.

Neither agency has dedicated full-time staff to the sewer treatment, instead relying on SAM or consultant services related to maintenance, engineering, etc. In effect, both GSD and MWSD’s sewer component are “overhead costs” that could be effectively performed by SAM with the political oversight provided by the SAM Board.

Implementation would require formation of a regional sanitary district pursuant to Health and Safety Code 6400 or consolidation of GSD & MWSD and annexation of the City of Half Moon Bay to the consolidated sanitary district. A similar model exists in southern San Mateo County in that West Bay Sanitary District is a regional sewer agency serving several cities and unincorporated areas. Benefits and disadvantages would mirror those previously noted, though the order of magnitude related to benefits and detriments would, in large part, be reduced. Similar to the previously mentioned advantages and disadvantages, implementation and transition impacts could prove problematic.

An hybrid of this alternative would be for the City of HMB, MWSD and GSD to contract with SAM for billing and customer service, with the Council and Boards of the managing contract services rather than employing staff or individual contract personnel to perform these services. In essence expanding on the current agreement.

4. OPTION 3: CONSOLIDATE THE COASTSIDE COUNTY WATER DISTRICT WITH THE MONTARA WATER OPERATION.

This option would be predicated on an intertie project to bring two independent water systems an integrated system. Given full-time staffing patterns at MWSD dedicated to water services, water consolidation would result in little need for MWSD to exist as a sewer or solid waste agency, triggering a need for further consolidation as identified in Option 1 or 2. In sum, consolidation of the CCWD and Montara water operation would, by nature, be an interim or phasing step for further consolidation opportunities associated with the local governments.

MWSD could continue to operate as a sewer service agency, however. As a consequence, there would not be any benefits from the standpoint of the reduction of the number of special districts. In light of historic insufficient water supply, a clear advantage to the MWSD water customers would be the additional water supply source of SFPUC water.

5. OPTION 4: CONSOLIDATE MONTARA WATER AND SANITARY DISTRICT AND THE GRANADA SANITARY DISTRICT

Another option for government restructuring would be the consolidation of MWSD and GSD into a single entity for delivery of sewer, solid waste, and water (outside of CCWD boundaries or by detaching from CCWD). This alternative would place all of the unincorporated area under a single governing body for utilities, and would provide an

opportunity for savings and rate restructuring that does not rely on property tax. This alternative would also involve detachment of the portion of GSD that serves northern Half Moon Bay from the District.¹⁶

6. OPTION 5: ANNEXATION OF THE UNINCORPORATED MIDCOAST TO HALF MOON BAY.

While it has not been a popular notion in the study area, Government structure options include annexation of adjacent unincorporated areas within spheres of influence. The current sphere of influence for the study area is a single coastside city. Annexations, either of the entire unincorporated area or smaller areas in phases, may be initiated by landowner petition, voter petition or by resolution of the City Council of Half Moon Bay or another affected special district. In cases of initiation of the annexation by Half Moon Bay, the City would be responsible for preparation of a service plan and environmental documentation, and public outreach in the affected area.

Depending on the number of written protests received from landowners and / or registered voters, the LAFCO Commission could order the annexation, order the annexation subject to an election or terminates the annexation.

Advantages of annexation include local control over land use planning and development requirements in an area that is an isolated urban sub-region of the county. A single coastside city would provide for logical boundaries and service efficiencies. After annexation, property tax, sales tax and most other revenue streams accrue to the annexing city, providing a financing mechanism for service provision to the newly annexed area. However, there are financial disadvantages related to annexation of

¹⁶ Upon incorporation of the City of Half Moon Bay, the northern most area was not detached from GSD. Detachment of this area from GSD would eliminate the overlap of two agencies that provide the same service containing the same territory.

developed areas. The property tax in lieu of vehicle license fees (i.e., VLF backfill) does not credit the annexing city with the assessed value of properties annexed to the city, although it does credit the annexing city with growth in value subsequent to annexation.¹⁷ Also, State law provides that the taxes, benefit assessments, fees, and charges of an agency apply to newly annexed areas.

The annexation of the Midcoast unincorporated area to Half Moon Bay would be consistent with the City's sphere of influence, but is an alternative that would be dependent upon political support by the City, special districts and of course the voters of both areas. .

¹⁷ It is anticipated that legislation will be proposed to correct VLF and property tax for inhabited annexations.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

The section discusses local accountability and governance for the local governments in the Midcoast area, and provides an overview of indicators of local accountability and governance. This includes such issues as public outreach efforts, accessibility of meetings, public access to adopted budgets, the use of the website to publish public documents, etc.

Indicators used by the project team to summarize local accountability and governance are summarized in the table below.

Indicator	Half Moon Bay	San Mateo County	GSD	MWSD	CCWD	SAM
Efforts to broadcast policy body meetings	Yes	Yes	Yes	Yes	Yes	No
Publishes finances to web site	Yes	Yes	No	Yes	Yes	Yes
Publishes infrastructure plans to web site	Yes	Yes	No	Yes	Yes	Yes
Publishes goals, objectives, and performance measures to web site	Yes	Yes	No	No	No	No
Conducts annual financial audit	Yes	Yes	Yes	Yes	Yes	Yes
Publish policy body meeting agenda and minutes to web site	Yes	Yes	Yes	Yes	Yes	Yes

As the table indicates, most of the study area local governments meet these best management practice indicators for local accountability and governance. More specifically:

- All of the local governments, with the exception of SAM, televise their policy body meetings;
- All of the local governments, with the exception of GSD, publish their finances to their web site (annual operating and capital budget and CAFR);

- All of the local governments, with the exception of GSD, publish their infrastructure to their web site;
- Only the County and Half Moon Bay publish goals, objectives, and performance measures to their web site; and
- All of the local governments publish the policy body meeting agendas and minutes to their web site.

On the whole, these local governments effectively fulfill their responsibility for local accountability and governance. Nevertheless, the number of governmental agencies providing service in the study area require that residents would need to follow the agenda and meetings of at least five governmental agencies if they wish to participate in decisions concerning water, sewer, public safety, garbage pick up and land use.

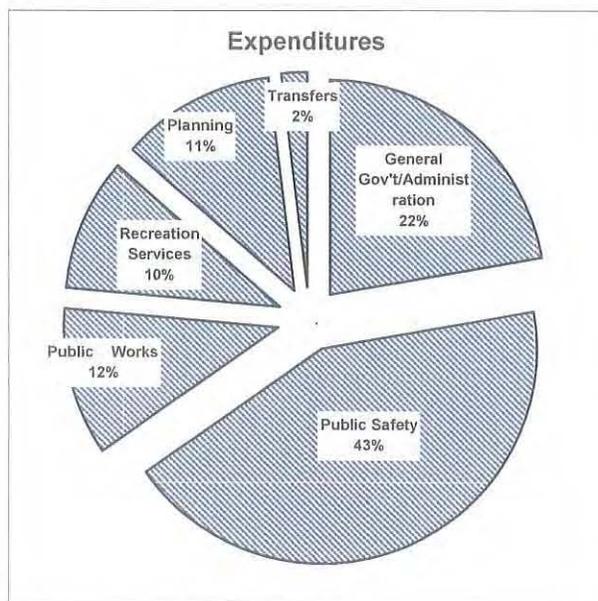
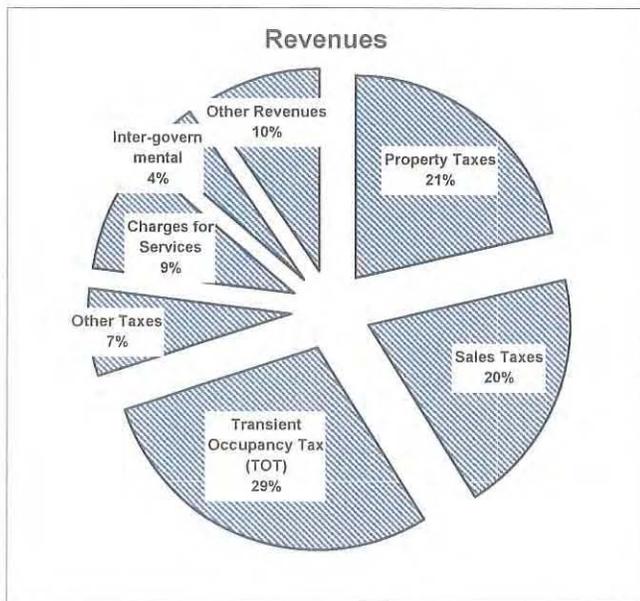
Appendix

City Budget Summaries & Maps

City of Half Moon Bay
 Adopted Annual Budget for Fiscal Year 2007-08
 Summary by Fund Type and Fund

Fund #	Fund Name	Projected Fund Balance 06/30/07	Revenues Adopted Budget	Expenditures Adopted Budget	Projected Fund Balance 06/30/08
		(1)	(2)	(3)	(1)+(2)-(3)
GENERAL FUND					
01	General	\$2,998,878	\$10,296,210	\$10,741,941	\$2,553,147
Net of 2% Unspent Appropriations					
ENTERPRISE FUNDS					
05	Sewer Operating	(735,035)	2,150,000	2,515,380	(1,100,415)
06	Sewer Capital	19,385,917	157,500	1,542,500	18,000,917
Total Enterprise					
SPECIAL REVENUE FUNDS					
07	Storm Drain Operating	21,476	150,200	164,612	7,064
11	Streets and Roads	1,265,678	1,548,300	2,262,360	551,618
13	Traffic Mitigation	959,632	93,738	28,500	1,024,870
15	Library	60,266	36,994	43,651	53,609
17	Park/Facilities Development	198,126	121,085	179,500	139,711
22	Police Grants	47,177	106,500	127,500	26,177
Total Special Revenue					
CAPITAL PROJECT FUNDS					
14	Drainage Capital	388,888	26,153	415,000	41
43	Seymour Street Extension	0	188,605	188,605	0
44	Highway 92 Improvements	44,528	10,142,430	9,369,642	817,316
47	Community Park	142,794	0	67,145	75,649
48	Public Facilities	1,668,143	68,000	376,000	1,360,143
Total Capital Projects					
INTERNAL SERVICE FUNDS					
61	Vehicle Replacement	1,058,068	266,810	284,821	1,040,057
62	Equipment Replacement	182,265	214,050	203,666	192,649
63	Risk Management	213,715	662,100	555,000	320,815
Total Internal Service					
DEBT SERVICE FUND					
55	Lease Revenue Bonds/Park Loan	120,914	3,161,000	3,160,358	121,556
Total Debt Service Fund					
Total All Funds					
		\$28,021,430	\$29,389,675	\$32,226,181	\$25,184,924

**City of Half Moon Bay
FY 2007- 08 Budget
General Fund**



Where does the money come from ?

Property Taxes	\$2,194,114
Sales Taxes	\$2,024,976
Transient Occupancy Tax (TOT)	\$3,001,234
Other Taxes	\$715,000
Charges for Services	\$963,350
Inter-governmental	\$430,805
Other Revenues	\$966,731
	\$10,296,210

Where does the money go ?

