

**COASTSIDE COUNTY WATER DISTRICT**

**766 MAIN STREET**

**HALF MOON BAY, CA 94019**

**SPECIAL MEETING OF THE BOARD OF DIRECTORS**

**Tuesday, December 8, 2009**

**5:45 p.m.**

**AGENDA**

- 1) ROLL CALL**
- 2) PUBLIC ANNOUNCEMENTS**
- 3) SPECIAL ORDER OF BUSINESS**
  - A.** Administration of Oath of Office to Newly Elected Director: Jerry Donovan
- 4) CLOSED SESSION**
  - A.** Pursuant to California Government Code Section: §54956.9(b)  
Conference with Legal Counsel - Anticipated Litigation  
Significant Exposure to Litigation: One Case
- 5) RECONVENE TO OPEN SESSION**

Public report of closed session action.

# COASTSIDE COUNTY WATER DISTRICT

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HALF MOON BAY, CA 94019

## MEETING OF THE BOARD OF DIRECTORS

Tuesday, December 8, 2009- 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](http://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 ANNOUNCEMENTS

*Any person may address the Board of Directors at the commencement of the meeting on any matter within the jurisdiction of the Board that is not on the agenda for this meeting. Any person may address the Board on an agenda item when that item is called. The Chair requests that each person addressing the Board limits their presentation to three (3) minutes and complete and submit a Speaker Slip.*

4) **SPECIAL ORDER OF BUSINESS** ([attachment](#))

Election of CCWD Board President and Vice-President

5) **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 November 30, 2009 - Claims: \$394,404.22; Payroll: \$72,198.44 for a total of \$466,602.66 ([attachment](#))
- B. Acceptance of Financial Reports ([attachment](#))
- C. Minutes of the November 10, 2009 Board of Directors Meeting ([attachment](#))
- D. Installed Water Connection Capacity and Water Meters Report ([attachment](#))
- E. Total CCWD Production Report ([attachment](#))
- F. CCWD Monthly Sales by Category Report ([attachment](#))
- G. November 2009 Leak Report ([attachment](#))
- H. Rainfall Reports ([attachment](#))
- I. San Francisco Public Utilities Commission Hydrological Conditions Report for November 2009 ([attachment](#))
- J. Notice of Completion - Pilarcitos Culvert Replacement Project ([attachment](#))

6) **MEETINGS ATTENDED / DIRECTOR COMMENTS**

7) **GENERAL BUSINESS**

- A. CCWD Basic Financial Statements and Independent Auditors Report for the Year Ended June 30, 2009 ([attachment](#))
- B. Fiscal Year 2008-2009 Year End Budget Review ([attachment](#))
- C. Proposed Increase in Transmission and Storage Fees ([attachment](#))

- D. Appointment of CCWD Board Member Representatives and Alternate(s) to participate in San Mateo County Local Agency Formation Commission (LAFCo) Election of Officers ([attachment](#))
  - E. Appointment of CCWD Board Member Representative and an alternate to serve on the Board of Directors of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA) ([attachment](#))
  - F. Coastside County Water District Advisory Committees ([attachment](#))
  - G. Water Reclamation Update ([attachment](#))
- 8) **GENERAL MANAGER'S REPORT INCLUDING MONTHLY INFORMATIONAL REPORTS** ([attachment](#))
- A. Water Resources Report ([attachment](#))
  - B. Water Shortage and Drought Contingency Plan Update ([attachment](#))
  - C. Operations Report ([attachment](#))
- 9) **DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS**
- 10) **ADJOURNMENT**

**STAFF REPORT**

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

**From: David Dickson, General Manager**

**Agenda: December 8, 2009**

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

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**Recommendation:**

Consider election of officers.

**Background:**

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

**Fiscal Impact:**

None.

<u>Check Number</u>	<u>Vendor No</u>	<u>Vendor Name</u>	<u>Check Date</u>	<u>Void Amount</u>	<u>Check Amount</u>
13965	ALL04	ALLIED WASTE SERVICES #925	11/13/2009	0.00	236.50
13966	ALV01	ALVES PETROLEUM, INC.	11/13/2009	0.00	3,730.20
13967	ASS01	HEALTH BENEFITS AUTHORITY (HBA	11/13/2009	0.00	18,062.58
13968	ATT01	AT&T MOBILTY	11/13/2009	0.00	452.61
13969	BFI02	BFI OF CALIFORNIA, INC.	11/13/2009	0.00	241.81
13970	CAL09	CALIFORNIA URBAN WATER CONSERV	11/13/2009	0.00	150.00
13971	COA 15	COASTSIDE NET, INC	11/13/2009	0.00	59.95
13972	HAR03	HARTFORD LIFE INSURANCE CO.	11/13/2009	0.00	2,394.00
13973	KAI01	KAISER FOUNDATION HEALTH	11/13/2009	0.00	6,596.00
13974	LOM01	GLENNA LOMBARDI	11/13/2009	0.00	91.00
13975	PAC02	PACIFICA CREDIT UNION	11/13/2009	0.00	750.00
13976	PUB01	PUB. EMP. RETIRE SYSTEM	11/13/2009	0.00	17,458.34
13977	UB*00704	BLANE FALKER	<b>VOID</b> 11/13/2009	50.78	0.00
13978	VAL01	VALIC	11/13/2009	0.00	1,320.00
13979	ADP01	ADP, INC.	11/25/2009	0.00	510.95
13980	AME09	AMERICAN WATER WORKS ASSOC.	11/25/2009	0.00	75.00
13981	AND01	ANDREINI BROS. INC.	11/25/2009	0.00	13,029.40
13982	ANG01	ANGELO'S MUFFLER	11/25/2009	0.00	25.00
13983	ASC01	EVERETT ASCHER	11/25/2009	0.00	35.00
13984	ATT02	AT&T	11/25/2009	0.00	1,200.90
13985	ATT03	AT&T LONG DISTANCE	11/25/2009	0.00	53.18
13986	AZT01	AZTEC GARDENS	11/25/2009	0.00	190.00
13987	BAR03	BARTLE WELLS ASSOCIATES	11/25/2009	0.00	6,730.00
13988	BAS01	BASIC CHEMICAL SOLUTION, LLC	11/25/2009	0.00	1,666.28
13989	BAY05	BAY AREA WATER SUPPLY &	11/25/2009	0.00	12,302.85
13990	BAY10	BAY ALARM COMPANY	11/25/2009	0.00	879.60
13991	BEE01	RONALD BEESON	11/25/2009	0.00	60.00
13992	BIG01	BIG CREEK LUMBER	11/25/2009	0.00	22.83
13993	CAL07	CHEMICAL TRANSFER CO., INC.	11/25/2009	0.00	509.86
13994	CAL08	CALCON SYSTEMS, INC.	11/25/2009	0.00	5,045.96
13995	CAL33	CALIFORNIA SPECIAL DISTRICT	11/25/2009	0.00	3,799.00
13996	CAR02	CAROLYN STANFIELD	11/25/2009	0.00	485.00
13997	CIN01	CINTAS FIRST AID & SAFETY	11/25/2009	0.00	1,127.79
13998	CLI01	CLIFFORD BECHTEL	11/25/2009	0.00	180.00
13999	COA 14	COASTSIDE CARPET CLEANERS	11/25/2009	0.00	495.00
14000	COA19	COASTSIDE COUNTY WATER DIST.	11/25/2009	0.00	201.05
14001	COM01	COMMUNICATION LEASING SERVICES	11/25/2009	0.00	2,253.65
14002	CRE01	CRESCO EQUIPMENT RENTALS	11/25/2009	0.00	2,625.95
14003	CRO02	CROSNO CONSTRUCTION, INC	11/25/2009	0.00	12,093.75
14004	CSG01	CSG SYSTEMS, INC	11/25/2009	0.00	2,150.44
14005	DAL01	DAL PORTO ELECTRIC	11/25/2009	0.00	254.07
14006	DAN01	DAVID DANIELSON	11/25/2009	0.00	34.00
14007	DEL01	DELTA TECH SERVICE INC.	11/25/2009	0.00	750.00
14008	DIC01	DAVID DICKSON	11/25/2009	0.00	999.97
14009	FIL01	PAUL FILBERT	11/25/2009	0.00	300.00
14010	FIR06	FIRST NATIONAL BANK	11/25/2009	0.00	605.71
14011	FRA03	VIRGINIA FRANCIS	11/25/2009	0.00	150.00
14012	GAR07	GARDINI ELECTRIC CO., INC.	11/25/2009	0.00	260.00
14013	GEM01	GEMPLER'S, INC.	11/25/2009	0.00	1,081.67
14014	GIE01	DEAN GIEBELHAUSEN	11/25/2009	0.00	150.00
14015	GOL04	GOLDEN STATE FLOW MEASUREMENT	11/25/2009	0.00	4,866.10
14016	GRA03	GRAINGER, INC.	11/25/2009	0.00	213.47
14017	GRA05	GRANITEROCK	11/25/2009	0.00	580.16
14018	HAL01	HMB BLDG. & GARDEN INC.	11/25/2009	0.00	529.63
14019	HAL04	HALF MOON BAY REVIEW	11/25/2009	0.00	250.00
14020	HAL23	HMB ALARM	11/25/2009	0.00	500.00
14021	HAL24	H.M.B.AUTO PARTS	11/25/2009	0.00	44.42
14022	HAN01	HANSONBRIDGETT. LLP	11/25/2009	0.00	7,663.50
14023	HAR03	HARTFORD LIFE INSURANCE CO.	11/25/2009	0.00	2,394.00
14024	HUT01	HERMAN HUTCHINSON	11/25/2009	0.00	150.00
14025	IAP01	IAPMO	11/25/2009	0.00	81.00
14026	IED01	IEDA, INC.	11/25/2009	0.00	1,000.00

