

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

SPECIAL MEETING OF THE BOARD OF DIRECTORS

Tuesday, November 9, 2010 – 6:00 p.m.

AGENDA

1) ROLL CALL

2) PUBLIC COMMENT

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

3) CLOSED SESSION

Anticipated Litigation, Pursuant to California Government Code 54956.9(c)
Initiation of Litigation: One Case

Conference with Real Property Negotiator Pursuant to California Government Code 54956.8

Property: APN 036-300-070, 037-320-280, 037-320-280, 037-320-180, 037-320-220, 037-320-260, 037-320-100

Agency Negotiator: David Dickson, General Manager

Negotiating Parties: Peninsula Open Space Trust

Under Negotiation: Price/consideration and terms of payment

4) RECONVENE TO OPEN SESSION - Public report of closed session action.

5) ADJOURNMENT

Accessible Public Meetings - Upon request, the Coastside County Water District will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please send a written request, including your name, mailing address, telephone number and brief description of the requested materials and preferred alternative format or auxiliary aid or service at least two (2) days before the meeting. Requests should be sent to: Coastside County Water District, Attn: Alternative Agenda Request, 766 Main Street, Half Moon Bay, CA 94019.

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MEETING OF THE BOARD OF DIRECTORS

Tuesday, November 9, 2010 – 7:00 p.m.

AGENDA

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

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

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

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

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

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

4) CONSENT CALENDAR

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

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

- A. Requesting the Board to review disbursements for the month ending October 31, 2010 – Claims: \$715,269.71; Payroll: \$112,833.07 for a total of \$828,102.78 ([attachment](#))
- B. Acceptance of Financial Reports ([attachment](#))
- C. Minutes of the October 12, 2010 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. October 2010 Leak Report ([attachment](#))
- I. Rainfall Reports ([attachment](#))
- J. San Francisco Public Utilities Commission Hydrological Conditions Report for October 2010 ([attachment](#))

5) MEETINGS ATTENDED / DIRECTOR COMMENTS

6) GENERAL BUSINESS

- A. Approval of Coastside County Water District Basic Financial Statements and Independent Auditors Report for Fiscal Year Ended June 30, 2010 ([attachment](#))
- B. Terrace Avenue Services Replacement Project ([attachment](#))
- C. Approval of Springbrook Version 7 Software Upgrade ([attachment](#))
- D. Approval of Application to transfer Uninstalled Non-Priority Water Service Connections: Gary Podesta TR and Wayne Podesta to Charles J. Keenan, III, TR: APN: 056-310-120 to APN 115-520-170 ([attachment](#))

- E. Approval of Resolution 2010-08 – Supporting the Association of California Water Agencies (ACWA) Policy Principles on Implementation of State and Federal Endangered Species Act ([attachment](#))

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

- Connection Sale Status
- Water Reclamation Update
- SFPUC State of the Water System Report

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

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

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

9) **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>
15237	ALL04	ALLIED WASTE SERVICES #925	10/01/2010	0.00	271.98
15238	AME11	AMERICAN WATER WORKS	10/01/2010	0.00	310.00
15239	ATT01	AT&T MOBILITY	10/01/2010	0.00	49.99
15240	BRE01	CATHLEEN BRENNAN	10/01/2010	0.00	144.00
15241	COA 15	COASTSIDE NET, INC	10/01/2010	0.00	59.95
15242	HAR03	HARTFORD LIFE INSURANCE CO.	10/01/2010	0.00	1,634.36
15243	PAC02	PACIFICA CREDIT UNION	10/01/2010	0.00	750.00
15244	PUB01	PUB. EMP. RETIRE SYSTEM	10/01/2010	0.00	16,576.53
15245	VAL01	VALIC	10/01/2010	0.00	1,320.00
15246	ALV01	ALVES PETROLEUM, INC.	10/15/2010	0.00	4,701.33
15247	ASS01	HEALTH BENEFITS AUTHORITY (HBA	10/15/2010	0.00	19,466.13
15248	ATT02	AT&T	10/15/2010	0.00	1,275.23
15249	COU05	RECORDER'S OFFICE	10/15/2010	0.00	50.00
15250	HAR03	HARTFORD LIFE INSURANCE CO.	10/15/2010	0.00	1,634.36
15251	KAI01	KAISER FOUNDATION HEALTH	10/15/2010	0.00	9,054.00
15252	OCE04	OCEAN SHORE CO.	10/15/2010	0.00	1,162.92
15253	PAC01	PACIFIC GAS & ELECTRIC CO.	10/15/2010	0.00	45,413.05
15254	PAC02	PACIFICA CREDIT UNION	10/15/2010	0.00	750.00
15255	PAT05	DONALD PATTERSON	10/15/2010	0.00	90.90
15256	PUB01	PUB. EMP. RETIRE SYSTEM	10/15/2010	0.00	16,603.23
15257	TEA02	TEAMSTERS LOCAL UNION #856	10/15/2010	0.00	775.00
15258	VAL01	VALIC	10/15/2010	0.00	1,320.00
15259	ADP01	ADP, INC.	10/26/2010	0.00	521.90
15260	ADV02	FRANK YAMELLO	10/26/2010	0.00	207.00
15261	AND01	ANDREINI BROS. INC.	10/26/2010	0.00	18,791.00
15262	AND04	EDDIE ANDREINI	10/26/2010	0.00	88.70
15263	ANG01	ANGELO'S MUFFLER	10/26/2010	0.00	25.00
15264	ASS04	ASSOC.CALIF.WATER AGENCIES	10/26/2010	0.00	10,802.00
15265	ASS05	ACWA HEALTH BENEFITS AUTHORITY	10/26/2010	0.00	60.18
15266	ASS08	ASSOC. CALIF. WATER AGENCY	10/26/2010	0.00	10,697.00
15267	ATT03	AT&T LONG DISTANCE	10/26/2010	0.00	59.62
15268	AZE01	AZEVEDO FEED INC.	10/26/2010	0.00	1,147.13
15269	AZT01	AZTEC GARDENS, INC.	10/26/2010	0.00	670.00
15270	BAL04	BALANCE HYDROLOGICS, INC	10/26/2010	0.00	4,691.40
15271	BAR01	BARTKIEWICZ, KRONICK & SHANAHA	10/26/2010	0.00	507.50
15272	BAS01	BASIC CHEMICAL SOLUTION, LLC	10/26/2010	0.00	3,584.69
15273	BAY02	BAY AREA COATING CONSULTANTS,	10/26/2010	0.00	1,200.00
15274	BAY05	BAY AREA WATER SUPPLY &	10/26/2010	0.00	5,572.25
15275	BFI02	BFI OF CALIFORNIA, INC.	10/26/2010	0.00	444.00
15276	BIG01	BIG CREEK LUMBER	10/26/2010	0.00	93.85
15277	BIG02	BIG ED'S CRANE SERVICE, INC	10/26/2010	0.00	858.00
15278	BOR01	BORGES & MAHONEY, INC.	10/26/2010	0.00	1,960.85
15279	BRE03	JASON BRENNEMAN	10/26/2010	0.00	533.05
15280	CAL07	CALIFORNIA TANK LINES, INC	10/26/2010	0.00	620.83
15281	CAL08	CALCON SYSTEMS, INC.	10/26/2010	0.00	85,608.00
15282	CAR02	CAROLYN STANFIELD	10/26/2010	0.00	485.00
15283	CAR06	THOMAS J. CAREY	10/26/2010	0.00	15.80
15284	CAR14	HELEN J./ROBERT CAREY	10/26/2010	0.00	47.40
15285	CIN01	CINTAS FIRST AID & SAFETY	10/26/2010	0.00	146.23
15286	COA01	COASTSIDE LAND SURVEYING	10/26/2010	0.00	3,350.00
15287	COA19	COASTSIDE COUNTY WATER DIST.	10/26/2010	0.00	152.19
15288	COM01	COMMUNICATION LEASING SERVICES	10/26/2010	0.00	2,253.65
15289	COO01	COORDINATED WIRE ROPE OF NO. C	10/26/2010	0.00	3,271.13
15290	CSG01	CSG SYSTEMS, INC	10/26/2010	0.00	2,593.05
15291	DEP07	DEPARTMENT OF PUBLIC HEALTH	10/26/2010	0.00	14,888.74
15292	DUF01	LOGAN DUFFY	VOID 10/26/2010	35.00	0.00
15293	EKI01	EKI INC.	10/26/2010	0.00	4,275.01
15294	ELG01	EL GRANADA LODGING, LLC	10/26/2010	0.00	26.80
15295	ENR01	ENRIQUEZ MD, JOSEFINA	10/26/2010	0.00	125.00
15296	FIR06	FIRST NATIONAL BANK	10/26/2010	0.00	2,018.83
15297	FIS01	FISHER SCIENTIFIC	10/26/2010	0.00	1,568.81
15298	FRI01	FRISCH ENGINEERING, INC	10/26/2010	0.00	6,250.00

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15299	GRA01	GRANDFLOW, INC.	10/26/2010	0.00	584.76
15300	GRA03	GRAINGER, INC.	10/26/2010	0.00	1,558.56
15301	GUI01	JOE GUISTINO	10/26/2010	0.00	145.00
15302	HAL01	HMB BLDG. & GARDEN INC.	10/26/2010	0.00	384.83
15303	HAL04	HALF MOON BAY REVIEW	10/26/2010	0.00	252.50
15304	HAL07	HALF MOON BAY POSTMASTER	10/26/2010	0.00	185.00
15305	HAL24	H.M.B.AUTO PARTS	10/26/2010	0.00	50.01
15306	HAR03	HARTFORD LIFE INSURANCE CO.	10/26/2010	0.00	1,634.36
15307	HEK01	RAY/STEPHANIE HEKKERT	10/26/2010	0.00	15.80
15308	HOM01	HOME DEPOT	10/26/2010	0.00	513.53
15309	HOV01	MARY/STEVEN HOVERSON	10/26/2010	0.00	59.83
15310	INT04	INTELLIGENT TECHNOLOGIES	10/26/2010	0.00	197.88
15311	IRO01	IRON MOUNTAIN	10/26/2010	0.00	365.13
15312	IRV01	IRVINE CONSULTING SERVICES, IN	10/26/2010	0.00	5,615.00
15313	JJA01	JJACPA, INC	10/26/2010	0.00	2,907.00
15314	KGW01	KG WALTERS CONSTRUCTION CO, IN	10/26/2010	0.00	145,028.31
15315	LOM01	GLENNA LOMBARDI	10/26/2010	0.00	99.00
15316	MCT01	MCTV6	10/26/2010	0.00	375.00
15317	MET06	METLIFE SBC	10/26/2010	0.00	1,367.09
15318	MIS01	MISSION UNIFORM SERVICES INC.	10/26/2010	0.00	129.26
15319	MOH03	LARRY MOHR	10/26/2010	0.00	3,085.00
15320	MON01	DARIN BOVILLE	10/26/2010	0.00	900.00
15321	MYE02	BOB MYERS DESIGN	10/26/2010	0.00	542.00
15322	OFF01	OFFICE DEPOT	10/26/2010	0.00	944.79
15323	ONL01	ONLINE RESOURCES	10/26/2010	0.00	150.00
15324	ONT01	ONTRAC	10/26/2010	0.00	315.67
15325	PAC02	PACIFICA CREDIT UNION	10/26/2010	0.00	750.00
15326	PAR01	JOHN M. PARSONS	10/26/2010	0.00	5,356.25
15327	PHI02	PHIL'S TIRE PROS	10/26/2010	0.00	748.28
15328	PIT04	PITNEY BOWES	10/26/2010	0.00	231.00
15329	PUB01	PUB. EMP. RETIRE SYSTEM	10/26/2010	0.00	15,770.22
15330	RED01	RED WING SHOES	10/26/2010	0.00	153.21
15331	RED02	RED WING SHOE STORE	10/26/2010	0.00	163.85
15332	RIC01	RICOH AMERICAS CORPORATION	10/26/2010	0.00	936.25
15333	RIC02	RICOH AMERICAS CORP	10/26/2010	0.00	788.15
15334	RIC04	RICE TRUCKING--SOIL FARM	10/26/2010	0.00	96.28
15335	ROB01	ROBERTS & BRUNE CO.	10/26/2010	0.00	7,868.97
15336	ROG01	ROGUE WEB WORKS, LLC	10/26/2010	0.00	195.00
15337	SAN03	SAN FRANCISCO WATER DEPT.	10/26/2010	0.00	156,809.50
15338	SAN05	SAN MATEO CTY PUBLIC HEALTH LA	10/26/2010	0.00	546.00
15339	SAN07	SM CTY ENVIRONMENTAL HEALTH	10/26/2010	0.00	1,597.00
15340	SER03	SERVICE PRESS	10/26/2010	0.00	602.95
15341	SEW01	SEWER AUTH. MID- COASTSIDE	10/26/2010	0.00	1,140.00
15342	SIE02	SIERRA CHEMICAL CO.	10/26/2010	0.00	5,845.92
15343	SOU05	SOUTH SAN FRANCISCO TIRE SERVI	10/26/2010	0.00	781.82
15344	STE02	JIM STEELE	10/26/2010	0.00	5,625.00
15345	STR02	STRAWFLOWER ELECTRONICS	10/26/2010	0.00	32.72
15346	T&T01	T & T VALVE AND INSTRUMENT, IN	10/26/2010	0.00	8,377.20
15347	TET01	JAMES TETER	10/26/2010	0.00	7,686.79
15348	TUR04	SUSAN TURGEON	10/26/2010	0.00	74.45
15349	UB*00821	CLIFFORD CHANG	10/26/2010	0.00	70.52
15350	UB*00822	GROWERS PROPAGATORS OF AMERICA	10/26/2010	0.00	40.20
15351	UB*00823	PHILLIP GORROW	10/26/2010	0.00	50.17
15352	UB*00824	ROBERT WILKINSON	10/26/2010	0.00	15.11
15353	UB*00825	BILL CARR/KRISTEN JOHNSON	10/26/2010	0.00	28.92
15354	UB*00826	PAMELA BOUTIN	10/26/2010	0.00	36.69
15355	UB*00827	EARL WILSON	10/26/2010	0.00	47.02
15356	UB*00828	SPENCER/VICTORIA KOWALSKI	10/26/2010	0.00	30.75
15357	UB*00829	KELLY CURRIER	10/26/2010	0.00	38.88
15358	UB*00830	ARLENE LINDBERG	10/26/2010	0.00	7.32
15359	UPS01	UPS STORE	10/26/2010	0.00	13.11
15360	VAL01	VALIC	10/26/2010	0.00	1,370.00

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15361	VER02	VERIZON WIRELESS	10/26/2010	0.00	454.97
15362	WES11	WEST COAST AGGREGATES, INC.	10/26/2010	0.00	421.58
15363	WHE01	VIRGINIA WHELEN	10/26/2010	0.00	195.00
15364	WOR02	WILLIAM/LIZABETH WORLEY	10/26/2010	0.00	15.80
15365	CAR07	CALVIN CARTER	10/28/2010	0.00	150.00
15366	HAN01	HANSONBRIDGETT. LLP	10/28/2010	0.00	8,777.00
15367	LOR02	JOHN LORTS	10/28/2010	0.00	300.00
Report Total:				35.00	715,269.71

COASTSIDE COUNTY WATER DISTRICT - PERIOD BUDGET ANALYSIS
31-Oct-10

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	615,966	602,696	13,270	2.2%	2,397,273	2,643,269	(245,996)	(9.3%)
1-0-4170-00	Water Taken From Hydrants	1,613	2,083	(470)	(22.6%)	7,451	8,333	(883)	(10.6%)
1-0-4180-00	Late Notice -10% Penalty	5,569	4,167	1,403	33.7%	20,843	16,667	4,176	25.1%
1-0-4230-00	Service Connections	290	667	(376)	(56.4%)	2,543	2,667	(124)	(4.6%)
1-0-4235-00	CSP Connection T & S Fees	0	0	0	0.0%	6,796	0	6,796	0.0%
1-0-4920-00	Interest Earned	3,363	0	3,363	0.0%	3,363	6,605	(3,242)	(49.1%)
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	0	500	(500)	(100.0%)	21,335	16,000	5,335	33.3%
1-0-4950-00	Miscellaneous Income	6,446	3,083	3,363	109.1%	13,804	12,333	1,471	11.9%
1-0-4955-00	Cell Site Lease Income	9,491	9,276	215	2.3%	37,663	37,104	559	1.5%
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%	0	0	0	0.0%
1-0-4970-00	Wavecrest Reserve Conn. Fees	0	0	0	0.0%	0	0	0	0.0%
REVENUE TOTALS		642,738	622,472	20,266	3.3%	2,511,071	2,742,978	(231,907)	(8.5%)
EXPENSES									
1-1-5130-00	Water Purchased	156,810	190,218	33,409	17.6%	690,175	846,003	155,828	18.4%
1-1-5230-00	Pump Exp, Nunes T P	1,856	1,583	(273)	(17.3%)	5,814	6,336	522	8.2%
1-1-5231-00	Pump Exp, CSP Pump Station	36,158	47,000	10,842	23.1%	61,155	117,436	56,281	47.9%
1-1-5232-00	Pump Exp, Trans. & Dist.	1,312	1,667	355	21.3%	4,269	6,668	2,399	36.0%
1-1-5233-00	Pump Exp, Pilarcitos Can.	203	60	(143)	(239.1%)	622	240	(382)	(159.1%)
1-1-5234-00	Pump Exp. Denniston Proj.	5,278	3,000	(2,278)	(75.9%)	12,542	6,000	(6,542)	(109.0%)
1-1-5235-00	Denniston T.P. Operations	3,542	1,450	(2,092)	(144.3%)	5,647	2,890	(2,757)	(95.4%)
1-1-5236-00	Denniston T.P. Maintenance	963	3,166	2,203	69.6%	15,768	12,666	(3,102)	(24.5%)
1-1-5240-00	Nunes T P Operations	7,340	6,135	(1,205)	(19.6%)	36,025	24,025	(12,000)	(49.9%)
1-1-5241-00	Nunes T P Maintenance	1,585	3,000	1,415	47.2%	10,499	12,000	1,501	12.5%
1-1-5242-00	CSP Pump Station Operations	588	708	120	16.9%	1,765	2,832	1,067	37.7%
1-1-5243-00	CSP Pump Station Maintenance	7,263	4,458	(2,805)	(62.9%)	36,837	17,832	(19,005)	(106.6%)
1-1-5250-00	Laboratory Services	862	5,000	4,138	82.8%	5,930	20,000	14,070	70.4%
1-1-5318-00	Studies/Surveys/Consulting	5,604	1,833	(3,770)	(205.7%)	10,111	7,333	(2,778)	(37.9%)
1-1-5321-00	Water Conservation	1,310	7,708	6,398	83.0%	28,757	30,833	2,077	6.7%
1-1-5322-00	Community Outreach	1,496	2,183	687	31.5%	4,067	8,733	4,667	53.4%
1-1-5411-00	Salaries & Wages -Field	106,825	107,340	515	0.5%	327,035	322,019	(5,016)	(1.6%)
1-1-5412-00	Maintenance -General	7,639	16,042	8,403	52.4%	47,609	64,168	16,559	25.8%

ACCOUNT	DESCRIPTION	CURRENT ACTUAL	CURRENT BUDGET	B/(W) VARIANCE	B/(W) % VAR	YTD ACTUAL	YTD BUDGET	B/(W) VARIANCE	B/(W) % VAR
1-1-5414-00	Motor Vehicle Expense	6,838	3,708	(3,130)	(84.4%)	18,613	14,832	(3,781)	(25.5%)
1-1-5415-00	Maintenance -Well Fields	0	500	500	100.0%	0	2,000	2,000	100.0%
1-1-5610-00	Salaries/Wages-Administration	72,051	73,889	1,838	2.5%	215,371	221,666	6,294	2.8%
1-1-5620-00	Office Supplies & Expense	12,253	9,906	(2,347)	(23.7%)	33,709	39,625	5,916	14.9%
1-1-5621-00	Computer Services	5,945	3,446	(2,499)	(72.5%)	14,917	16,283	1,366	8.4%
1-1-5625-00	Meetings / Training / Seminars	2,921	1,667	(1,254)	(75.3%)	6,735	6,667	(68)	(1.0%)
1-1-5630-00	Insurance	43,980	46,158	2,177	4.7%	205,743	214,630	8,887	4.1%
1-1-5640-00	Employees Retirement Plan	47,354	50,514	3,160	6.3%	127,397	151,542	24,146	15.9%
1-1-5645-00	SIP 401K Plan	0	2,500	2,500	100.0%	0	10,000	10,000	100.0%
1-1-5681-00	Legal	5,685	4,750	(935)	(19.7%)	18,973	19,000	27	0.1%
1-1-5682-00	Engineering	480	1,167	687	58.9%	2,089	4,667	2,578	55.2%
1-1-5683-00	Financial Services	8,263	7,750	(513)	(6.6%)	8,263	15,500	7,237	46.7%
1-1-5684-00	Payroll Tax Expense	11,601	12,917	1,316	10.2%	39,104	38,752	(352)	(0.9%)
1-1-5687-00	Membership, Dues, Subscript.	16,587	16,363	(225)	(1.4%)	22,685	23,450	766	3.3%
1-1-5688-00	Election Expenses	0	0	0	0.0%	0	0	0	0.0%
1-1-5689-00	Labor Relations	0	1,000	1,000	100.0%	2,040	4,000	1,960	49.0%
1-1-5700-00	San Mateo County Fees	1,597	2,500	903	36.1%	2,795	3,300	505	15.3%
1-1-5705-00	State Fees	14,889	7,500	(7,389)	(98.5%)	14,889	7,500	(7,389)	(98.5%)
1-1-5711-00	Debt Srvc/Existing Bonds 1998A	0	0	0	0.0%	250,235	250,235	0	0.0%
1-1-5712-00	Debt Srvc/Existing Bonds 2006B	0	0	0	0.0%	334,114	334,114	0	0.0%
1-1-5713-00	Contribution to CIP & Reserves	52,311	52,311	0	0.0%	209,244	209,244	0	0.0%
1-1-5745-00	CSP Connect. Reserve Contribu.	0	0	0	0.0%	6,796	0	(6,796)	0.0%
1-1-5746-00	Wavecrest CSP Connt. Reserve	0	0	0	0.0%	0	0	0	0.0%
EXPENSE TOTALS		649,390	701,096	51,706	7.4%	2,838,338	3,095,022	256,683	8.3%
NET INCOME		(6,652)	(78,624)	71,972		(327,268)	(352,044)	24,777	

**COASTSIDE COUNTY WATER DISTRICT
INVESTMENT REPORT
October 31, 2010**

		<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 FIRST NATIONAL BANK</u>						
OPERATING ACCOUNT			-\$79,794.69			-\$79,794.69
CSP T&S ACCOUNT					\$151,662.95	\$151,662.95
TOTAL FIRST NATIONAL BANK	\$0.00	\$0.00	-\$79,794.69	\$0.00	\$151,662.95	\$71,868.26
CASH WITH L.A.I.F	\$298,070.00	\$1,545,721.00	\$505,285.90	\$0.00	\$20,924.10	\$2,370,001.00
UNION BANK - Project Fund Balance			\$229,429.20			\$229,429.20
CASH ON HAND	\$1,930.00					\$1,930.00
TOTAL DISTRICT CASH BALANCES	\$300,000.00	\$1,545,721.00	\$654,920.41	\$0.00	\$172,587.05	\$2,673,228.46
ASSESSMENT DISTRICT BALANCES						
<u>CASH IN FIRST NATIONAL BANK</u>						
REDEMPTION ACCOUNT		\$ 87,671.81				
RESERVE ACCOUNT (Closed Account 8-4-04)		\$ -				
TOTAL ASSESSMENT DISTRICT CASH		\$ 87,671.81				

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.