General Gov't/Administration	\$2,432,452
Public Safety	\$4,709,789
Public Works	\$1,235,317
Recreation Services	\$1,091,459
Planning	\$1,293,147
Transfers	\$199,000
	\$10,961,164

The adopted General Fund budget reflects the City's commitment to provide quality services to the residents of Half Moon Bay and obtain staff with competitive wages and benefits. The General Fund budgeted operating revenues are less than operational expenditures by \$664,954. This budget shortfall is reduced to \$445,731, assuming that 2% (\$219,223) of appropriations are not spent. The net deficit is funded by reducing the \$2,998,878 estimated beginning fund balance.

GENERAL FUND BUDGET ASSUMPTIONS

REVENUES

- * 3.4% increase (\$99,065) in total Transient Occupancy Tax (TOT) revenue. The Visitor's Bureau's efforts continue to benefit the City. TOT revenue is 29% of the total General Fund revenue and is the single largest General Fund revenue source.
- * \$400,000 of the \$3,401,234 total TOT revenue is not recorded in General Fund, but is a resource of the Streets and Roads Fund.
- * 9.9% decrease in Property Tax revenue, 21% of total General Fund revenues, including \$898,294 of property taxes in lieu of VLF. Assessed property values are expected to increase by 5.38%, as estimated by the San Mateo County Assessor. The \$240,009 (9.9%) decrease in Property Tax revenue is the result of a one-time \$360,000 TEA reimbursement in FY 06-07.
- * 3.6% increase in Sales Tax revenue, based on the forecast of our sales tax consultant.
- * Interest income estimated at \$185,000, a slight decrease from expected FY 06-07 earnings, due to lower amounts available for investment.
- * This adopted budget contains no increases to City fees but a User Fee Study is expected to be completed in FY 06-07.

EXPENDITURES and OPERATING TRANSFERS OUT

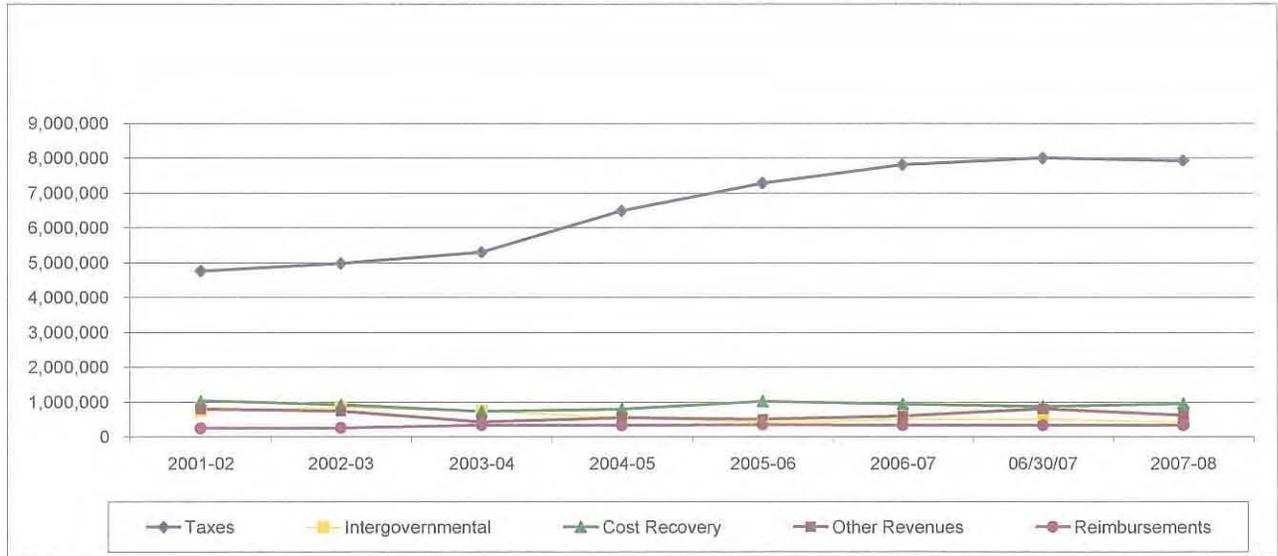
- * Total General Fund revenues and expenditures both show a one-time decrease due to one-time revenues and costs in 06-07.
- * This adopted budget contains personnel costs based on negotiated union agreements with employees. It shows the wages, salaries and benefits assuming increased levels for unrepresented employees similar to those of represented employees.
- * Personnel costs are 67% of total budget costs.
- * Budgeted salaries and benefits also increase due to the full staffing of the police department and filling of other vacancies in other departments.
- * Cost savings ("slippage") from 2% of unspent appropriations is \$219,223. Those savings can come from any operating category.
- * Worker's Compensation insurance costs in General Fund increased \$80,717 to reduce Cities Group negative equity balance.
- * Transfers out to other funds have been decreased by \$7,000 as lease revenue debt service payments decreased in 07-08 compared to 06-07.
- * Interdepartmental charges as adopted in this budget will be funded at existing levels.
- * As in previous years, the City Council supports local non-profits such as the Visitor's Bureau and awards Human Service grants.
- * New Council support in the FY 07-08 budget is a proposed \$40,000 contribution to the Coastside Community Schools Partnership.

**City of Half Moon Bay
General Fund Revenues, Expenditures
and Changes in Fund Balance
FY 2007-08 Adopted Budget**

	Amended Budget FY 2006-07	Projected Actual FY 2006-07	Adopted Budget FY 2007-08	FY07-08 vs. 06-07 Variance* Favorable (Unfavorable)	FY07-08 vs. 06-07 % Change* Increase (Decrease)
Revenues					
Property Taxes	\$2,432,315	\$2,434,123	\$2,194,114	(\$240,009)	-9.9%
Sales & Use Tax	\$1,809,430	\$1,954,878	\$2,024,976	70,098	3.6%
Transient Occupancy Tax	\$2,870,000	\$2,902,169	\$3,001,234	99,065	3.4%
Franchise Taxes	\$315,000	\$351,000	\$360,000	9,000	2.6%
Other Taxes	\$387,000	\$358,400	\$355,000	(3,400)	-1.0%
Permits	\$260,400	\$240,210	\$260,400	20,190	8.4%
Intergovernmental Subventions	\$491,200	\$506,370	\$430,805	(75,565)	-14.9%
Planning & Engineering Fees	\$223,800	\$190,500	\$213,700	23,200	12.2%
Fines and Police Services	\$107,915	\$86,740	\$88,400	1,660	1.9%
Recreation Services Fees	\$349,000	\$360,500	\$400,850	40,350	11.2%
Other Revenues	\$942,331	\$1,149,413	\$966,731	(182,682)	-15.9%
Total Revenues	\$10,188,391	\$10,534,303	\$10,296,210	(\$238,093)	-2.3%
Expenditures					
Operating					
General Government	\$173,710	\$172,844	\$227,510	\$54,666	31.6%
Administrative Services					
General Administration	\$1,338,881	\$1,431,190	\$1,482,892	\$51,702	3.6%
City Attorney	\$200,000	\$200,000	\$200,000	0	0.0%
Non-Department Expenditures	\$1,675,300	\$2,148,881	\$522,050	(1,626,831)	-75.7%
Total Administrative Services	\$3,214,181	\$3,780,071	\$2,204,942	(1,575,129)	-41.7%
Police Department					
Police Services	\$4,402,035	\$4,019,635	\$4,658,389	\$638,754	15.9%
Emergency Services	\$37,113	\$42,800	\$51,400	8,600	20.1%
Total Police Department	\$4,439,148	\$4,062,435	\$4,709,789	647,354	15.9%
Public Works Department					
Administrative / Engineer	\$231,229	\$229,546	\$238,116	\$8,570	3.7%
Building Inspection	\$264,101	\$237,297	\$268,843	31,546	13.3%
Maintenance (Bldg/Parks)	\$726,906	\$601,656	\$728,358	126,702	21.1%
Total Public Works Department	\$1,222,236	\$1,068,499	\$1,235,317	166,818	15.6%
Recreation Services					
Park Administration	\$577,096	\$447,564	\$506,369	\$58,805	13.1%
Recreation	\$331,380	\$326,784	\$369,305	42,521	13.0%
Community Center	\$191,021	\$203,470	\$215,785	12,315	6.1%
Total Recreation Services	\$1,099,497	\$977,818	\$1,091,459	113,641	11.6%
Planning Department					
Planning Department	\$1,182,870	\$1,071,842	\$1,293,147	\$221,305	20.7%
Transfers					
Transfers	\$206,000	\$206,000	\$199,000	(\$7,000)	-3.4%
Total Operating Expenditures	\$11,537,642	\$11,339,509	\$10,961,164	(\$378,345)	-3.3%
Less: 2% Unspent Appropriations		(226,790)	(219,223)		
Excess (Deficiency) of Revenues Over Expenditures	(\$1,349,251)	(\$578,416)	(\$445,731)		
Est. Total Fund Balance - July 1					
Designated by Council Policy:					
Designated 20% reserve	2,046,328	2,046,328	2,148,388		
Total Designated by Council	\$2,046,328	\$2,046,328	\$2,148,388		
Est. Undesignated Fund Balance-June 30	\$181,715	\$952,550	\$404,759		