<u>Check Number</u>	<u>Vendor No</u>	<u>Vendor Name</u>	<u>Check Date</u>	<u>Void Amount</u>	<u>Check Amount</u>
14027	INT03	THE INTERNET CONNECTION	11/25/2009	0.00	356.00
14028	IRO01	IRON MOUNTAIN	11/25/2009	0.00	311.01
14029	IRV01	IRVINE CONSULTING SERVICES, IN	11/25/2009	0.00	2,600.00
14030	JAC02	JACK HENRY & ASSOCIATES, INC.	11/25/2009	0.00	1,168.17
14031	JAM01	JAMES FORD, INC.	11/25/2009	0.00	3,228.77
14032	KEE01	OLIVER KEETON	11/25/2009	0.00	150.00
14033	MCT01	MCTV6	11/25/2009	0.00	375.00
14034	MET06	METLIFE SBC	11/25/2009	0.00	1,357.35
14035	MIS01	MISSION UNIFORM SERVICES INC.	11/25/2009	0.00	141.10
14036	MON01	DARIN BOVILLE	11/25/2009	0.00	300.00
14037	MON07	MONTEREY COUNTY LAB	11/25/2009	0.00	696.00
14038	NAT02	NATIONAL METER & AUTOMATION	11/25/2009	0.00	10,706.50
14039	OCE04	OCEAN SHORE CO.	11/25/2009	0.00	1,198.22
14040	OFF01	OFFICE DEPOT	11/25/2009	0.00	472.07
14041	ONT01	ONTRAC	11/25/2009	0.00	314.88
14042	PAC01	PACIFIC GAS & ELECTRIC CO.	11/25/2009	0.00	37,740.27
14043	PAC02	PACIFICA CREDIT UNION	11/25/2009	0.00	750.00
14044	PIT04	PITNEY BOWES	11/25/2009	0.00	231.00
14045	POL01	POLLARDWATER.COM	11/25/2009	0.00	1,450.96
14046	PRI01	PRINCETON WELDING , INC.	11/25/2009	0.00	700.00
14047	PUB01	PUB. EMP. RETIRE SYSTEM	11/25/2009	0.00	17,675.85
14048	RIC01	RICOH AMERICAS CORPORATION	11/25/2009	0.00	813.05
14049	ROB01	ROBERTS & BRUNE CO.	11/25/2009	0.00	2,599.40
14050	ROG01	ROGUE WEB WORKS, LLC	11/25/2009	0.00	172.80
14051	SAN03	SAN FRANCISCO WATER DEPT.	11/25/2009	0.00	147,487.40
14052	SAN05	SAN MATEO CTY PUBLIC HEALTH LA	11/25/2009	0.00	462.00
14053	SAN10	SAN MATEO COUNTY	11/25/2009	0.00	4,278.00
14054	SAR03	DAN SARE	11/25/2009	0.00	150.00
14055	SCA01	CARROLL SCARBOROUGH	11/25/2009	0.00	150.00
14056	SER03	SERVICE PRESS	11/25/2009	0.00	23.00
14057	SEW01	SEWER AUTH. MID- COASTSIDE	11/25/2009	0.00	570.00
14058	SIE02	SIERRA CHEMICAL CO.	11/25/2009	0.00	5,511.85
14059	STA11	STATE WATER RESOURCES CONTL BD	11/25/2009	0.00	265.09
14060	STR02	STRAWFLOWER ELECTRONICS	11/25/2009	0.00	108.98
14061	TEA02	TEAMSTERS LOCAL UNION #856	11/25/2009	0.00	755.00
14062	TET01	JAMES TETER	11/25/2009	0.00	3,888.95
14063	UB*00705	HOLGER STUMM	<b>VOID</b> 11/25/2009	22.59	0.00
14064	UB*00706	LINDSAY DIGGS/LUIS BAZAN	<b>VOID</b> 11/25/2009	64.16	0.00
14065	UB*00707	TODD/JULIE SLOAN	11/25/2009	0.00	59.83
14066	UB*00708	BRANDI CHEEK/JOSHUA FELDER	11/25/2009	0.00	34.18
14067	UB*00709	COLDWELL BANKER ATTN:SUSAN BUS	11/25/2009	0.00	50.14
14068	UB*00710	CAROL SHEDRICK	11/25/2009	0.00	49.03
14069	UB*00711	CHARLES JOHNSON, JR	11/25/2009	0.00	34.89
14070	UB*00712	THAIS COLOMBINI	11/25/2009	0.00	44.12
14071	VAL01	VALIC	11/25/2009	0.00	1,320.00
14072	VER02	VERIZON WIRELESS	11/25/2009	0.00	455.51
14073	WAT05	WATEREUSE	11/25/2009	0.00	618.00
14074	WES11	WEST COAST AGGREGATES, INC.	11/25/2009	0.00	130.72
14075	WHI01	GRETA WHITE	11/25/2009	0.00	300.00

**Report Total: 137.53 394,404.22**

**COASTSIDE COUNTY WATER DISTRICT - PERIOD BUDGET ANALYSIS**  
**30-Nov-09**

<b>ACCOUNT</b>	<b>DESCRIPTION</b>	<b>CURRENT ACTUAL</b>	<b>CURRENT BUDGET</b>	<b>B/(W) VARIANCE</b>	<b>B/(W) % VAR</b>	<b>YTD ACTUAL</b>	<b>YTD BUDGET</b>	<b>B/(W) VARIANCE</b>	<b>B/(W) % VAR</b>
<b>REVENUE</b>									
1-0-4120-00	Water Revenue -All Areas	404,540	389,042	15,498	4.0%	2,755,004	2,849,729	(94,725)	(3.3%)
1-0-4170-00	Water Taken From Hydrants	907	2,083	(1,176)	(56.5%)	7,997	10,417	(2,420)	(23.2%)
1-0-4180-00	Late Notice -10% Penalty	4,645	4,167	478	11.5%	24,085	20,834	3,251	15.6%
1-0-4230-00	Service Connections	220	667	(447)	(67.1%)	3,021	3,333	(313)	(9.4%)
1-0-4235-00	CSP Connection T & S Fees	3,485	0	3,485	0.0%	3,485	0	3,485	0.0%
1-0-4920-00	Interest Earned	0	0	0	0.0%	15,806	32,775	(16,968)	(51.8%)
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	68,862	50,000	18,862	0.0%	94,594	50,000	44,594	0.0%
1-0-4950-00	Miscellaneous Income	1,014	3,083	(2,070)	(67.1%)	11,640	15,417	(3,777)	(24.5%)
1-0-4955-00	Cell Site Lease Income	7,216	6,850	366	5.3%	42,945	34,250	8,695	25.4%
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%
<b>REVENUE TOTALS</b>		<b>490,888</b>	<b>455,892</b>	<b>34,996.44</b>	<b>7.7%</b>	<b>2,958,576</b>	<b>3,016,754</b>	<b>(58,177)</b>	<b>(1.9%)</b>
<b>EXPENSES</b>									
1-1-5130-00	Water Purchased	147,487	105,782	(41,705)	(39.4%)	798,615	794,560	(4,055)	(0.5%)
1-1-5230-00	Pump Exp, Nunes T P	1,192	1,583	391	24.7%	6,899	7,917	1,017	12.9%
1-1-5231-00	Pump Exp, CSP Pump Station	35,948	23,306	(12,642)	(54.2%)	166,139	179,406	13,267	7.4%
1-1-5232-00	Pump Exp, Trans. & Dist.	960	1,258	298	23.7%	5,312	10,047	4,735	47.1%
1-1-5233-00	Pump Exp, Pilarcitos Can.	(137)	120	257	214.3%	632	600	(32)	(5.4%)
1-1-5234-00	Pump Exp. Denniston Proj.	(745)	1,787	2,532	141.7%	2,420	20,727	18,307	88.3%
1-1-5235-00	Denniston T.P. Operations	36	1,016	980	96.5%	3,253	11,787	8,534	72.4%
1-1-5236-00	Denniston T.P. Maintenance	871	2,111	1,240	58.7%	4,051	10,555	6,504	61.6%
1-1-5240-00	Nunes T P Operations	7,843	4,028	(3,815)	(94.7%)	37,280	30,879	(6,401)	(20.7%)
1-1-5241-00	Nunes T P Maintenance	12,438	3,165	(9,273)	(293.0%)	29,463	15,831	(13,632)	(86.1%)
1-1-5242-00	CSP Pump Station Operations	1,281	708	(573)	(81.0%)	3,240	3,540	300	8.5%
1-1-5243-00	CSP Pump Station Maintenance	0	2,313	2,313	100.0%	11,961	11,565	(396)	(3.4%)
1-1-5250-00	Laboratory Services	1,490	6,250	4,760	0.0%	16,498	31,250	14,752	0.0%
1-1-5318-00	Studies/Surveys/Consulting	8,984	1,879	(7,105)	(378.2%)	23,545	9,393	(14,152)	(150.7%)
1-1-5321-00	Water Conservation	13,778	5,054	(8,724)	(172.6%)	23,691	25,271	1,580	6.3%
1-1-5322-00	Community Outreach	800	2,392	1,592	66.6%	3,843	11,958	8,115	67.9%
1-1-5411-00	Salaries & Wages -Field	67,952	69,821	1,869	2.7%	373,278	384,016	10,738	2.8%
1-1-5412-00	Maintenance -General	7,747	11,708	3,961	33.8%	59,622	87,540	27,918	31.9%