**COASTSIDE COUNTY WATER DISTRICT
APPROVED CAPITAL IMPROVEMENT PROJECTS
FISCAL YEAR 2010-2011**

10/31/2010

	Approved CIP Budget FY 10/11	Actual To Date FY 10/11	Projected Year-End FY 10/11	Projected vs. Budget Variance	Project Status/ Comments
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PIPELINE PROJECTS

	Small Line Decommission Behind Main Street	\$ 25,000			\$ 25,000	planning
	Rebuild Harbor 4" Vault	\$ 20,000		\$ 20,000	\$ -	planning

WATER TREATMENT PLANTS

09-05	Denniston Intake Maintenance	\$ 29,000	\$ 25,347	\$ 22,000	\$ 7,000	Denniston dredging project for Year 2010
10-03	Nunes- Backwash Variable Rates Prj (design/build)	\$ 25,000	\$ 18,241	\$ 25,000	\$ -	Assembling parts
10-04	Nunes - Flocc Drive Repair	\$ 50,000	\$ 41,920	\$ 42,000	\$ 8,000	Drives received and installed. Complete for FY11. New mixers on order for 2012, Project to be complete in FY12
08-05	Nunes WTP - Plant Painting	\$ 12,500		\$ -	\$ 12,500	

FACILITIES & MAINTENANCE

09-07	AMR Program & Fixed Network	\$ 100,000		\$ 50,000	\$ 50,000	Need to present business case to facilities committee and Board
08-08	PRV Valves Replacement Project	\$ 20,000		\$ 20,000	\$ -	On-going program
99-01	Meter Change Program	\$ 30,000	\$ 5,364	\$ 30,000	\$ -	On-going program
09-09	Fire Hydrant Replacement	\$ 20,000		\$ 20,000	\$ -	Variance due to this project gets done when there is extra time.
09-10	Standardize Chlorine Analyzers at 6 Facilities	\$ 25,000	\$ 8,288	\$ 15,000	\$ 10,000	Purchasing parts and equipment for EG3
09-23	District Digital Mapping	\$ 75,000			\$ 75,000	

EQUIPMENT PURCHASE & REPLACEMENT

99-02	Vehicle Replacement	\$ 20,000	\$ 17,166	\$ 18,000	\$ 2,000	Purchase Complete
99-03	Computer System	\$ 12,000	\$ 4,005	\$ 10,000	\$ 2,000	
99-04	Office Equipment/Furniture	\$ 3,000		\$ -	\$ 3,000	
06-03	SCADA/Telemetry/electrical controls	\$ 550,000	\$ 11,415	\$ 400,000	\$ 150,000	90% Spec Review. Preparing Bidders.
	Billing System Upgrade	\$ 75,000		\$ 70,000	\$ 5,000	

PUMP STATIONS / TANKS / WELLS

09-17	Crystal Springs Emergency Generator	\$ 50,000			\$ 50,000	
	MCC Upgrades Denniston PP	\$ 30,000			\$ 30,000	
	Alves Tank - Recoating (Interior & Exterior)	\$ 100,000		\$ 100,000	\$ -	Preparing bid documents
	EG Tank 2 - Recoating (and Ladder)	\$ 200,000		\$ 200,000	\$ -	Preparing bid documents
	EG Tank #2 Pump Station Pump Replacement	\$ 30,000	\$ 23,185	\$ 25,000	\$ 5,000	Complete
	Half Moon Bay Tank #1 (Int & Ext Recoat)	\$ 200,000		\$ 200,000	\$ -	Preparing bid documents
	Miramar Tank Fence upgrade	\$ 8,000		\$ 8,000	\$ -	

DENNISTON WTP PRIORITY (SHORT-TERM) IMPROVEMENTS

08-19	Denniston Short Term WTP Modifications	\$ 50,000		\$ 50,000	\$ -	In design
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NUNES WTP PRIORITY (SHORT-TERM) IMPROVEMENTS

08-24	Nunes Short Term WTP Modifications	\$ 1,100,000	\$ 782,544	\$ 1,000,000	\$ 100,000	90% Complete
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COASTSIDE COUNTY WATER DISTRICT
 APPROVED CAPITAL IMPROVEMENT PROJECTS
 FISCAL YEAR 2010-2011

10/31/2010

Approved CIP Budget FY 10/11	Actual To Date FY 10/11	Projected Year-End FY 10/11	Projected vs. Budget Variance	Project Status/ Comments
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DENNISTON WTP (LONG-TERM) IMPROVEMENTS (MEMBRANE FILTRATION)

08-22	Denniston Pre/Post Treatment Design	\$ 400,000	\$ 71,581	\$ 400,000	\$ -	Design in progress
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WATER SUPPLY DEVELOPMENT

09-21	Reclamation Project Planning	\$ 100,000		\$ -	\$ 100,000	Timing of expenditures difficult to estimate due to slow progress in reaching agreement with SAM for recycling.
09-22	Water Supply Alternatives Evaluation	\$ 100,000	\$ 56,502	\$ 125,000	\$ (25,000)	Cost to date includes work on NPS-POST Denniston land transfer. Projected includes Urban Water Management Plan

FY 10-11 TOTALS \$ 3,459,500 \$ 1,065,559 \$ 2,830,000 \$ 609,500

FY 09/10 CIP Projects - paid in FY 10/11

1125-02	Retention - Filter Media - Denniston		\$ 8,511	\$ 8,511	\$ (8,511)	Project completed FY09-10.
1118-12	CSP Exterior Painting Project		\$ 799	\$ 799	\$ (799)	
1121-51	Miramar Tank Recoating Project (retention)		\$ 28,054	\$ 28,045	\$ (28,045)	Project completed FY09-10.
1121-53	Pilarcitos Canyon Blending Station		\$ 2,607	\$ 130,000	\$ (130,000)	Original budget \$150K. FY09-10 expenditure of \$13,700

PREVIOUS YEAR TOTALS \$ 39,971 \$ 167,355 \$ (167,355)

NON-BUDGETED ITEMS (CAPITAL EXPENDITURES) FOR CURRENT FISCAL YEAR 010/11

1118-12	New Check Scanner for Office		\$ 2,716	\$ 2,716	\$ (2,716)	
1118-03	Outback Brush Cutter		\$ 2,512	\$ 2,512	\$ (2,512)	
1118-13	Base Station for Shop		\$ 2,501	\$ 2,501	\$ (2,501)	
1128-03	El Granada Pipeline - Phase III		\$ 428	\$ 428	\$ (428)	
1121-58	Railroad Pipeline Replacment		\$ 663	\$ 663	\$ (663)	
1121-59	Terrace Ave Service Connection Replacement		\$ 6,307	\$ 83,000	\$ (83,000)	

NON-BUDGETED TOTALS \$ 15,127 \$ 91,820 \$ (91,820)

CIP TOTALS \$ 3,459,500 \$ 1,120,656 \$ 3,089,175 \$ 350,325

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

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

Month	Admin (General Legal Fees)	Recycle Water Analysis	Water Supply Develpmnt	Transfer Program	CIP	Water Conservation	Personnel	Lawsuits	Infrastructure Project Review (Reimbursable)	TOTAL
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Nov-09	6,156			234	598				676	7,664
Dec-09	4,940			598	26				910	6,474
Jan-10	3,406	234		2,132					52	5,824
Feb-10	5,334	754		78		2,663				8,829
Mar-10	7,316	79			4,210	236				11,840
Apr-10	7,219	262			3,563	236			131	11,411
May-10	8,056									8,056
Jun-10	4,937			183	3,275	52	863		917	10,228
Jul-10	8,138		3,458	393						11,989
Aug-10	7,161		5,383	2,305			3,698			18,547
Sep-10	2,384		4,768	1,284			464			8,900
Oct-10	5,450		1,258	1,886	183					8,777

TOTAL	70,496	1,329	14,867	9,094	11,855	3,187	5,024	0	2,686	118,537
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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
Nov-09	1,347			701	1,841	3,889	1,841
Dec-09						0	
Jan-10	646		3,025	1,743	664	6,078	664
Feb-10	1,137			3,320	1,909	6,366	1,909
Mar-10	1,144		1,577	581		3,302	
Apr-10	848			1,411	332	2,591	332
May-10	480		4,048	1,909		6,437	
Jun-10	1,015		2,709	1,743		5,467	
Jul-10	649			1,859	3,924	6,432	
Aug-10	480			169		649	
Sep-10	480		5,333			5,813	
Oct-10	480		6,446	761		7,687	
TOTAL	8,706	0	23,138	14,196	8,670	54,710	4,746

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

Tuesday, October 12, 2010 - 6:00 p.m.

- 1) **ROLL CALL** - The Closed Session convened at 6:00 p.m. Present at roll call: President Chris Mickelsen, Vice-President Bob Feldman, and Directors Ken Coverdell, Jim Larimer and Jerry Donovan.

- 2) **PUBLIC COMMENT** - There were no public comments.

- 3) **CLOSED SESSION**
Public Employee Performance Evaluation
(Cal. Govt. Code §54957): Title: General Manager

- 4) **RECONVENE TO OPEN SESSION** - The Closed Session concluded at 7:00 p.m., immediately prior to commencement of the regular meeting, at which time President Mickelsen announced that no reportable action was taken during the closed session.

- 5) **ADJOURNMENT**

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

Tuesday, October 12, 2010 – 7:00 p.m.

- 1) **ROLL CALL** - President Mickelsen called the meeting to order at 7:06 p.m. Present at roll call: President Chris Mickelsen, Vice-President Bob Feldman, and Directors Ken Coverdell, Jim Larimer and Jerry Donovan.

Also present were: David Dickson, General Manager; Patrick Miyaki, Legal Counsel; Joe Guistino, Superintendent of Operations; 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 COMMENTS**

Don Pretre - 1250 Miramontes Street, Half Moon Bay - Stated that he was disappointed to receive a letter from the Coastside County Water District (CCWD) advising him that he was not eligible to purchase a non-priority connection due because his property was not located within the District's boundaries. He requested that the Board allow District staff to continue to work with him at his expense, by exploring various options to try to arrive at a solution to this situation.

Mr. Dickson provided further details about the property location and situation and addressed the Board's questions.

- 4) **CONSENT CALENDAR**

- A. Requesting the Board to review disbursements for the month ending September 30, 2010 - Claims: \$1,409,570.88; Payroll: \$71,979.19 for a total of \$1,481,550.07
- B. Acceptance of Financial Reports
- C. Minutes of the September 14, 2010 Board of Directors Meeting

- D. Minutes of the September 29, 2010 Special Board of Directors Meeting
- E. Monthly Water Transfer Report
- F. Installed Water Connection Capacity and Water Meters Report
- G. Total CCWD Production Report
- H. CCWD Monthly Sales by Category Report
- I. September 2010 Leak Report
- J. Rainfall Reports
- K. San Francisco Public Utilities Commission Hydrological Conditions Report for September 2010
- L. Acceptance of Non-Complex Pipeline Extension Project - Andreini Family Ranch - 308 San Mateo Road (Nunes Water Treatment Plant)
- M. Award of Contract for Crystal Springs Vault Lid Fabrication

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

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

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

5) MEETINGS ATTENDED / DIRECTORS COMMENTS

Director Coverdell provided a brief report on the recent Bay Area Water Supply and Conservation Agency (BAWSCA) Board of Directors meeting.

6) GENERAL BUSINESS

A. Approval of California Environmental Quality Act (CEQA) Notice of Exemption for Pilarcitos Blending Station Project

Mr. Dickson provided the background of this item, reviewed the details of this project and the CEQA process and recommended that the Board approve the CEQA exemption.

ON MOTION BY Director Larimer and seconded by President Mickelsen, the Board voted as follows, by roll call vote, to approve the CEQA Notice of Exemption for the Pilarcitos Blending Station Project:

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

B. Concepts for a Non-Priority Connection Repurchase Program

Mr. Dickson introduced this item and explained that there has been interest expressed in the possibility of the District repurchasing some of the approximately 1,000 uninstalled Crystal Springs non-priority water service connections currently held by property owners.

He outlined a possible program to repurchase the connections and proposed that a portion of proceeds from the recent sale of non-priority connections could be used for this purpose. Mr. Dickson and Mr. Miyaki answered questions from the Board members and Mr. Dickson advised that based on interest expressed by Board members, staff would further develop the program's details for consideration at a future Board meeting.

C. Fiscal Year 2009-2010 Year End Financial Review

Mr. Dickson presented the yearend summary, reviewed highlights of revenue and operating expenses, and addressed questions and comments from the Board.

D. Approval of CCWD-MWSD Agreement for Emergency Water Supply

Mr. Dickson informed the Board that discussions with the Coastside County Water District (CCWD) and Montara Water & Sanitary District's (MWSD) mutual interest committees began in June of 2008 with the development of an agreement under which either agency could supply water to the other in an emergency. As a member of the committee, Director Coverdell shared some historical perspective of the process. Board discussion ensued, and Mr. Miyaki explained some of the terms of the Agreement in further detail. Mr. Dickson reported that the MWSD Board of Directors had approved the Agreement on October 7, 2010 and recommended that the Board approve the Agreement and staff would

begin working with MWSD to discuss permitting and logistical issues related to providing an emergency supply of water.

ON MOTION BY Director Coverdell and seconded by Director Donovan, the Board voted as follows, by roll call vote, to approve the Agreement for Emergency Water Supply between the Coastside County Water District and the Montara Water & Sanitary District:

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

7) GENERAL MANAGER'S REPORT INCLUDING MONTHLY INFORMATIONAL REPORTS

- **Connection Sale Status** - Mr. Dickson provided an update on the status of the connection sales, advising that 32 application submittals had been received by the District to date, and that staff was working on the processing of these connection sales.
 - **Water Reclamation Update** - Mr. Dickson noted that there is nothing new to report on this item.
 - **SFPUC Rate Study** - Mr. Dickson recapped the history of this item and reported the results of the meeting with SFPUC on October 8, 2010 and advised that the next meeting has already been scheduled for November 16, 2010 and that he felt optimistic about the progress of the rate study.
- A. **Operations Report** - Mr. Guistino summarized the highlights of his monthly report, including the progress of the Nunes Short Term Improvement Project, scheduled to be completed near the end of November.
- B. **Water Resources Report** - Shared her plans and ideas for public outreach and water awareness in the community.

8) DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS

9) ADJOURNMENT

The meeting was adjourned at 8:38 p.m. The next regular meeting of the Coastside County Water District's Board of Directors is scheduled for Tuesday, November 9, 2010.

Respectfully submitted,

David R. Dickson, General Manager
Secretary of the Board

Chris R. Mickelsen, President
Board of Directors

STAFF REPORT

To: Coastside County Water District Board of Directors

From: David Dickson, General Manager

Agenda: November 4, 2010

Report

Date: November 9, 2010

Subject: Monthly Water Transfer 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 previous Board meeting in October 2010, one transfer application was approved for one—5/8" (20 gpm) non-priority water service connection. A spreadsheet reporting the transfer for the month of November 2010 follows this report as well as the approval from Patrick Miyaki and the confirmation letter from Glenna Lombardi.

APPROVED WATER TRANSFERS FOR THE 2010 CALENDAR YEAR

DONATING APN	RECIPIENT APN	PROPERTY OWNERS	# OF CONNECTIONS	DATE
056-310-020	047-045-220	Gill-Vista Enterprises to El Granada Lodging LLC	1---5/8" non-priority	Nov-10

Memorandum

VIA ELECTRONIC MAIL

TO: Glenna Lombardi
FROM: Patrick T. Miyaki
DATE: October 7, 2010
RE: **Application to Transfer Uninstalled Non-Priority Water Service Connection from Gill-Vista Property**

Glenna, I reviewed the Application to transfer one 5/8-inch uninstalled non-priority water service connection from Gill-Vista Enterprises, a California General Partnership, (APN 056-310-020) to El Granada Lodging, LLC (APN 047-045-220).

This Application is generally in order and satisfies the requirements of the District's General Regulations Regarding Water Service, Section U, Transfer of Uninstalled Water Service Connection Rights.

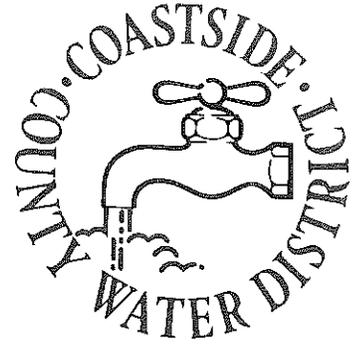
Please do not hesitate to contact me if you have any questions or want to discuss this matter in more detail.

cc: David Dickson

November 4, 2010

Gill-Vista Enterprises
5 Erba lane, Suite D
Scotts Valley, CA 95066

El Granada Lodging, LLC
P.O. Box 127
El Granada, CA 94018



Dear Property Owners:

RE: Request to Transfer An Uninstalled Non-Priority Crystal Springs Project Water Service Connection

Dear Property Owner:

We are pleased to confirm that the Coastside County Water District has **approved** your request to transfer a one---5/8" (20 gpm) uninstalled, non-priority Crystal Springs Project water service connection. The result of this transfer is as follows:

- **APN 056-310-020** has the remaining rights to three (3) 5/8" uninstalled non-priority water service connections from the Coastside County Water District; and
- **APN 047-045-220** now has a one---5/8" (20 gpm) uninstalled non-priority water service connection assigned to it from the Crystal Springs Project. *(With approval of this transfer application, there is now a total of 3---5/8" (20 gpm) non-priority water service connections assigned to Property #2.)*

Please be advised that the City Council of the City of Half Moon Bay has 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,


Glenna Lombardi

Cc: David Dickson, General Manager

COASTSIDE COUNTY WATER DISTRICT
Installed Water Connection Capacity & Water Meters

2010

Installed Water Connection Capacity	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Total
HMB Non-Priority													
0.5" capacity increase													
5/8" meter	1						3	1	3	1			9
3/4" meter													0
2" meter													
HMB Priority													
5/8" meter													0
3/4" meter													0
1" meter							1						1
1 1/2" meter													
2" meter													
County Non-Priority													
5/8" meter					1								1
3/4" meter								1		1			2
1" meter													0
County Priority													
5/8" meter					1								1
3/4" meter													0
1" meter													0
Monthly Total	1	0	0	0	2	0	4	2	3	2	0	0	14

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

Installed Water Meters	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Totals
HMB Non-Priority	1						5.5	1	3	1			11.5
HMB Priority										1.5			1.5
County Non-Priority					1			1.5					2.5
County Priority					1								1
Monthly Total	1	0	0	0	2	0	5.5	2.5	3	2.5	0	0	16.5

TOTAL CCWD PRODUCTION (MG) ALL SOURCES-2010

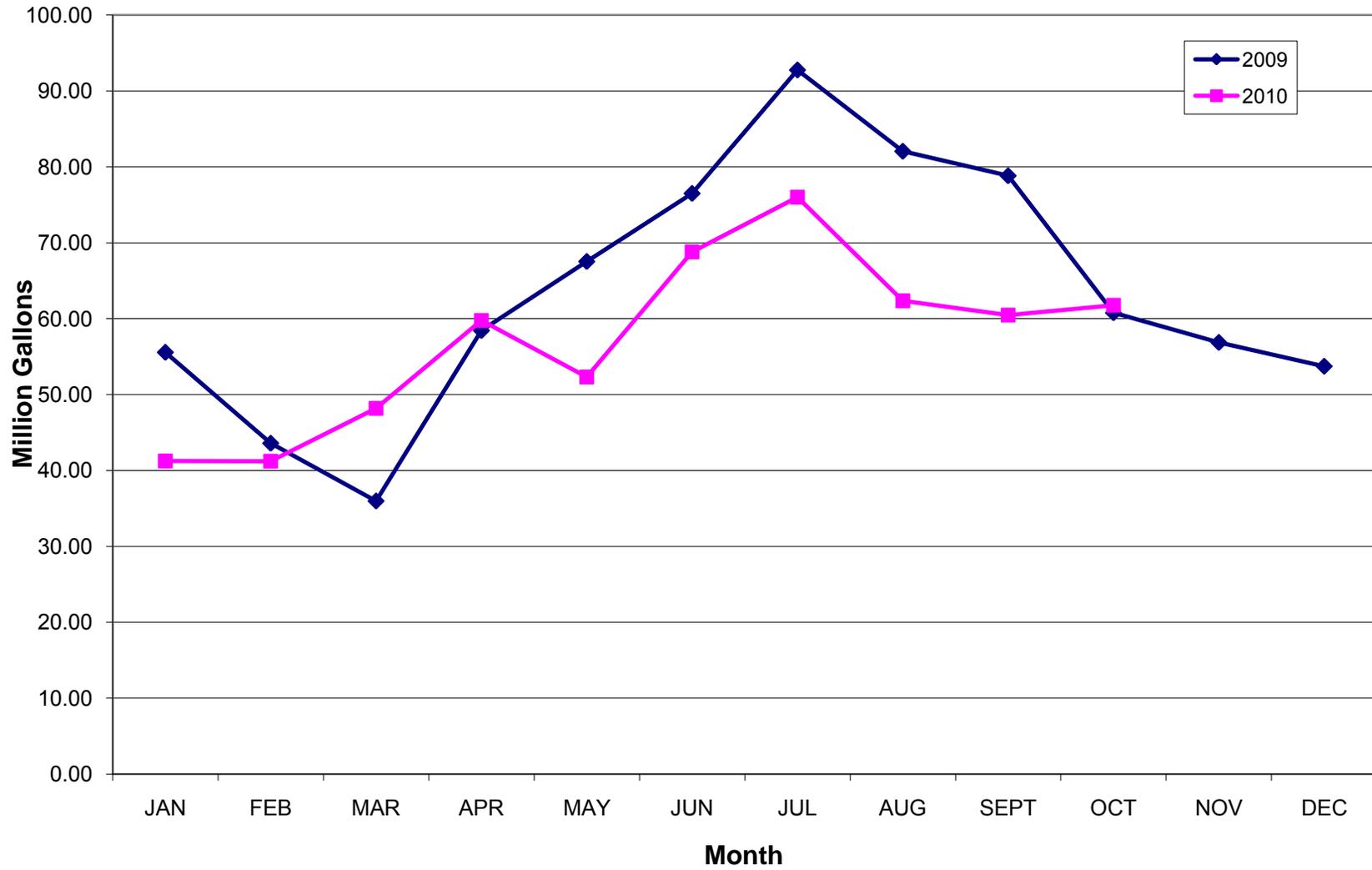
	PILARCITOS WELLS	PILARCITOS LAKE	DENNISTON WELLS	DENNISTON RESERVOIR	CRYSTAL SPRINGS RESERVOIR	RAW WATER TOTAL	UNMETERED WATER	TREATED TOTAL
JAN	9.51	6.60	0.00	0.00	25.35	41.46	0.19	41.27
FEB	9.93	30.99	0.00	0.00	0.00	40.92	-0.29	41.21
MAR	11.65	37.69	0.00	0.00	0.00	49.34	1.16	48.18
APR	0.00	52.741	1.92	5.55	0.18	60.39	0.64	59.75
MAY	0.00	46.00	1.47	5.43	0.31	53.21	0.90	52.32
JUN	0.00	49.53	1.61	5.29	13.06	69.49	0.69	68.80
JUL	0.00	57.55	1.04	2.07	15.12	75.78	-0.21	75.99
AUG	0.00	41.40	0.80	3.03	18.17	63.40	1.06	62.35
SEPT	0.00	22.17	1.36	3.63	34.64	61.80	1.34	60.46
OCT	0.00	38.13	0.00	0.00	23.69	61.82	0.05	61.77
NOV								
DEC								
TOTAL	31.09	382.80	8.20	25.00	130.52	577.61	5.525	572.09
% TOTAL	5.4%	66.3%	1.4%	4.3%	22.6%	100.0%	0.96%	99.0%