* Compares Adopted Budget 2007-08 with Projected Actual 2006-07

**City of Half Moon Bay
General Fund Revenues by Type
2007-08 Budget**

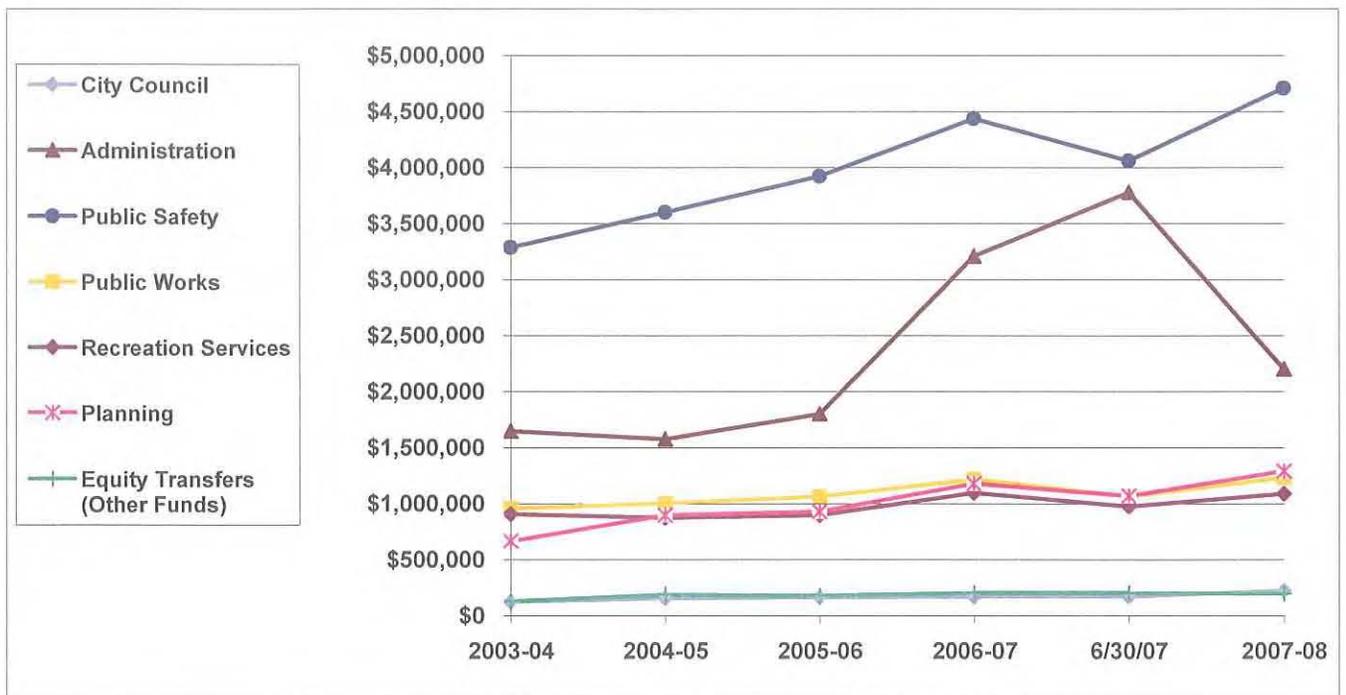


Fund Description	Actual Revenues					2006-07		Adopted Budget 2007-08
	2001-02	2002-03	2003-04	2004-05	2005-06	Amended Budget 2006-07	Projected 06/30/07	
Taxes								
Property Taxes	\$800,690	\$823,916	\$899,805	\$1,519,911	\$2,018,659	\$2,432,315	\$2,434,123	\$2,194,114
Sales & Use Taxes	1,640,512	1,641,557	1,705,727	1,775,610	1,839,182	1,809,430	1,954,878	2,024,976
Transient Occupancy Taxes	1,822,059	1,874,730	2,031,619	2,438,333	2,734,013	2,870,000	2,902,169	3,001,234
Franchise Tax	229,879	329,929	305,578	319,030	321,534	315,000	351,000	360,000
Business License Tax	195,964	228,240	233,157	229,771	254,567	255,000	263,000	260,000
Real Property Transfer Tax	80,552	86,708	131,604	216,038	116,330	132,000	95,400	95,000
Total Taxes	4,769,656	4,985,080	5,307,490	6,498,693	7,284,285	7,813,745	8,000,570	7,935,324
Intergovernmental								
Dept of Motor Vehicles Fees (VLF)	672,796	700,928	560,714	288,436	77,796	75,600	75,600	78,000
State Reimbursements (POST/SB90)	27,238	12,261	7,871	29,922	45,194	24,800	95,670	24,800
State ERAF/Booking Fees	29,705	29,705	75,715	149,896	185,978	136,700	166,405	98,005
Fed / State Funding-AB939		67,567	83,414	84,171	89,103	85,100	90,105	90,500
Other	21,910	44,887	16,679	16,652	17,418	169,000	78,590	139,500
Total Intergovernmental	751,649	855,348	744,393	569,077	415,489	491,200	506,370	430,805
Cost Recovery								
Building Permits	403,157	423,781	210,893	201,407	287,012	260,400	240,210	260,400
Planning Fees	201,561	100,018	84,014	163,756	280,863	223,800	190,500	213,700
Police Services	120,368	112,969	113,516	124,715	106,920	107,915	86,740	88,400
Recreation Services	312,388	290,070	329,557	311,550	346,276	349,000	360,500	400,850
Total User Fees	1,037,474	926,838	737,980	801,428	1,021,071	941,115	877,950	963,350
Other Revenues								
PERS Surplus Assets	442,982	193,800						
Golf Fees	134,680	325,300	359,561	368,983	383,078	390,000	390,000	410,000
Interest Income	161,418	212,172	4,007	84,696	91,715	190,000	180,000	185,000
Other	70,712	19,286	71,991	101,690	38,698	27,100	244,082	36,500
Total Other Revenues	809,792	750,558	435,559	555,369	513,491	607,100	814,082	631,500
Reimbursements								
Administration - Sewer	255,000	267,750	346,233	335,231	358,684	335,231	335,231	335,231
Reimbursement - Capital Projects							100	
Total Reimbursements	255,000	267,750	346,233	335,231	358,684	335,231	335,331	335,231
Total General Fund Revenues	\$7,623,571	\$7,785,574	\$7,571,655	\$8,759,798	\$9,593,020	\$10,188,391	\$10,534,303	\$10,296,210

**City of Half Moon Bay
Fiscal Year 2007-08 Budget**

Total General Fund Expenditures by Department

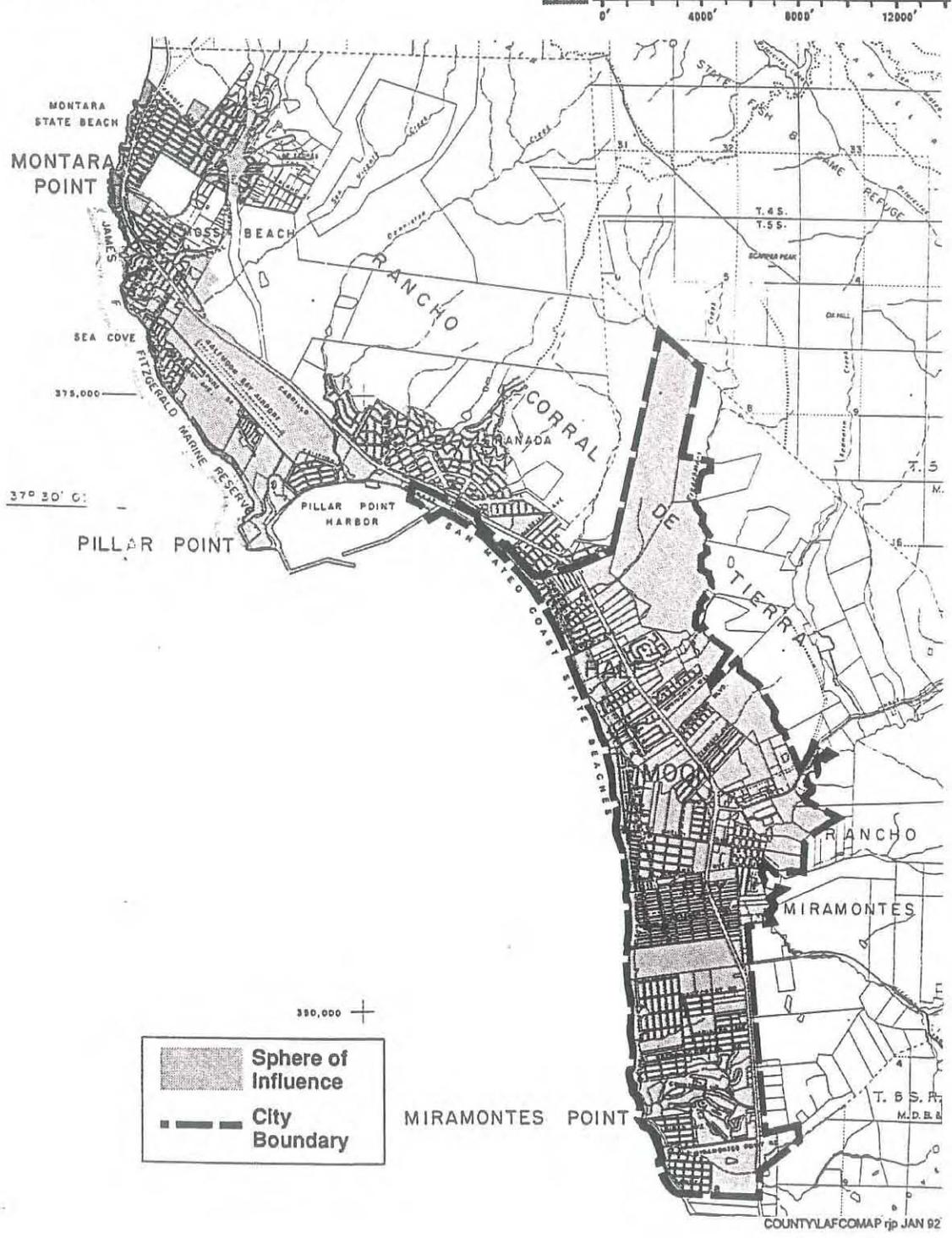
	Audited Actual	Audited Actual	Audited Actual	Amended Budget	Projected Actual	Adopted Budget
	2003-04	2004-05	2005-06	2006-07	6/30/07	2007-08
Expenditures						
City Council	\$128,082	\$158,434	\$167,179	\$173,710	\$172,844	\$227,510
Administration	1,651,006	1,579,419	1,804,467	3,214,181	3,780,071	2,204,942
Public Safety	3,290,987	3,605,948	3,925,001	4,439,148	4,062,435	4,709,789
Public Works	959,668	1,007,338	1,069,294	1,222,236	1,068,499	1,235,317
Recreation Services	909,133	877,584	901,479	1,099,497	977,818	1,091,459
Planning	668,290	901,132	931,122	1,182,870	1,071,842	1,293,147
Equity Transfers (Other Funds)	131,270	192,000	186,000	206,000	206,000	199,000
Total Program	\$7,738,436	\$8,321,855	\$8,984,542	\$11,537,642	\$11,339,509	\$10,961,164



Significant Changes:

- * The decrease in Administration Costs in FY 2007-08 results from a decrease in Inter-fund Transfers to provide for land use litigation costs in the Risk Management Internal Service Fund.