ACCOUNT	DESCRIPTION	CURRENT ACTUAL	CURRENT BUDGET	B/(W) VARIANCE	B/(W) % VAR	YTD ACTUAL	YTD BUDGET	B/(W) VARIANCE	B/(W) % VAR
1-1-5414-00	Motor Vehicle Expense	8,043	3,958	(4,085)	(103.2%)	20,967	19,792	(1,175)	(5.9%)
1-1-5415-00	Maintenance -Well Fields	260	1,250	990	79.2%	260	6,250	5,990	95.8%
1-1-5610-00	Salaries/Wages-Administration	45,903	49,739	3,836	7.7%	254,554	273,565	19,010	6.9%
1-1-5620-00	Office Supplies & Expense	6,909	10,929	4,020	36.8%	38,527	54,646	16,119	29.5%
1-1-5621-00	Computer Services	4,253	3,988	(266)	(6.7%)	23,743	19,938	(3,806)	(19.1%)
1-1-5625-00	Meetings / Training / Seminars	2,005	1,667	(338)	(20.3%)	9,435	8,333	(1,102)	(13.2%)
1-1-5630-00	Insurance	29,653	31,319	1,666	5.3%	222,367	236,596	14,229	6.0%
1-1-5640-00	Employees Retirement Plan	34,058	34,442	384	1.1%	168,553	189,433	20,879	11.0%
1-1-5645-00	SIP 401K Plan	0	1,667	1,667	100.0%	0	8,333	8,333	100.0%
1-1-5681-00	Legal	6,052	4,333	(1,718)	(39.7%)	18,856	21,667	2,811	13.0%
1-1-5682-00	Engineering	1,347	1,250	(97)	(7.7%)	6,355	6,250	(105)	(1.7%)
1-1-5683-00	Financial Services	0	2,583	2,583	100.0%	13,600	12,917	(683)	(5.3%)
1-1-5684-00	Payroll Tax Expense	6,722	8,627	1,904	22.1%	44,272	47,446	3,174	6.7%
1-1-5687-00	Membership, Dues, Subscript.	4,648	1,735	(2,913)	(168.0%)	24,117	30,173	6,055	20.1%
1-1-5688-00	Election Expenses	0	0	0	0.0%	0	0	0	0.0%
1-1-5689-00	Labor Relations	1,000	1,000	0	0.0%	5,000	5,000	0	0.0%
1-1-5700-00	San Mateo County Fees	4,278	0	(4,278)	0.0%	6,305	3,800	(2,505)	0.0%
1-1-5705-00	State Fees	265	1,000	735	0.0%	7,217	8,500	1,283	0.0%
1-1-5711-00	Debt Svc/Existing Bonds 1998A	0	0	0	0.0%	245,610	245,610	0	0.0%
1-1-5712-00	Debt Svc/Existing Bonds 2006B	0	0	0	0.0%	334,163	332,286	(1,877)	0.0%
1-1-5713-00	Contribution to CIP & Reserves	43,121	43,121	0	0.0%	215,607	215,607	0	0.0%
1-1-5745-00	CSP Connect. Reserve Contribu.	3,485	0	(3,485)	0.0%	3,485	0	(3,485)	0.0%
1-1-5746-00	Wavecrest CSP Connt. Reserve	0	0	0	0.0%	0	0	0	0.0%
<b>EXPENSE TOTALS</b>		<b>509,928</b>	<b>446,889</b>	<b>(63,039)</b>	<b>(14.1%)</b>	<b>3,232,737</b>	<b>3,392,982</b>	<b>160,246</b>	<b>4.7%</b>
<b>NET INCOME</b>		<b>(19,039)</b>	<b>9,003</b>	<b>(28,043)</b>		<b>(274,160)</b>	<b>(376,229)</b>	<b>102,069</b>	

**COASTSIDE COUNTY WATER DISTRICT**

**INVESTMENT REPORT**

November 30, 2009

		<i>Restricted</i>	<i>Restricted</i>	<i>Restricted for CSP CIP Projects</i>		
	<b>CASH FLOW &amp; OPERATING RESERVE</b>	<b>EMERGENCY RESERVES</b>	<b>CAPITAL EXPENDITURES</b>	<b>DISTRICT CSP CONTRIBUTION</b>	<b>CSP T&amp;S FEES</b>	<b>TOTAL</b>
<b>DISTRICT BALANCES</b>						
<u>CASH IN FNB</u>						
OPERATING ACCOUNT			\$549,522.04			\$549,522.04
CSP T&S ACCOUNT					\$26,372.12	\$26,372.12
TOTAL FIRST NATIONAL BANK	\$0.00	\$0.00	\$549,522.04	\$0.00	\$26,372.12	\$575,894.16
CASH WITH L.A.I.F	\$297,900.00	\$1,740,663.00	\$599,195.16	\$0.00	\$20,836.72	\$2,658,594.88
UNION BANK - Project Fund Balance			\$1,445,044.82			\$1,445,044.82
CASH ON HAND	\$1,930.00					\$1,930.00
<b>TOTAL DISTRICT CASH BALANCES</b>	<b>\$299,830.00</b>	<b>\$1,740,663.00</b>	<b>\$2,593,762.02</b>	<b>\$0.00</b>	<b>\$47,208.84</b>	<b>\$4,681,463.86</b>
<b>ASSESSMENT DISTRICT BALANCES</b>						
<u>CASH IN FIRST NATIONAL BANK (FNB)</u>						
REDEMPTION ACCOUNT		\$ 87,238.12				
RESERVE ACCOUNT (Closed Account 8-4-04)		\$ -				
<b>TOTAL ASSESSMENT DISTRICT CASH</b>		<b>\$ 87,238.12</b>				
<i>This report is in conformity with CCWD's Investment Policy and there are sufficient funds to meet CCWD's expenditure requirements for the next three months.</i>						

**COASTSIDE COUNTY WATER DISTRICT  
APPROVED CAPITAL IMPROVEMENT PROJECTS  
FISCAL YEAR 2009-2010**

30-Nov-09

Acct No.	Approved CIP Budget FY 09/10	Actual To Date FY 09/10	% Completed
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**PIPELINE PROJECTS**

Main Street/Hwy 92 Widening Project	1120-93	\$ 20,000		0.0%
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**WATER TREATMENT PLANTS**

Denniston Intake Maintenance	1120-03	\$ 80,000	\$ 89,820	112.3%
Denniston WTP - Intake Construction		\$ 100,000		
Nunes - Floc Drive Repair		\$ 50,000		
Nunes Filter Media Replacement	1121-25	\$ 50,000	\$ 14,346	28.7%

**FACILITIES & MAINTENANCE**

District Space Planning		\$ 25,000		
AMR Program	1121-41	\$ 400,000		0.0%
PRV Valves Replacement Project	1121-43	\$ 20,000	\$ 20,639	103.2%
Meter Change Program	1117-06	\$ 18,000	\$ 17,574	97.6%
Fire Hydrant Replacement	1121-49	\$ 40,000		0.0%
Pilarcitos Culvert Repair	1121-48	\$ 200,000	\$ 105,745	52.9%

**EQUIPMENT PURCHASE & REPLACEMENT**

Vehicle Replacement	1118-04	\$ 28,000		0.0%
Computer System	1118-02	\$ 5,000		0.0%
Office Equipment/Furniture	1118-02	\$ 3,000		0.0%
SCADA/Telemetry/electrical controls	1120-82	\$ 250,000	\$ 6,302	2.5%

**PUMP STATIONS / TANKS / WELLS**

Alves Tank Recoating (Interior/Exterior)	1121-08	\$ 300,000		0.0%
Cahill Tank Ladder Replacement		\$ 15,000		0.0%
Crystal Springs Check Valve Repair/Replacement		\$ 100,000		0.0%
Crystal Springs Re-roof and Paint		\$ 50,000		0.0%
Crystal Springs Soft Starts 1 & 3	1118-12	\$ 25,000	\$ 156	0.6%
EG Tank #1 Pump Station Pump Replacement		\$ 23,000		0.0%
EG Tank #1 Security Fence		\$ 20,000		0.0%

COASTSIDE COUNTY WATER DISTRICT  
 APPROVED CAPITAL IMPROVEMENT PROJECTS  
 FISCAL YEAR 2009-2010

30-Nov-09

	Acct No.	Approved CIP Budget FY 09/10	Actual To Date FY 09/10	% Completed
Hazen's Tank Fence Upgrade		\$ 10,000		0.0%
Miramar Tank Interior Recoating/Mixing	1121-51	\$ 230,000	\$ 87,081	37.9%
New Pilarcitos Well		\$ 25,000		0.0%
Pilarcitos Canyon Blending Station	1121-53	\$ 100,000	\$ 13,641	13.6%
Well Rehabilitation	1121-38	\$ 40,000	\$ 27,111	67.8%

**NUNES/ DENNISTON WTP PRIORITY (SHORT-TERM) IMPROVEMENTS**

Nunes / Denniston Short Term WTP Modifications	1121-21	\$ 600,000	\$ 20,220	3.4%
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**DENNISTON WTP (LONG-TERM) IMPROVEMENTS (MEMBRANE FILTRATION)**

Denniston Pre/Post Treatment Design	1127-04	\$ 350,000	\$ 29,819	8.5%
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**NUNES WTP (LONG-TERM) IMPROVEMENTS (UV DISINFECTION)**

Modify Filters for Rate of Flow Control		\$ 10,000		0.0%
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**WATER SUPPLY DEVELOPMENT**

Reclamation Project Planning	1127-00	\$ 100,000	\$ 14,827	14.8%
Water Supply Alternatives Evaluation		\$ 50,000		0.0%

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<b>TOTALS</b>		<b>\$ 3,337,000</b>	<b>\$ 447,281</b>	<b>13.4%</b>
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**FY 08/09 CIP Projects - paid in FY 09/10**

Office Equipment - Furniture	1118-02	\$ 7,566
Denniston Storage Tank Modification Project	1121-40	\$ 54,569
Nunes (was Denniston) Cl2/ph Analyzer	1118-10	\$ 7,421
Skylights	1118-01	\$ 11,286
El Granada Pipeline P3	1128-03	\$ 14,990

**COASTSIDE COUNTY WATER DISTRICT  
 APPROVED CAPITAL IMPROVEMENT PROJECTS  
 FISCAL YEAR 2009-2010**

30-Nov-09

Acct No.	Approved CIP Budget FY 09/10	Actual To Date FY 09/10	% Completed
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**NON-BUDGETED ITEMS (CAPITAL EXPEDITURES) FOR CURRENT FISCAL YEAR 09/10**

Nunes - Generator Radiator	1121-54	\$ 17,517	\$ 182
Installation of Base Stations (3) & Replacment at Dist. Offi	1118-13	\$	9,529