12 Month Running Treated Total 680.83

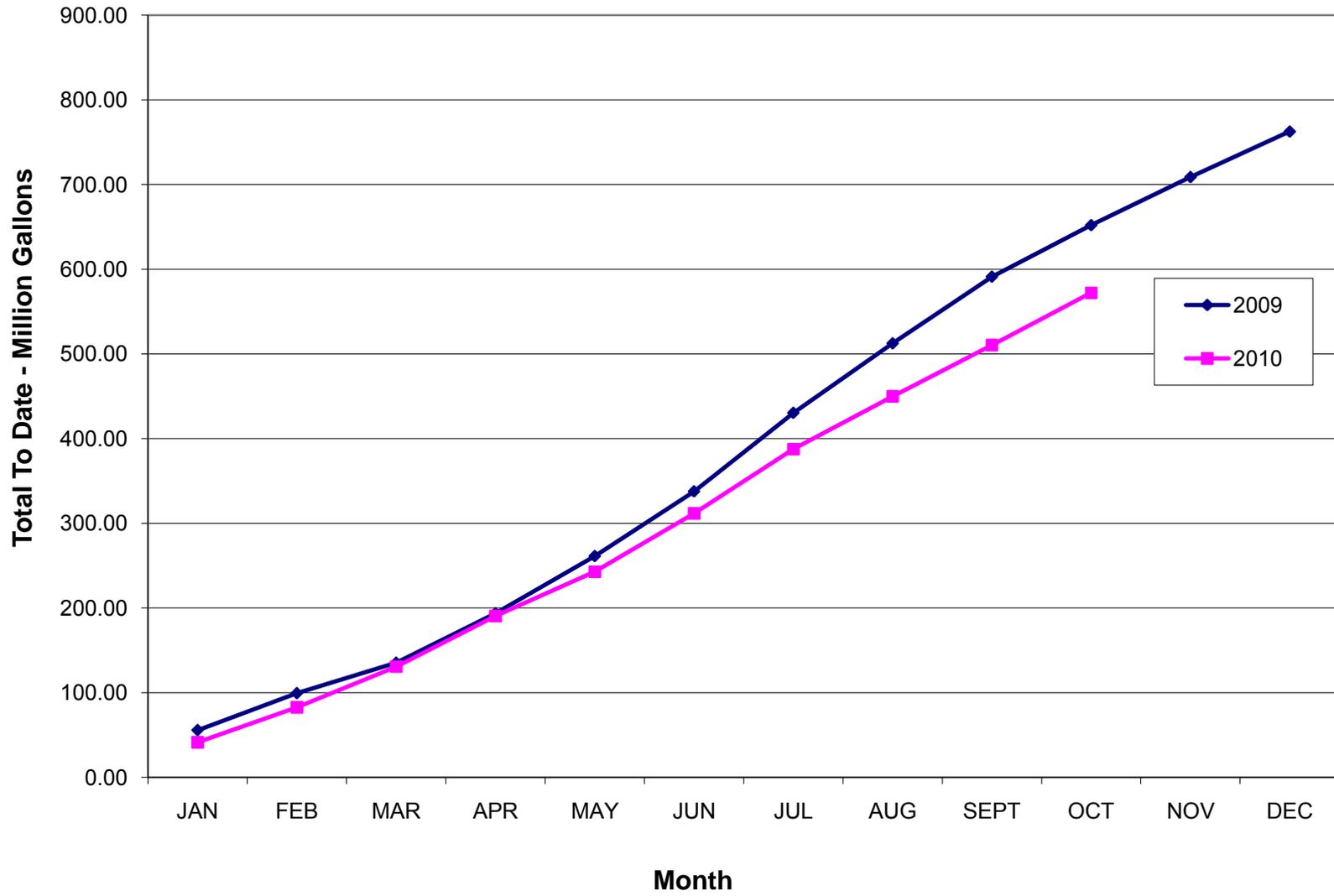
TOTAL CCWD PRODUCTION (MG) ALL SOURCES-2009

	PILARCITOS WELLS	PILARCITOS LAKE	DENNISTON WELLS	DENNISTON RESERVOIR	CRYSTAL SPRINGS RESERVOIR	RAW WATER TOTAL	UNMETERED WATER	TREATED TOTAL
JAN	1.56	0.00	0.00	0.78	52.21	54.55	-0.96	55.51
FEB	4.19	5.11	0.00	0.00	33.52	42.82	-0.76	43.58
MAR	1.12	35.08	0.00	0.00	0.00	36.20	0.24	35.96
APR	0.00	58.566	0.30	0.76	0.00	59.63	1.23	58.40
MAY	0.00	49.27	2.43	12.46	3.77	67.93	0.45	67.48
JUN	0.00	57.09	2.38	11.07	5.84	76.38	-0.10	76.48
JUL	0.00	1.78	0.00	1.27	90.10	93.15	0.42	92.73
AUG	0.00	0.00	0.00	0.00	82.30	82.30	0.33	81.97
SEPT	0.00	0.00	0.00	0.00	78.74	78.74	-0.07	78.81
OCT	0.00	0.00	0.00	0.00	60.48	60.48	-0.26	60.74
NOV	5.14	0.00	0.69	2.85	48.00	56.68	-0.15	56.83
DEC	7.93	0.00	0.6	3.07	40.13	51.73	-0.185	51.92
TOTAL	19.94	206.90	6.40	32.26	495.09	760.59	0.190	760.40
% TOTAL	2.6%	27.2%	0.8%	4.2%	65.1%	100.0%	0.02%	100.0%

Monthly Production 2010 vs. 2009



Cumulative Production 2010 vs. 2009



**Coastside County Water District Monthly Sales By Category (MG)
2010**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	MG to Date
RESIDENTIAL	20.466	32.739	17.123	32.307	21.012	40.874	27.995	53.667	25.593	47.825			319.60
COMMERCIAL	5.336	1.055	5.677	1.046	5.353	1.197	6.625	1.341	6.030	1.516			35.18
RESTAURANT	2.192	0.239	2.512	0.206	2.651	0.268	3.245	0.282	2.994	0.294			14.88
HOTELS/MOTELS	2.699	1.872	2.512	1.444	3.186	1.940	3.691	2.239	3.483	2.085			25.15
SCHOOLS	0.347	0.233	0.367	0.352	0.548	1.126	1.334	1.347	1.378	1.132			8.16
MULTI DWELL	2.431	1.722	2.215	2.008	1.656	3.296	3.136	2.895	3.050	3.116			25.52
BEACHES/PARKS	0.436	0.004	0.599	0.022	0.669	0.011	0.902	0.113	0.889	0.083			3.73
FLORAL	5.243	6.738	7.648	8.280	8.995	7.819	7.238	7.186	7.566	5.095			71.81
RECREATIONAL	0.025	0.228	0.018	0.181	0.026	0.217	0.040	0.232	0.032	0.207			1.21
MARINE	0.975	0.000	0.779	0.000	0.743	0.000	0.987	0.000	1.055	0.000			4.54
IRRIGATION	0.120	0.653	0.046	0.652	0.070	5.187	12.096	9.452	8.749	9.672			46.70
Portable Meters	0.010	0.070	0.000	0.117	0.000	0.310	0.000	0.408	0.000	0.382			1.30
TOTAL - MG	40.28	45.55	39.50	46.62	44.91	62.25	67.29	79.16	60.82	71.41	0.00	0.00	557.78

Running 12 Month Total

655.71

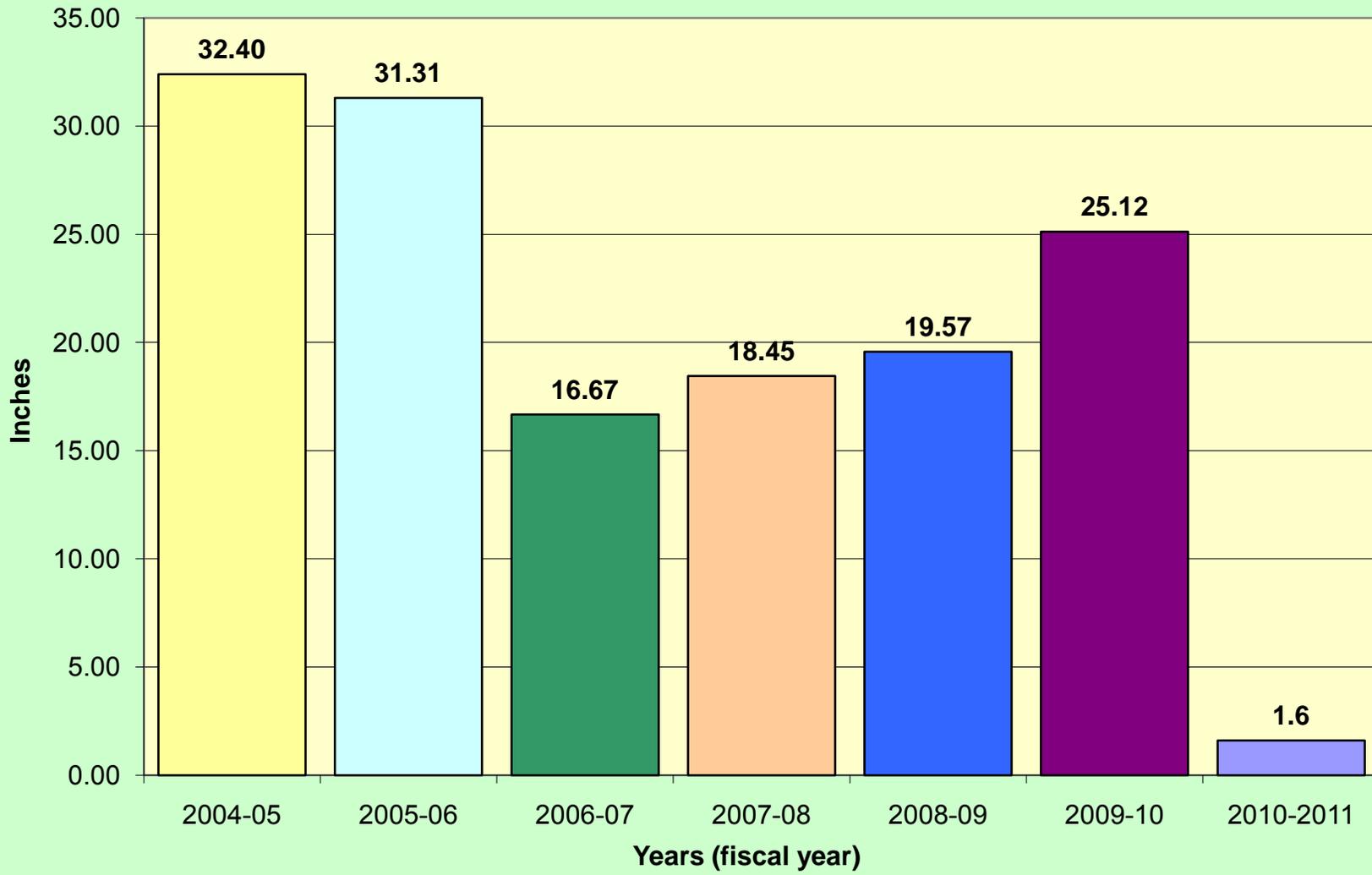
**Coastside County Water District Monthly Sales By Category (MG)
2009**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	MG to Date
RESIDENTIAL	23.097	35.336	18.88	37.224	23.718	48.096	29.420	55.001	29.038	48.765	22.031	34.135	404.74
COMMERCIAL	5.456	0.952	4.953	1.188	5.552	1.217	6.815	1.275	6.710	1.512	5.317	1.047	41.99
RESTAURANT	2.623	0.123	2.585	0.12	2.872	0.126	3.196	0.337	3.279	0.313	2.527	0.272	18.37
HOTELS/MOTELS	3.755	0.085	3.39	0.088	3.928	0.115	4.721	2.061	4.029	1.735	3.473	1.291	28.67
SCHOOLS	0.737	0.034	0.509	0.043	1.615	0.12	2.884	1.989	1.966	1.490	1.079	0.525	12.99
MULTI DWELL	1.863	1.331	2.533	1.277	2.441	1.435	2.872	3.378	3.531	2.424	2.055	2.254	27.39
BEACHES/PARKS	0.405	0.017	0.305	0.052	0.818	0.101	1.049	0.146	1.180	0.074	0.563	0.014	4.72
FLORAL	9.622	0.242	11.549	0.241	16.427	0.158	13.865	7.366	9.049	7.344	8.228	5.018	89.11
RECREATIONAL	0	0.17	0.046	0.221	0.055	0.203	0.070	0.260	0.080	0.194	0.026	0.203	1.53
MARINE	1.006	0	0.812	0	0.802	0	0.966	0.000	1.233	0.000	1.184	0.000	6.00
IRRIGATION	2.042	1.247	1.076	1.213	0.728	2.418	17.384	15.809	11.340	8.194	3.227	3.234	67.91
PORTABLE METERS	0	0.371	0	0.193	0	0.362	0.000	0.508	0.000	0.339	0.000	0.229	
MG	50.61	39.91	46.64	41.86	58.96	54.35	83.24	88.13	71.44	72.38	49.71	48.22	705.44

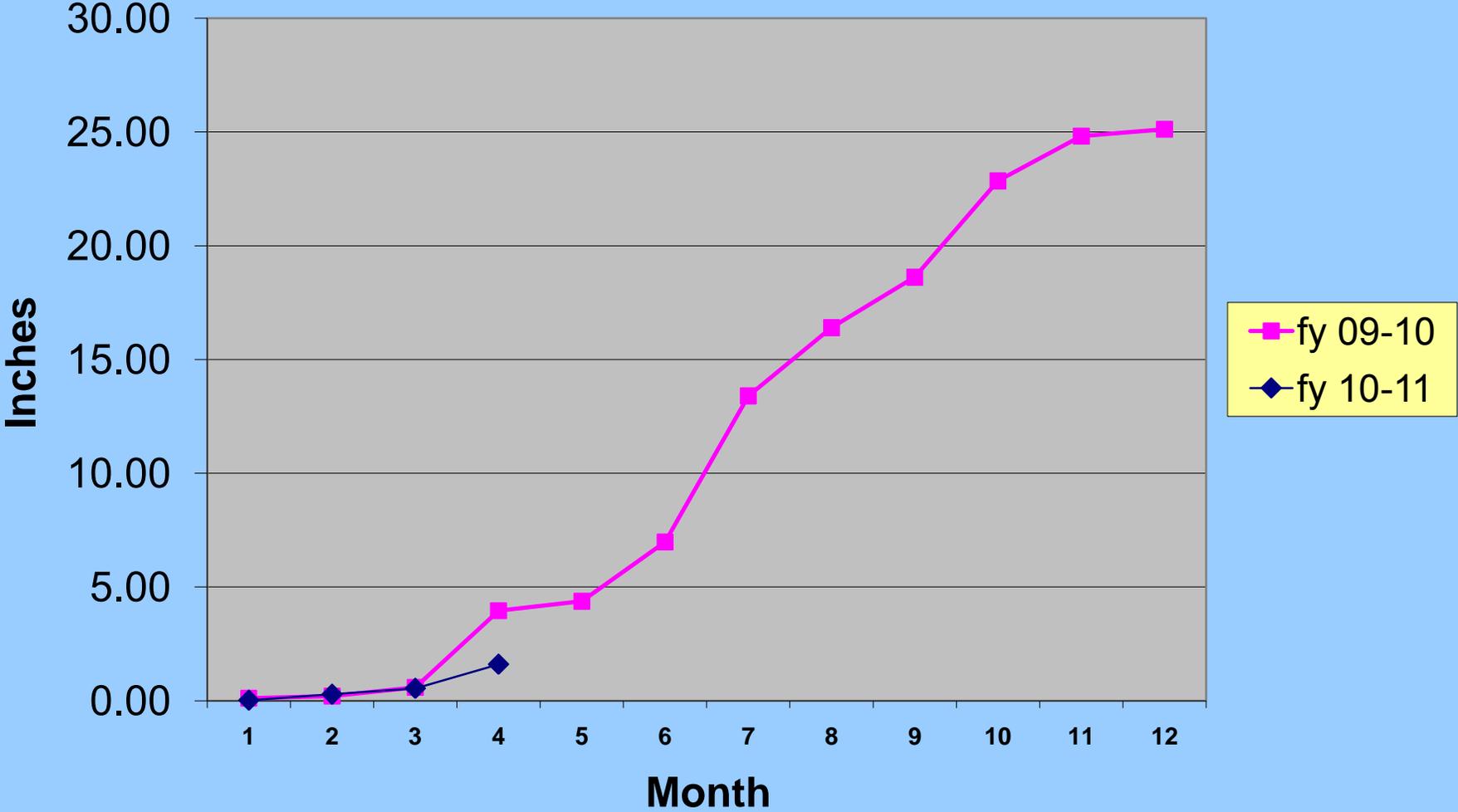
**Coastside County Water District
Monthly Leak Report
October 2010**

Date	Location	City	Pipe Type/Size	Repair Material	Estimated Water Loss (gallons)	Repair Material Costs	Manpower and Equipment Costs	Estimated Cost of Repair (dollars)
05-Oct-10	237 The Alameda	EG	1" plastic service	20' - 1" copper / 2 - 1" comp fittings / 1 ton rock	1,600	\$175.21	\$1,075	\$1,250
07-Oct-10	515 Almeria Ave	EG	1" plastic service	15' - 3/4" copper / 3/4" angle stop / 1"x3/4" compress coup / 2 ton rock	2,100	\$185.26	\$1,250	\$1,435
12-Oct-10	Alameda @ Medio	Mirmar	1" plastic service	1 - 1" compress coup / 2 ton rock	1,100	\$47.12	\$750.00	\$797
21-Oct-10	Pilarcitos Canyon	SM county	12" welded steel	12x15" full circle clamp	600,000	\$170.00	\$500	\$670
26-Oct-10	401 Magnolia	HMB	3/4" copper service	6" saddle / 3/4" corp stop / 3/4" 90 / 1' - 3/4" copper / 3 tone rock	1,100	\$173.41	\$1,575	\$1,748
								\$0
TOTAL					605,900.00	751.00	5,150.00	4,650.79

Rain Totals



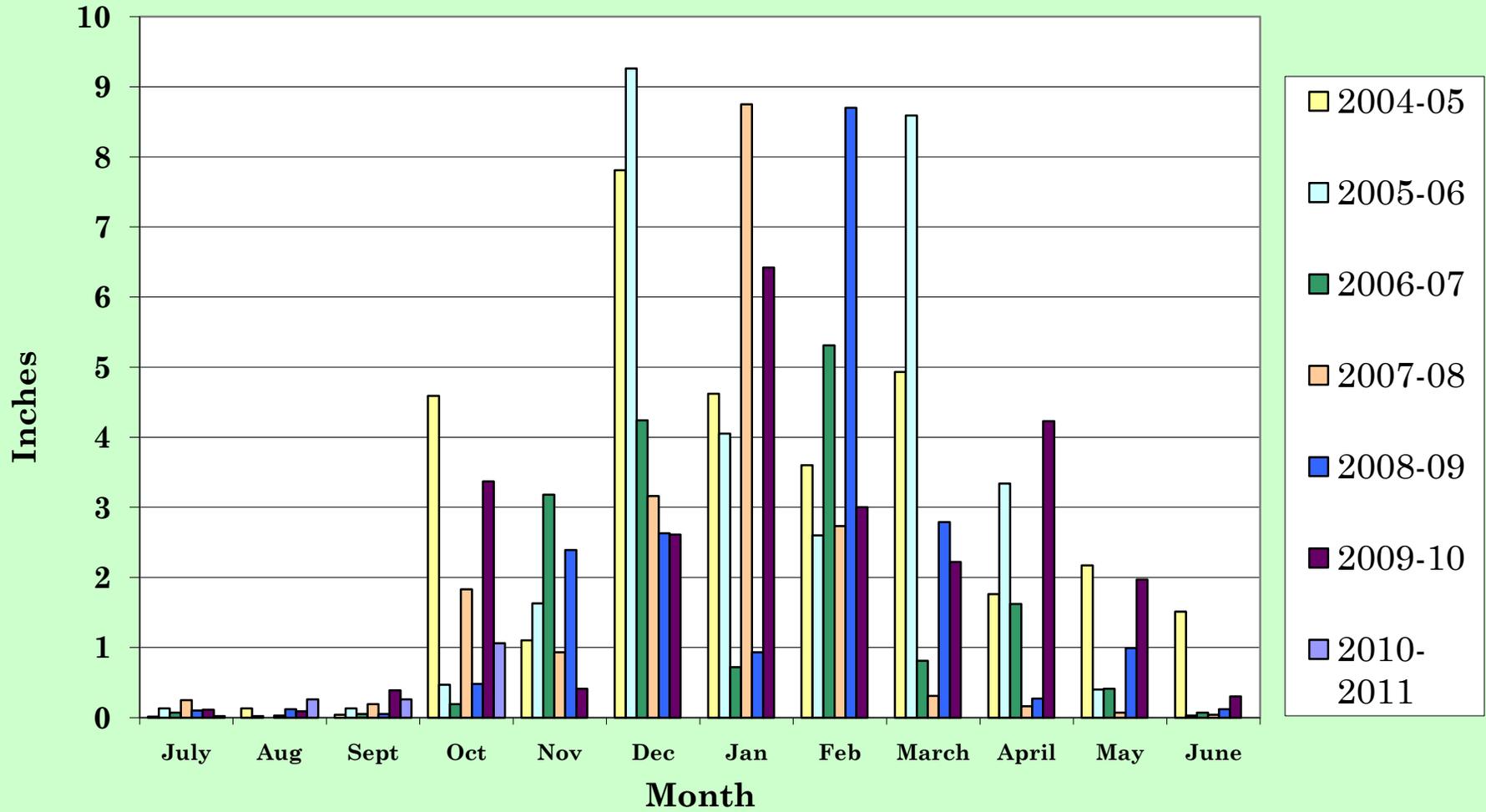
Rainfall Totals fy 10-11



Coastside County Water District

Rainfall by Month

July '10 thru Jun '11



MONTHLY CLIMATOLOGICAL SUMMARY for OCT. 2010

NAME: CCWD1 CITY: STATE:
 ELEV: 0 ft LAT: LONG:

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

DAY	MEAN		TIME	LOW	TIME	HEAT	COOL	RAIN	AVG		TIME	DOM
	TEMP	HIGH				DEG	DEG		WIND	HIGH		DIR
1	60.9	66.9	2:30p	57.0	12:00m	4.2	0.0	0.00	1.2	11.0	3:30p	SW
2	59.8	68.7	1:30p	55.8	4:30a	5.4	0.2	0.00	0.9	10.0	1:00p	SW
3	61.6	69.8	3:00p	57.1	2:30a	4.1	0.7	0.00	1.4	9.0	3:30p	SW
4	59.0	65.2	2:00p	54.2	12:00m	6.0	0.0	0.00	2.9	18.0	4:30p	SW
5	56.8	68.7	3:30p	48.4	7:00a	8.4	0.2	0.00	1.0	11.0	11:30a	S
6	58.5	67.4	4:30p	50.1	3:00a	6.6	0.1	0.00	0.9	8.0	12:30p	SSW
7	57.4	65.5	4:00p	49.9	7:30a	7.6	0.0	0.00	0.8	9.0	2:30p	SW
8	56.1	64.6	3:00p	48.9	4:00a	8.9	0.0	0.01	1.2	11.0	2:00p	SW
9	57.7	68.5	4:00p	48.1	5:30a	7.5	0.2	0.00	1.3	13.0	3:30p	SSW
10	60.2	65.9	4:30p	54.1	7:30a	4.9	0.0	0.00	0.7	9.0	2:30p	SSW
11	59.9	69.3	3:30p	52.3	6:30a	5.6	0.4	0.00	0.7	8.0	12:30p	WSW
12	66.2	80.8	11:30a	54.1	2:30a	3.5	4.7	0.00	1.6	17.0	8:00a	SSW
13	59.8	68.8	3:30p	52.3	6:00a	5.6	0.4	0.00	0.5	6.0	4:00p	SW
14	61.7	73.5	1:00p	53.9	4:30a	4.9	1.6	0.00	0.7	8.0	1:30p	SW
15	58.7	69.1	2:00p	50.9	6:00a	6.6	0.3	0.00	0.6	9.0	1:30p	S
16	57.5	65.2	12:00p	53.1	3:00a	7.5	0.0	0.01	1.0	11.0	3:00p	SW
17	56.3	60.6	3:00p	54.6	1:30a	8.7	0.0	0.11	0.6	8.0	5:30p	SW
18	56.3	62.7	11:30a	50.3	6:30a	8.7	0.0	0.00	0.8	10.0	2:00p	SW
19	55.3	64.1	1:00p	48.4	8:30a	9.7	0.0	0.00	0.3	5.0	5:30a	WSW
20	55.8	65.0	3:00p	50.7	11:00p	9.2	0.0	0.01	0.6	10.0	2:30p	SE
21	61.2	69.8	12:00p	52.4	12:30a	4.5	0.7	0.00	1.1	11.0	12:00p	SE
22	59.2	66.1	11:30a	54.5	12:00m	5.8	0.0	0.07	0.4	7.0	1:00p	SE
23	58.8	66.5	12:30p	51.7	1:00a	6.2	0.0	0.13	3.5	23.0	11:00p	SE
24	61.0	63.0	12:30p	58.2	12:00m	4.0	0.0	0.57	0.6	17.0	2:30a	SE
25	56.3	61.9	4:00p	50.7	8:00a	8.7	0.0	0.01	1.2	12.0	2:00p	SW
26	53.3	62.0	2:00p	46.5	7:30a	11.7	0.0	0.00	1.6	13.0	2:00p	ENE
27	56.2	70.0	4:00p	44.4	7:00a	9.0	0.3	0.00	1.8	20.0	9:00a	N
28	59.0	70.6	1:00p	48.8	8:00a	6.8	0.9	0.00	1.7	15.0	1:00p	NNE
29	60.6	69.5	2:30p	54.7	12:00m	4.7	0.3	0.09	0.8	9.0	6:00a	ENE
30	58.9	68.0	2:30p	52.8	4:00a	6.2	0.2	0.05	1.7	16.0	1:30p	SE
31	55.9	63.1	1:30p	49.9	8:00a	9.1	0.0	0.00	0.6	7.0	2:00p	SW

	58.6	80.8	12	44.4	27	210.3	11.2	1.06	1.1	23.0	23	SW

Max >= 90.0: 0
 Max <= 32.0: 0
 Min <= 32.0: 0
 Min <= 0.0: 0

Max Rain: 0.57 ON 10/24/10

Days of Rain: 6 (>.01 in) 3 (>.1 in) 0 (>1 in)

Heat Base: 65.0 Cool Base: 65.0 Method: Integration

San Francisco Public Utilities Commission Hydrological Conditions Report For October 2010

J. Chester, B. McGurk, A. Mazurkiewicz, & M. Tsang, November 3, 2010



Upper Photo: The re-designed Moccasin Powerhouse tailrace (M. Tsang); **Lower Photo** – San Mateo Creek Dam #1 spillway (D. Cameron)

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

Table 1 Current Storage As of November 1, 2010							
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/}	319,412		340,830		21,418		93.7%
Cherry ^{2/}	249,859		268,810		18,951		93.0%
Lake Eleanor ^{3/}	23,634		23,541		0		Full
Water Bank	570,000		570,000		0		Full
Tuolumne Storage	1,162,905		1,203,181		40,369		96.7%
Local Bay Area Storage							
Calaveras ^{4/}	31,525	10,272	96,824	31,550	65,299	21,278	32.6%
San Antonio	47,578	15,503	50,496	16,454	2,917	951	94.2%
Crystal Springs	52,358	17,061	58,377	19,022	6,018	1,961	89.7%
San Andreas	17,913	5,837	18,996	6,190	1,084	353	94.3%
Pilarcitos	2,199	717	2,995	976	795	259	73.4%
Total Local Storage	151,573	49,390	227,688	74,192	76,113	24,802	66.6%
Total System	1,314,478		1,430,869		116,482		91.9%

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

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

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

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

Hetch Hetchy System Precipitation Index ^{5/}

Current Month: The first month of water year 2011 was an exceptionally wet October. In fact, this October was the wettest on record at the Hetch Hetchy precipitation gauge (1919-2010). 8.53 inches of precipitation fell at the Hetch Hetchy gauge or 422% of average October precipitation. This total narrowly surpasses October 2004 by 0.01 inches. The October six-station precipitation index is 6.71 inches or 361.0% of the average index for the month.

Cumulative Precipitation to Date: The accumulated six-station precipitation index for water year 2011 is 6.71 inches, which is 18.9% of the average annual water year total, or 361.0% of the average annual to date. The water-year cumulative precipitation for the Hetch Hetchy gauge is shown in Figure 1 in red, and is well above the median line.

^{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.

Precipitation at Hetch Hetchy: Water Year 2011

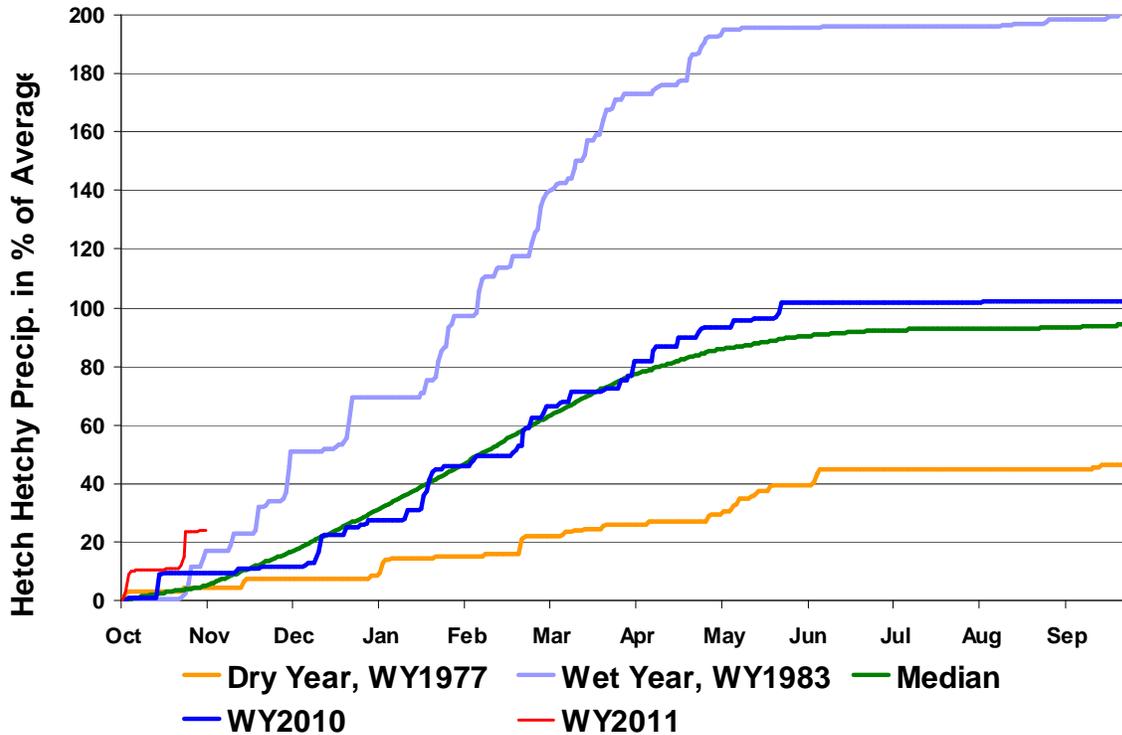


Figure 1: Water year 2011 cumulative precipitation received at Hetch Hetchy Reservoir through the end-of-month October. Precipitation curves for wet, dry, median, and WY 2010 years for the station at Hetch Hetchy are included for comparison purposes.

Tuolumne Basin Unimpaired Inflow

Unimpaired inflow to SFPUC reservoirs and the Tuolumne River at La Grange as of October 31st is summarized below in Table 2. High monthly precipitation totals resulted in well above normal inflow conditions for what is usually part of the dry season. Due to the surge of inflow, 64,308 acre-feet of water became available to the City.

Table 2 Unimpaired Inflow Acre-Feet								
	October 2010				October 1, 2010 through October 31, 2010			
	Observed Flow	Median ⁶	Average ⁶	Percent of Average	Observed Flow	Median ⁶	Average ⁶	Percent of Average
Inflow to Hetch Hetchy Reservoir	49,519	3,221	6,085	813.8%	49,519	3,221	6,085	813.8%
Inflow to Cherry Reservoir and Lake Eleanor	42,470	2,194	5,127	828.4%	42,470	2,194	5,127	828.4%
Tuolumne River at La Grange	105,287	10,604	16,823	625.9%	105,287	10,604	16,823	625.9%
Water Available to the City	64,308	0	1,875	3,429%	64,308	0	1,875	3,429%

⁶ Hydrologic Record: 1919 – 2005.

Hetch Hetchy System Operations

Draft from Hetch Hetchy Reservoir in October totaled 18,847 acre-feet which met SJPL deliveries and fisheries releases.

A total of 15,257 acre-feet of power draft was made at Cherry Reservoir to control reservoir elevation and to support the City's Municipal load, District Class 1, other loads or accounts, and sales. About 18,850 acre-feet of water was released and/or spilled at Cherry Reservoir following the October 24th storm event. This water was released to provide available storage capacity. The October 24th event also caused Lake Eleanor to spill approximately 3,400 acre-feet of water. 6,948 acre-feet of water was transferred from Eleanor to Cherry in October in order to make efficient use of available water.

Local System Operations

The Sunol Valley Water Treatment Plant average production rate for the month of October was 56 MGD, and the Harry Tracy Water Treatment Plant rate averaged 55 MGD.

Local System Water Delivery

The water delivery rates for the month averaged 236 MGD. This is a 9% decrease in comparison to the September average rate of 259 MGD.

Local Precipitation

The first month of the water year brought above average precipitation to both parts of the Peninsula and the East Bay watersheds. The October rainfall summary is presented in Table 3. The disparity in spatial precipitation due to storm track and orographic effect caused the difference in percent of normal monthly accumulation. The October 24th event favored areas in the northern portion of the Peninsula as the storm passed through, and higher precipitation totals were seen where there are orographic influences.

Reservoir	Month Total (inches)	Percentage of Normal for the Month	Water Year To Date ⁷ (inches)	Percentage of Normal for the Year-to-Date ⁷
Pilarcitos	3.23	144 %	3.23	144 %
Lower Crystal Springs	1.23	84 %	1.23	84 %
Calaveras	1.34	121 %	1.34	121 %

⁷ WY 2010: Oct 2010 through Sep 2011

Snowmelt and Water Supply

October precipitation events have helped to maintain high reservoir storage levels in the Up Country reservoirs. These events, combined with low demands, have kept local reservoirs high as well – resulting in relatively high total system storage for November 1st. The largest precipitation event occurred between October 22nd and 26th. The precipitation gauge at Cherry Reservoir recorded 7.16 inches of accumulated rainfall. This storm had periods of high-intensity rain, and stream gaging stations reported rapidly rising rivers on the night of October 24th. The stream gage above Hetch Hetchy reported a peak streamflow near 6,330 cfs during the storm event. The

rapidly rising rivers quickly filled Cherry Reservoir and Lake Eleanor. This rapid rise in flow is the combined affect of already wet watersheds from precipitation events earlier in the month and the intensity of the event. Current streamflows have receded towards baseflow levels. The October precipitation events did not produce significant snowpack accumulation, as these events were relatively warm and snow only accumulated at the highest elevations.

While October was an unusually wet month, it is not indicative of the remainder of the water year. The National Weather Service Climate Prediction Center continues to predict an equal chance of above or below normal precipitation over the next three months. A moderate-to-strong La Niña will be the dominant climate factor influencing weather this winter. A La Niña pattern calls for cool and wet in the Pacific Northwest and warm and dry in the southwest. No strong signal is present for the central Sierra. The short term weather pattern will remain mostly dry, but there are possibilities of showers this weekend as a significant system passes through the Pacific Northwest.

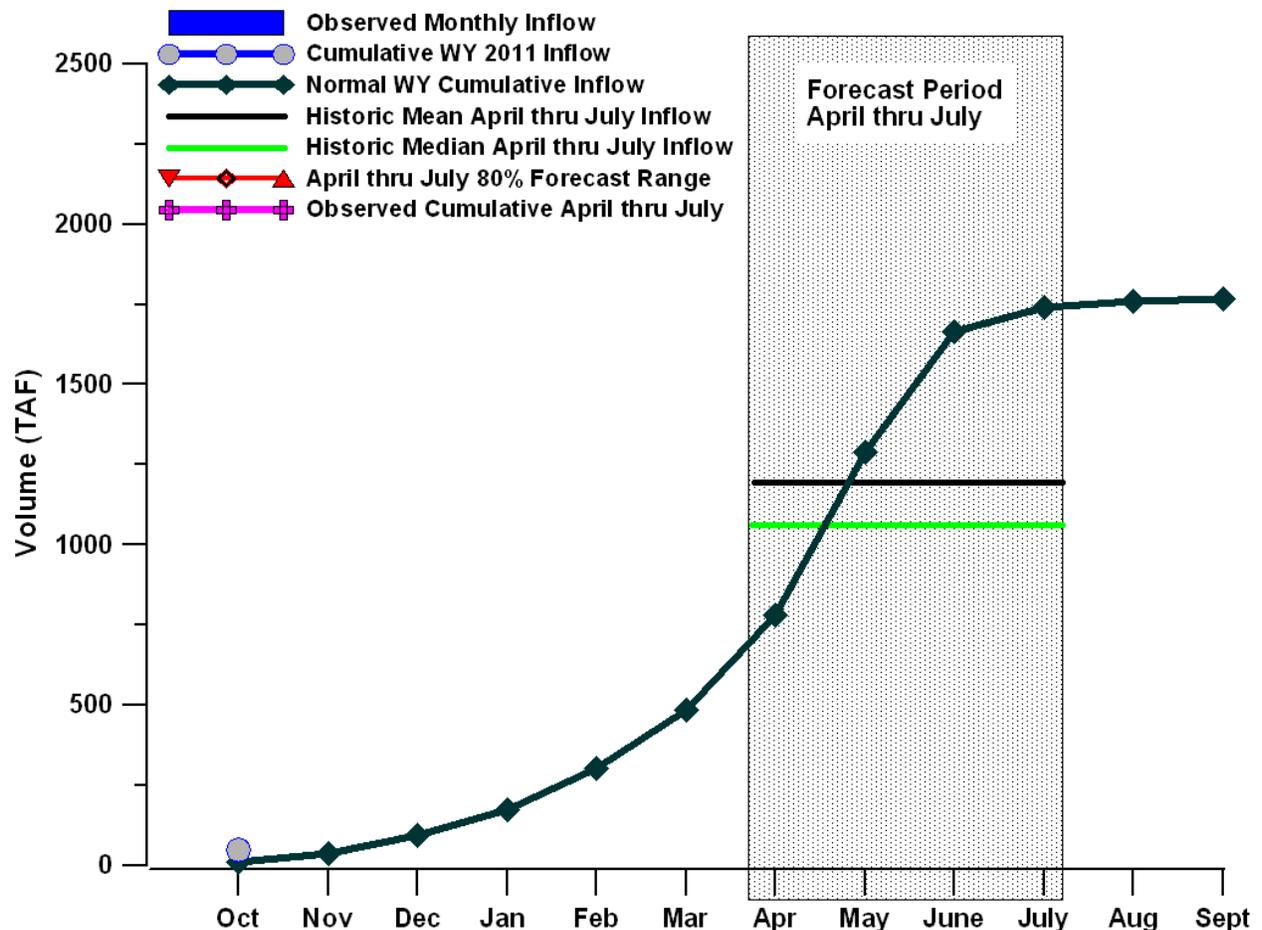


Figure 2: Water year 2011 conditions for the Tuolumne River at La Grange.

Unimpaired Flow at La Grange & Water Available to the City

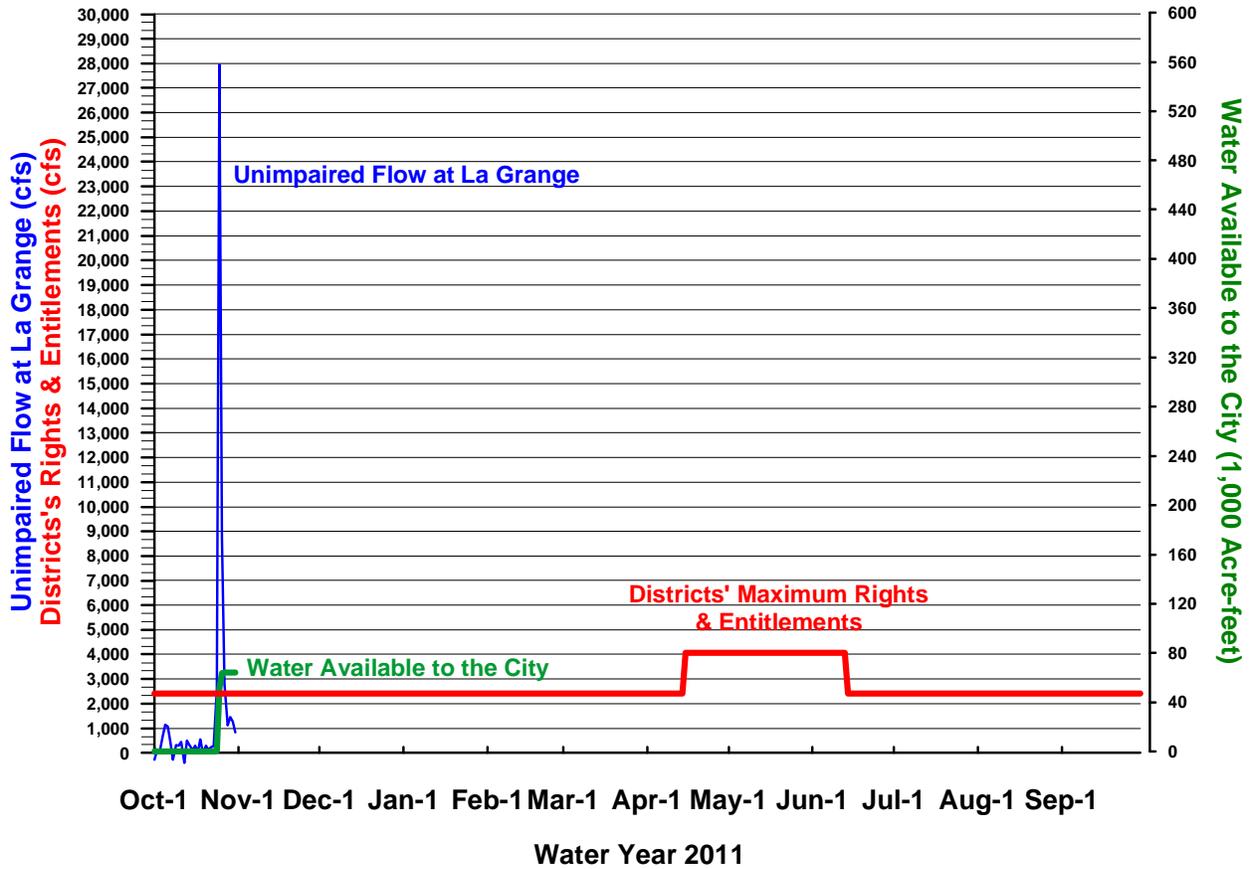


Figure 3: Calculated unimpaired flow at La Grange and the allocation of flows between the Districts and the City. Water available to the City for the period from October 1st, 2010 through October 31st, 2010 was 64,308 acre-feet.

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

STAFF REPORT

To: Board of Directors
From: David Dickson, General Manager
Agenda: November 9, 2010

Report

Date: November 4, 2010

Subject: Coastside County Water District Basic Financial Statements and Independent Auditors Report for the Fiscal Year Ended June 30, 2010

Recommendation:

Approve the Basic Financial Statements for Fiscal Year Ended June 30, 2010.

Background:

On June 9, 2009 the Board approved retaining the services of Joseph J. Arch, CPA (JJACPA, Inc.) as the District's Independent Auditor.

JJACPA, Inc. has completed their work on the Basic Financial Statements for the Year Ended June 30, 2010. The Auditor's letter attests that the financial statements fairly represent the financial position of the District. No exceptions or concerns were noted.

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

Fiscal Impact:

No fiscal impact.

COASTSIDE COUNTY WATER DISTRICT

BASIC FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

JUNE 30, 2010

**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2010**

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Statement of Revenues, Expenses, and Changes in Net Assets.....	13
Statement of Cash Flows	14
Notes to Basic Financial Statements	15

**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2010**

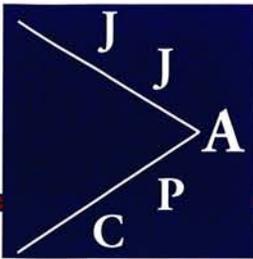
Elected Officials and Administrative Personnel

BOARD OF DIRECTORS

Chris Mickelsen – President
Bob Feldman – Vice President
Ken Coverdell – Director
Jerry Donovan – Director
Jim Larimer – Director

MANAGEMENT

David Dickson – General Manager



JJACPA, Inc.

A Professional Accounting Services Corp.

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying basic financial statements of the Coastside County Water District (District) as of and for the year ended June 30, 2010. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. The prior year summarized comparative information has been derived from the District's June 30, 2009, financial statements in which an unqualified opinion was expressed on those financial statements.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2010, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2010 on our consideration of the District's internal control over financial reporting and on out tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis (MD&A) on pages three to nine is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

October 15, 2010

JJACPA, Inc.

**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2010**

Management's Discussion and Analysis

This section of Coastside County Water District's basic financial statements presents management's discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2010. Since this management's discussion and analysis is designed to focus on current activities, resulting change and current known facts, please read it in conjunction with the District's basic financial statements (pages 12 - 14) and the footnotes (pages 15 - 26).

Financial Highlights

At June 30, 2010, the District's net assets decreased \$195,146 to \$35,984,682 from \$36,179,828 in 2009. Operating revenues increased by \$117,021 primarily due to a water rate increase, which became effective July 1, 2009. Operating expenses (with depreciation included) increased by \$426,532 as a result of increases to transmission and distribution and administrative and general expenses offset by reductions to source of supply expenses. Depreciation expense increased by \$108,681 due to the initiation of depreciation on completed construction projects.