San Mateo Local Agency Formation Commission ■ Cities and Special Districts Handbook
City of Half Moon Bay **Municipal Government**

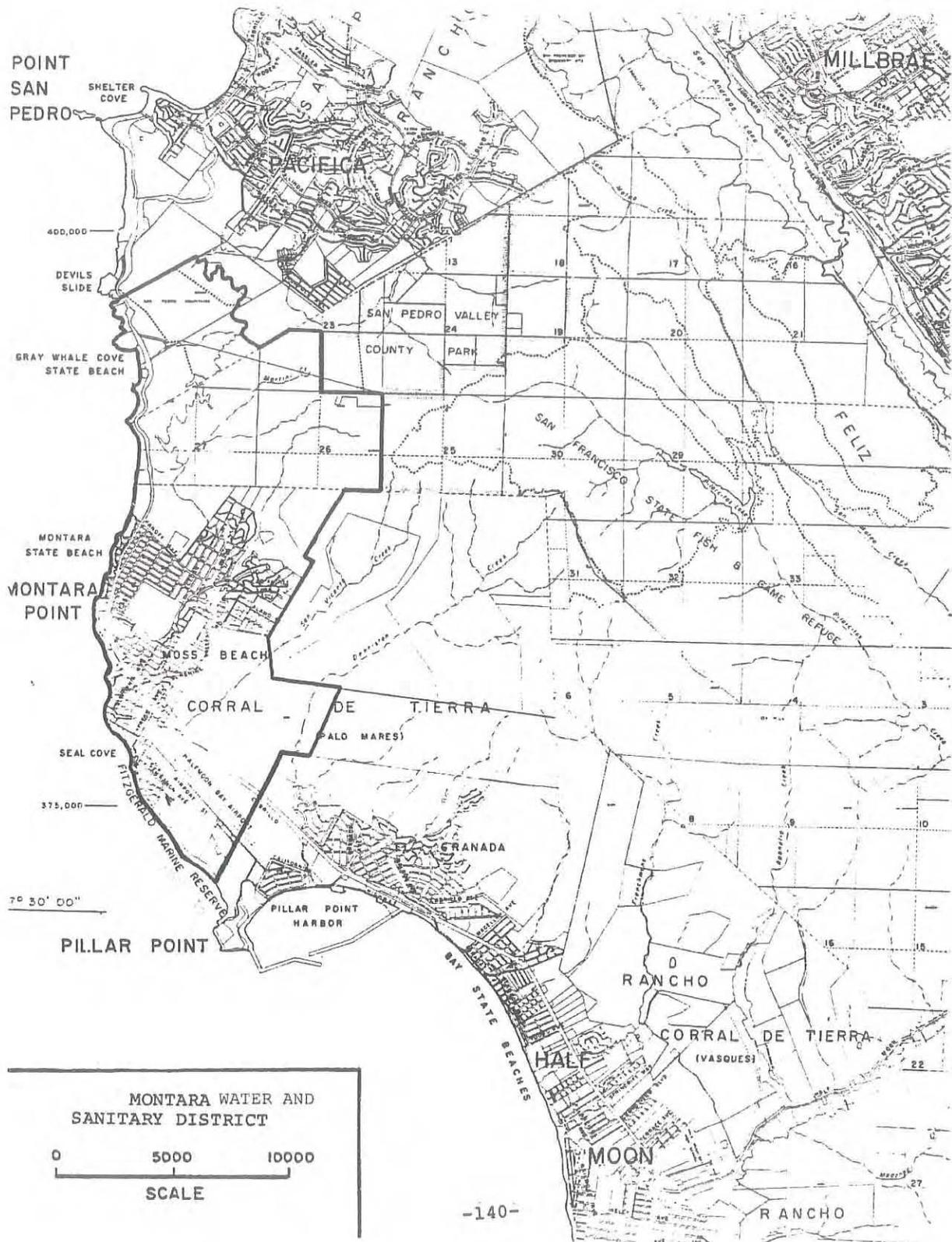


SAN MATEO COUNTY LAFCO
Circulation Draft of the Midcoast Area
Municipal Service Review

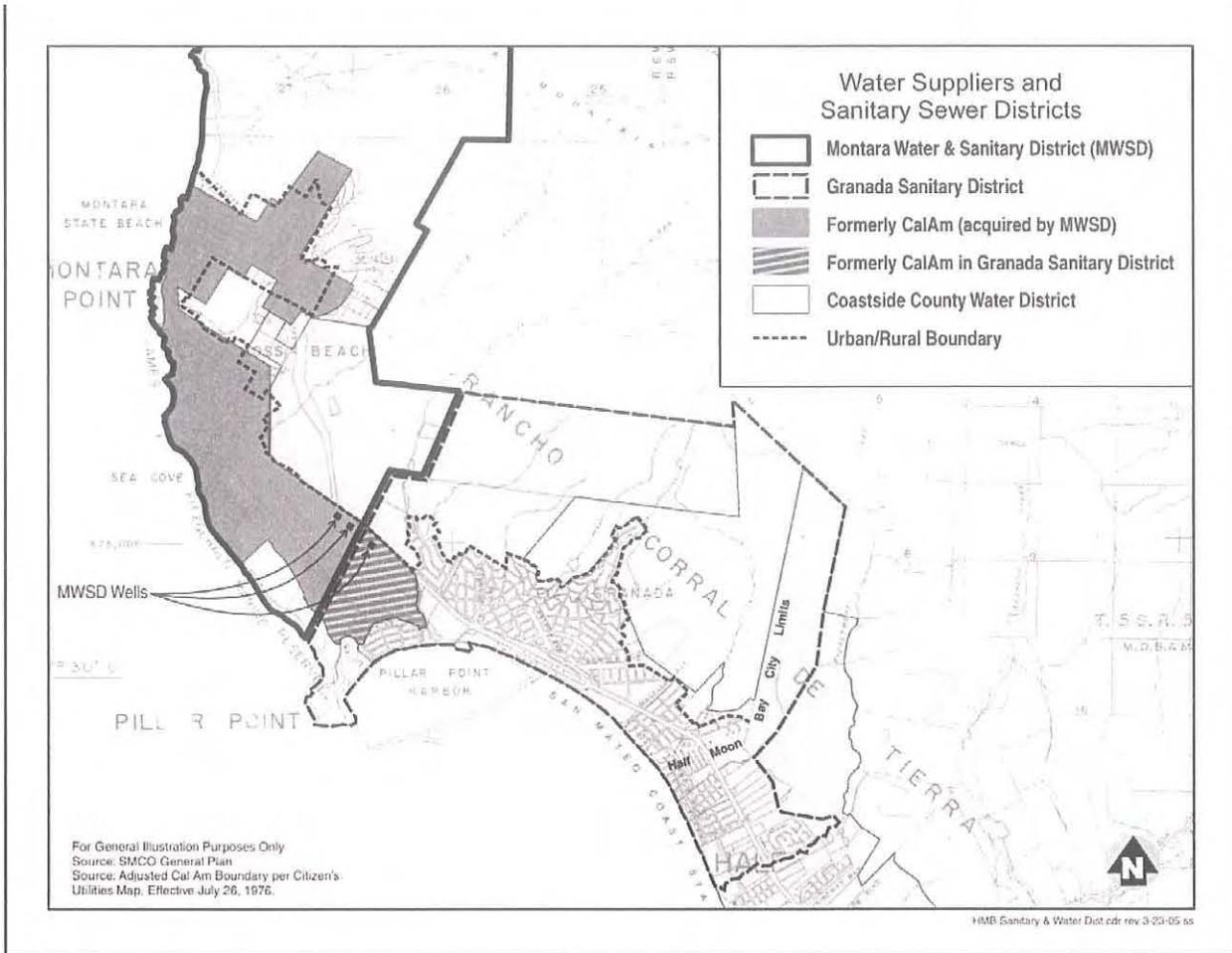


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SAN MATEO COUNTY LAFCO
Circulation Draft of the Midcoast Area
Municipal Service Review



SAN MATEO COUNTY LAFCO
Circulation Draft of the Midcoast Area
Municipal Service Review



STAFF REPORT

To: Coastside County Water District Board of Directors

From: David Dickson, General Manager

Agenda: April 8, 2008

Report

Date: April 3, 2008

Subject: Phase 3 El Granada Pipeline Replacement Project
Contract Change Order No. 1

Recommendation:

Staff recommends the Board approve Change Order No. 1 to the pipeline construction contract with JMB Construction in the amount of \$55,121.

Background:

The proposed Change Order No. 1 covers revisions to jacking and boring locations as follows (see attached Engineer's recommendation for additional detail):

1. CalTrans-approved change from jack-and-bore to open cut at several side street crossings (JMB Change Order Request No. 2): The original project design, which was dictated by CalTrans requirements, called for jacking and boring the pipeline under seven side streets which intersect Highway 1 along the pipeline alignment. JMB requested and obtained approval from CalTrans field inspectors to trench across these streets, resulting in faster pipe installation, cost savings, and reduced overall impact at the crossing sites. This change would result in a credit of \$21,773.
2. Additional work at Frenchman's Creek crossing (JMB Change Order Request No. 13): At Frenchman's Creek, the receiving pit on the north side of the creek has to be moved approximately 125 feet from the design location to avoid conflict with existing utilities, including an AT&T fiber optic cable and the District's Frenchman's Creek pump station. In addition, an adjustment to the location of the bore pit on the south side of the creek requires additional shoring to support the highway embankment. This change would result in additional cost of \$76,894.

Carollo Engineers has reviewed the proposed changes and cost adjustments and has recommended that the District approve them.

Fiscal Impact:

Increase in construction cost of \$55,121.



*Phase 3 El Granada Transmission Pipeline
Replacement Project
Change Order Summary*

Coastside County Water District

7925A.30

	Contract	Change in Time (days)				Amount
		Milestone Numbers				
		1	2	3	4	
Change Order 1						
COR No. 2	0	0	0	0	0	(\$21,773.00)
Open Cut vs. Jack & Bore - Value Engineering						
COR No. 13	0	0	0	0	0	\$76,894.00
Additional Work at Frenchman's Creek						
	0	0	0	0	0	\$55,121.00
Project Totals	0	0	0	0	0	\$55,121.00

Current Updated Milestone Dates 9/3/2008 5/31/2008 9/2/2008 9/13/2008

Total CO:	\$55,121.00
Original Contract Amount:	\$4,500,000.00
% CO of Original Contract Amount:	1.22%
Total Construction Cost:	\$4,555,121.00

Carollo has reviewed the following Change Order Request information. We find the Requests to be fair and acceptable. It is recommended that the Project proceed with this work.

Camden J. O'Toole

Resident Engineer

April 3, 2008

JMB Letter #024

Attention Camden O'Toole
Project Manager,
Carollo,
2700 Ygnacio Valley Road,
Walnut Creek, California 94598

Contract: Phase 3 El Granada Transmission Pipeline Replacement Project

Subject: COR # 002 Rev 2 – Value engineering proposal - Installation of Steel
Casing by Open Cut V Jacking & Boring

Camden,

As per our recent discussions this morning, JMB will agree to a 60: 40 split on the cost savings.

The total cost saving due to the change in methodology is \$36,286.72. As per the revised value engineering proposal 60% of the cost saving are now to be passed on to the owner.

Lump Sum Credit (\$21,773)

Please let me know how you wish to process this. If you have any questions regarding the above, please call me at 650 267 5296.