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

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

<b>Month</b>	<b>Admin (General Legal Fees)</b>	<b>Recycle Water Analysis</b>	<b>Transfer Program</b>	<b>CIP</b>	<b>Personnel</b>	<b>Lawsuits</b>	<b>Infrastructure Project Review  (Reimbursable)</b>	<b>TOTAL</b>
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<b>Dec-08</b>	4,167	182						4,349
<b>Jan-09</b>	1,354		1,508	2,193				5,055
<b>Feb-09</b>	2,651			494			3,978	7,123
<b>Mar-09</b>	4,212	494		113			3,134	7,953
<b>Apr-09</b>	3,588	7,670	754	1,222			104	13,338
<b>May-09</b>	3,210	1,300		3,000			442	7,952
<b>Jun-09</b>	7,454	2,002	182	52				9,690
<b>Jul-09</b>	15,556	3,250	1,222	364			234	20,626
<b>Aug-09</b>	4,661	2,574	312	312			1,084	8,943
<b>Sep-09</b>	4,389		130	130			1,872	6,521
<b>Oct-09</b>	4,196		234	1,300				5,730
<b>Nov-09</b>	6,156		234	598			676	7,664

<b>TOTAL</b>	<b>61,594</b>	<b>17,472</b>	<b>4,576</b>	<b>9,777</b>	<b>0</b>	<b>0</b>	<b>11,524</b>	<b>104,943</b>
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**Engineer Cost Tracking Report  
12 Months At-A-Glance**

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

<b>Month</b>	<b>Admin &amp; Retainer</b>	<b>Phase 3 EG Pipeline</b>	<b>CIP</b>	<b>Short Term WTP Imprv.</b>	<b>Studies &amp; Projects</b>	<b>TOTAL</b>	<b>Reimbursable from Projects</b>
<b>Dec-08</b>	281		14,110	81	3,740	<b>18,211</b>	1,820
<b>Jan-09</b>	2,825		566	2,372	5,022	<b>10,784</b>	5,022
<b>Feb-09</b>	2,529			14,082	1,501	<b>18,112</b>	1,501
<b>Mar-09</b>	1,071		825	9,703	1,369	<b>12,967</b>	1,369
<b>Apr-09</b>	561		161	7,744	3,357	<b>11,822</b>	3,357
<b>May-09</b>	1,526		2,774	1,940	5,915	<b>12,154</b>	5,915
<b>Jun-09</b>	480	322	2,496		7,420	<b>10,718</b>	7,420
<b>Jul-09</b>	1,379			6,010	2,490	<b>9,879</b>	2,490
<b>Aug-09</b>	1,642			5,459	1,660	<b>8,761</b>	1,660
<b>Sep-09</b>	1,507			4,946	4,111	<b>10,564</b>	4,111
<b>Oct-09</b>	480				2,140	<b>2,620</b>	2,140
<b>Nov-09</b>	1,347			701	1,841	<b>3,889</b>	1,841

<b>TOTAL</b>	<b>15,627</b>	<b>322</b>	<b>20,931</b>	<b>53,037</b>	<b>40,565</b>	<b>130,482</b>	<b>38,646</b>
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*COASTSIDE COUNTY WATER DISTRICT*

*766 MAIN STREET*

*HALF MOON BAY, CA 94019*

**MINUTES OF THE SPECIAL BOARD OF DIRECTORS MEETING**

**Tuesday, November 10, 2009**

- 1) **ROLL CALL** - The Closed Session convened at 6:00 p.m. Present at roll call: President Mickelsen, Vice-President Feldman and Directors Everett Ascher and Jim Larimer. Also present: David Dickson, General Manager, and Patrick Miyaki, Legal Counsel.
- 2) **PUBLIC ANNOUNCEMENTS** - There were no public announcements.
- 3) **CLOSED SESSION**  
Pursuant to California Government Code Section §54956.9(b)  
Conference with Legal Counsel - Anticipated Litigation  
Significant Exposure to Litigation: One Case
- 4) **RECONVENE TO OPEN SESSION** - The Closed Session concluded at approximately 7:00 p.m., immediately prior to commencement of the regular meeting, at which time Patrick Miyaki announced that no action was taken during the closed session.

**COASTSIDE COUNTY WATER DISTRICT**

**766 MAIN STREET**

**HALF MOON BAY, CA 94019**

**MINUTES OF THE BOARD OF DIRECTORS MEETING**

**Tuesday, November 10, 2009**

- 1) **ROLL CALL:** President Mickelsen called the meeting to order at 7:07 p.m. Present at roll call: Vice-President Feldman, and Directors Everett Ascher and Jim Larimer.

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 ANNOUNCEMENTS:** There were no public announcements.
- 4) **SPECIAL ORDER OF BUSINESS**

Resolution 2009-13 - A Resolution of the Board of Directors of the Coastside County Water District expressing gratitude to Everett Ascher for his leadership and dedicated service to the community in his capacity as a member of the CCWD Board of Directors.

President Mickelsen introduced this item, expressing his appreciation to Director Ascher for his seven years of service as a Board member of the District, which included time spent serving a term as President of the Board. He noted some of Director Ascher's accomplishments and his exceptional work in serving on several advisory committees.

Paul Perkovic, President of the Montara Water & Sanitary District (MWSD) Board of Directors - Stated that he appreciates the opportunity for MWSD-CCWD communication afforded by meetings between the Board Presidents which began during Director Ascher's presidency and looks forward to this practice continuing in the future.

President Mickelsen then read aloud Resolution 2009-13, recognizing Everett Ascher's accomplishments while serving the Coastside County Water District. Director Larimer and Vice-President Feldman each thanked Director Ascher and shared their comments about his many successes and accomplishments while serving on the CCWD Board. President Mickelsen also expressed his appreciation to Director Ascher.

**MOVED BY ACCLAMATION by President Mickelsen, the Board voted as follows, to adopt Resolution 2009-13 - A Resolution of the Board of Directors of the Coastside County Water District Expressing its Gratitude to Everett Ascher for his Leadership and Dedicated Service:**

<b>Director Coverdell</b>	<b>Absent</b>
<b>Vice-President Feldman</b>	<b>Aye</b>
<b>Director Larimer</b>	<b>Aye</b>
<b>Director Ascher</b>	<b>Aye</b>
<b>President Mickelsen</b>	<b>Aye</b>

**5) CONSENT CALENDAR**

- A.** Requesting the Board to review disbursements for the month Ending October 31, 2009 - Claims: \$715,257.81; Payroll: \$109,564.13 for a total of \$824,821.94
- B.** Acceptance of Financial Reports
- C.** Minutes of the October 13, 2009 Board of Directors Meeting
- D.** Monthly Water Transfer Report
- E.** Installed Water Connection Capacity and Water Meters Report
- F.** Total CCWD Production Report
- G.** CCWD Monthly Sales by Category Report
- H.** October 2009 Leak Report
- I.** Rainfall Reports
- J.** San Francisco Public Utilities Commission Hydrological Conditions Report for October 2009
- K.** Water Service Agreement for 311 Church Street

Director Larimer reported that he had reviewed the monthly financial claims and found all to be in order. Vice-President Feldman noted that one of the reports contained within agenda item 5B, the Approved Capital Improvement Projects Report, was missing some total figures, which he requested be included in future reporting.

**ON MOTION by Director Ascher 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	Absent
Vice-President Feldman	Aye
Director Larimer	Aye
Director Ascher	Aye
President Mickelsen	Aye

**6) MEETINGS ATTENDED / DIRECTOR COMMENTS**

Vice-President Feldman reported that he had attended a meeting of the Montara Water & Sanitary District (MWSD)/CCWD Mutual Interest Committee meeting, which he noted would be referenced in further detail under the General Manager's Report.

**7) GENERAL BUSINESS**

**A. Nunes Flocculator Drive Purchase**

Mr. Guistino provided the background of this item, explained the importance of the flocculators in the water treatment process, and answered a few brief questions from the Board members.

**ON MOTION by President Mickelsen and seconded by Director Ascher, the Board voted as follows, by roll call vote, to authorize the purchase and installation of three new flocculator drives for the Nunes Water Treatment Plant at a total project cost of \$45,000.**

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

**B. Amendment to General Manager's Employment Agreement**

Mr. Dickson advised that this item had been placed on the agenda at the request and recommendation of the District's Personnel Committee, and explained that this amendment to the General Manager's Employment Contract would clarify that the General Manager receives the same cost-of-living adjustment as all District employees. Director Ascher, and Vice-President Feldman, members of the District's Personnel Committee, reiterated the intention of the amendment and a brief discussion among the Board ensued.

**ON MOTION by Director Ascher and seconded by Vice-President Feldman, the Board voted as follows, to approve the First Amendment to the Employment Agreement between Coastside County Water District and General Manager David Dickson:**

Director Coverdell	Absent
Vice-President Feldman	Aye
Director Larimer	No
Director Ascher	Aye
President Mickelsen	Aye

**C. Water Reclamation Update:**

Mr. Dickson provided an update on the recent activities and developments in water reclamation, including committee and staff, meetings and progress of the pilot test project. He also reported on his attendance at the recent Bay Area Recycled Water Coalition meeting and advised the Board that the Sewer Authority Mid-Coastside (SAM)/CCWD Midcoast Region Water Recycling Project is now on the Coalition's project list for possible funding in 2013 or thereafter. Directors Ascher and Larimer commended Mr. Dickson for pursuing active involvement in the Bay Area Recycled Water Coalition.

**8) GENERAL MANAGER'S REPORT INCLUDING MONTHLY INFORMATIONAL REPORTS**

- A. Monthly Water Resources Report**
- B. Water Shortage and Drought Contingency Plan Update**
- C. Operations Report**

Mr. Dickson advised that the District had completed all submittals required to participate in the Proposition 1A Securitization Program and had been notified that the District's certified Proposition 1A Receivable Amount will be \$53,568.00.