Using This Report

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

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

Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2010

Management's Discussion and Analysis, Continued

Financial Analysis of the District as a Whole

	Net Assets		Increase (Decrease)	Percent Change
	2010	2009		
As of June 30, 2010 and 2009				
Assets:				
Current assets	\$ 5,284,967	\$ 6,454,336	\$ (1,169,369)	(18.1)%
Non-current assets	38,961,783	38,445,479	516,304	1.3%
Total assets	44,246,750	44,899,815	(653,065)	(1.5)%
Liabilities:				
Current liabilities	426,697	547,057	(120,360)	(22.0)%
Non-current liabilities	7,835,371	8,172,930	(337,559)	(4.1)%
Total liabilities	8,262,068	8,719,987	(457,919)	(5.3)%
Net assets:				
Investment in capital assets, net of related debt	31,880,324	30,349,431	1,530,893	5.0%
Restricted/Unrestricted Net Assets:				
Restricted for Crystal Springs Project	251,571	130,118	121,453	93.3%
Restricted for capital improvements	2,078,928	2,324,846	(245,918)	(10.6)%
Unrestricted	1,773,859	3,375,433	(1,601,574)	(47.4)%
Total net assets	\$ 35,984,682	\$ 36,179,828	\$ (195,146)	(0.5)%

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

As can be seen from the table above, net assets at June 30, 2010, decreased to \$35,984,682 from \$36,179,828 in 2009. The decrease in net assets was primarily due to recent capital improvement projects and the related increase in depreciation.

Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2010

Management's Discussion and Analysis, Continued

Financial Analysis of the District as a Whole, Continued

Operating results are summarized as follows:

	Operating Results			
	For the years ended June 30, 2010 and 2009			
	<u>2010</u>	<u>2009</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Operating revenues	\$ 5,459,958	\$ 5,342,937	\$ 117,021	2.2%
Operating expenses	<u>6,857,470</u>	<u>6,430,938</u>	<u>426,532</u>	<u>6.6%</u>
Operating income	(1,397,512)	(1,088,001)	(309,511)	28.4%
Non-operating revenues	1,304,121	1,239,896	64,225	5.2%
Non-operating expenses	<u>(429,038)</u>	<u>(397,810)</u>	<u>(31,228)</u>	<u>7.8%</u>
Net income before contributions	(522,429)	(245,915)	(276,514)	112.4%
Capital contributions	<u>327,283</u>	<u>129,636</u>	<u>197,647</u>	<u>100.0%</u>
Change in net assets	(195,146)	(116,279)	(78,867)	67.8%
Net assets:				
Beginning of year	<u>36,179,828</u>	<u>36,296,107</u>	<u>(116,279)</u>	<u>(0.3)%</u>
End of year	<u>\$ 35,984,682</u>	<u>\$ 36,179,828</u>	<u>\$ (195,146)</u>	<u>(0.5)%</u>

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

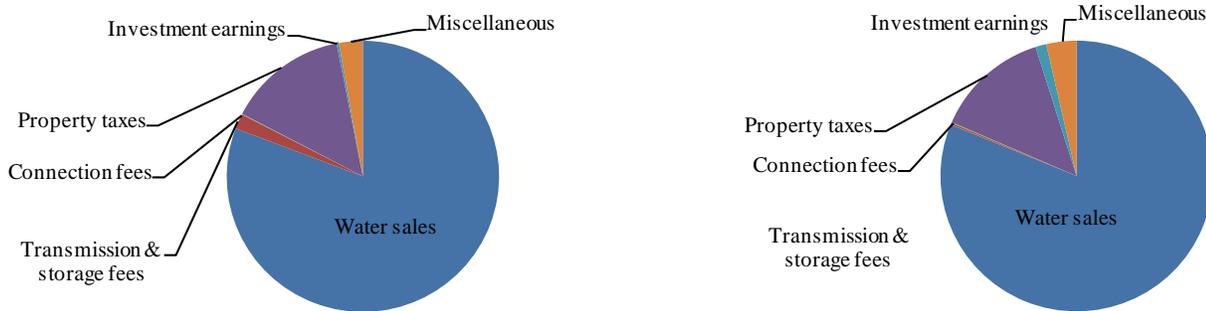
**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2010**

Management's Discussion and Analysis, Continued

Financial Analysis of the District as a Whole, Continued

The following is a graphic illustration of revenues by source:

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



FY 2009-2010			FY 2008-2009		Increase (Decrease)
\$ 5,459,958	80.7%	Water sales	\$ 5,342,937	81.2%	\$ 117,021
121,453	1.8%	Transmission & storage fees	13,940	0.2%	107,513
4,988	0.1%	Connection fees	7,316	0.1%	(2,328)
967,140	14.3%	Property taxes	894,152	13.6%	72,988
17,967	0.3%	Investment earnings	85,876	1.3%	(67,909)
192,573	2.8%	Miscellaneous	238,612	3.6%	(46,039)
\$ 6,764,079	100.0%	Totals	\$ 6,582,833	100.0%	\$ 181,246

Water sales increased \$117,021 due to a rate increase for fiscal year 2009-2010, approved by the Board of Directors. Property taxes increased by \$72,988 primarily due to San Mateo County's method of calculating and distributing funds. Investment earnings decreased by \$67,909, the result of declining interest rates, lower reserve balances and a recessionary economy.

**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2010**

Management’s Discussion and Analysis, Continued

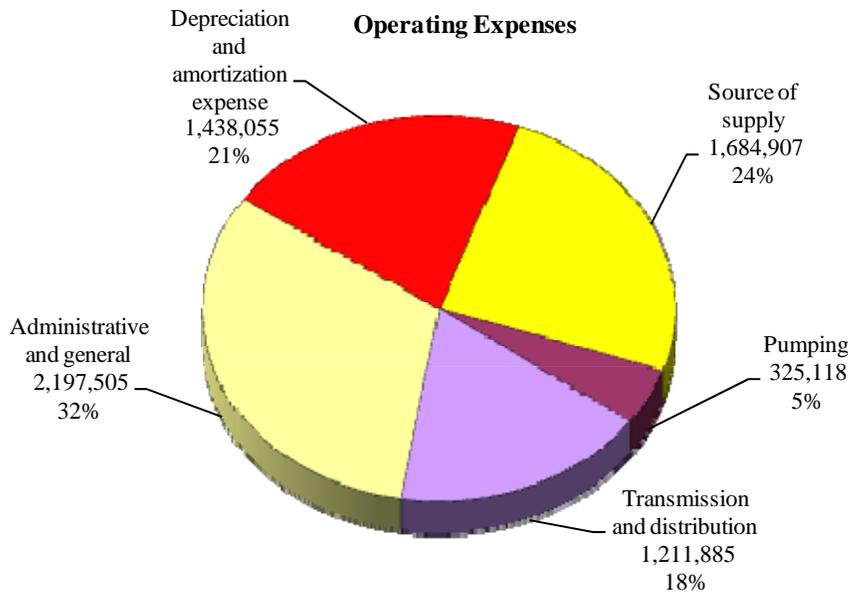
Financial Analysis of the District as a Whole, Continued

Operating expenses increased by \$456,532 as detailed below:

	Operating Expenses For the years ended June 30, 2010 and 2009		Increase (Decrease)	Percent Change
	2010	2009		
Operating expenses:				
Source of supply	\$ 1,684,907	\$ 1,633,664	\$ 51,243	3.1%
Pumping	325,118	374,722	(49,604)	(13.2)%
Transmission and distribution	1,211,885	1,194,947	16,938	1.4%
Administrative and general	2,197,505	1,898,231	299,274	15.8%
Depreciation and amortization expense	1,438,055	1,329,374	108,681	8.2%
Total	\$ 6,857,470	\$ 6,430,938	\$ 426,532	6.6%

Source of supply increased \$51,243 due to higher wholesale water rates from San Francisco Public Utilities Commission. Depreciation and amortization increased by \$108,681 due to initiation of depreciation on completed projects.

The following is a graphic illustration of operating expenses:



**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2010**

Management’s Discussion and Analysis, Continued

Financial Analysis of the District as a Whole, Continued

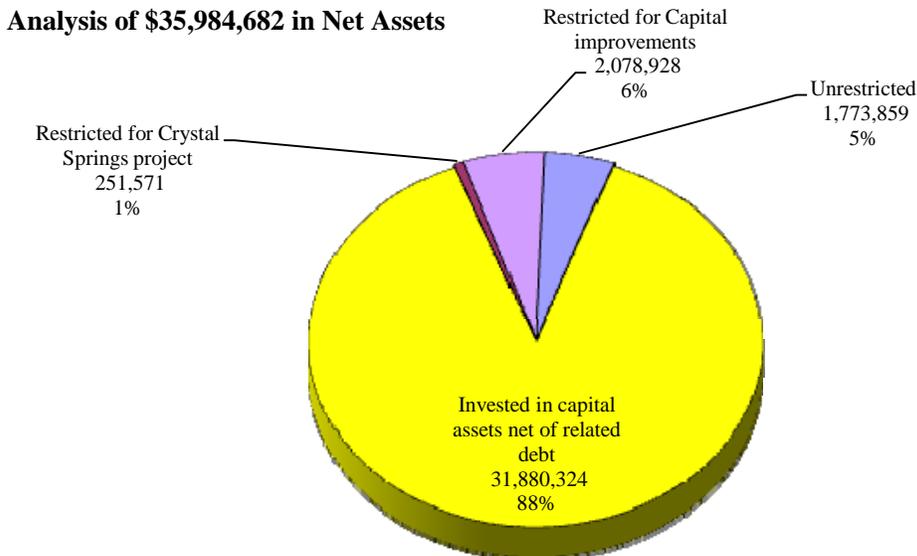
Net assets decreased by \$195,146 as detailed below:

**Analysis of Net Assets
As of June 30, 2010 and 2009**

	<u>2010</u>	<u>2009</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Net assets:				
Invested in capital assets net of related debt	\$ 31,880,324	\$ 30,349,431	\$ 1,530,893	5.0%
Restricted				
Crystal Springs Project	251,571	130,118	121,453	0.0%
Capital improvements	2,078,928	2,324,846	(245,918)	(10.6)%
Unrestricted	<u>1,773,859</u>	<u>3,375,433</u>	<u>(1,601,574)</u>	<u>(47.4)%</u>
Total	<u>\$ 35,984,682</u>	<u>\$ 36,179,828</u>	<u>\$ (195,146)</u>	<u>(0.5)%</u>

The change in net assets is a \$195,146 decrease due primarily to recent capital improvement projects and the related increase in depreciation.

The following is a graphic illustration of net assets:



**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2010**

Management's Discussion and Analysis, Continued

Cash Flows

Cash flows have remained relatively unchanged with an increase of \$397,526, which coincides with the reductions in payments to suppliers and an increase in property tax revenues.

Long-term Debt

No new debt was issued for the year, with amounts decreasing by \$338,296 as a result of annual principal payments and amortization of bond discounts.

Economic Factors and Potential Future Results

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

Contacting the District

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

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

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

David R Dickson, General Manager
Gina Brazil, Office Manager

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BASIC FINANCIAL STATEMENTS

Coastside County Water District

Statement of Net Assets

June 30, 2010

(with comparative totals for June 30, 2009)

ASSETS	2010	2009
Current assets:		
Cash and investments	\$ 3,518,440	\$ 3,120,914
Restricted cash and investments	878,331	2,434,253
Accounts receivable:		
Customer water	484,225	487,099
Taxes	20,799	24,707
Interest	3,669	9,932
Prepaid expenses	16,325	15,489
Materials and supplies inventory	135,754	118,157
Unamortized bond issuance costs	227,424	243,785
Total current assets	<u>5,284,967</u>	<u>6,454,336</u>
Noncurrent assets:		
Capital assets:		
Construction in progress	4,754,994	3,038,853
Utility plant	54,444,734	54,225,125
Less accumulated depreciation	(20,237,945)	(18,818,499)
Total noncurrent assets	<u>38,961,783</u>	<u>38,445,479</u>
Total assets	<u>\$ 44,246,750</u>	<u>44,899,815</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 237,983	\$ 379,652
Accrued payroll	57,221	21,536
Customer deposits	43,937	59,250
Due to Crystal Springs Assessment District	87,556	86,619
Total current liabilities	<u>426,697</u>	<u>547,057</u>
Noncurrent liabilities:		
Due within one year	402,752	387,752
Due after one year	7,305,544	7,708,296
Net OPEB obligation	54,261	-
Accrued vacation and sick leave	72,814	76,882
Total noncurrent liabilities	<u>7,835,371</u>	<u>8,172,930</u>
Total liabilities	<u>8,262,068</u>	<u>8,719,987</u>
NET ASSETS		
Invested in capital assets net of related debt	31,880,324	30,349,431
Restricted for Crystal Springs Project	251,571	130,118
Restricted for capital improvements	2,078,928	2,324,846
Unrestricted	1,773,859	3,375,433
Total net assets	<u>35,984,682</u>	<u>36,179,828</u>
Total liabilities and net assets	<u>\$ 44,246,750</u>	<u>44,899,815</u>

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

Coastside County Water District
Statement of Revenues, Expenses, and Changes in Net Assets
For the year ended June 30, 2010

(with comparative totals for the year ended June 30, 2009)

	<u>2010</u>	<u>2009</u>
OPERATING REVENUES:		
Water sales	\$ 5,459,958	\$ 5,342,937
OPERATING EXPENSES:		
Source of supply	1,684,907	1,633,664
Pumping	325,118	374,722
Transmission and distribution	1,211,885	1,194,947
Administrative and general	2,197,505	1,898,231
Depreciation and amortization	1,438,055	1,329,374
Total operating expenses	<u>6,857,470</u>	<u>6,430,938</u>
Operating loss	<u>(1,397,512)</u>	<u>(1,088,001)</u>
NONOPERATING REVENUES (EXPENSES):		
Property taxes	967,140	894,152
Investment earnings	17,967	85,876
Transmission and storage fees	121,453	13,940
Connection fees	4,988	7,316
Miscellaneous income	192,573	238,612
Collection fees	(7,531)	(8,798)
Net OPEB expense	(54,261)	-
Interest expense	(367,246)	(389,012)
Total nonoperating revenues (expenses)	<u>875,083</u>	<u>842,086</u>
Income (loss) before contributions	<u>(522,429)</u>	<u>(245,915)</u>
Capital contributions	327,283	129,636
Net Income (Loss)	(195,146)	(116,279)
CHANGE IN NET ASSETS:		
Beginning of year	36,179,828	36,296,107
End of year	<u>\$ 35,984,682</u>	<u>\$ 36,179,828</u>

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

Coastside County Water District

Statement of Cash Flows

For the year ended June 30, 2010

(with comparative amounts for the year ended June 30, 2009)

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 5,466,740	\$ 5,362,954
Payments to suppliers	(4,092,948)	(4,453,911)
Payments to employees	(1,470,265)	(1,562,872)
Net cash provided (used) by operating activities	<u>(96,473)</u>	<u>(653,829)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Property taxes net of collection fees	959,609	885,354
Miscellaneous receipts	192,573	238,612
Net cash provided (used) by noncapital financing activities	<u>1,152,182</u>	<u>1,123,966</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Change in restricted cash and investments	1,555,922	2,876,303
Capital contributions	327,283	129,636
Transmission and storage fee receipts	121,453	13,940
Connection fee receipts	4,988	7,316
Redemption of Crystal Springs Project Bond	937	18,084
Principal and interest payments on long-term debt	(757,246)	(754,013)
Acquisition of fixed assets	(1,935,750)	(3,100,681)
Net cash provided (used) by capital and related financing activities	<u>(682,413)</u>	<u>(809,415)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received on investments	24,230	109,539
Net cash provided (used) by investing activities	<u>24,230</u>	<u>109,539</u>
Net increase (decrease) in cash and cash equivalents	397,526	(229,739)
CASH:		
Beginning of year	3,120,914	3,350,653
End of year	<u>\$ 3,518,440</u>	<u>\$ 3,120,914</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating (loss)	\$ (1,397,512)	\$ (1,088,001)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization expense	1,438,055	1,329,374
Change in assets and liabilities:		
Accounts receivable	6,782	107,847
Materials and supplies	(17,597)	39,354
Prepaid expenses	(836)	3,309
Accounts payable and accrued liabilities	(141,669)	(883,758)
Accrued payroll	35,685	(34,205)
Customer deposits	(15,313)	7,690
Unearned revenue	-	(87,830)
Accrued vacation and sick leave	(4,068)	(47,609)
Net cash provided (used) by operating activities	<u>\$ (96,473)</u>	<u>\$ (653,829)</u>

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

**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2010**

Notes to Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Description of the Reporting Entity

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

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

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

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

Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2010

Notes to Basic Financial Statements, Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Fund Accounting Classification and Basis of Accounting

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

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

C. Cash and Investments

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

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

D. Capital Assets

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

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

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

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

**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2010**

Notes to Basic Financial Statements, Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Property Taxes

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

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

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

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

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

F. Accrued Vacation and Sick Leave

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

G. Unamortized Bond Issuance Costs

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

H. Comparative Data

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

I. Reclassifications

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

Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2010

Notes to Basic Financial Statements, Continued

2. CASH AND INVESTMENTS

A. Composition

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

	June 30, 2010			June 30, 2009
	FDIC insured	Not rated	Fair Value	
Cash in bank	\$ 250,000	\$ 833,860	\$ 1,083,860	\$ 587,227
Petty cash	430	-	430	430
Local Agency Investment Fund (LAIF)	-	2,666,305	2,666,305	2,642,664
Money Market Funds	-	646,176	646,176	2,324,846
Total	\$ 250,430	\$ 4,146,341	\$ 4,396,771	\$ 5,555,167
Financial Statement presentation:				
Cash and investments			\$ 3,518,440	\$ 3,120,914
Restricted cash and investments			878,331	2,434,253
Total			\$ 4,396,771	\$ 5,555,167

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

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

B. Authorized Investments

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

Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2010

Notes to Basic Financial Statements, Continued

2. CASH AND INVESTMENTS, Continued

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

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

C. Fair Value of Investments

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

D. Investments Authorized by Debt Agreements

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

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

**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2010**

Notes to Basic Financial Statements, Continued

2. CASH AND INVESTMENTS, Continued

E. Interest Rate and Credit Risk

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

The District is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The District reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are maintained on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2010, these investments matured in an average of 212 days.

Money market funds are available for withdrawal on demand and at June 30, 2010, matured in an average of 26 days.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's only investments are in the California Local Agency Investment Fund and in Money Market accounts which are not rated at June 30, 2010.

F. Reassessment Redemption Fund

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

Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2010

Notes to Basic Financial Statements, Continued

3. CAPITAL ASSETS

Changes in capital assets and depreciation were as follows:

	<u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2010</u>
<u>Capital Assets</u>				
<u>Nondepreciable:</u>				
Construction in progress	\$ 3,038,853	\$ 2,746,484	\$ (1,030,343)	\$ 4,754,994
<i>Utility Plant Nondepreciable:</i>				
Land	\$ 160,612	\$ -	\$ -	\$ 160,612
Total Utility Plant nondepreciable assets	<u>160,612</u>	<u>-</u>	<u>-</u>	<u>160,612</u>
<i>Utility Plant Depreciable:</i>				
Source of supply	401,039	-	-	401,039
Transmission and distribution	16,965,966	-	-	16,965,966
Treatment plants and well field projects				
Acquired and constructed	849,981	-	-	849,981
Contributed	2,899,227	-	-	2,899,227
Pipelines and meters	9,007,176	81,001	(4,245)	9,083,932
Crystal Springs Project	21,526,507	-	-	21,526,507
Buildings and structures	579,925	11,688	-	591,613
Vehicles	665,306	-	-	665,306
Furniture and equipment	1,169,386	184,543	(53,378)	1,300,551
Total depreciable assets	<u>54,064,513</u>	<u>277,232</u>	<u>(57,623)</u>	<u>54,284,122</u>
Total utility plant at cost	<u>54,225,125</u>	<u>277,232</u>	<u>(57,623)</u>	<u>54,444,734</u>
Less: accumulated depreciation	<u>(18,818,499)</u>	<u>(1,419,446)</u>	<u>-</u>	<u>(20,237,945)</u>
Total utility plant (net)	<u>35,406,626</u>	<u>(1,142,214)</u>	<u>(57,623)</u>	<u>34,206,789</u>
Total capital assets	<u>\$ 38,445,479</u>	<u>\$ 1,604,270</u>	<u>\$ (1,087,966)</u>	<u>\$ 38,961,783</u>

Construction in progress at June 30, 2010, consisted primarily of pipeline replacement costs.

Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2010

Notes to Basic Financial Statements, Continued

4. LONG-TERM DEBT

A. Long-Term Debt Activity

	Original Issue Amount	Balance July 1, 2009	Retirements	Balance June 30, 2010	Due Within One Year
1998A ABAG Water and Wastewater Revenue Refunding Bonds, 3.75-5.3%, due 10/01/2013	\$ 2,855,000	\$ 1,180,000	\$ (215,000)	\$ 965,000	\$ 225,000
2006B Water Revenue Bonds 3.5-4.75%, due 10/01/32	7,295,000	6,970,000	(175,000)	6,795,000	180,000
Discount	(58,459)	(53,952)	(2,248)	(51,704)	(2,248)
Totals	<u>\$ 10,091,541</u>	<u>8,096,048</u>	<u>\$ (392,248)</u>	<u>7,708,296</u>	<u>\$ 402,752</u>
Amount due within one year		<u>(387,752)</u>		<u>(402,752)</u>	
Total Long-term Debt		<u>\$ 7,708,296</u>		<u>\$ 7,305,544</u>	

B. 1998A ABAG Water and Wastewater Revenue Refunding Bonds

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

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

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

C. 2006B Water Revenue Bonds

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

Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2010

Notes to Basic Financial Statements, Continued

4. LONG-TERM DEBT, Continued

D. Repayment Schedule

Future annual repayment requirements are as follows:

Year Ending June 30,	Enterprise activities					
	1998A ABAG Water and Wastewater Revenue Refunding Bonds		2006B Water Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 225,000	\$ 44,845	\$ 180,000	\$ 304,966	\$ 405,000	\$ 349,811
2012	235,000	32,993	185,000	298,281	420,000	331,274
2013	245,000	20,272	190,000	291,296	435,000	311,568
2014	260,000	6,890	200,000	283,859	460,000	290,749
2015	-	-	210,000	275,889	210,000	-
2016-2020	-	-	1,175,000	1,240,362	1,175,000	1,240,362
2021-2025	-	-	1,470,000	930,639	1,470,000	930,639
2026-2030	-	-	1,850,000	543,951	1,850,000	543,951
2031-2033	-	-	1,335,000	97,019	1,335,000	97,019
Total	<u>\$ 965,000</u>	<u>\$ 105,000</u>	<u>\$ 6,795,000</u>	<u>\$ 4,266,262</u>	<u>\$ 7,760,000</u>	<u>\$ 4,095,373</u>
Due within one year	\$ 225,000	\$ 44,845	\$ 180,000	\$ 304,966	\$ 405,000	\$ 349,811
Due after one year	740,000	60,155	6,615,000	3,961,296	7,355,000	3,745,562
Total	<u>\$ 965,000</u>	<u>\$ 105,000</u>	<u>\$ 6,795,000</u>	<u>\$ 4,266,262</u>	<u>\$ 7,760,000</u>	<u>\$ 4,095,373</u>
Discounts						
2011	\$ -	\$ -	\$ (2,248)	\$ -	\$ (2,248)	\$ -
2012	-	-	(2,248)	-	(2,248)	-
2013	-	-	(2,248)	-	(2,248)	-
2014	-	-	(2,248)	-	(2,248)	-
2015	-	-	(2,248)	-	(2,248)	-
2016-2020	-	-	(11,240)	-	(11,240)	-
2021-2025	-	-	(11,240)	-	(11,240)	-
2026-2030	-	-	(11,240)	-	(11,240)	-
2031-2033	-	-	(6,744)	-	(6,744)	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (51,704)</u>	<u>\$ -</u>	<u>\$ (51,704)</u>	<u>\$ -</u>

**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2010**

Notes to Basic Financial Statements, Continued

5. CRYSTAL SPRINGS ASSESSMENT DISTRICT

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

At June 30, 2009, the Assessment District had fully repaid the balance of its Limited Obligation Refunding Bonds, issued in 1999. Property owners were solely responsible for repayment of these Bonds. Security for the bonds was provided by a lien against each property to which a CSP water service connection is assigned. The County of San Mateo acted as the agent for the Assessment District, collecting assessments and forwarding bond payments to the Assessment District. The Assessment District was responsible for submitting monies collected by the County to a paying agent, which in turn paid the bond holders. In the event of non-payment of an assessment by a property owner, the District was responsible only for initiating foreclosure action on the property encumbered by the CSP assessment.