Sincerely

Aidan O' Sullivan
Project Manager

JMB Construction Inc.
132 South Maple Ave
South San Francisco, CA 94080
650-267-5300 Phone
650-267-5302 Fax

PROJECT: El Granada Transmission Pipeline

OWNER: Coastside County Water District, City of Half Moon Bay

Bid Item

Description

Contract Sum:

32	J & B at Belleville Blvd	\$ 26,400.00	
33	J & B at Grand Blvd	\$ 28,800.00	
34	J & B at Frontage Rd (St. 15+70)	\$ 37,800.00	
35	J & B at Frontage Rd (Church)	\$ 17,500.00	
36	J & B at Frontage Rd (St. 27+50)	\$ 45,600.00	
37	J & B at Venice Blvd	\$ 25,200.00	
39	J & B at Young Ave	\$ 36,900.00	
		<hr/>	\$ 218,200.00

Added Cost

32	J & B at Belleville Blvd	\$ 21,846.92	
33	J & B at Grand Blvd	\$ 24,213.44	
34	J & B at Frontage Rd (St. 15+70)	\$ 32,527.78	
35	J & B at Frontage Rd (Church)	\$ 11,657.04	
36	J & B at Frontage Rd (St. 27+50)	\$ 42,542.13	
37	J & B at Venice Blvd	\$ 18,298.63	
39	J & B at Young Ave	\$ 30,827.78	
		<hr/>	\$ 181,913.72

Net Savings

\$ 36,286.28

JMB Construction Inc.
132 South Maple Ave
South San Francisco, CA 94080
650-267-5300 Phone
650-267-5302 Fax

PROJECT: El Granada Transmission Pipeline
OWNER: Coastside County Water District, City of Half Moon Bay

Bid Item 32

Buy 24" Steel Casing

55LF x \$44.20 = \$ 2,431.00

Buy Insulators

10EA x \$184.87 = \$ 1,848.70

Fill Annular Sand w/ Spacing

55LF x \$30 = \$ 1,650.00

Excavate/Install/Backfill

55LF x \$289.40 = \$ 15,917.22

\$ 21,846.92

Includes:

- > Sawcutting
- > Excavation
- > Installation of Casing/Insulators
- > Offhaul
- > Disposal Fees
- > Shoring
- > Welding
- > A/C Paving
- > Buy Concrete
- > Buy Structural B/F
- > Buy Ag Base
- > Includes J&B Sub Escalation

JMB Construction Inc.
132 South Maple Ave
South San Francisco, CA 94080
650-267-5300 Phone
650-267-5302 Fax

PROJECT: El Granada Transmission Pipeline
OWNER: Coastside County Water District, City of Half Moon Bay

Bid Item 33

Buy 24" Steel Casing

60LF x \$44.20 = \$ 2,652.00

Buy Insulators

11EA x \$184.87 = \$ 2,033.57

Fill Annular Sand w/ Spacing

60LF x \$30 = \$ 1,800.00

Excavate/Install/Backfill

60LF x \$295.46 \$ 17,727.87

\$ 24,213.44

Includes:

- > Sawcutting
- > Excavation
- > Installation of Casing/Insulators
- > Offhaul
- > Disposal Fees
- > Shoring
- > Welding
- > A/C Paving
- > Buy Concrete
- > Buy Structural B/F
- > Buy Ag Base
- > Includes J&B Sub Escalation

PROJECT: El Granada Transmission Pipeline
OWNER: Coastside County Water District, City of Half Moon Bay

Bid Item 34

Buy 24" Steel Casing

90LF x \$44.20 = \$ 3,978.00

Buy Insulators

16EA x \$184.87 = \$ 2,957.92

Fill Annular Sand w/ Spacing

90LF x \$30 = \$ 2,700.00

Excavate/Install/Backfill

90LF x \$254.35 \$ 22,891.86

\$ 32,527.78

Includes:

- > Sawcutting
- > Excavation
- > Installation of Casing/Insulators
- > Offhaul
- > Disposal Fees
- > Shoring
- > Welding
- > A/C Paving
- > Buy Concrete
- > Buy Structural B/F
- > Buy Ag Base
- > Includes J&B Sub Escalation

PROJECT: El Granada Transmission Pipeline
OWNER: Coastside County Water District, City of Half Moon Bay

Bid Item 35

Buy 12" Steel Casing

35LF x \$24.5 = \$ 857.50

Buy Insulators

7EA x \$125.06 = \$ 875.42

Fill Annular Sand w/ Spacing

35LF x \$30 = \$ 1,050.00

Excavate/Install/Backfill

35LF x \$253.54 \$ 8,874.12

\$ 11,657.04

Includes:

- > Sawcutting
- > Excavation
- > Installation of Casing/Insulators
- > Offhaul
- > Disposal Fees
- > Shoring
- > Welding
- > A/C Paving
- > Buy Concrete
- > Buy Structural B/F
- > Buy Ag Base
- > Includes J&B Sub Escalation

PROJECT: El Granada Transmission Pipeline
OWNER: Coastside County Water District, City of Half Moon Bay

Bid Item 36

Buy 24" Steel Casing		
120LF x \$44.20 =	\$	5,304.00
Buy Insulators		
21EA x \$184.87 =	\$	3,882.27
Fill Annular Sand w/ Spacing		
120LF x \$30 =	\$	3,600.00
Excavate/Install/Backfill		
120LF x \$247.97	\$	29,755.86
		<hr/>
	\$	42,542.13
		<hr/> <hr/>

Includes:

- > Sawcutting
- > Excavation
- > Installation of Casing/Insulators
- > Offhaul
- > Disposal Fees
- > Shoring
- > Welding
- > A/C Paving
- > Buy Concrete
- > Buy Structural B/F
- > Buy Ag Base
- > Includes J&B Sub Escalation

PROJECT: El Granada Transmission Pipeline
OWNER: Coastside County Water District, City of Half Moon Bay

Bid Item 37

Buy 24" Steel Casing

45LF x \$44.20 = \$ 1,989.00

Buy Insulators

9EA x \$184.87 = \$ 1,663.83

Fill Annular Sand w/ Spacing

45LF x \$30 = \$ 1,350.00

Excavate/Install/Backfill

45LF x \$295.46 \$ 13,295.80

\$ 18,298.63

Includes:

- > Sawcutting
- > Excavation
- > Installation of Casing/Insulators
- > Offhaul
- > Disposal Fees
- > Shoring
- > Welding
- > A/C Paving
- > Buy Concrete
- > Buy Structural B/F
- > Buy Ag Base
- > Includes J&B Sub Escalation

PROJECT: El Granada Transmission Pipeline
OWNER: Coastside County Water District, City of Half Moon Bay

Bid Item 39

Buy 24" Steel Casing		
90LF x \$44.20 =	\$	3,978.00
Buy Insulators		
16EA x \$184.87 =	\$	2,957.92
Fill Annular Sand w/ Spacing		
90LF x \$30 =	\$	2,700.00
Excavate/Install/Backfill		
90LF x \$235.47	\$	21,191.86
		<hr/>
	\$	30,827.78
		<hr/> <hr/>

Includes:

- > Sawcutting
- > Excavation
- > Installation of Casing/Insulators
- > Offhaul
- > Disposal Fees
- > Shoring
- > Welding
- > A/C Paving
- > Buy Concrete
- > Buy Structural B/F
- > Buy Ag Base
- > Includes J&B Sub Escalation

JMB CONSTRUCTION INC.
General
Engineering Contractor
CCL 715324

March 31, 2008

JMB Letter #021

Attention Camden O'Toole
Project Manager,
Carollo,
2700 Ygnacio Valley Road,
Walnut Creek, California 94598

Contract: Phase 3 El Granada Transmission Pipeline Replacement Project

Subject: COR # 013 – Additional costs for the Frenchman's Creek J & B

Camden,

Please find enclosed cost proposal for the additional work due to the various changes at Frenchman's Creek Jack & Bore. I have broken the cost into the following

- Installation & removal of additional sheet piles \$15,877.55
(See attached cost estimate)
- Installation & removal of additional whaler \$ 7,730.38
(See attached cost estimate)
- Installation of 125lf of additional 30" Casing \$53,287.50
(See attached cost estimate)

Total cost \$76,895

Conditions:

Installation of all 16" DIP to be paid under Bid Item 1

Installation of 6" or 8" DIP to tie in at Sta. 42+00 to be paid under relevant Bid item.

Installation of the 30" casing above 125LF shall be paid at \$406 /ft plus 5% markup

If you have any questions regarding the above, please call me at 650 267 5296.

Sincerely



Aidan O' Sullivan
Project Manager

COST ESTIMATE

PROJECT El Granada Transmission Pipeline Replacement Project
SPEC. NO. _____
CONTRACTOR JMB CONSTRUCTION

COR # 13
ESTIMATE DATE 3/31/2008

Work Description: Installation & Removal Additional Sheet piles, Including slope removal and restoration COR No. 13
 Note: the costs of SWPPP controls and revegetation are to be paid under the relevant bid items in the base contract

Location: Frenchmans Creek Jack & Bore

LABOR	Hours		Base Rate	Amount	Fringe Rate	Amount
	Reg	OT				
2 - Laborers	32		\$28.27	\$904.64	\$11.23	\$359.36
				\$0.00		\$0.00
1 - Operator	16		\$34.26	\$548.16	\$16.47	\$263.52
1 - Foreman	16		\$44.55	\$712.80	\$16.47	\$263.52
					\$0.00	\$0.00
1- Operator (Yard)	3		\$34.26	\$102.78	\$16.47	\$49.41
LABOR SUBTOTALS				\$2,268.38		\$935.81
OT SUBTOTALS				\$0.00		\$0.00

MATERIALS / SERVICES	Quantity	Unit Cost	Amount
Sheet piles (2 months rental)	1	\$1,350.00	\$1,350.00
Sheet Pile Mob/Demob	8	\$113.50	\$908.00
Semi End Dump	8	\$113.50	\$908.00
			\$0.00
			\$0.00
			\$0.00
MATERIAL/SERVICES SUBTOTAL			\$3,166.00

EQUIPMENT	Quantity	Unit Cost	Amount
ABI TM 13/16N	8	\$379.54	\$3,036.32
CAT IT28G Loader	16	\$66.30	\$1,060.80
Hitachi ex 330 Excavator	16	\$131.68	\$2,106.88
PowerScreen	1	\$60.97	\$60.97
Hitachi ex 200LC (Yard)	3	\$66.87	\$200.61
Pick Up truck	16	\$19.09	\$305.44
			\$0.00
			\$0.00
			\$0.00
EQUIPMENT SUBTOTALS			\$6,771.02

SUB-CONTRACTORS	Quantity	Unit Cost	Amount
		\$0.00	\$0.00
		\$0.00	\$0.00
		\$0.00	\$0.00
SERVICE SUBTOTALS			\$0.00

SUMMARY	
Labor	\$3,204.19
Labor Surcharge - 12%	\$384.50
OT Labor	\$0.00
OT Surcharge - 12%	\$0.00
Mark-Up 24%	\$861.29
Total Labor	\$4,449.98
Materials / Services	\$3,166.00
Mark-Up 15%	\$474.90
Total Material/Serv	\$3,640.90
Equipment	\$6,771.02
Mark-Up 15%	\$1,015.65
Total Equipment	\$7,786.67
Sub-Contractors	\$0.00
Mark-Up 5%	\$0.00
Total Sub-contractors	\$0.00
TOTAL THIS REPORT	\$15,877.55

Previously Expended
This Report \$15,877.55
Cost to Date \$15,877.55

Notes:

COST ESTIMATE

PROJECT El Granada Transmission Pipeline Replacement Project
 SPEC. NO. _____
 CONTRACTOR JMB CONSTRUCTION

COR # _____
 ESTIMATE DATE 3/31/2008

Work Description: Installation & Removal of additional water in jacking pit COR No. 13

Location: Frenchmans Creek Jack & Bore

LABOR	Hours		Base Rate	Amount	Fringe Rate	Amount
	Reg	OT				
2 - Laborers	16		\$28.27	\$452.32	\$11.23	\$179.68
				\$0.00		\$0.00
1 - Operator	8		\$34.26	\$274.08	\$16.47	\$131.76
1 - Foreman	8		\$44.55	\$356.40	\$16.47	\$131.76
					\$0.00	\$0.00
1- Welder	8		\$34.26	\$274.08	\$16.47	\$131.76
LABOR SUBTOTALS				\$1,356.88		\$574.96
OT SUBTOTALS				\$0.00		\$0.00