Mr. Dickson also referenced the letter he had recently sent to the San Francisco Public Utility Commission requesting that the SFPUC perform a rate study to determine whether the District should pay a lower rate for untreated water and advised that he would keep the Board informed of the progress on this matter.

The third matter highlighted in the General Manager's report included an update on the Montara Water & Sanitary District (MWSD)/CCWD Mutual Emergency Supply Agreement, indicating that to date MWSD had not yet reviewed and responded to the proposed language changes in the agreement provided by CCWD.

Ms. Brennan addressed several questions from the Board in regards to the local precipitation figures and new legislation requiring residential and commercial real property built after January 1, 1994 to replace noncompliant plumbing (not water conserving) fixtures.

Mr. Guistino reported on the highlights contained in his monthly operations report.

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

Director Ascher took this opportunity to provide final comments to the Board and staff, which included expressing his appreciation to the District for the Resolution, thanking each of the Board members, General Manager Dickson, , Legal Counsel Patrick Miyaki, and all field and office staff members for their hard work, cooperation, and dedication. Mr. Ascher also congratulated Director Elect Jerry Donovan and welcomed him to the District.

**10) ADJOURNMENT**

The meeting was adjourned at 8:10 p.m. The next regular meeting of the Coastside County Water District's Board of Directors is scheduled for Tuesday, December 8, 2009.

Respectfully submitted,

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David R. Dickson, General Manager  
Secretary of the Board

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

**COASTSIDE COUNTY WATER DISTRICT**  
**Installed Water Connection Capacity & Water Meters**

2009

Installed Water Connection Capacity	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Total
<b>HMB Non-Priority</b>													
0.5" capacity increase													
5/8" meter		3	1	1			1		1				7
3/4" meter													0
2" meter						1							
<b>HMB Priority</b>													
5/8" meter													0
3/4" meter		1											1
1" meter													0
1 1/2" meter													
2" meter													
<b>County Non-Priority</b>													
5/8" meter	1			1									2
3/4" meter													0
1" meter													0
<b>County Priority</b>													
5/8" meter													0
3/4" meter													0
1" meter													0
<b>Monthly Total</b>	<b>1</b>	<b>4</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>

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		3	1	1		8	1		1				15
HMB Priority		1.5											1.5
County Non-Priority	1			1									2
County Priority													0
<b>Monthly Total</b>	<b>1</b>	<b>4.5</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>8</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18.5</b>

**TOTAL CCWD PRODUCTION (MG) ALL SOURCES-2009**

	PILARCITOS WELLS	PILARCITOS LAKE	DENNISTON WELLS	DENNISTON RESERVOIR	CRYSTAL SPRINGS RESERVOIR	RAW WATER TOTAL	IN-PLANT USAGE AND UNMETERED WATER	TREATED TOTAL
JAN	1.56	0.00	0.00	0.78	52.21	54.55	4.46	50.09
FEB	4.19	5.11	0.00	0.00	33.52	42.82	3.08	39.74
MAR	1.12	35.08	0.00	0.00	0.00	36.20	3.21	32.99
APR	0.00	58.566	0.30	0.76	0.00	59.63	5.17	54.46
MAY	0.00	49.27	2.43	12.46	3.77	67.93	5.00	62.93
JUN	0.00	57.09	2.38	11.07	5.84	76.38	4.74	71.64
JUL	0.00	1.78	0.00	1.27	90.10	93.15	3.64	89.52
AUG	0.00	0.00	0.00	0.00	82.30	82.30	3.24	79.06
SEPT	0.00	0.00	0.00	0.00	78.74	78.74	2.61	76.13
OCT	0.00	0.00	0.00	0.00	60.48	60.48	2.28	58.20
NOV	5.14	0.00	0.69	2.85	48.00	56.68	3.04	53.64
DEC								
<b>TOTAL</b>	<b>12.01</b>	<b>206.90</b>	<b>5.80</b>	<b>29.19</b>	<b>454.96</b>	<b>708.86</b>	<b>40.457</b>	<b>668.40</b>
% TOTAL	1.7%	29.2%	0.8%	4.1%	64.2%	100.0%	5.7%	94.3%