Since the District has never assumed any legal or moral liability to pay any of the Assessment District's bonded indebtedness, the District's financial statements do not include the Assessment District bonds or related balances. However, as the Assessment District's agent, the District uses the cash discussed in Note 2 A to make the required payments on the Assessment District Bonds or projects within the Assessment District with any remaining funds. At June 30, 2010, a final accounting for the District had not been performed and therefore residual balances remain on the District books for certain accounts.

6. NET ASSETS

Net assets are set aside for the Crystal Springs project of \$251,571 and capital improvements of \$2,078,928.

7. RISK MANAGEMENT AND SELF-INSURANCE

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

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

Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2010

Notes to Basic Financial Statements, Continued

7. RISK MANAGEMENT AND SELF-INSURANCE, Continued

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

There were no open claims or incurred but not reported at June 30, 2009, and June 30, 2010, for the District.

8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)

A. Plan Description

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

B. Funding Policy

All full-time District employees are eligible to participate in the Plan. District employees are required to contribute 7% of their salary (7% of monthly salary over \$133.33 if the member participates in Social Security), and the District is required to contribute an actuarially determined rate. Beginning July 1, 2000, the District began paying the 7% employee contribution. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2009-10 was 21.551% of annual payroll. The contribution requirements of the plan members are established by state statute.

C. Annual Pension Cost

For 2010, the District's annual pension cost of \$325,874 for CALPERS was equal to the District's required and actual contribution. The required contribution was determined as part of the June 30, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% of investment rate of return (net of administrative expenses), and (b) 3.25% to 14.45% projected annual salary increases that vary by age, duration of service and type of employment. Both (a) and (b) included an inflation component of 3% and annual production growth of 0.25%.

**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2010**

Notes to Basic Financial Statements, Continued

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

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

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2008	\$ 300,547	100%	-
June 30, 2009	290,060	100%	-
June 30, 2010	325,874	100%	-

9. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

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

Eligibility: Employees (and their dependents) are eligible to access retiree healthcare benefits if they retire from the District on or after age 55 (service retirement) with at least 15 years of service (service and disability retirement) and the employee must submit the retirement application within 120 days of separation and are eligible for a PERS pension. Membership of the plan consisted of the following at June 30, 2010:

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

Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2010

Notes to Basic Financial Statements, Continued

9. OTHER POST EMPLOYMENT BENEFITS, Continued

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

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

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

Annual required contribution	\$136,500
Interest on net OPEB obligation	0
Adjustment to annual required contribution	0
Annual OPEB cost (expense)	136,500
Contributions made (Premiums paid)	(82,239)
Increase in net OPEB obligation	54,261
Net OPEB obligation-beginning of year	0
Net OPEB obligation-end of year	\$ 54,261

This is the first year that the District is following the reporting requirements of GASB 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pension Plans*. The District has elected to implement GASB 45 prospectively and therefore shows no OPEB obligation at transition. The District's annual OPEB cost (expense) is equal to the ARC, and the net OPEB obligation for 2010 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2008	N/A	N/A	N/A
6/30/2009	N/A	N/A	N/A
6/30/2010	\$ 136,500	40%	\$ 54,261

**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2010**

Notes to Basic Financial Statements, Continued

9. OTHER POST EMPLOYMENT BENEFITS, Continued

Plan Funded Status and Funding Progress

As of January 1, 2009, the most recent actuarial valuation date, the plan was zero percent funded. The Actuarial Accrued Liability (AAL) for benefits was \$1,730,200, and the actuarial value of assets was zero dollars, resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$1,730,200. The covered payroll (annual payroll of active employees covered by the plan) was \$1,362,500 and the ratio of UAAL to the covered payroll was 126.99 percent.

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

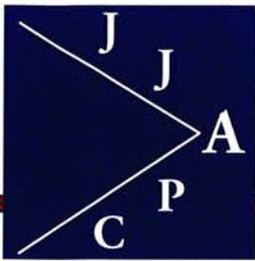
Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits costs between the employer and the plan members to that point. The actuarial methods and assumptions used included techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations. The actuarial valuation was performed in January of 2009 based upon June 30, 2008 amounts.

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

10. COMMITMENTS AND CONTINGENCIES

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



JJACPA, Inc.

A Professional Accounting Services Corp.

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

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

We have audited the basic financial statements of the Coastside County Water District (District) as of and for the year ended June 30, 2010 and have issued our report thereon dated October 15, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

October 15, 2010

JJACPA, INC.

COASTSIDE COUNTY WATER DISTRICT

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

JUNE 30, 2010

November 3, 2010

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

We have audited the basic financial statements of the Coastside County Water District as of and for the year ended June 30, 2010, and have issued our report thereon dated October 15, 2010. Professional standards require that we advise you of the following matters relating to our audit.

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

As communicated in our engagement letter dated May 13, 2010, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

Other Information in Documents Containing Audited Financial Statements

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

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

Planned Scope and Timing of the Audit

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

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Coastside County Water District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during June 30, 2010. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

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

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

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

Financial Statement Disclosures

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

Significant Difficulties Encountered during the Audit

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

Uncorrected and Corrected Misstatements

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

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

Disagreements with Management

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

Representations Requested from Management

We have requested certain written representations from management, which are included in a separate letter dated November 1, 2010.

Management's Consultations with Other Accountants

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

Other Significant Findings or Issues

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

Communication of Internal Control Related Matters

In planning and performing our audit of the financial statements of the Coastside County Water District as of and for the year ended June 30, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered Coastside County Water District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of Coastside County Water District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

These communications are intended solely for the information and use of the Board of Directors and management of the Coastside County Water District and are not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

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

STAFF REPORT

To: Coastside County Water District Board of Directors

From: David Dickson

Agenda: November 9, 2010

Report

Date: November 4, 2010

Subject: Terrace Avenue Service Replacement

Recommendation:

Authorize staff to contract with Andreini Bros. to replace plastic services on Terrace Avenue for \$77,960.

Background:

The services along the 500 block of Terrace Avenue are very shallow (less than 2 feet deep) and are made of butyl plastic. This material, which at the time of installation was cheap and easy to install, has proven to have a high rate of failure over time. The Terrace Avenue residents with these services are concerned that the construction activities surrounding the Ailanto Properties Pacific Ridge Development will result in numerous service line failures and disruption of their water service. In order to minimize the potential for lateral damage due to construction traffic, staff proposes to replace all existing plastic services on Terrace Avenue with new copper services before any construction begins. Because Terrace Avenue may be repaved in the course of completing Pacific Ridge, replacing the laterals now will have the added benefit of avoiding the need for CCWD to cut and patch the new pavement to replace failed plastic laterals.

Following a public bid advertisement for this project in accordance with District policy, we received two bids:

1. Andreini Brothers \$77,960
2. Stoloski and Gonzales \$85,140

The cost for the lateral replacement project, which is not included in the FY10-FY20 Capital Improvement Program, will be offset by Ailanto Properties' donation of 12 non-priority connections to the District.

Fiscal Impact:

Cost of \$77,960, offset by value of connections received from developer.

STAFF REPORT

To: Coastside County Water District Board of Directors

From: David Dickson, General Manager

Agenda: November 9, 2010

Report

Date: November 5, 2010

Subject: Approval of Springbrook Version 7 Software Upgrade

Recommendation:

Authorize staff to execute a Version 7 upgrade agreement with Springbrook Software for an estimated cost of \$63,413.

Background:

After evaluating the latest version of the District's Springbrook financial and billing software over the past year, staff recommends that we proceed with the upgrade. Springbrook Version 7 is a major upgrade to the software specifically designed for the Microsoft Windows .NET environment, as further described in Attachment A. We upgraded our servers in FY10 to accommodate Version 7 requirements.

The estimated cost of upgrading to Version 7 is \$63,413, as outlined in the attached proposal from Springbrook (Attachment B). Final cost may be somewhat higher or lower depending on the level of effort and on the options the District selects.

Fiscal Impact:

The current CIP includes \$75,000 in FY11 funding for the billing system upgrade.



Springbrook Software – V7 (.NET) Executive Summary of Features & Benefits

Springbrook has invested tens of thousands of hours rewriting the mission-critical applications your organization relies upon to run your day-to-day business. Each module has been thoroughly tested both in-house and at organizations like yours over the last few years. New enhancements are being introduced daily and since V7's introduction, there have been a total of nine (9) releases. With significant input from our existing client base, our emphasis has been and continues to be centered on employee productivity, constituent and employee self-service, security and compliance with Federal and State requirements.

In the migration proposal please note that there is no charge for the Springbrook software. All software modules currently under maintenance will be ported to the new version without any software related fees. Springbrook related fees that are associated with a migration to .NET are exclusively for professional services to consult, train, project manage, implement, provide technical and programming services and convert existing data. During the development of V7, our clients asked that significant emphasis be placed on retaining and leveraging as much training and as much data from the existing environment as possible. The majority of training that we are proposing is to train staff on all of the enhancements introduced since your organization's last upgrade.

While there have been hundreds of enhancements introduced that will benefit every stakeholder (*Constituents, Auditors, Council, Board, Management, Employees*) of your organization, the purpose of this document is to provide a high-level introduction to some high-level "themes" that are inherent across all modules. As your technology partner, Springbrook reinvests a high percentage of your organization's annual maintenance dollars in research and development. As technology continues to advance, those you serve are demanding increased levels of timeliness and access to information, as well as accountability for their tax dollars. Version 7 was developed and continues to be enhanced with input from clients like you to deliver these outcomes.



Benefits from an Informational Technology (IT) Standpoint

- Processes (calculations, reports etc.) are executed on the server rather than on the user's workstation. This means that the end-user's PC is not "tied up" during these processes. Furthermore, since processing is done on the server, rather than the workstation, jobs complete much more quickly. These operational efficiencies can mean a few more hours of productivity per employee per week or per month.
- Information Technology staff can now centrally control deployment of new software upgrades and versions instead of managing individual PC's which used to take anywhere from 15-60 minutes to upgrade each.
- Windows 7 (PC Operating System that is normally pre-installed on all new PC's) and Windows 2008 Server are both supported. This means IT staff will not need to "uninstall" Windows 7 and install Windows XP on the PC's.
- Username and password information is maintained at the network level, rather than in the application. We now utilize Microsoft's "Active Directory". Users log into V7 with the identical username and password used for logging into organization's network. This allows administrators to limit which users on your organization network can access V7.
- Electronic Workflow has been implemented into the system and can be integrated with Microsoft Outlook. For instance, if a Purchase Order hits a specific account, exceeds a user-defined dollar amount etc., user defined business rules can be established that will automatically route an email message to the person who will require action to be taken. This user can click on a hyper-link to go directly to the PO (Report, Process etc.) requiring action and/or approval.
- While Springbrook will continue to comply and introduce program changes to ensure compliance with both Federal and State mandated changes in V6, the vast majority of enhancements are being developed in the V7(.NET) environment, rather than the V6 Client-Server environment.
- Industry standard Crystal Reports are used in .NET.



System Wide Enhancements

- Display of data in grids can be customized by the user.

Whenever information is displayed in a grid (e.g. the Customer window in Customer Search from the main application window), the order in which columns appear and the sort order of those columns can be modified. Users with proper security clearance can:

- 1) Add columns
- 2) Remove columns
- 3) Change the order in which columns appear across the grid
- 4) Change the sort order for each column

For example, for all utility customers with water consumption, click on the consumption column to sort by those customers with the highest consumption to ensure that a mis-read has not taken place before the bill is mailed.

- Information displayed in a grid can be exported to an MS Excel spreadsheet.

Whenever information is displayed in a grid (e.g. the Customer window in Customer Search from the main application window), the information in that window can be exported to an MS Excel spreadsheet. To export information from a grid, right click on the grid and select Export to MS Excel Workbook. This will create an .XLS file at a selected path.

- Tab order and the fields on data entry windows can be customized, with proper security clearance, by the user.

To help speed-up data entry, the Tab Order feature in many data entry windows allows users to select which fields are displayed in a window and to set the tab order for those fields. The Tab Order feature has been implemented in AP> Invoices, PO> Purchase Orders, PO> Change Orders, PR> Computer Checks, and other windows used for entering large amounts of data.

- Processes and reports can be scheduled to generate at a time set by the user.

A scheduling field has been added to all reports and most processes (e.g., Generate in New Billing) to allow users to schedule future dates and times for jobs to be processed by their server. Large reports or lengthy processes can be scheduled to run at non-peak times when a server is not in demand for other processing jobs. The Jobs Viewer window displays the status of jobs on the server.



- Users can use the graphical calendar feature to select a date in all date fields.

In V7, users can either manually enter a date in a date field or they can click a drop down arrow next to the date field to use the calendar feature. A graphical calendar will display allowing users to cycle through months and years, and select the desired date.

- Many of the reports in the application have been enhanced to include a Report Publishing feature.

The Report Publishing feature allows users to customize standard reports on the Reports palette of any module in the application.

Many of the maintenance windows have been enhanced so that records can be selected and modified from a single window.

In version 6.05, you have to select a record from a list window which will open the maintenance window. In version 7, many of the maintenance windows allow you to select and modify the record in a single window. For example, the Route Maintenance window (UB> Maintenance> Route) allows you to create, maintain, and select records all from a single window.

- Reports generated on the Reports palettes in the application are automatically archived on the server and can be retrieved at any time using the View Reports Window.

Reports generated using the Reports palette on any module in the application are archived on the server and can be opened at any time using either the View Reports window, or the Jobs Viewer window. Reports generated from a batch process (for example, the a Proof List or GL Distribution Report) are not archived on the server in the same way. When a batch process report is regenerated (for example, if you rerun the Proof List step), the original report will be replaced by the new report on the server. This means you will only be able to open the most recent version of the report using the Jobs Viewer window.



Coastside County Water District, CA
V7 .NET Migration Agreement
October 08, 2010

Customers who chose to migrate from our client-server version (V6.0n) to Springbrook Software's .NET (V7) software are provided with the base software modules that have been covered under a software maintenance agreement at no charge. However, services associated with the actual upgrade, such as training and consulting, migration management services (project management, technical, programming, business analysis, custom code reduction review) and requests by client for Springbrook Software to rewrite any custom software to operate in the .NET environment are outside the scope of the customer's annual software maintenance agreement. As such, Springbrook is able to provide and invoice these services on a time-and-material basis.

A successful migration of the Springbrook application and database to V7 requires close teamwork between each of our respective organizations. During this process you and your staff will be working with nearly every department within Springbrook's organization. Staffing resources from the following departments will play a major role in your migration:

- Sales/Marketing
- Implementations
 - Project Management
 - Training
- Programming
- Conversions
- Quality Assurance
- Technical Services

The professional service fees identified in this Agreement are described on the following pages and include:

- Migration Management Services
- Migration Training
- Initial Custom Code Review for this proposal (if applicable)
- Custom Code Reduction Review Services (if applicable or requested)
- Data Conversion
- Technical Service for installation of the new database release and new .NET release

Migration Management Services:

Our goal is to provide your organization with the highest quality products and services during your migration, and to strive for minimal disruption to normal business operations during this process.

Migration Management Services may include, but are not limited to, the following:

- Project Management to plan, schedule and track the complete migration process
- Programming Resources to map and convert data
- Project Management to maintain communication with client, both verbally and in writing, regarding schedules, tasks and events throughout the process.
- Project Management to schedule and manage internal resources of support, programming, technical services, and training.
- Technical consultation and services to assist client in assuring adequate hardware configuration for maximum performance with V7 (.NET).
- Technical services to create, ship and assist in installing the latest software application files on the server.
- Technical services to order and assist in installing the latest database manager software at the client's site.
- Technical services to copy and retrieve the existing data, migrate to .NET, then install the newly upgraded data back to the client's site.
- Scheduling and coordination of on-site, classroom, or Internet training covering the changes in the software from V6.0x to .NET.
- Scheduling and coordination of training for financial applications, utility billing applications, land management and ancillary applications. This training may occur on different dates and be performed by different instructors.
- Project Management and Business Analyst review of existing and custom forms
- Project Management and Business Analyst review of existing Reports including any "Local" Reports that may have been modified using Progress Report Writer
- Project Management and Business Analyst review of existing Process Flow
- Project Management, Programmer and Business Analyst review for Custom Code Reduction if applicable
- Project Management, Programmer and Business Analyst review of third-party software integration points if applicable

Migration Training:

While work behind the scenes is a critical component to a successful migration, so too is the training your organization will receive from an accredited Springbrook trainer. Each migrating client will require varying degrees of training based on which version your organization is migrating from, coupled with the collection of modules actively used within your organization.

Our experienced and accredited training staff will provide your users with the tools, knowledge and instruction on how to best utilize the new features and functionality we have introduced within V7.

Training will be conducted in a “train the trainer” approach so that your key staff members are fully versed on how to properly use the new application, which in turn will allow them to train occasional or infrequent users when the need arises. Additional refresher training and/or training on reporting tools is always welcome but must be requested in advance of the migration. Any additional sessions may require that the trainer remain onsite for longer period of time and must be a part of the bid proposal.

While the majority of migration training will take place onsite, Springbrook’s Training and Consulting staff will generally begin working with your staff weeks before they physically step foot onsite for the “go live” week. To jump-start the project, trainers and/or consultants may be scheduled by Springbrook’s Project Manager to conduct initial telephone conference calls, schedule “jump-start” webinar sessions to introduce and familiarize your staff to the new software and to secure copies of your files for initial review so they can familiarize themselves with your unique operations. Once the migration is complete, Training and Consulting staff may also augment the previously conducted onsite sessions with follow up calls and potential webinar sessions.

Initial Custom Code Review for this proposal (if applicable):

If your organization has custom programs that Springbrook Software developed, our programming staff has conducted an initial high-level review of the custom code that we maintain on file for your organization. We have included budget figures as if your organization chooses to have the program(s) re-written to operate in a .NET environment. While it is our intent to continually add new standards to the application, not custom program written on behalf your organization has the potential of being eliminated.

V6.05 to V7 (.NET) Migration Pricing for: Coastside Co. Water Dist., CA		
Program ID	Description of Custom Code to be ReWritten (If Required)	
Utility Billing		
w-ubc001.w	Window to print summary water usage report. Prints Consumption in Cubic Feet and Galons per class.	\$ 834.15
Summary Water Usage Report (Custub.prl)	Summary Water Usage Report.	\$ 834.15
w-ubc01c.w	Window to print Annual Consumption Report. Prints consumption by class and counts total accounts in Class.	\$ 1,112.20
Annual Consumption Report (custub.prl)	Displays customer info and consumption totals.	\$ 834.15
w-ubc002.w	Window to print Summary Aged Balance report.	\$ 1,112.20
Summary Aged Balance (Custub.prl)	Summary Aged Balances by Class report. Displays balances broken out by days (30-60, 60-90, etc) per class.	\$ 834.15
w-ubc02p.w	Window to Display Meter Exchange by Date report.	\$ 834.15
Meter Exchange by Date (Custub.prl)	Meter Exchange by Date report. Displays new meter and it's associated Inventoried Meter.	\$ 556.10
w-ubc003.w	Export for Half Moon Bay. Exports lot info including bi-monthly consumption totals for that lot.	\$ 1,390.24
w-ubc03c.w	Window to Print Revenue Report.	\$ 834.15
Annual Revenue Report (custub.prl)	Report that displays consumption, and revenue per flat/cons for every account.	\$ 556.10
w-ubc004.w	Master Class List window. Allows user to select which classes to print account info for accounts that use that class.	\$ 1,390.24
Master Class List (custub.prl)	Master Class listing that displays all accounts that are setup with the selected class(es).	\$ 556.10
w-ubc04c.w	Window to print Revenue Summary report.	\$ 834.15
Annual Revenue Summary (custub.prl)	Summary report that displays class, total of new accounts in class, total revenue, and consumption.	\$ 556.10
w-ubc005.w	Window to print CUWCC Rate Comparison by Class report.	\$ 834.15
CUWCC_Rate_Comparison (custub.prl)	Best Management Practice Reporting Requirement for BMP11-Conservatiion pricing report. Displays sales category, revenue from rates, and revenue from fixed charges and fees.	\$ 556.10
w-ubc05p.w	Window to print Customers per Cons Level Report.	\$ 834.15
Customers per Cons Level Report (Custub.prl)	Report that displays consumption level, account type (Residential or Commercial), and the total number of consumption, flat amounts, and customers that are on that level.	\$ 834.15
w-ub477p.w	Window to print past dues. Customized to add OCR Scanline, which is now standard in v7.	\$ -
w-ub493p.w	Window to print new billing statements. Customized to allow the export to dbf option to print custom billing statement. Not needed if they go with standard v7 statements.	\$ 2,780.49
w-ub493f.w	Window to print Final Billing statement. Customized to include up to 6 messages, as well as to print OCR Scanline per Audio-Tel requirements. Not needed if they go with standard v7 statements.	\$ 2,780.49
p-ub493p.p	Procedure for printing new and final billing statements. This has been customized to print to their custom billing statement. Not needed if they go with standard v7 statements.	\$ 2,780.49
redstat.rpt	Custom Full Page detailed billing statement with graph. Not needed if they go with V7 standard.	\$ 5,560.98
UB-Past Due Statement--1.prl	Custom Past Due Late Notice. Not needed if they go with standard.	\$ 1,390.24
UB-Past Due Statement--2.prl	Custom Past due Final Notice. Not needed if they go with V7 standard.	\$ 1,390.24
UB-Past Due Statement--3.prl	Custom Past Due Cutoff Notice. Not needed if they go with V7 standard.	\$ 1,390.24
Sub-Total UB		\$ 34,200.00
Finance		
w-glc99u.w	Income Statement report window	\$ 855.00
custgl.prl	Income Statement report	\$ 1,140.00
w-glc99u.w	Custom window to print custom Income Statement.	\$ 855.00
Ocean Income Statement (custgl.prl)	Custom GL Income Statement. Displays current amounts, budget amounts. Variance and YTD info.	\$ 1,425.00
Sub-Total Finance		\$ 4,275.00
GRAND TOTAL ALL CUSTOM		\$ 38,475.00

Custom Code Reduction Review Services (if applicable or requested):

Springbrook understands that the ballpark customization figures presented in this proposal may not be “concrete” enough estimates for your organization to secure project and budget approval. Recognizing this, Springbrook is able to offer a detailed custom code review of any forms upon written notification that your organization would like to proceed with a migration to V7. Since customization of forms is oftentimes a material amount of the overall customization, jointly investing time in this area to identify whether standard V7 forms deliver the same or better result, can result in a reduced estimate. There is no up-front fee for performing this service and effectively, in a good-faith effort, Springbrook is “fronting” your organization services that are part of the migration management services component of quotation. Depending on the level and complexity of customization, a significant amount of effort on both of our parts may be required for a successful outcome. During the normal course of the project, all other custom will be closely evaluated and significant emphasis will be placed on trying to utilize standard V7 functionality to eliminate as much custom as possible.