MATERIALS / SERVICES	Quantity	Unit Cost	Amount
W14 x 120 Beams	1	\$1,652.00	\$1,652.00
Beams Mob/demob	6	\$113.50	\$681.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
MATERIAL/SERVICES SUBTOTAL			\$2,333.00

EQUIPMENT	Quantity	Unit Cost	Amount
CAT IT28G Loader	8	\$66.30	\$530.40
Hitachi ex 330 Excavator	8	\$131.68	\$1,053.44
Welder Truck	8	\$39.94	\$319.52
Pick up truck (foreman)	8	\$19.09	\$152.72
			\$0.00
			\$0.00
			\$0.00
			\$0.00
EQUIPMENT SUBTOTALS			\$2,056.08

SUB-CONTRACTORS	Quantity	Unit Cost	Amount
		\$0.00	\$0.00
		\$0.00	\$0.00
		\$0.00	\$0.00
SERVICE SUBTOTALS			\$0.00

SUMMARY	
Labor	\$1,931.84
Labor Surcharge - 12%	\$231.82
OT Labor	\$0.00
OT Surcharge - 12%	\$0.00
Mark-Up 24%	\$519.28
Total Labor	\$2,682.94
Materials / Services	\$2,333.00
Mark-Up 15%	\$349.95
Total Material/Serv	\$2,682.95
Equipment	\$2,056.08
Mark-Up 15%	\$308.41
Total Equipment	\$2,364.49
Sub-Contractors	\$0.00
Mark-Up 5%	\$0.00
Total Sub-contractors	\$0.00
TOTAL THIS REPORT	\$7,730.38

Previously Expended \$15,877.55
 This Report \$7,730.38
 Cost to Date \$23,607.93

Notes:

COST ESTIMATE

PROJECT El Granada Transmission Pipeline Replacement Project
SPEC. NO. _____
CONTRACTOR JMB CONSTRUCTION

COR # 13
ESTIMATE DATE 3/31/2008

Work Description: Installation of additional 125LF of casing. (by Centerline Boring Inc.) **COR No.** 13

Location: Frenchmans Creek Jack & Bore

LABOR	Hours	Base Rate	Amount	Fringe Rate	Amount
2 - Laborers	Reg	\$28.27	\$0.00	\$11.23	\$0.00
	OT		\$0.00		\$0.00
1 - Operator	Reg	\$34.26	\$0.00	\$16.47	\$0.00
	OT				
1 - Foreman	Reg	\$44.55	\$0.00	\$16.47	\$0.00
	OT			\$0.00	\$0.00
1 - Welder	Reg	\$34.26	\$0.00	\$16.47	\$0.00
	OT				
	Reg				
	OT				
	Reg				
	OT				
LABOR SUBTOTALS			\$0.00		\$0.00
OT SUBTOTALS			\$0.00		\$0.00

MATERIALS / SERVICES	Quantity	Unit Cost	Amount
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
MATERIAL/SERVICES SUBTOTAL			\$0.00

EQUIPMENT	Quantity	Unit Cost	Amount
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
EQUIPMENT SUBTOTALS			\$0.00

SUB-CONTRACTORS	Quantity	Unit Cost	Amount
Centerline Boring	125	\$406.00	\$50,750.00
		\$0.00	\$0.00
		\$0.00	\$0.00
SERVICE SUBTOTALS			\$50,750.00

SUMMARY	
Labor	\$0.00
Labor Surcharge - 12%	\$0.00
OT Labor	\$0.00
OT Surcharge - 12%	\$0.00
Mark-Up 24%	\$0.00
Total Labor	\$0.00
Materials / Services	\$0.00
Mark-Up 15%	\$0.00
Total Material/Serv	\$0.00
Equipment	\$0.00
Mark-Up 15%	\$0.00
Total Equipment	\$0.00
Sub-Contractors	\$50,750.00
Mark-Up 5%	\$2,537.50
Total Sub-contractors	\$53,287.50
TOTAL THIS REPORT	\$53,287.50

Previously Expended \$23,607.93
This Report \$53,287.50
Cost to Date \$76,895.43

Notes:

STAFF REPORT

To: Coastside County Water District Board of Directors

From: David Dickson, General Manager

Agenda: April 8, 2008

Report

Date: April 3, 2008

Subject: El Granada Pipeline Phase 3 Construction Progress Update

Recommendation:

No Board action required. Information only.

Background:

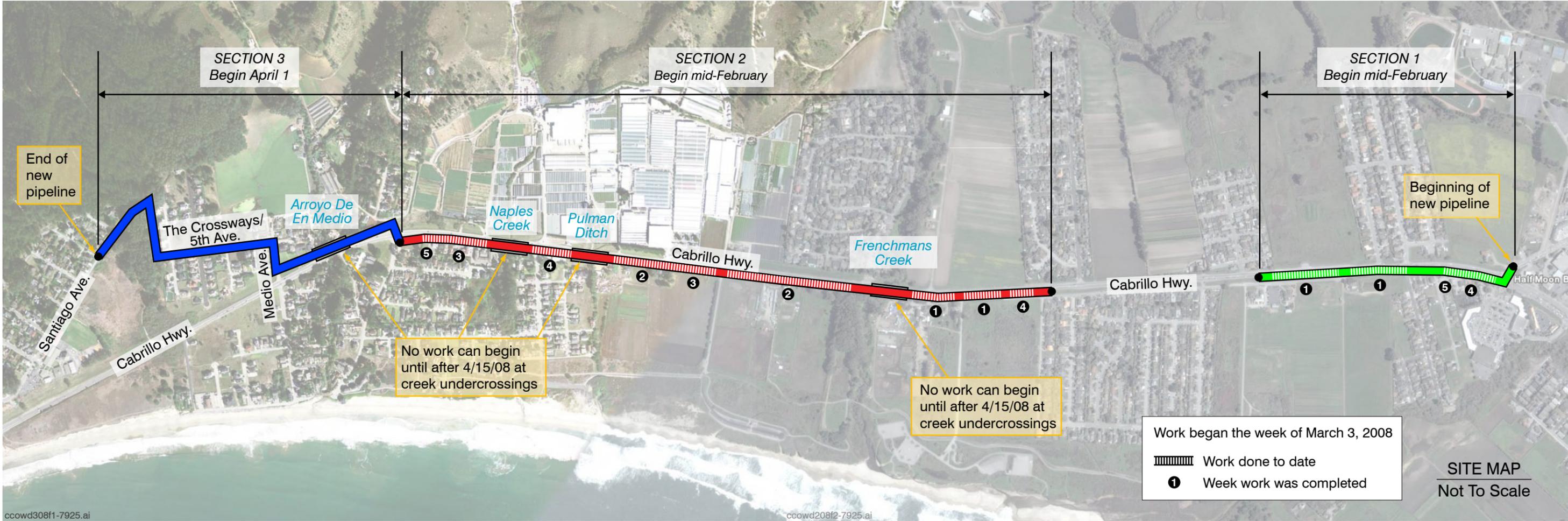
As of March 31, construction is at day 55 of the 240-day schedule.

Highlights of progress to date:

- As of March 31, JMB had installed 5,500 feet of 16 inch pipe. Total length of pipe to be installed in this project is approximately 13,000 feet.
- Work on pipeline sections in the County began on April 1, and JMB is currently working through the Mirada Surf parcel at the north end of the project.
- The jack-and-bore subcontractor, Centerline Boring, has completed casing installation on the Highway 1 crossing north of Main Street.
- Centerline is currently working on the Highway 1 crossing at Roosevelt Avenue.
- JMB received approval from CalTrans for open-cut pipe installation across side streets rather than jack-and-bore, resulting in time savings and a credit to the District.
- Section 1, from Main Street to the SAM access road, will be complete by mid-April and will go into service in May.

The attached map shows progress as of March 31.

PHASE 3 EL GRANADA TRANSMISSION PIPELINE REPLACEMENT PROJECT



STAFF REPORT

To: Coastside County Water District Board of Directors

From: David Dickson, General Manager

Agenda: April 8, 2008

Report

Date: April 3, 2008

Subject: FY 2007-2008 Third Quarter Budget Review

Recommendation:

None. Information only.

Background:

The attached pages provide year-to-date financials as of March 31, 2008, along with comments on significant variances from budget.

Overall year-to-date financial performance is good. Lower expenses have offset water sales revenues that have been about 6% below budget projections. This should enable the District to end the fiscal year on budget.

**COASTSIDE COUNTY WATER DISTRICT - PERIOD BUDGET ANALYSIS
PERIOD ENDING MARCH 31, 2008**

ACCOUNT	DESCRIPTION	YTD ACTUAL	YTD BUDGET	B/(W) VARIANCE	VARIANCE COMMENT
REVENUE					
1-0-4120-00	Water Revenue -All Areas	3,842,681	4,098,191	(255,510)	Water sales increase has been less than projected 4.5%
1-0-4170-00	Water Taken From Hydrants	21,182	18,750	2,432	
1-0-4180-00	Late Notice -10% Penalty	34,687	45,000	(10,313)	More people are paying us on time
1-0-4230-00	Service Connections	7,080	4,500	2,580	
1-0-4920-00	Interest Earned	111,913	68,394	43,519	Average balance higher due to timing of project payments
1-0-4925-00	Interest Revenue T&S Fees	0	0	0	
1-0-4927-00	Interest Revenue Bond Funds	0	0	0	
1-0-4930-00	Tax Apportionments/Cnty Checks	374,158	360,000	14,158	Timing of receipts
1-0-4950-00	Miscellaneous Income	59,911	54,000	5,911	Higher water use by Skylawn
1-0-4960-00	CSP Assm. Dist. Processing Fee	0	0	0	
1-0-4965-00	ERAF REFUND -County Taxes	185,959	100,000	85,959	ERAF is unpredictable
REVENUE TOTALS		4,637,571	4,748,835	(111,264)	
EXPENSES					
1-1-5000-00	Gen. Oper. Fund	0	0	0	
1-1-5130-00	Water Purchased	903,157	963,098	59,941	Lower local source production, higher use of SFPUC
1-1-5230-00	Pump Exp, Nunes T P	11,493	9,700	(1,793)	
1-1-5231-00	Pump Exp, CSP Pump Station	223,450	202,041	(21,409)	CSP use extended
1-1-5232-00	Pump Exp, Trans. & Dist.	16,009	18,303	2,294	
1-1-5233-00	Pump Exp, Pilarcitos Can.	3,370	9,165	5,795	Later start for Pilarcitos wells than October projection
1-1-5234-00	Pump Exp. Denniston Proj.	31,218	52,881	21,663	Denniston run less than budgeted
1-1-5235-00	Denniston T.P. Operations	41,224	59,922	18,698	Denniston run less than budgeted
1-1-5236-00	Denniston T.P. Maintenance	16,562	24,750	8,188	Timing of expense
1-1-5240-00	Nunes T P Operations	85,407	78,920	(6,487)	
1-1-5241-00	Nunes T P Maintenance	26,709	36,297	9,588	Timing of expense
1-1-5242-00	CSP Pump Station Operations	5,698	8,376	2,678	
1-1-5243-00	CSP Pump Station Maintenance	4,192	35,700	31,508	Timing of expense
1-1-5245-00	Alves/Miramontes Maintenance	0	0	0	
1-1-5318-00	Studies/Surveys/Consulting	51,496	23,783	(27,713)	Additional cost for GM recruitment
1-1-5321-00	Water Conservation	22,937	42,625	19,688	Fewer rebates than projected
1-1-5322-00	Community Outreach	6,246	18,203	11,956	
1-1-5400-00	Trans & Dist. Exp.	0	0	0	
1-1-5411-00	Salaries & Wages -Field	603,197	590,278	(12,919)	
1-1-5412-00	Maintenance -General	117,108	108,432	(8,676)	
1-1-5414-00	Motor Vehicle Expense	39,988	37,875	(2,113)	
1-1-5415-00	Maintenance -Well Fields	21,611	19,269	(2,342)	