12 Month Running Treated Total

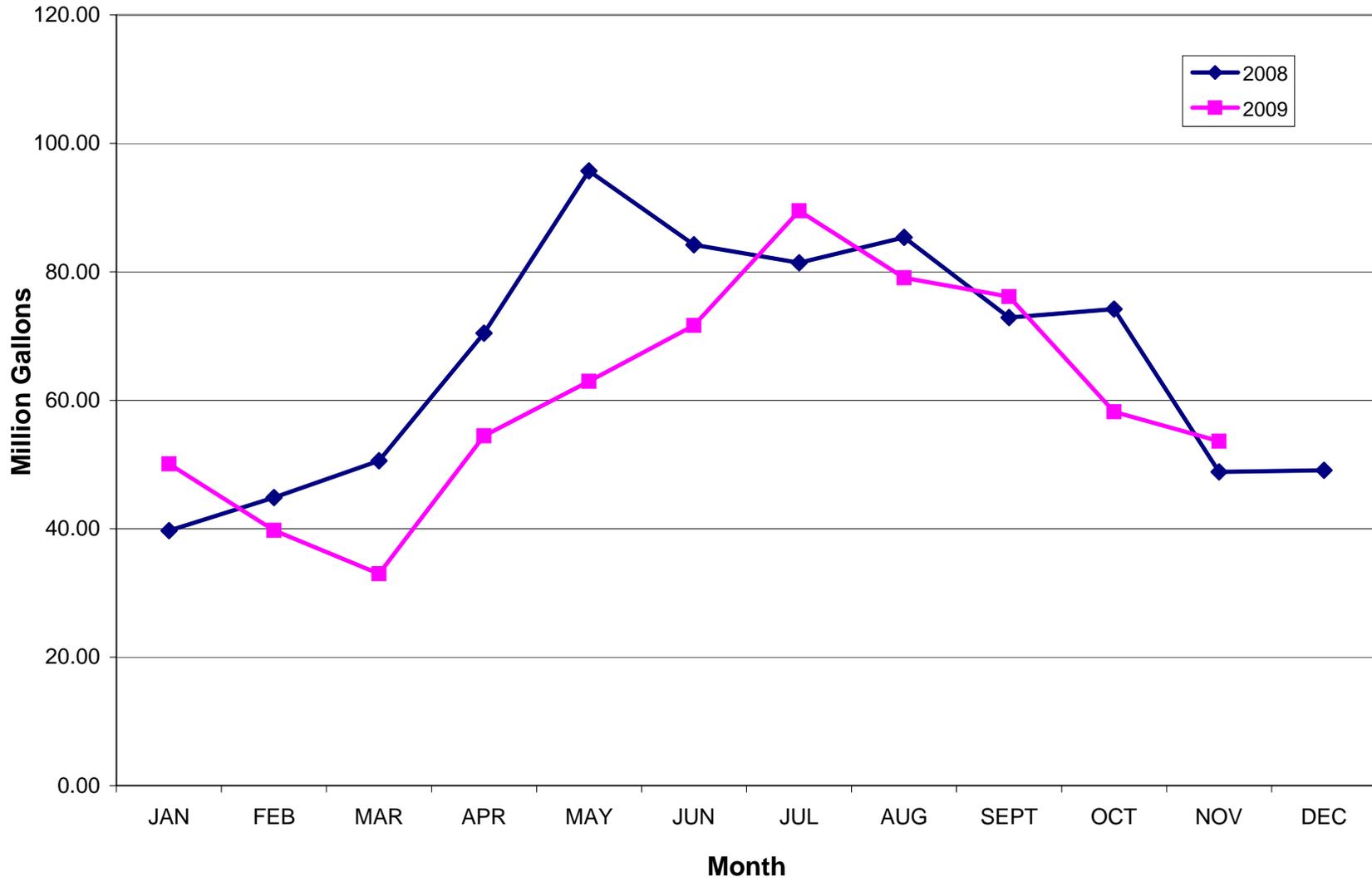
717.49

**TOTAL CCWD PRODUCTION (MG) ALL SOURCES-2008**

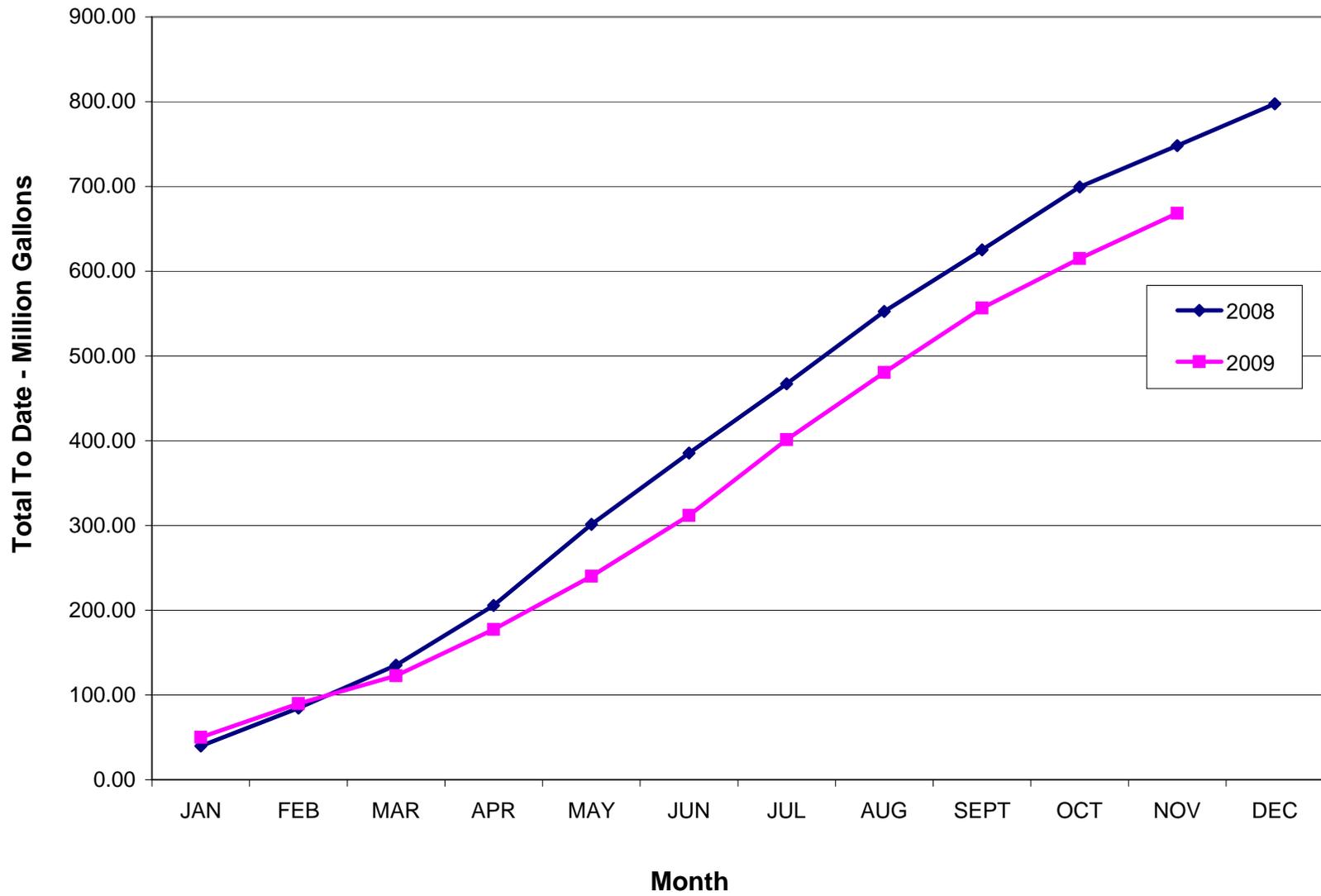
614.76

	PILARCITOS WELLS	PILARCITOS LAKE	DENNISTON WELLS	DENNISTON RESERVOIR	CRYSTAL SPRINGS RESERVOIR	RAW WATER TOTAL	IN-PLANT USAGE AND UNMETERED WATER	TREATED TOTAL
JAN	6.47	29.20	0.00	0.00	7.03	42.70	2.99	39.71
FEB	9.39	38.24	0.00	0.00	0.00	47.63	2.78	44.85
MAR	9.04	40.42	1.01	3.94	0.00	54.41	3.83	50.58
APR	0.00	58.26	0.88	13.53	1.84	74.51	4.06	70.45
MAY	0.00	29.32	2.89	14.00	54.87	101.08	5.36	95.72
JUN	0.00	0.00	3.32	9.15	77.34	89.81	5.6	84.21
JUL	0.00	0.00	3.50	9.75	75.32	88.57	7.136	81.43
AUG	0.00	0.00	0.33	2.55	87.00	89.88	4.492	85.39
SEPT	0.00	0.00	0.00	0.00	76.90	76.90	4	72.90
OCT	0.00	0.00	0.00	0.00	77.73	77.73	3.53	74.20
NOV	0	0.00	0	0.00	51.83	51.83	2.98	48.85
DEC	4.75	0.00	0	0.00	48.34	53.09	4	49.09
<b>TOTAL MG</b>	<b>29.65</b>	<b>195.44</b>	<b>11.93</b>	<b>52.92</b>	<b>558.20</b>	<b>848.14</b>	<b>50.761</b>	<b>797.38</b>
% TOTAL	3.5%	23.0%	1.4%	6.2%	65.8%	100.0%	6.0%	94.0%

Monthly Production 2009 vs. 2008



Cumulative Production 2009 vs. 2008



**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		370.61
COMMERCIAL	5.456	0.952	4.953	1.188	5.552	1.217	6.815	1.275	6.710	1.512	5.317		40.95
RESTAURANT	2.623	0.123	2.585	0.12	2.872	0.126	3.196	0.337	3.279	0.313	2.527		18.10
HOTELS/MOTELS	3.755	0.085	3.39	0.088	3.928	0.115	4.721	2.061	4.029	1.735	3.473		27.38
SCHOOLS	0.737	0.034	0.509	0.043	1.615	0.12	2.884	1.989	1.966	1.490	1.079		12.47
MULTI DWELL	1.863	1.331	2.533	1.277	2.441	1.435	2.872	3.378	3.531	2.424	2.055		25.14
BEACHES/PARKS	0.405	0.017	0.305	0.052	0.818	0.101	1.049	0.146	1.180	0.074	0.563		4.71
FLORAL	9.622	0.242	11.549	0.241	16.427	0.158	13.865	7.366	9.049	7.344	8.228		84.09
RECREATIONAL	0	0.17	0.046	0.221	0.055	0.203	0.070	0.260	0.080	0.194	0.026		1.33
MARINE	1.006	0	0.812	0	0.802	0	0.966	0.000	1.233	0.000	1.184		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		64.68
Portable Meters	0	0.371	0	0.193	0	0.362	0.000	1.739	0.000	1.676	0.000		4.34
<b>TOTAL - MG</b>	<b>50.61</b>	<b>39.91</b>	<b>46.64</b>	<b>41.86</b>	<b>58.96</b>	<b>54.35</b>	<b>83.24</b>	<b>89.36</b>	<b>71.44</b>	<b>73.72</b>	<b>49.71</b>	<b>0.00</b>	<b>659.79</b>

Running 12 Month Total

702.52

**Coastside County Water District Monthly Sales By Category (MG)  
2008**

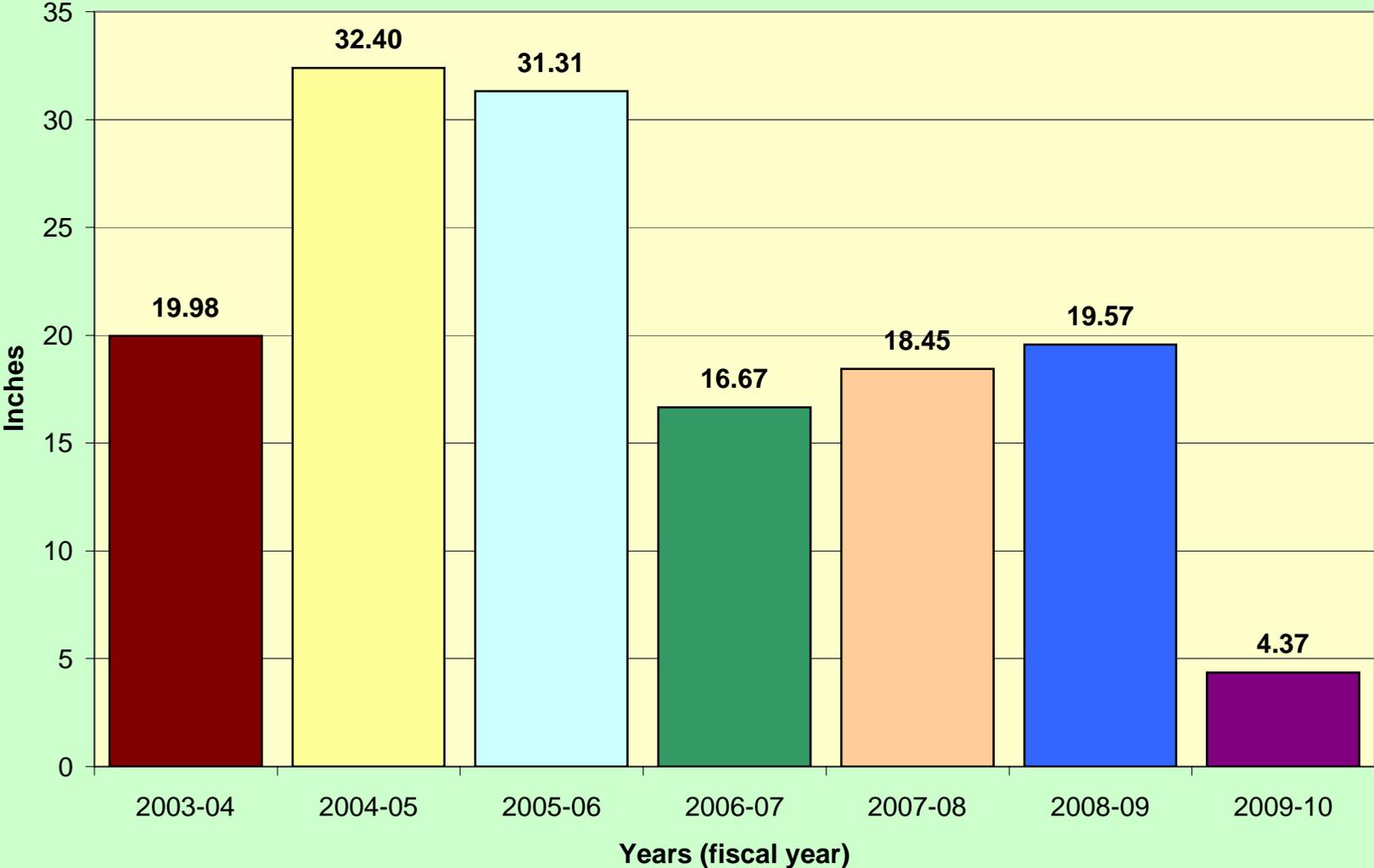
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	MG to Date
RESIDENTIAL	21.17	31.05	19.64	36.623	28.871	53.578	30.064	53.703	29.785	46.449	23.142	36.05	410.13
COMMERCIAL	5.38	1.1	6.17	1.23	6.781	1.477	7.938	1.441	7.877	1.238	5.593	1.026	47.25
RESTAURANT	1.96	0.04	2.13	0.053	2.887	0.045	3.231	0.026	2.673	0.127	3.722	0.123	17.02
HOTELS/MOTELS	4.48	0.24	4.5	0.138	5.305	0.136	5.671	0.158	5.778	0.126	1.831	0.088	28.45
SCHOOLS	0.93	0.07	0.86	0.068	2.224	0.171	3.515	0.115	3.428	0.103	0.332	0.052	11.87
MULTI DWELL	4.51	6.08	4.38	5.921	5.146	6.365	5.762	6.217	5.382	6.054	2.759	2.828	61.40
BEACHES/PARKS	0.38	0.01	0.28	0.025	0.786	0.064	1.173	0.079	0.993	0.094	0.568	0.009	4.46
FLORAL	17.55	0.21	17.31	0.227	22.968	0.293	16.961	0.35	15.601	0.306	6.556	0.292	98.62
RECREATIONAL	0.07	0.16	0.06	0.174	0.096	0.209	0.111	0.228	0.12	0.2	0.065	0.167	1.66
MARINE	1.15	0	0.32	0	0.402	0	0.37	0	1.143	0	0.943	0	4.33
IRRIGATION	3.12	0.48	0.12	1.476	14.77	3.251	28.197	3.333	17.651	2.634	0.382	1.695	77.11
PORTABLE METERS	0	0.33	0	0.284	0	1.296	0	1.587	0	1.735	0	0.403	
<b>MG</b>	<b>60.70</b>	<b>39.77</b>	<b>55.77</b>	<b>46.22</b>	<b>90.24</b>	<b>66.89</b>	<b>102.99</b>	<b>67.24</b>	<b>90.43</b>	<b>59.07</b>	<b>45.89</b>	<b>42.73</b>	<b>767.93</b>