For this review to be scheduled, a Springbrook Project Manager will be assigned to oversee this pre-contract component of the project. Depending upon the number of programs and level of customization, we may assign and schedule a pool of resources include programming staff, business analysts, trainers and consultants to completely review each custom program to determine whether or not it is standard functionality in V7 or whether an alternate means exists that delivers the same, or better result. There will likely be multiple conference calls, webinar demonstrations and emails required between our organizations and all communication will be funneled through Springbrook’s assigned Project Manager to ensure the appropriate resources are scheduled, timelines met and communication conveyed to the main point-of-contact within your organization. For each program that may need to be rewritten, a detailed statement of work and cost quote will be generated.

Progress V10 – Explanation of Licensing:

Clients have shared with us that with the added functionality that has been introduced within Springbrook Software's Version 7 (V7) which utilizes .NET technology, they'd like to deploy this version of software more widely across their organizations to "Casual users" for inquiry only access, provide them the ability to run their own reports, enter their own time, PO's etc. An optional component called "Access Agents" is now available for both Progress and SQL database users in order to deploy V7 to more employees within your organization. More information about this licensing scenario is described in the last paragraph. The migration of existing database licenses to operate in Springbrook Software's V7 .NET environment is described below.

V6.00 to V6.06 Clients utilizing Progress as their database

During the migration from any Springbrook Software Versions V6.00 through V6.06 to V7, the earlier purchased individual licenses for Progress will be upgraded/traded in. These two previously purchased components (Workgroup Database and Client Networking) will be upgraded/traded in for Progress OpenEdge 10.1C Workgroup Database and Progress OpenEdge 10.1C Application Server Enterprise at no charge.

Processing of reports, calculations etc. in V7 no longer take place at the workstation. As a result, processing is faster because jobs run on the server and PC's are no longer "tied up" during processing of larger jobs. The Progress OpenEdge 10.1C Application Server Enterprise component is installed as part of the migration and serves as a "middle-tier" that performs all the processing that used to take place on the workstation. In other words, the Client Networking component that was required in Version 6.nn is no longer required. As part of the migration management service, one of the specialists from our Technical Services group will assist your organization implement Application Server Enterprise and instruct you how to remove Client Networking from the PC's during the project.

The type of licensing described in this section is for "Heavy Users"; those using the system two or more hours per week. If your organization decides to purchase additional licenses of this type as part of migrating to V7 please discuss pricing with your Springbrook Software upgrade manager.

Access Agents for both Progress and SQL databases

For our clients who want/need them, we were able to negotiate a new offering from Progress called “Access Agents”. Each Access Agent “covers” up to 100 “Casual Users” for \$2,500 plus maintenance. (A Casual User is loosely defined as someone who uses the system for less than two hours per week). For example, if, in the example in the preceding section, your organization had ten existing licenses that “ported over” to ten licenses that now operate with V7 and you’d like to provide five new “casual” users access to the system for a few hours per week, a block of 100 licenses is available for \$2,500. This is a far better value than ordering five individual “Heavy User” licenses as outlined in the preceding paragraph. Furthermore, your organization will still have 95 licenses left to distribute as you see fit. Again, this licensing structure is intended for users that require access to the system two hours or less per week whereas the licensing described in the preceding section is for “heavy” users of the system.

If your organization decides to purchase an Access Agent license as part of migrating to V7, please discuss pricing with your Springbrook Software upgrade manager.

Upgrade of existing V6.00 - V6.05 Database Licenses

Progress v9 products, which are used in Springbrook V6.05 and earlier versions, are based on a concurrent-user model. As an example, if in V6.05 your organization currently has 12 HEAVY users who ever accessed Springbrook Software, but no more than 10 users were ever in at the same time, your organization only needed 10 licenses.

Progress v10 products, which are used in Springbrook V7, are based on either Named Users or Device licenses. (This is the same as how Microsoft also licenses their products.) As an example, if your organization has 12 heavy users who ever access Springbrook, and they didn’t share computers, will need a total of 12 Named User licenses (2 Add’l) after the migration. Conversely, if three of the existing ten users are “light” users, the you could discontinue paying support on those three licenses and then have those three users “piggy-back” on the Access Agent if one is purchased. The number of database licenses we show that Coastside County Water District, CA currently has under maintenance is listed on underneath the total estimated project cost line item on p8.

Summary of Project Costs



V6.05 to V7 (.NET) Migration Pricing for: Coastside Co. Water Dist., CA

Application/Products	Bdgt for Custom Code Rewrite	(1) Training & Consulting
Finance Suite (GL, AP, ACH, Bank Rec, Bdgt) Extended Budgeting & Forecasting Standard Federal/State Reporting AP Electronic Check Signature	\$4,275	\$3,000
Project/Grant Accounting - See Note #1 <i>** Turned "on" but won't migrate and not using Today **</i>	n/a	n/a
Central Cash Management/Point Of Sale	n/a	Included in GL
Inventory	n/a	\$2,400
Utility Billing Suite Service Order Request Management Meter Inventory and History	\$34,200	\$6,600
Standard Meter Reading Interface	n/a	Included in UB
Progress Report Builder	n/a	n/a
*** NOT APPLICABLE-Crystal Reports used in .NET ***		
Sub Total Trng, Consulting and Custom ReWrite:	\$38,475	\$12,000
Migration Management Services	\$12,000	
Migration Management Services - 2nd Database @ V6.00	n/a - won't convert	
Sub Total Project Mgt. Related Services:	\$12,000	
Progress OpenEdge 10.1C App Server Ent. - Lic (Qty 1)	\$750	
Progress OpenEdge 10.1C App Server Ent. - Maint (Qty 1)	\$188	
Sub Total Database Related Fees:	\$938	
	\$0	
Total Estimated Project Costs	\$63,413	

(1) For State of CA reporting, we estimate that roughly 60% of our consulting & training services will be performed onsite at your Agency and the remaining 40% will be performed remotely. Our invoice(s) will reflect these percentage breakdowns for this project component.

**** NOTE #1:** Module may have been purchased but is not used and is not covered by software maintenance agreement. Prorated back-maintenance fees to reinstate post-V7-migration may apply along with professional services to implement. Please visit with Migration Manager for quote that is outside the scope for this migration.

Prices Valid for 180 Days from: 10/8/2010 (excludes 3rd-Party Progress)

4 - Existing Concurrent Users will be Upgrade to an Equal Number of Named Users and/or Devices

(A minimum of 5 licenses are required for .NET)

Pricing is based on standard contract - deviation from standard contract terms may result in modified prices.

Training will be invoiced at actual at \$150/hr. Training and Consulting time includes all time, onsite and remote, that Software consultants and other Springbrook resources expend on this engagement. Training and consulting amounts above are Estimates, your organization will only be invoiced for the actual hours of training and consulting time used.

Training Estimate does not include travel time or expenses.

Optional Pricing - Not Requested/Required

Optional Springbrook Professional Services	Application License Fees	Annual Maintenance	Training & Consulting	Project Management
Advanced Query/Reporting Training (Web)			\$100/hr.	
Add'l Onsite Training			\$150/hr	\$150/hr
Data Mapping Services - Bank of 8 hours			\$1,000	\$150/hr
Workflow Requirement Analysis			\$150/hr.	\$150/hr.
Individual Workflow Setup, \$150.00 Per/Hour			\$150/hr.	\$150/hr.
Optional 3rd Party Database Fees				
SQL-Progress OpenEdge 10.1C DataServer Lic - "Heavy" Users	\$625.00	\$156.25	n/a	n/a
SQL - Progress OpenEdge 10.1C App Server Ent Lic - "Heavy Users" **	\$125.00	\$31.25	n/a	n/a
Progress OpenEdge 10.1C Application Server Enterprise	\$750.00	\$187.50	n/a	n/a
Access Agent for "Casual" Users - Up to 100 Licenses	\$2,500.00	\$625.00	n/a	n/a

* Data Mapping Services - Telephone consultation to help clients with ODBC, Crystal Reports etc. since database structures

from V6.0n to V7 are significantly different & Progress Report Writer is no longer available in V7.

**Progress OpenEdge 10.1C App Server Enterprise required if SQL is used for the Database

Opt'l Service Prices valid for 180 days

Opt'l 3rd-Party Prices valid for 30 days

Additional Migration Information:

- The above costs do not include travel expenses for Springbrook staff members. Price estimates can be approximated 3 to 6 weeks prior to the scheduled migration date.
- The training for each application is our best estimate. Actual costs will be based on \$150 per hour.
- Migrating to V7 of the application and database will allow the use of Microsoft Windows, XP, Vista and Windows 7 operating systems.
- When migrating to V7, it may be necessary for us to re-write, test and review custom code currently on file for your organization for this new environment. However, in many cases some or even all custom code can be eliminated because it may now be part of the standard base application. If a pre-agreement custom code reduction (p5) is not completed, we will still conduct a full review of any custom code. This will be conducted and documented by our Programming Dept., and a final cost estimate will be provided for any custom item(s) that need to be rewritten for V7. This will typically take place several months in advance of the migration.
- There will be no increase in annual maintenance costs for the products/modules licensed to the organization when migrating to this new version of the application. However, standard increases may apply as normal in future years.
- Migrations are managed by a Project Manager. He/she will act as your main point of contact for all scheduling and questions.

Standard Payment Terms

**NOT APPLICABLE – SEE NEXT PAGE **

- Once we receive this signed agreement, we will generate either a physical or electronic invoice for a 25% deposit (\$???) and return it with our signature on the agreement. The deposit is required in order to begin the project steps for scheduling the onsite portion of the consulting and training. The deposit is due no later than 12/15/2010 (preferably earlier to jointly begin scheduling) and is calculated on only the Training, Consulting and Migration Management services outlined herein. (If there is a budget amount to rewrite custom, no portion of that amount is factored into the deposit amount since it is not certain at this point what, if any, custom will need to be retained). Understanding that budgets may not be finalized but scheduling is important, the deposit is subject to appropriation. If the migration project is not approved, upon written notification (prior to Coastside County Water District, CA's fiscal year start) the deposit will either be applied toward subsequent year's maintenance or refunded. Upon receipt of deposit, a Springbrook Software Project Manager will be assigned to work with your organization to investigate dates for the onsite consulting and training.
- An additional 25% of the Training, Consulting and Migration Management services will be invoiced upon project "kick-off". Project kick-off will normally take place twelve weeks prior to the actual trainer arriving onsite and may involve, but is not limited to, review of any custom software we have written, securing copies of your files for review, and ongoing communication with your Project Manager.
- The final 50% of the Training, Consulting and Migration Management services will be invoiced upon project completion.
- Software Customization. Once the project is underway, if it is determined that a rewrite of existing custom is required, a detailed statement of work and quote is completed and will be presented for approval. If approved, 50% of the bid amount will be invoiced upon customer sign-off. The final 50% will be invoiced upon delivery and customer acceptance.

**** Coastside County Water District, CA **- Payment Terms
Over Three Fiscal Years @ 0% Interest**

- Once we receive this signed agreement, we will generate either a physical or electronic invoice for a 10% deposit (\$2,400) and return it with our signature on the agreement. The deposit is required in order to begin the project steps for scheduling the onsite portion of the consulting and training. The deposit is due no later than 12/15/2010 (preferably earlier to jointly begin scheduling) and is calculated on only the Training, Consulting and Migration Management services outlined herein. (If there is a budget amount to rewrite custom, no portion of that amount is factored into the deposit amount since it is not certain at this point what, if any, custom will need to be retained). Understanding that budgets may not be finalized but scheduling is important, the deposit is subject to appropriation. If the migration project is not approved, upon written notification (prior to Coastside County Water District, CA's fiscal year start) the deposit will either be applied toward subsequent year's maintenance or refunded. Upon receipt of deposit, a Springbrook Software Project Manager will be assigned to work with your organization to investigate dates for the onsite consulting and training.
- An additional 15% of the Training, Consulting and Migration Management services will be invoiced and due on 07/15/2011.
- An additional 25% of the Training, Consulting and Migration Management services will be invoiced and due on 12/15/2011.
- The final 50% of the Training, Consulting and Migration Management services will be invoiced and due on 07/15/2012 or upon project completion if the project is not entirely complete by then.
- Software Customization. If it is mutually determined that a rewrite of existing custom is required, a detailed statement of work and quote will be completed for each custom program and be presented for approval. If approved, 50% of the bid amount will be invoiced as a deposit and due upon signoff. The remaining 50% will be invoiced and due on 12/15/2011 or upon project completion if the custom program has not been delivered by then.
- Software Customization Maintenance. Any associated maintenance on custom will be invoiced and due upon delivery of custom. The annual maintenance will be prorated to the end of your organization's fiscal year and billed as an annual amount thereafter.
- Database components. If any additional database component (Access Agent, additional Progress Licenses, Application Server Enterprise licenses etc.) and associated maintenance is quoted, these will be ordered shortly before your organization's "go live" date. The license component will be due invoiced in full and due upon delivery and the associated annual maintenance invoice will be prorated to the end of your organization's fiscal year and billed as an annual amount thereafter.

Coastside Co. Water Dist., CA
3 Fiscal Year - 0% Payment Option

Deposit is subject to appropriation. If project is not approved, deposit will be applied toward subsequent year's maintenance

<u>Training, Consulting & Migration Management Services</u>	<u>Amount Due</u>	<u>Budget Yr</u>
10% Trng/Migration Mgt. Downpayment invoiced & due no later than Dec 15, 2010	\$ 2,400	FY 10/11
15% Trng/Migration Mgt. Invoiced & due by Jul 15, 2011	\$ 3,600	FY 11/12
25% Trng/Migration Mgt. invoiced & due by Dec 15, 2011	\$ 6,000	FY 11/12
100% Progress OpenEdge when ordered in CY 2010 or 2011	\$ 938	FY 11/12
50% Rem Balance of Trng/Migration Management invoiced & due on Jul 15, 2012	\$ 12,000	FY 12/13
Sub-Total Training, Consulting, Migration Mgt, DB Licenses:	<u>\$ 24,938</u>	
<u>Budget for Custom ReWrite - If Req'd</u>		
50% Custom (If Req'd) due on Signoff	\$ 19,238	FY 11/12
50% Custom - (If Req'd) Rem Bal due on or before Dec 15, 2011	\$ 19,238	FY 11/12
Sub-Total Custom	<u>\$ 38,475</u>	
GRAND TOTAL:	<u>\$ 63,413</u>	

Acceptance of Migration Agreement

By signature below, you are accepting the terms of this proposal in its entirety and have authorization rights for entering into such an agreement on behalf of Coastside County Water District, CA. For immediate processing, please fax this entire agreement page to Char Baumgardner, Contract Administrator, within Springbrook at the following number: 503-820-4537. Scanned copies may be sent to: char.baumgardner@sprbrk.com

Client Signature

Printed Name Date

Client Signature

Printed Name Date

Springbrook Software

Char Baumgardner_____
Printed Name Date



Date _____

Number of pages including cover sheet 14 _____

To: Char Baumgardner - Springbrook

_____Email char.baumgardner@sprbrk.com

Phone 503-820-2241

Fax Phone 503-820-4537

CC: _____

From: Gina Brazil-Office Manager

_____Coastside County Water District, CA

_____Email gbrazil@coastsidewater.org

Phone 650-726-4405

Fax Phone _____

REMARKS:
 Process
 For your review
 Reply ASAP
 Please comment

Gina,

When the agreement is approved, please sign, date and fax (or email) this entire agreement to Char's attention at the number highlighted above.

If you have not received confirmation from Springbrook Software of receipt of this facsimile within 3-business days, please phone Char at the number above to ensure there was not a problem with the transmission.

Thank you for your continued business!

Jim Nelson

Territory and Upgrade/Migration Manager

jim.nelson@sprbrk.com

320.229.3907 – Direct Line

STAFF REPORT

To: Coastside County Water District Board of Directors

From: David Dickson, General Manager

Agenda: November 9, 2010

Report

Date: November 5, 2010

Subject: Approval of Application to transfer Uninstalled Non-Priority Water Service Connections: Gary Podesta TR and Wayne Podesta to Charles J. Keenan, III, TR; APN 056-310-120 to APN 115-520-170

Recommendation:

Approve transfer of 92 uninstalled non-priority connections from APN 056-310-120 to APN 115-520-170.

Background:

Staff has received an application (copy of application form attached) for transfer of 92 uninstalled non-priority connections from property owned by Gary and Wayne Podesta to a property designated by Assessor's Parcel Number (APN) 115-520-170. This transferee property is a developed condominium at the Beach House Inn.

Staff and District Counsel have reviewed the application and documentation and found them to be generally in order. The applicants have not submitted a letter from the County indicating that the receiving property is "potentially developable" as required by District policy, but the District has waived this requirement in the past for properties that are already developed.

Staff notes that District transfer policy contains no requirement that connections transferred to a property must be used on that property. There is also no requirement that the transferee property must have the potential to use all of the connections assigned to it. There are a number of past instances in which the District has approved transfers which result in "parking" of multiple connections on property which cannot use the connections.

Staff recommends approval of the requested transfer

Fiscal Impact:

None.

NON-PRIORITY TRANSFER REQUEST
(Resolution No. 2003-19)

I. Applicant(s): **Gary Podesta, TR and Wayne Podesta to Charles J. Keenan, III, TR**

II. Request: To Transfer ninety-two—5/8” (20 gpm) uninstalled, non-priority Crystal Springs Project water service connection from **APN 056-310-120 to APN 115-520-170**. Property #1 is partially developed with a house and old barn, and the owner on record is Gary Podesta, TR and Wayne Podesta. Presently, there are 93—5/8” non-priority water service connections assigned to this property along with one—5/8” PRE-CSP in service since 1967. With approval of this transfer request, and another one that preceded this application, APN 056-310-120 will continue to have the rights to one—5/8” PRE-CSP installed connection..

Property #2, **APN 115-520-170** is a condo and part of a multi-unit condo project called the “Conservancy.” The owner wants to temporarily assign the 92---5/8” (20 gpm) uninstalled, non-priority CSP connections to this site. The owner on record is Charles J. Keenan, III, TR.

Findings: Staff has reviewed the application and supporting documentation and found them to be complete and in compliance with the requirements applying to the transfer of non-priority water service connections. A copy of the transfer submittal is being sent to the Attorney for his review and approval.

The application, provided by the District, shall contain or require the following information:

Yes	No	Identify the property to which the connection rights are currently assigned, by Assessor’s Parcel Number, lot and block number and street address (“applicant property”).
x		

Yes	No	Indicate whether the service connection has been physically installed at that property, whether that property is undeveloped or developed, and whether the service connection has been placed into service (i.e., whether water is being delivered to any portion of the property by the District through the connection);
x		

Yes	No	Identify the property to which the service connection is proposed to be transferred by Assessor’s Parcel Number, lot and block number and street address;
x		

Yes No Be accompanied by evidence of the current ownership of both properties, and by evidence that all persons having any ownership interest in both properties (1) consent to the transfer of the service connection, and (2) acknowledge that the property will no longer be entitled to water service once the connection is transferred;

x

Yes No Grant Deeds
Yes No Tax Bills

Yes No Be accompanied by a letter from the City of Half Moon Bay and/or the County of San Mateo, as applicable, stating that the property to which the service connection is proposed to be transferred is **potentially** developable.

x

Yes No Contain an acknowledgement that if the new location is not served by a water distribution pipeline, the cost of the required pipeline extension will be paid by the applicants;

x

Yes No Be accompanied by the applicable fees for service connection transfers (\$500 deposit for non-priority to non-priority transfer applications), service connection and meter removal and installation, if applicable.

x

Yes No If the property to which the service connection was originally assigned is included in an assessment district formed by the District, then, the assessment must be paid off before the water service connection can be transferred.

x

Yes No The application must be signed by all owners of both properties.

x

Yes No A current preliminary title report or lot book guarantee must be provided For Property #1 (transferor property).

x

Yes No All parties holding a recorded security interest in the applicant's property (the property from which the capacity is being transferred) must be disclosed, and evidence of their approval must accompany the application. In cases where approval is required from entities, written approval to the transferring off water service connection rights must be obtained on company or agency letterhead.

x

Yes No The application contains an acknowledgement that if the transferee Property is not served by a water distribution pipeline that the cost of any pipeline extension will be the responsibility of the owner of the transferee property and not the District.

x

- Yes No
x Be accompanied by a document, in recordable form, signed by all owners of the applicant's property, notifying prospective purchasers that the service connection rights initially assigned to it has been transferred to another property.
- Yes No
x The application will be evaluated by the General Manager, who will provide a report to the Board of Directors recommending whether the request should be granted and, if so, what conditions should be imposed on it.

Requests will be granted only if the Board finds that:

- Yes No
x A. If the property to which the service connection rights were originally assigned is included in an assessment district formed by the District in connection with the construction of the Crystal Springs Water Supply Project, unless the owners of the property furnish all the evidence and Required by Section U.2.i.
- Yes No
x B. If the service connection was for a land use classified as a "priority use" by the City of Half Moon Bay or San Mateo County Local Coastal Plan unless the use at the proposed new location also constitutes as a priority land use, unless otherwise approved by said agencies.
- Yes No
x D. If the transferee property is outside the District's boundaries.
- Yes No
n/a E. If the transferee property is not developable, as determined by the City of Half Moon Bay or County of San Mateo, as applicable.

G. Lombardi
Processed by Staff

October 28, 2010
Date

**APPLICATION TO TRANSFER UNINSTALLED NON-PRIORITY WATER SERVICE
CONNECTIONS**

- **Wayne Podesta and Gary Podesta, Trustee to Charles J. Keenan, III,
Trustee**
- **APN 056-310-120 to APN 115-520-170**
- **92---5/8" (20 gpm) non-priority water service connections**

COASTSIDE COUNTY WATER DISTRICT

**APPLICATION TO TRANSFER UNINSTALLED
WATER SERVICE CONNECTION(S)**

A. INFORMATION ABOUT THE APPLICANT

(Applicant is the transferor or "donor" property owner.)

1. Name of Applicant(s) Wayne Podesta & Gary Podesta, Trustee
Joyce Yamagiwa, Trustee
2. Mailing Address 700 Emerson St.
Palo Alto, CA (street) 94301
(city) (state) (zip)
3. Daytime Phone Number: (650) 614-6236

**B. INFORMATION ABOUT THE PROPERTY WHERE THE SERVICE
CONNECTION(S) ARE NOW ASSIGNED PROPERTY #1**

4. Assessor's Parcel Number(s) 056-310-120
5. Subdivision Block and Lot Number(s) _____
6. Street Address _____
7. Is Property #1 developed? Yes X No _____
8. If the answer to question number 7 was yes, please specify the use of the property as described below:
- _____ Single family residential
- _____ Multiple unit residential (under 4 units)
- _____ Multiple unit residential (over 4 units)
- _____ Commercial
- _____ Other
9. Has the service connection you want to transfer been placed into service?
Yes _____ No X

RECEIVED

OCT 27 2010

10. If the answer to question 9 is "yes," what is the Coastside County Water District Account number? _____
11. If the transfer request is granted, will the above property still receive water Service from the District?

A. Yes X No _____

Please explain: Property #1 has a one---5/8" (20 gpm) Pre-Crystal Springs Project water service connection serving it since 1967.

- B. If the transfer request is granted, what size connection will remain on Property #1 (above):
- 5/8" (20 gpm) One (Installed PRE-CSP)
- 3/4" (30 gpm) 0
- 1" (50 gpm) 0
- Other 0

12. If the answer to question 11 was no, please give the name, address and phone Number of all persons now occupying the property:

Name: N/A

Address: _____

Phone: _____

(Use separate sheet for complete list of occupants if necessary)

13. Please give the name, address and phone numbers of all persons, firms or Corporations which own any interest in the property:

Name: Gary Podesta and Wayne Podesta

Address: c/o David Uccelli, Esq.
520 So. El Camino Real, Ste 700
San Mateo, CA 94402

Phone: 650-579-1100

(Use a separate sheet if necessary)

14. Is the property included in an assessment district formed by the Coastside County Water District in connection with the Crystal Springs Project?