ACCOUNT	DESCRIPTION	YTD ACTUAL	YTD BUDGET	B/(W) VARIANCE	VARIANCE COMMENT
1-1-5500-00	General Expense	0	0	0	
1-1-5610-00	Salaries/Wages-Administration	390,594	414,493	23,899	Salary increases and overtime higher than budgeted
1-1-5620-00	Office Supplies & Expense	79,119	83,512	4,393	
1-1-5621-00	Computer Services	39,111	34,477	(4,633)	
1-1-5625-00	Meetings / Training / Seminars	20,520	21,000	480	
1-1-5630-00	Insurance	344,617	362,350	17,733	Timing of expense
1-1-5640-00	Employees Retirement Plan	272,068	259,331	(12,737)	
1-1-5681-00	Legal	38,393	42,750	4,357	
1-1-5682-00	Engineering	8,810	22,500	13,691	Higher proportion of time spent on capital projects
1-1-5683-00	Financial Services	14,459	26,475	12,016	Timing of expense
1-1-5684-00	Payroll Tax Expense	73,639	72,774	(865)	
1-1-5685-00	Board Meeting Expense	0	0	0	
1-1-5686-00	Miscellaneous Expense	0	0	0	
1-1-5687-00	Membership, Dues, Subscript.	31,306	36,724	5,418	
1-1-5688-00	Election Expenses	34,020	15,000	(19,020)	
1-1-5689-00	Labor Relations	0	0	0	
1-1-5690-00	Interest Expense	0	0	0	
1-1-5700-00	San Mateo County Fees	7,269	8,450	1,181	
1-1-5701-00	Property Taxes	0	0	0	
1-1-5705-00	State Fees	7,363	32,000	24,637	Timing of expense
1-1-5710-00	Deprec, Trucks, Tools, Equipt.	0	0	0	
1-1-5711-00	Debt Svc/Existing Bonds 1998A	270,006	271,095	1,089	
1-1-5712-00	Debt Svc/Existing Bonds 2006B	485,418	483,148	(2,270)	
1-1-5713-00	Contribution to CIP & Reserves	308,797	308,797	0	
1-1-5714-00	Transfer of Conn Fees to CSP	0	0	0	
1-1-5725-00	Debt Issuance Amorization Exp.	0	0	0	
1-1-5743-00	CSP Assm. Dist. Processing Fee	0	0	0	
1-1-5744-00	Capital Replacement Contr.	0	0	0	
EXPENSE TOTALS		4,656,581	4,834,494	177,913	
NET INCOME		(19,010)	(85,659)	66,649	

STAFF REPORT

To: Coastside County Water District Board of Directors

From: David Dickson, General Manager

Agenda: April 8, 2008

Report

Date: April 3, 2008

Subject: General Manager's Report

Recommendation:

None. Information only.

Background:

Staff reports for the month of March 2008 are attached.

Highlights:

- **No mandatory water rationing from SFPUC.** While SFPUC has not made an official announcement, they have said informally that they will not impose mandatory cutbacks for the coming water year. They will, however, ask for continued conservation efforts in light of lower-than-normal overall rainfall.
- **Denniston Treatment Plant is on-line.** As detailed in the operations report, staff decided to delay completion of the Denniston Storage Tank Modification Project in order to place the Denniston plant into service on March 22.
- **Investigation of Secondary MCL exceedance for Aluminum at Nunes.** Staff has been investigating an exceedance of the secondary Maximum Contaminant Level for Aluminum which occurred in finished water from Nunes Treatment Plant on January 7. Subsequent testing has detected no further high results, leading to the conclusion that this may have been a sampling problem.

Staff will answer any questions the Board may have regarding the attached reports.

Monthly Report

To: David Dickson, General Manager
From: Cathleen Brennan, Water Resources Analyst
Agenda: April 8, 2008
Subject: Water Resources Report

This report is provided as an update on water conservation, outreach, and water resources activities.

- **Pilarcitos Integrated Watershed Management Plan (IWMP)**
There continues to be discussion regarding the proposed projects in the draft Integrated Watershed Management Plan (Plan). The Water Resources Committee met to complete a survey requested by the consultants working on the Plan.
- **California Urban Water Conservation Council**
The reporting forms for the best management practices is now up on the Council's website, so I have started entering the data for fiscal year 2007.
- **Bay Area Water Supply and Conservation Agency (BAWSCA)**
I have been working with BAWSCA over the last six months on their annual survey report. The final report for fiscal year 2007 should be made available to all the BAWSCA agencies this month.

- **Summary of Meetings**
Employee Meeting 3/18/2008
Pilarcitos IWMP workgroup meeting 4/3/2008
San Mateo County Public Meeting- Watershed Protection 3/10/2008
Water Resources Committee Meeting 3/24/2008
Bay Area Water Conservation Coordinators Meeting 4/1/2008

Monthly Report

To: David Dickson, General Manager
From: Cathleen Brennan, Water Resources Analyst
Agenda: April 8, 2008
Subject: Water Shortage and Drought Contingency Plan

This report is provided as an update on the implementation of the Water Shortage and Drought Contingency Plan – Stage 1 (Advisory Stage). The Advisory Stage was implemented in June of 2007.

▪ Update on Drought Conditions

- √ The Department of Water Resources conducted a snow survey measurement on March 26th. The result is that State wide the water equivalent of the snow pack is 97% of normal. The press release is attached to this staff report.
- √ Local precipitation is less than normal. If we look at the water year (October to September) we are at about 70% of normal to date.

Rainfall - Precipitation for Half Moon Bay													
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Totals
Historic Average	1.3	3.4	3.7	5.5	4.8	3.9	1.6	0.6	0.2	0.0	0.1	0.3	25.4
Water Year 2008	1.83	0.93	3.16	8.75	2.73	.31	-	-	-	-	-	-	17.7

- √ Precipitation amounts for the Pilarcitos watershed and the Hetch Hetchy watershed can be found in the San Francisco Public Utilities Commission's Hydrological Conditions Report for March of 2008. This report was not available for review in time for the submittal of this staff report.
- √ San Francisco Public Utilities (SFPUC) has not declared the need for mandatory rationing at the time this staff report was written (April 2nd).
- √ Conditions are better than last year, which was classified as critically dry, but local precipitation amounts and the need to bring reservoirs, streams, and rivers back to normal levels requires the continuation of a strong conservation message both regionally and state wide.

- √ **If conditions remain the same and the SFPUC has not declared mandatory rationing for the wholesale customers, staff will recommend at the May Board of Directors meeting to declare an end to the Water Shortage Advisory.**

- **Customer Outreach**

- √ Residential Survey Update

Approximately 68% of our residential customers responded to our request to complete a survey asking for the number of permanent residence served by the account and emergency contact information. We are still receiving surveys by mail and by fax, so I expect that the final return will be approximately 70%.

Residential Survey Results as of March 28, 2008			
Mail	Fax/Phone	Website	Total
3191	149	484	3824



News for Immediate Release

March 26, 2008

Contacts:

- Elissa Lynn, Senior Meteorologist (916) 574-2221
- Don Strickland, Information Officer (916) 653-9515
- Ted Thomas, Information Officer (916) 653-9712
- Frank Gehrke, Snow Surveys Office (916) 574-2635

Snowpack Normal, but DWR Water Deliveries Limited by Federal Court Ruling

SACRAMENTO – The 2008 winter snow survey conducted today by the Department of Water Resources (DWR) indicates that snowpack water content is near normal this year. Despite this fact, the news is not good for water deliveries. Although there has been a return to average snowpack figures, State Water Project (SWP) deliveries remain near record lows because of a federal court ruling restricting Delta pumping to help protect the threatened Delta smelt.

“The snowpack is back to normal, but a broken Delta means water deliveries to millions of Californians will be far below normal this year,” said DWR Director Lester Snow. “We must move ahead on the comprehensive plan outlined by Governor Schwarzenegger to invest in our water systems, restore the Delta and ensure clean, safe and reliable water supplies.”

The pumping reductions are a result of federal Judge Oliver Wanger’s decision in December 2007 to curtail pumping by state and federal water projects to protect the tiny fish vital to the ecosystem that has seen its population decline drastically in past years. Delta smelt populations are also adversely affected by other activities such as other water diversions, water pollution, and non-native species.

Currently, the SWP is projected to deliver only 35 percent of requested amounts this year to communities, farmers and businesses in the Bay Area, Central Valley and Southern California.

Manual snow surveys are conducted monthly from January through May to help forecast the amount of spring and summer runoff into reservoirs. The readings at this time of year are generally considered the most significant in gauging how much water is being held in the Sierra snow pack.

Meanwhile, electronic sensor readings posted on the California Data Exchange Center’s Web site show Northern Sierra snow water equivalents at 105 percent of normal for this date, Central Sierra

at 89 percent, and Southern Sierra at 103 percent. Statewide, the percentage of normal is at 97 percent. The figures last year were 53 percent for the Northern Sierra, 48 percent Central Sierra, 39 percent for Southern Sierra, and 47 percent statewide.

DWR 3/26/08 Manual Snow Survey Results

Location	Elevation	Snow Depth	Water Content	% of Long Term Average
Alpha	7,600 feet	63.5 inches	32.6 inches	98
Phillips Station	6,800 feet	53.4 inches	27.8 inches	98
Lyons Creek	6,700 feet	80.0 inches	33.0 inches	106
Tamarack Flat	6,500 feet	64.0 inches	30.4 inches	112

Importance of Snow Surveying

Snow-water content is important in determining the coming year's water supply. The measurements help hydrologists prepare water supply forecasts as well as provide others, such as hydroelectric power companies and the recreation industry, with much needed data.

Monitoring is coordinated by DWR as part of the multi-agency California Cooperative Snow Surveys Program. Surveyors from more than 50 agencies and utilities visit hundreds of snow measurement courses in California's mountains each month to gauge the amount of water in the snowpack.