**Coastside County Water District  
Monthly Leak Report  
November 2009**

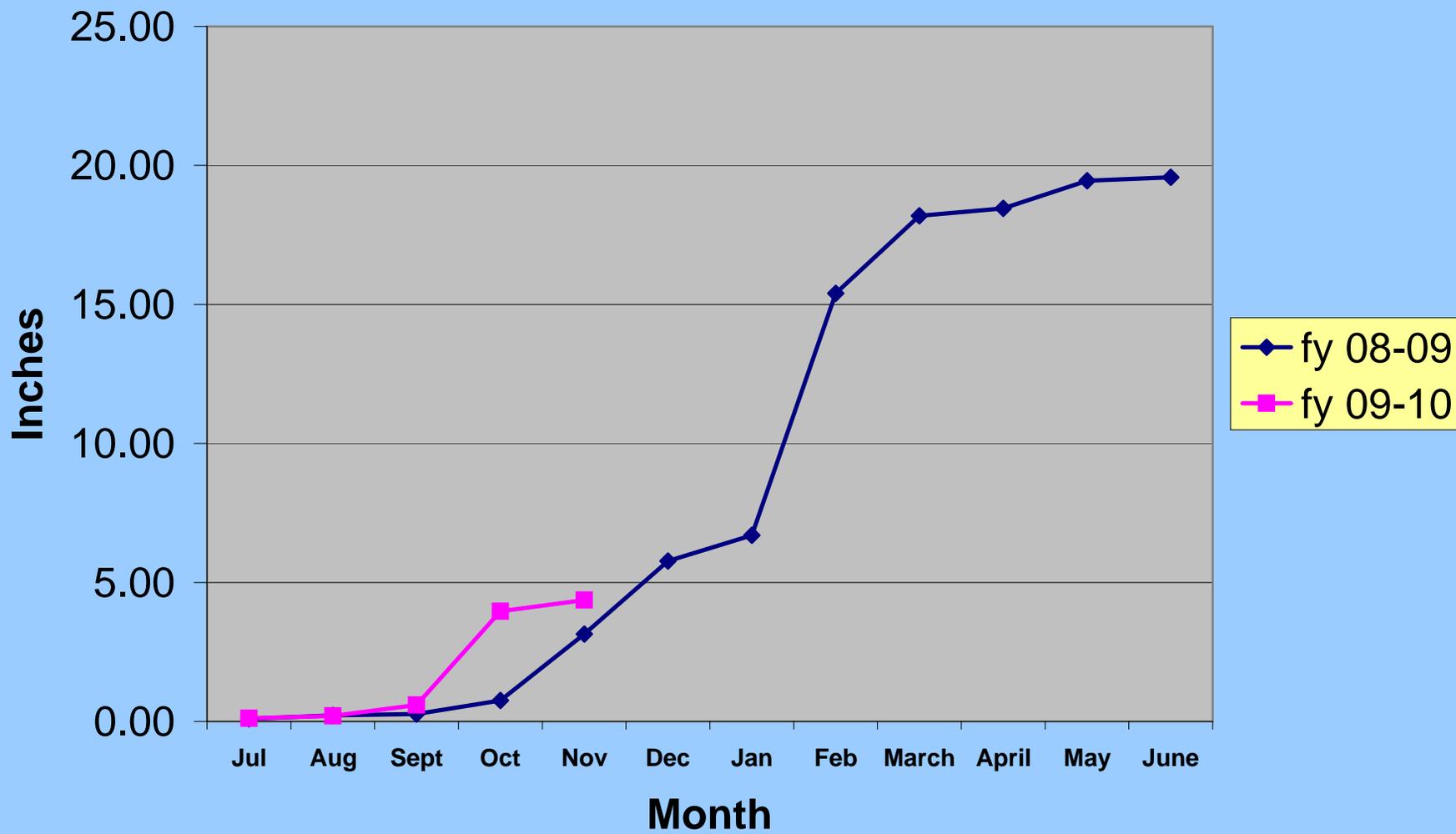
Date		City	Pipe Type/Size	Repair Material	Estimated Water Loss (gallons)	Repair Material Costs	Manpower and Equipment Costs	Estimated Cost of Repair (dollars)
28-Oct-09	107 Madrona	EG	1" black plastic	40' - 1" copper / 1 - 2"x1" copxcop / 2 - 3/4" angle stops / 2 - 3/4" comp 90 / 1 - 1"x3/4x3/4" tee / B9 box w lid / 8 ton rock	2,100	\$630.43	\$1,600	\$2,230
30-Oct-09	Avenue Cabrillo	EG	2" galv main	1 - 2"x7" full circle	700	\$49.95	\$400.00	\$450
16-Nov-09	Mirmontes Pt Rd @ highway 1	HMB	1" plastic	6' 3/4" copper / 3/4" angle stop / 1" x 3/4" comp / 5 ton rock	4,500	\$99.88	\$1,400	\$1,500
17-Nov-09	426 Kehoe Ave	HMB	8" cast iron	1 - 8"x15" full circle / 8 tons rock	4,500	\$306.57	\$2,050	\$2,357
								\$0
<b>TOTAL</b>					<b>11,800.00</b>	<b>1,086.83</b>	<b>5,450.00</b>	<b>6,536.83</b>