Yes _____

No X

15. If the answer to question 14 is yes, please submit evidence that:

- a) The assessment attributable to the service connection to be transferred has been paid in full. **(District can provide a copy of Document #2007-127427 "Notice of Assessment Addendum"-Release of Lien)**
- b) The property has not been included in a parcel map or a final subdivision Map which was recorded subsequent to the assessment lien.
- c) Also please submit the "Notice of Transfer of Water Service Connection Rights."

C. INFORMATION ABOUT THE PROPERTY TO WHICH THE SERVICE CONNECTION IS PROPOSED TO BE TRANSFERRED PROPERTY #2

16. Street address 4100 Cabrillo Hwy. Unit 217
Half Moon Bay, CA

Assessor's Parcel number(s) 115-520-170

Subdivision Block and Lot Number(s) See legal description

17. Please give the names, addresses and phone numbers of all persons, firms or corporations who own any interest in the property:

Name: Charles J. Keenan, III, Trustee

Address: 700 Emerson St.
Palo Alto, CA 94301

Phone: 650-614-6246

(Use a separate sheet if necessary)

D. GENERAL

18. What size and how many water service connections do you want to transfer?

<u>Size</u>	<u>Number or Amount to be Transferred</u>
<u>5/8"</u>	<u>92</u>

19. What will be the total capacity assigned to Property #2 if this transfer request is approved?

Note: The condo to which the 92---5/8" non-priority connections are requested to be assigned is part of a large "hotel" complex called the "Beach House" or Conservatory which contains many units sold as condo's. The original capacity sold and installed on the land (APN 047-252-410) consists of one--2" priority and one 5/8" priority connections which were²⁰ installed in 1996.

One 5/8" (20 gpm)	<u>92</u>
One 3/4" (30 gpm)	<u>0</u>
One 1" (50 gpm)	<u>0</u>

20. Has a "will serve" letter from Coastside County Water District been forwarded to the City of Half Moon Bay, County of San Mateo, California Coastal Commission, California Department of Real Estate or any other governmental agency relating to the property from which the service connection is to be transferred (Property #1) ?

Yes X No

If yes, please attach a copy of all such letters.

21. Please attach the following documentation to this application:

- Written confirmation from the City of Half Moon Bay and/or from the County of San Mateo, as appropriate, stating that the property to which the service connection is proposed to be transferred is **potentially developable**.
- Copy of the most recent recorded grant deed reflecting ownership of both properties.
- Copy of the most current property tax bill for each property.
- A copy of a preliminary title report, lot book guarantee or other comparable document showing the state of title and all encumbrances of record for Property #1 (the property from which the connection is proposed to be transferred), issued by a title insurance company and dated within 30 days of the date it is submitted to the District.

- e. If the documentation submitted above in Item No. d shows that Property #1 is subject to the interest of holder(s) of deeds of trust, mortgage(s) or other similar security interests, please also submit a letter from the trustee named in the deed of trust, the mortgagee, or other secured party, consenting to the transfer of water service connection(s).
- f. A notarized "Notice of Transfer of Water Connection Rights" form which, after District approval, will be submitted to the San Mateo County Recorder's Office for recordation.
- g. Payment of applicable deposit fee in the amount of \$500 towards processing this application.

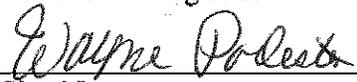
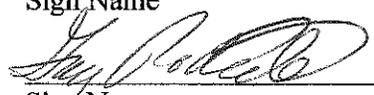
E. **SIGNATURES**

All owners of both properties must sign below.

PROPERTY #1

I/We represent that I/We are all the owners of the property for which one, a portion of one, or more service connections is/are proposed to be transferred, acknowledge that the property will no longer be entitled to water service through that/those connection(s) once it/they are transferred and hereby request that the Water District approve the transfer.

Each applicant represents and warrants that she/he has full right and authority to transfer the water service connection(s) and that such transfer does not violate the terms of any judgment, order, contract or other instrument by which she/he is bound or to which she/he is a party. Each applicant agrees to indemnify and hold harmless the District from any costs or expenses the District incurs as a result of any of the foregoing representations and warranties being false.

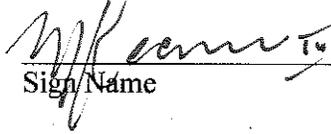
	Wayne Podesta	10/11/10
Sign Name	(Please print name)	Date
	Gary Podesta,	10/11/10
Sign Name	(Please print name) Trustee	Date
_____	(Please print name)	_____
Sign Name	(Please print name)	Date

(Use a separate sheet if necessary)

PROPERTY #2

I/We represent that I/We are all the owners of the property to which one, a portion of one, or more service connections is/are proposed to be transferred. I/We hereby consent to the transfer and agree to be bound by the rules and regulations of Coastside County Water District in the use of service connections on the property.

Additionally, we acknowledge that if the property is not served by a water distribution pipeline that the cost of any required pipeline extension will be the responsibility of the property owners and not the District.

 Charles J. Keenan III 10/11/10
Sign Name (Please print name) Trustee Date

Sign Name (Please print name) Date

Sign Name (Please print name) Date

(Use a separate sheet if necessary)

NOTE: A completed application with all fees and required attachments as specified in this application, on page 4 and 5 (Items 21 a – g), must be received by the District before the transfer request will be reviewed by staff. Please allow for a two to three week turnaround from the time you have completely submitted all the required and correct documentation.

Revised 06/09

STAFF REPORT

To: Coastside County Water District Board of Directors

From: David Dickson, General Manager

Agenda: November 9, 2010

Report Date: November 4, 2010

Subject: Resolution 2010-08 - A Resolution of the Coastside County Board of Directors Supporting the Association of California Water Agencies (ACWA) Policy Principles on Implementation of State and Federal Endangered Species Act

Recommendation:

Adopt Resolution 2010-08 - A Resolution of the Coastside County Board of Directors Supporting the Association of California Water Agencies (ACWA) Policy Principles on Implementation of State and Federal Endangered Species Act (ES).

Background:

The Association of California Water Agencies is requesting its member agencies to show their support in formally endorsing the set of policy principles on Endangered Species Act Implementation, by adopting the attached Resolution.

A diverse group of ACWA members spent six months crafting a unified statement on the ESA implementation issues and producing the following set of policy principles.

- Principle 1: Comprehensive, Integrated Solutions
- Principle 2: Co-Equal Goals
- Principle 3: Real-Time Solutions
- Principle 4: Science
- Principle 5: Adaptive Management
- Principle 6: Managing Within Highly Altered Ecosystems
- Principle 7: Accounting for Climate Change
- Principle 8: Flexible Implementation

These principles call for a comprehensive, ecosystem-based approach to implementing both the state and federal ESA. On July 30, 2010, the ACWA Board of Directors approved these principles unanimously and is now requesting its members to do the same.

ACWA identifies modernization of ESA to improve its implementation as a high priority for California water management and believes these principles outline a more effective approach to ESA implementation that incorporates the co-equal goals of water supply reliability and ecosystem enhancement that are the basis of California Law. This approach will require agencies to work in a more coordinated manner to address multiple species of concern, while utilizing more diverse management tools. ACWA believes this approach will better achieve the goals of the ESA in a more efficient, effective and economic manner.

Fiscal Impact:

None.

RESOLUTION NO. 2010-08

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
COASTSIDE COUNTY WATER DISTRICT SUPPORTING
ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)
POLICY PRINCIPLES ON IMPLEMENTATION OF STATE
AND FEDERAL ENDANGERED SPECIES ACT**

WHEREAS, Endangered Species Act (ESA) implementation activities in California - particularly in the Delta - have had a major impact on water deliveries in recent years. Restrictions on water diversions to protect Delta smelt and salmon have exacerbated the effects of multiple dry years, resulting in significant economic disruption without a measurable improvement to the Delta ecosystem or affected species; and

WHEREAS, the current situation in the Delta provides a significant opportunity to improve the implementation of the state and federal Endangered Species Act; and

WHEREAS, the current approach of trying to protect aquatic species through a single action only - restricting water diversions from the south Delta - is not working for either ecosystem sustainability or water supply reliability; and

WHEREAS, local water agencies support the goals of the ESA but believe that the state and federal agencies have greater discretion to develop comprehensive strategies that also consider economic and social stability; and

WHEREAS, the timing is critical to make sure the new state administration and the Obama administration understand the importance and broad support among the water community for co-equal goals; and

WHEREAS, the Association of California Agencies Board of Directors adopted principles in July on ESA implementation issues developed by a diverse group of ACWA members; and

WHEREAS, these policy principles outline a more effective approach to ESA implementation that incorporates the co-equal goals of water supply reliability and ecosystem enhancement that are the basis of California law; and

WHEREAS, these policy principles identify the direction ESA implementation must take to meet the needs of species and the state's communities, farms and businesses in the 21st century; and

WHEREAS, we recognize that California's water future rests on linking commitment to restoration and supply reliability; and

WHEREAS, we urge senior management at the ESA implementing resource agencies to use these principles to implement a more integrated and diversified approach; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Coastside County Water District believes the principles developed by ACWA can help move the dialog on a path that leads to constructive improvements in ESA implementation at the state and federal levels; and

BE IT FURTHER RESOLVED, that the Coastside County Water District Board supports the association's policy principles on "Implementation of State and Federal Endangered Species Acts."

PASSED AND ADOPTED this 9th day of November, 2010, by the following votes of the Board of Directors:

AYES:

NOES:

ABSENT:

Chris R. Mickelsen
President, Board of Directors
Coastside County Water District

ATTEST:

David R. Dickson, Secretary of the Board

STAFF REPORT

To: Coastside County Water District Board of Directors
From: David Dickson, General Manager
Agenda: November 9, 2010

Report

Date: November 5, 2010

Subject: General Manager's Report

Recommendation:

None. Information only.

Background:

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

1. Connection Sale Status

We received completed non-priority connection purchase applications from 32 people. One purchaser will be eligible to purchase an additional 5/8" connection for a duplex, and two purchasers may need an additional half connection to accommodate higher fixture counts. It thus appears the final sale count will be 34 connections, resulting in revenue to the District of \$462,128. We also received \$16,000 in administrative fee payments to offset the costs of administering the sale.

2. Water Reclamation Update

There is nothing new to report this month. We are waiting for SAM to respond to the principles of agreement the CCWD Board approved on February 9, 2010.

3. SFPUC State of the Water System Report

SFPUC has issued its *2010 State of the Regional Water System Report* (see attached letter). The report is available at <http://www.sfwater.org/wholesale> (click on "Reports" tab). Section 2 of the report provides an informative description of the system. Staff will make this report accessible on the District's web site.



SAN FRANCISCO PUBLIC UTILITIES COMMISSION

OFFICE OF THE ASSISTANT GENERAL MANAGER, WATER
1155 Market Street, 11th Floor, San Francisco, CA 94103 • Tel. (415) 934-5736



October 15, 2010

To: Wholesale Water Customers

From: Steven R. Ritchie 

Subject: 2010 State of the Regional Water System Report

GAVIN NEWSOM
MAYOR

F.X. CROWLEY
PRESIDENT

FRANCESCA VIOTOR
VICE PRESIDENT

ANN MOLLER CAEN
COMMISSIONER

ED HARRINGTON
GENERAL MANAGER

Pursuant to the 2009 Water Sales Agreement, the SFPUC has completed the *2010 State of the Regional Water System* report and now makes it available for your reference. Section 3.10B of the agreement calls for the SFPUC to submit reports to the wholesale customers on the completed and planned maintenance as well as repair or replacement projects or programs. These reports are due in September of every even-numbered year, beginning in September 2010.

The report is available at <http://www.sfwater.org/wholesale> (click on "Reports" tab). We can send you a hard copy if you prefer. Please let me know if you would like one.

The report can be generally divided into two parts. The first presents the state of the system as of September 2010 including an asset hierarchy, asset inventory tables, and general condition descriptions at the asset class level. These descriptions are written with the on-going capital program in mind. Accomplishments in FY10 are highlighted for many maintenance programs including condition assessment, meter maintenance, dam monitoring, pipeline inspection and the cathodic protection programs. Planned work for FY11 is also outlined. Similarly, completed and planned activities for the renewal/replacement program are presented.

The second part outlines how the general maintenance and renewal/replacement programs work together to ensure assets are properly maintained in the long-term as part of an overall asset management strategy.

A few highlights of the FY2010 report to note:

- * Maintenance of the regional water system is heavily weighted towards support of the capital program and corrective maintenance. Outside of pipeline inspections, preventative maintenance activities are relatively low but will gradually increase as the capital program is completed. A majority of maintenance work is expected to be preventative-based by FY2013.
- * Pipeline inspections continue to be active as the construction shutdowns provide ample opportunity to inspect and often repair pipelines.
- * Funding for cathodic protection of buried assets was significantly increased in FY10 compared to previous fiscal years. A master plan was updated in August 2010 and capital improvements are outlined for the next three to five years to ensure assets are properly protected.

* The dam monitoring and inspection program is being enhanced to extend beyond regulatory requirements.

* Corrective maintenance in FY10 and FY11 is prioritized to reduce unplanned outages associated with WSIP shutdowns. That is, corrective maintenance is performed first on those facilities that are expected to operate with little or no redundancy during shutdowns.

* Moving forward in FY11 and beyond, more comprehensive cost reporting will be available at the asset level that better integrates all SFPUC expenses attributed to a given asset. This thorough cost accounting will help determine overall cost of maintaining and replacing various assets in the regional water system.

Please feel free to contact David Briggs with any questions or comments regarding the report.

cc: Ed Harrington, SFPUC
Michael Carlin, SFPUC
Ellen Levin, SFPUC
David Briggs, SFPUC
Andrew DeGraca, SFPUC
Tim Ramirez, SFPUC
Harlan Kelly, SFPUC
Todd Rydstrom, SFPUC
Sharyn Saslafsky, SFPUC
Art Jensen, BAWSCA
Nicole Sandkulla, BAWSCA

MONTHLY REPORT

To: David Dickson, General Manager
From: Joe Guistino, Superintendent of Operations
Agenda: November 9, 2010

Report
Date: November 2, 2010

Monthly Highlights

Nunes Short Term Improvement Project

All chemical feed systems are functioning. The hypchlorite generator will be on line in November. Project is estimated to be completed by 1 December.

Denniston Dredging - year 2

Our second year of dredging went flawlessly. We removed 400 cubic yards of silt and continued to clean up the side banks.

Pilarcitos East Pipeline

A hole the size of a quarter developed on this pipeline from Stone Dam, resulting in some bank erosion and sounding a warning of the condition of this fragile pipe

Source of Supply

Crystal Springs and Pilarcitos Reservoir were the major source of supply for the month of October. We switched from Pilarcitos to Crystal Springs over the Pumpkin Festival weekend. Switched back to Pilarcitos on Monday, 18 October. Had to switch back to Crystal Springs on that same day due to a large leak on the Pilarcitos East pipeline. Back to Pilarcitos on Friday, 29 October.

Systems Improvement

Beautification

- General clean-up around Nunes construction zone and storage areas.
- Shop and main office painted in October.
- Vegetation management around Denniston spillway and crest of dam.
Removed old fence also, not needed.
- Work truck cleaned and organized.

Backflow Program

- Met with the owners of the New Leaf building to go over backflow preventer requirements.
- Surveyed Shoreline Station for backflow requirements. Sent letters to the owners requiring devices.
- Backflow devices were installed on the property of John Romero, CVS pharmacy and Nurserymen's Exchange.

Flocculator Drives

The second of three banks of new flocculators were installed at Nunes WTP in October.

Denniston Dredging - year 2

On the week of 4 October, 400 cubic yards of silt were removed from around the intakes at Denniston Reservoir in October. The banks of the reservoir at the dam were also kept cleared. Dredging started on Tuesday and was complete by Thursday.

Nunes Survey

The property lines at Nunes WTP were surveyed and properly marked.

Update on Other Activities:

Nunes Drain Lines

At present, many of the Nunes plant process streams flow into the septic system, sometimes overloading the system's leach field. Staff is working on a new system whereby drainage from packing glands, flocculator and filter boxes, sedimentation basin, and monitoring equipment will all be channeled into the backwash ponds. Excavation has begun and the project is expected to be complete in November.

Holiday On-Call Schedule

We are placing two people on standby through the holidays. There will be one primary person to respond to all calls and a back-up person in the event that the primary person is at Crystal Springs PS or otherwise caught up in traffic to respond to emergencies.

Pilarcitos East Pipeline

A large leak developed in the Pilarcitos East Pipeline about 50 yards from the SFPUC property line deep in Pilarcitos Canyon. This was a corrosion leak about the size of a quarter that resulted in minor damage to the stream bank and loss of a sycamore tree. Due to its precarious location, we hired a local contractor to excavate the leak with a mini-excavator and stabilize the slope while staff installed a full circle clamp. We estimate that the leak was running at about 600 gpm for one full day. The crews did a great job at bank stabilization after the leak.

This pipeline represents a weak link in our infrastructure. Failure of this pipe could result in serious erosion issues and stream bank failure as well as remove the Pilarcitos Reservoir from our source options. Replacement of this pipe at a cost of \$1.1 million is included the CIP for FY13 (\$100,000 design) and FY14 (\$1,000,000) construction. We will begin discussing the replacement project with SFPUC at our annual operations meeting to be held on 17 November 2010.

Denniston WTP

We have been unable to run Denniston WTP in October due to excessive turbidity in the raw water.

Safety/Training/Inspections/Meetings

Meetings Attended

30 Sep – Met with owners of New Leaf shopping center to go over backflow requirements.

5-8 October – Attended California/Nevada Section AWWA Fall Conference in Sacramento.

21 October – Met with Eddie Andreini Sr. and Jr. to discuss usage of the dirt road that traverses our property at Nunes.

26 October – Prebid meeting for the Terrace Avenue Service Line Replacement Project.

27 October – Met with Glenn Reynolds of Water Solutions to discuss AWWA strategy for smaller utilities.

28 October – Met with Half Moon Bay planning, police and Coastside Fire Protection District to discuss local projects and programs. Topics of discussion included conservation ordinance, plan reviews, backflow program, street improvements in the Belleville neighborhood, railroad avenue main relocation and main street project.

29 October – Sat in on the Facilities Committee to discuss our capital program.

Safety Meeting and Training

Safety Training for October was on Forklift Safety. All of the field crew was in attendance and passed the written and operational test.

Training-General

Maintenance/Distribution Operator Matt Damrosch was trained on the SCADA and other improvements to Nunes Operation on Tuesday, 19 October.

Senior Operator Sean Donovan and Conservation Coordinator Cathleen Brennan gave a swell presentation for the fifth graders at Cuhna School on water treatment and water use on 20 October.

Treatment/Distribution Operator Jack Whelen went to his pesticide training refresher class on 28 October.

Treatment/Distribution Operator Don Patterson and Maintenance Worker Logan Duffy attended one day of the AWWA conference on Thursday, 7 October.

Craig Thompson and I presented a 30 minute talk on the Denniston Treatment Plant Modifications at the Cal/Nev Section AWWA conference in Sacramento on 7 October. It was very well attended.

Department of Public Health (DPH)

No interaction with DPH in the month of October.

Projects

Tank Recoating Projects

CSI made another site visit to HMB Tank #1, Alves Tank and El Granada Tank 2 for their preparation of repair and coating specifications for these upcoming projects.

Nunes Short Term Improvement Project

- Placed, plumbed and connected Sodium Hypochlorite On-Site Generator.
- Successful completion of the alum and hypochlorite 10 day reliability testing. All new chemical feed systems are on line and the old systems removed. All temporary chemical feed systems removed.
- SCADA control for all components of the STI is about 75% complete.
- On Site Generator Room needed some modifications. Staff removed wall separating old storage room from chlorinator room to make one large room, which is a great improvement to the original design.
- Treatment staff designed and constructed a air purge system to provide mixing in the new hypochlorite tanks in the event that we ever need to batch 1% hypochlorite from bulk deliveries of 6% in cases when the on site generator is down.
- Plant shut down for 1.5 hours to facilitate installation of a diffuser rod in the new static mixer.
- New roll-up door installed at the hypochlorite generation room and chemical feed room.

Denniston Treated Water Booster Station

Crews installed treated water booster pump manifold that they assembled last month. This is the second step in our plans for a treated water booster pump station at Denniston. We will plumb in our booster pump (formerly the “wave street” pump) this winter.

Railroad Avenue Pipeline

Jim Teter completed the final draft and specs for this project. We are now able to go out to bid to replace the old pipeline.

Denniston STI and Pretreatment Upgrade Project

Staff is reviewing alternatives that will allow us to meld the Denniston STI Project in with the Denniston Treatment Plant Modifications Project.

Pilarcitos Canyon Blending Station

All design is complete. Bid documents and specifications are presently in final review. We may be able to go out to bid on this project in December.

Monthly Report

To: David Dickson, General Manager
From: Cathleen Brennan, Water Resources Analyst
Agenda: November 9, 2010
Subject: Water Resources Report

This report is provided as an update on water resources activities. The report includes the following items:

- High Efficiency Clothes Washer Rebate Program Changes
 - Half Moon Bay Precipitation Table
 - List of Meetings
-

□ High Efficiency Clothes Washer Rebate Program Changes

Coastside County Water District participates in a regional combined water-energy rebate for residential high efficiency clothes washers. Starting January 1, 2011, Coastside County Water District's rebate amount for high efficiency washers will be reduced from \$125 to \$50 per washer. PG&E will continue to rebate \$50 per washer. The total combined energy-water rebate will be \$100 per qualifying high efficiency clothes washer, as of January 1, 2011.

The nomenclature for qualifying rebates will also change, as of January 1, 2011. The regional program uses the Consortium for Energy Efficiency's (CEE) specifications for residential clothes washers to define qualifying high efficiency clothes washers eligible for the rebate. Currently, Tier 3 washers, with a maximum water factor (WF)¹ of 4.5 and a modified energy factor (MEF)² of 2.20 or more, are eligible for rebates. The District has been notified that the tiers will change, as of January 1, 2011. The current Tier 3 will now become Tier 2; Tier 3 will be for machines with a maximum WF of 4.0; and there will be a new "Advanced Tier" with a maximum water factor of 3.5. The change of the tiers reflects that manufacturers are designing and manufacturing more efficient residential clothes washers.

The regional high efficiency clothes washer rebate program will rebate the "Advanced Tier, Tier 3 and Tier 2, as of January 1, 2011. Staff does not anticipate a reduction in participation due to the reduced rebate amount.

1. Water factor (WF) is the number of gallons needed for each cubic foot of laundry. A lower number indicates lower consumption and a more efficient use of water.
2. Modified energy factor (MEF) is a combination of energy factor and remaining moisture content. MEF measures energy consumption of the total laundry cycle (washing and drying). It indicates how many cubic feet of laundry can be washed and dried with one kWh of electricity; the higher the number, the greater the efficiency.

□ **Half Moon Bay Precipitation Table**

October 1, 2010 was the start of Water Year 2011.

Precipitation for Half Moon Bay (inches)													
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
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 2011	2010			2011									
	1.1												1.1

□ **List of Meetings and Events**

Regulation Revision Meeting - 10/1/2010

Springbrook Version 7 Demo Webinar - 10/15/2010

Pumpkin Festival Outreach - 10/16/2010

CalGreen Workshop - 10/21/2010

Pilarcitos Creek IWMP Meeting - 10/25/2010

BAWSCA Urban Water Management Planning - 10/28/2010