The Department of Water Resources operates and maintains the State Water Project, provides dam safety and flood control and inspection services, assists local water districts in water management and water conservation planning, and plans for future statewide water needs.

Contact the DWR Public Affairs Office for more information about DWR's water activities.

MONTHLY REPORT

To: David Dickson, General Manager
From: Joe Guistino, Superintendent of Operations
Agenda: April 8, 2008

Report
Date: April 3, 2008

Source of Supply

Pilarcitos Reservoir, Pilarcitos Well 4A, Denniston Reservoir and Denniston Wells 1, 3, 4 and 9 were the main source of supply in January. Denniston Plant and well system was brought into service on 23 March.

Projects

Main Street Project

Some punch list items are still in need of completion.

Left to be complete are:

- new meter box at the Twice As Nice
- meter installation for median strips
- PRV vault on Main Street to be brought to grade
- location of fire hydrant on S. Main Street.

Denniston Storage Tank Modification/El Granada Tank 1 Modification Project

El Granada Tank 1 Modification Project:

All external plumbing is complete. The inside coating work is complete. The contractors will be coating the external portions of the project in April. District Staff will generate the punch list for completion before final approval is made on this project, which is expected to occur in April. The tank was returned to service on 18 March and is serving both the lower and upper zones in El Granada.

Denniston Storage Tank Modification Project:

This project has been suspended until system demands start to diminish in the Fall and the El Granada Pipeline is complete. We had drained the tank on the week of 17 March so that the contractor could start the internal work on this tank. High system demands and the failure of the Wave Pump resulted in rapid depletion of the Mirmar Tank. Staff made strong recommendations to postpone the project in fears of not being able to meet system demand without the assistance of the Wave Pump. The decision was made on 21 March to postpone the project. The GM contacted the contractor by phone and by letter conveying the postponement of the project. The tank was able to be cleaned of 1.5" of sediment prior to being brought back in service on 19 March.

El Granada Phase III Pipeline

The first section of 16" pipe was laid in place around 10:00 am on 3 March. Construction sign was posted on Cabrillo Highway denoting the CCWD's El Granada Phase 3 Pipeline Project.

See Engineer's Report for further update.

Short Term Improvement Project

On 15 March we received a letter from San Mateo Public Health Department strongly urging the District to reconsider our December target date for removal of gaseous chlorine at our two treatment facilities and to "do everything possible to shorten the proposed timeline". Treatment Staff is preparing for the installation of a temporary sodium hypochlorite system at our facilities. We should have all chlorine removed from our sites by 1 June. I have conveyed our plans verbally to Dirk Jensen of SMPHD. He assured me that they are very pleased with these actions and will take us off of the California Accidental Release Program list once they verify that our chlorine is off site. I informed him that we will be sending him a response letter summarizing our actions and a new time line for removal of chlorine from our sites. See Engineer's Report for other activity on the STI Project.

Automatic Meter Reading Pilot

We are awaiting a proposal from the contractor to equip our largest users with AMRs. A full report on this pilot will be presented at the May 13 Board Meeting.

Denniston Reservoir

We have retained TRC Essex to conduct the CEQA process. We received a letter from California Fish & Game challenging our interpretation that they passed their deadline to respond to our Streambed Alteration Permit Application. They did not acknowledge the mitigation efforts that we countered to their initial requests. We have contacted them on this regard and will be setting up a meeting with them in their District Office in April for further discussions.

Well Rehabilitation Project

The Contractor will be resizing the motor in Denniston Well 5 in April. With the anticipated increase in SFPUC water rates, I will have the contractor repair Denniston Well #2.

Pump Repair Services submitted a proposal for Pilarcitos Well #5 rehabilitation. We will be drawing up a contract for them to do this work next October. The reason for the delay is that Pilarcitos Wells cannot be run after 1 April and we do not want the warrantee period to expire before we can run the pump consistently.

Systems Improvement:

Beautification Efforts

Completed the painting of GM's office.

Crews painted a dozen fire hydrants in March.

Denniston Pre-Treatment

Treatment Staff is investigating pre-treatment technologies to allow for treating the wintertime high turbidity waters from Denniston Reservoir. They are meeting with various treatment firms to ascertain feasibility of this endeavor.

PRV Station

District Staff and Andreini Construction upgraded the Sonora PRV vault in El Granada. This is the first of the annual improvements to our zone valves in our system.

Update on Other Activities:

Pilarcitos Canyon Storm Damage

TRC/Essex is working on an estimate for engineering design, permitting, and project management for the permanent repairs to the culvert on Pilarcitos Creek that was damaged in the two January storm events.

Denniston Sludge Ponds

The Denniston sludge ponds were cleaned out in March. High moisture content sludge was trucked to Nunes for processing. Dried sludge was sent to the landfill. The District must consider installation of viable drying beds at this facility as a Capital Improvement Project.

Safety/Training/Inspections/Meetings

Safety Committee

The Safety Committee was not scheduled to meet in March.

Annual JPIA Inspection

Treatment/Distribution Operator Jon Bruce accompanied JPIA representative John Haaf on the annual District inspection on 19 March.

Other Training

Treatment Supervisor Steve Twitchell completed a program in "Utility Management" through the California State University Office of Water Programs. He earned 2 C.E.U.s

Annual Reviews

Treatment Supervisor Steve Twitchell and Treatment/Distribution Operator Jon Bruce received their annual reviews in March. I think we'll keep them.

Recognition Lunch

The District held a recognition luncheon on 5 March. Employees were recognized for 5, 10, 15 and 15+ years of service.

Annual Meeting with SFPUC

District Staff met with select staff from SFPUC on 6 March. Items of discussion included:

- Testing and cleaning of the Stone Dam water meter
 - meter will be cleaned every Friday
 - annual testing of the meter to minimize erroneous readings
- Installation of an emergency generator at our Crystal Springs PS
 - They will look into their archives for any restrictions imposed by the Crystal Springs Project
 - They will determine if an EIP report is required
- The feasibility of installing a blending station in Pilarcitos Canyon to allow us to blend Pilarcitos and Crystal Springs water for energy savings
 - They will look into their archives for any restrictions imposed by the Crystal Springs Project
 - They were very excited about this possibility
- Untapped Pilarcitos reserves
 - Low head pumping plant is in the design phase
 - WQ investigations underway
 - Possible use of an aerator if WQ conditions marginal
- Vegetation removal around our pipelines on their property
 - OK with CCWD clearing and cleaning up easement

Meetings Attended

3 March - Preliminary meeting for Verizon cell tower placement

4 March - El Granada Phase 3 update meeting

5 March - Met with Verizon at Nunes WTP to discuss cell tower placement

6 March - El Granada Tank 1 Modification Project update meeting

6 March - SFPUC Annual Meeting

17 March - Denniston Tank Modification Project meeting

18-21 March - Vacation

Department of Public Health

Laboratory reports sent back from sampling on 7 January indicated that the aluminum residual in the finished water from Nunes WTP contained 320 ppb, which exceeded the secondary MCL of 200 ppb. The influent water aluminum measured was 150 ppb. We immediately collected a resample and launched an investigation to determine the probable cause of this anomaly. We found no disparities with alum usage or pump operation, plant influent alkalinity and pH (affects the coagulation process), and source water changes. In addition to immediate jar testing, we initiated weekly assessments of aluminum residual in raw and treated waters at the Nunes WTP, with the testing done in-house as well as by our outside laboratory. I notified our Field Engineer at Cal DPH who was satisfied with the actions that we had undertaken. On 19 March we received a letter from her commending our Staff for "taking extra precautionary measures to resolve the Aluminum problem by closely monitoring the Aluminum residuals at the Nunes

WTP....on a weekly basis.” All testing done to date shows that there is no aluminum in our finished water. We have concluded that this may have been either a mix up of the raw and finished water samples or bottle contamination. Staff has modified the sample procedure to prevent this from occurring in the future.

STAFF REPORT

To: David Dickson, General Manager

From: Jim Teter, District Engineer

Agenda: April 8, 2008

Report Date: April 1, 2008

Subject: District Engineer Work Status Report

Recommendation:

None. The agenda item is informational.

Background:

The Board of Directors has requested a monthly status report from the District Engineer on his activities.

Work Performed Since Last Board Meeting:

- Continued work on preparation of the Contract Documents for the Water Treatment Plant Short -Term Improvements Project.
- Phase 3 El Granada Transmission Pipeline Replacement Project: monitored project progress by reading documents prepared by Carollo Engineers, and responded to questions from the resident engineer from Carollo Engineers, Camden O'Toole.
- Reviewed Initial Submittal documents (and prepared letter of review comments) for proposed Carnoustie Subdivision, Ocean Colony.
- Revised Standard Installation Details for installation of valves, water meters, and other piping appurtenances.
- Provided the District staff with advice on an as-requested basis.

Status of Current Work Assignments:

- A. Phase 3 El Granada Transmission Pipeline Replacement Project. Teter is working with Carollo Engineers on the construction management services and assisting the CCWD General Manager with non-construction project issues.
- B. Short-Term Improvements at Nunes & Denniston WTPs. The overall project currently consists of the following 3 construction projects:
 1. Denniston Storage Tank Modifications Project. A construction contract has been awarded to Stoloski & Gonzalez, Inc. in the amount of \$534,500. Construction of the pipeline between the treatment plant and the storage tank has been completed. The

remainder of the work, which requires the Denniston tank to be taken out of service, cannot begin until the District operating staff believes it is safe to do so.

2. El Granada Storage Tank No. 1 Site Piping Modifications. A construction contract has been awarded to Lewis & Tibbitts Inc. in the amount of \$196,875. The construction work is nearing completion.
3. Short-Term Improvements at Nunes & Denniston WTPs:
 - a. Denniston WTP Improvements. Design work is continuing on the modifications which consist of (1) replacement of the existing gas chlorination facilities with on-site hypochlorite generation facilities, (2) replacement of all of the chemical feed pumps with new feed pumps and all but one of the chemical storage tanks with new tanks, (3) construction of chemical containment facilities, (4) and other miscellaneous improvements. The Contract Drawings, not including recent equipment revisions, have been completed and reviewed by the District. Teter is continuing work on the technical specifications which are more than 50% complete.
 - b. Nunes WTP Improvements. Design work is continuing on the modifications which consist of (1) replacement of the existing gas chlorination facilities with on-site hypochlorite generation facilities, (2) replacement of all of the chemical feed pumps with new pumps and all of the chemical storage tanks with new tanks, (3) construction of concrete walls for chemical containment, and (4) other miscellaneous improvements. The Contract Drawings, not including recent equipment additions and revisions, have been completed and reviewed by the District. Teter is continuing work on the technical specifications which are more than 50% complete.
- C. Highway No. 1 South (of Miramontes Point Rd.) Pipeline Replacement Project. Teter will prepare preliminary project design drawings as required for the Coastal Development Permit application to San Mateo County. California CAD Solutions has begun preparation of the design background drawings using the GIS computer aerial photograph files obtained from the County of San Mateo.

Fiscal Impact:

The FY 07/08 Capital Improvement Program budget contains funding for all of the projects.