# Rain Totals



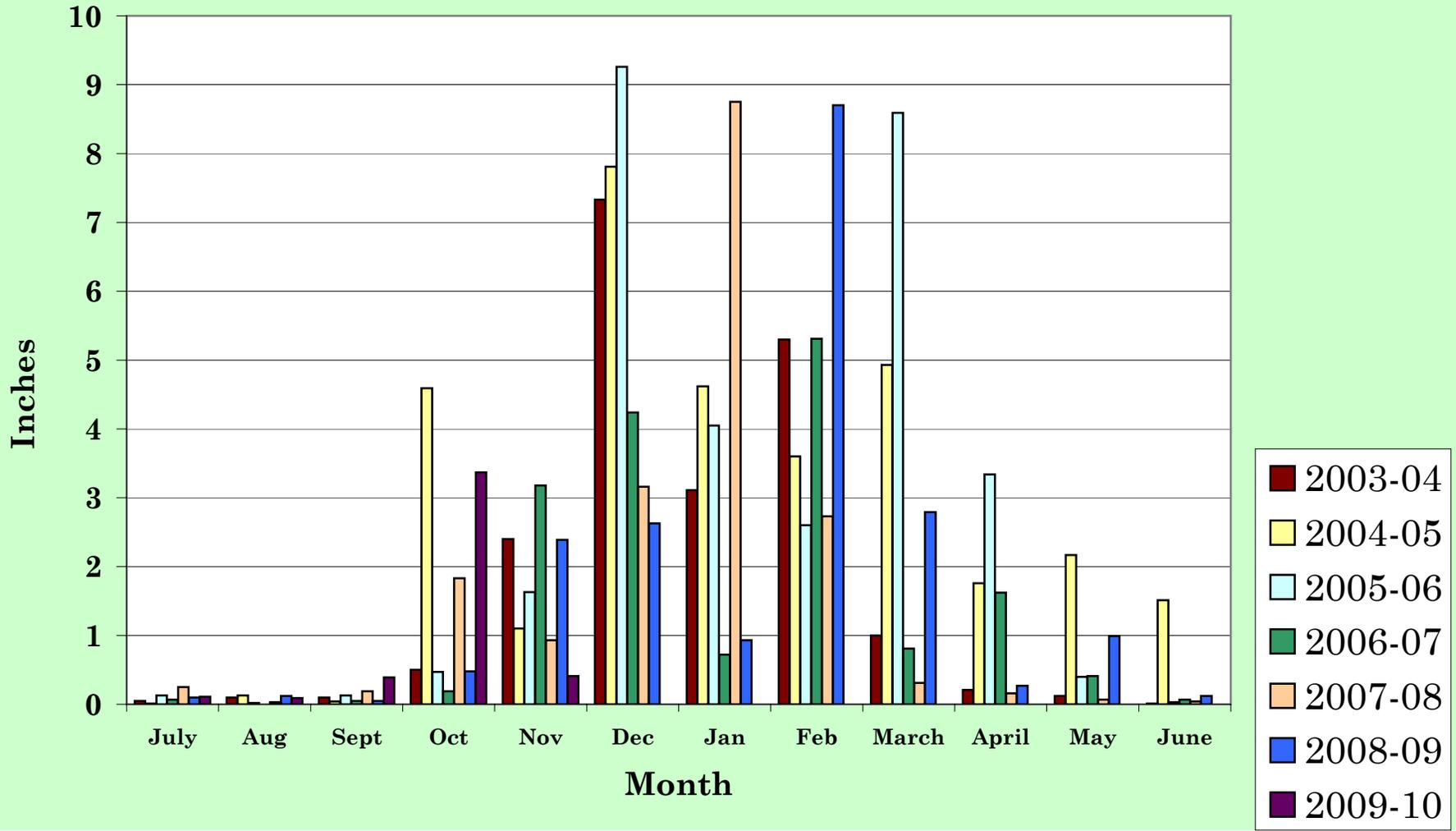
# Rainfall Totals fy 08 - 09



# Coastside County Water District

## Rainfall by Month

July '09 thru Jun '10



MONTHLY CLIMATOLOGICAL SUMMARY for NOV. 2009

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

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

DAY	MEAN TEMP	HIGH	TIME	LOW	TIME	HEAT DEG DAYS	COOL DEG DAYS	RAIN	AVG WIND SPEED	HIGH	TIME	DOM DIR
1	59.2	74.4	3:00p	50.1	3:00a	6.8	1.0	0.01	1.1	14.0	12:30p	N
2	65.5	79.6	4:00p	54.8	11:30p	3.2	3.6	0.00	2.2	15.0	11:30a	N
3	61.8	74.0	12:00p	51.6	12:00m	5.1	1.9	0.00	1.2	15.0	8:00a	SSW
4	58.2	66.1	4:00p	50.2	1:30a	6.8	0.0	0.00	1.6	15.0	2:30p	SE
5	62.2	69.7	12:00p	56.2	12:30a	3.4	0.6	0.00	2.6	16.0	8:30a	SE
6	61.4	71.0	11:30a	54.5	12:00m	4.2	0.6	0.15	0.7	11.0	10:30a	S
7	52.9	61.1	2:00p	45.1	7:30a	12.1	0.0	0.01	0.9	14.0	2:00p	NNW
8	52.2	60.8	12:30p	44.7	12:00m	12.8	0.0	0.00	0.6	11.0	11:30p	N
9	52.3	62.8	2:30p	41.1	5:30a	12.7	0.0	0.00	0.7	8.0	1:30p	NNE
10	57.3	67.5	2:30p	50.0	2:00a	7.7	0.1	0.00	1.9	15.0	9:30a	N
11	56.5	63.6	11:30a	52.3	9:00p	8.5	0.0	0.00	1.2	11.0	9:30a	N
12	53.9	59.4	2:00p	47.3	12:00m	11.1	0.0	0.00	1.6	15.0	8:00p	NNW
13	49.7	59.1	2:00p	40.6	6:30a	15.3	0.0	0.00	1.0	12.0	1:00p	N
14	52.2	60.4	11:00a	43.3	12:00m	12.8	0.0	0.04	0.6	10.0	3:30p	WNW
15	47.4	57.0	3:30p	40.5	5:00a	17.6	0.0	0.00	0.5	7.0	1:30p	NNW
16	49.6	61.6	3:30p	40.6	4:30a	15.4	0.0	0.01	0.5	8.0	6:30a	SW
17	50.6	60.9	3:30p	39.2	6:00a	14.4	0.0	0.03	0.9	8.0	7:00p	SW
18	49.5	57.8	2:00p	40.9	11:00p	15.5	0.0	0.01	1.1	13.0	12:30p	NNW
19	49.3	62.3	2:00p	40.6	6:00a	15.7	0.0	0.00	1.4	14.0	12:00p	N
20	51.6	60.7	2:30p	40.7	3:30a	13.4	0.0	0.07	2.8	29.0	10:00a	SE
21	47.4	55.9	2:00p	40.6	12:00m	17.6	0.0	0.01	0.9	13.0	12:00p	N
22	51.0	60.9	2:30p	40.2	12:30a	14.0	0.0	0.00	0.6	13.0	10:00p	N
23	54.9	63.0	1:30p	46.7	6:30a	10.1	0.0	0.00	2.2	16.0	10:00a	N
24	59.2	68.3	3:30p	49.6	12:00m	6.2	0.4	0.00	3.3	19.0	7:00a	N
25	58.3	68.7	3:30p	49.9	1:00a	7.0	0.4	0.00	3.4	20.0	11:30a	N
26	53.3	62.2	9:30a	46.1	5:30a	11.7	0.0	0.00	0.6	12.0	9:00a	SW
27	53.2	59.3	12:30p	48.6	10:30p	11.8	0.0	0.07	1.9	21.0	3:00p	NNW
28	56.1	67.0	2:00p	45.7	8:00a	9.1	0.2	0.00	3.4	29.0	7:30p	N
29	56.2	67.9	2:00p	45.3	12:00m	8.9	0.1	0.00	2.9	21.0	4:00a	N
30	53.4	63.6	4:00p	44.3	2:30a	11.6	0.0	0.00	1.8	11.0	6:00p	NNE
	54.5	79.6	2	39.2	17	322.5	8.9	0.41	1.5	29.0	20	N

Max >= 90.0: 0

Max <= 32.0: 0

Min <= 32.0: 0

Min <= 0.0: 0

Max Rain: 0.15 ON 11/06/09

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

Heat Base: 65.0 Cool Base: 65.0 Method: Integration

# November 2009

Day	Primary Sludge Pump Timer Settings						Plant Generator Run Hours			National Weather Service Weather Station				Time of Observation
	Tank #2 PSP #1	Tank # PSP #2	Tank #1 PSP #3	Tank #3 PSP #4	Tank #3 PSP #5	Pump Time Off	Todays Meter Reading	Total For The Day	Minimum	Maximum	Present	Rain	Temperature	
Last Day														
1st	7	0	0	0	6	17	962	5	49	64	62	T	64	1545
2nd	7	0	0	0	6	17	962	5	49	64	62	T	64	1615
3rd	7	0	0	0	6	16	962	5	48	70	70	T	70	1532
4th	7	0	0	0	6	16	962	5	49	66	66	0	66	1533
5th	7	0	0	0	6	17	970	5	49	68	68	0	68	1541
6th	7	0	0	0	6	18	970	5	48	67	68	0.01	67	1630
7th	7	0	0	0	6	18	970	5	54	65	59	0.14	65	1620
8th	7	0	0	0	6	18	970	5	40	60	60	0.01	60	1600
9th	7	0	0	0	6	18	970	5	40	61	57	0.0	61	1605
10th	7	0	0	0	6	18	970	5	35	60	57	0.01	60	1635
11th	7	0	0	0	6	18	970	5	45	67	56	0.0	67	1540
12th	7	0	0	0	6	19	970	5	48	61	58	0.00	61	1545
13th	7	0	0	0	6	19	970	5	47	58	57	0.00	58	1550
14th	7	0	0	0	6	19	970	5	36	57	55	0.00	57	1600
15th	7	0	0	0	6	19	970	5	34	56	56	0.03	56	1517
16th	7	0	0	0	6	19	970	5	34	56	53	Trace	56	1545
17th	7	0	0	0	6	114	970	5	35	58	55	-0.1	58	1535
18th	7	0	0	0	6	21	970	5	33	57	56	0.00	57	1600
19th	7	0	0	0	6	21	970	5	34	57	54	0.04	57	1540
20th	7	0	0	0	6	22	970	5	35	63	55	0.00	63	1545
21st	7	0	0	0	6	22	970	5	35	58	54	0.08	58	1555
22nd	7	0	0	0	6	22	970	5	36	55	54	0.00	55	1550
23rd	7	0	0	0	6	22	970	5	35	55	54	0.01	55	1525
24th	7	0	0	0	6	22	970	5	41	64	56	0.01	64	1550
25th	7	0	0	0	6	20	970	5	45	70	65	0.00	70	1600
26th	7	0	0	0	6	20	970	5	47	67	57	0.00	67	1545
27th	7	0	0	0	6	20	970	5	39	60	55	0.00	60	1550
28th	7	0	0	0	6	20	970	5	47	56	54	0.00	56	1600
29th	7	0	0	0	6	20	970	5	48	68	61	0.00	68	1540
30th	7	0	0	0	6	20	970	5	57	70	57	0.0	70	1545
1st	7	0	0	0	6	20	970	5	36	62	55	0.00	62	1525

# San Francisco Public Utilities Commission

## Hydrological Conditions Report

### For November 2009

J. Chester, B. McGurk, A. Mazurkiewicz, M. Tsang, December 3, 2009

#### Current System Storage

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

<b>Table 1</b>							
<b>Current Storage</b>							
<b>As of December 1, 2009</b>							
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	
<b>Tuolumne System</b>							
Hetch Hetchy <sup>1/</sup>	263,608		340,830		77,222		77.3%
Cherry <sup>2/</sup>	261,427		268,810		7,383		97.3%
Lake Eleanor <sup>3/</sup>	16,812		23,541		6,729		71.4%
Water Bank	560,763		570,000		9,237		98.4%
Tuolumne Storage	1,102,610		1,203,181		100,571		91.6%
<b>Local Bay Area Storage</b>							
Calaveras <sup>4/</sup>	33,154	10,803	96,824	31,550	63,670	20,747	34.2%
San Antonio	47,008	15,318	50,496	16,454	3,488	1,137	93.1%
Crystal Springs	51,142	16,665	58,377	19,022	7,234	2,357	87.6%
San Andreas	13,722	4,471	18,996	6,190	5,275	1,719	72.2%
Pilarcitos	2,016	657	3,100	1,010	1,084	353	65.0%
Total Local Storage	147,042	47,914	227,793	74,226	80,751	26,313	64.6%
<b>Total System</b>	1,294,652		1,430,974		181,322		87.3%

<sup>1/</sup> Maximum Hetch Hetchy Reservoir storage with drum gates de-activated.

<sup>2/</sup> Maximum Cherry Reservoir storage with flash-boards out.

<sup>3/</sup> Maximum Lake Eleanor storage with all stop-logs out.

<sup>4/</sup> Available capacity does not take into account current DSOD storage restrictions.

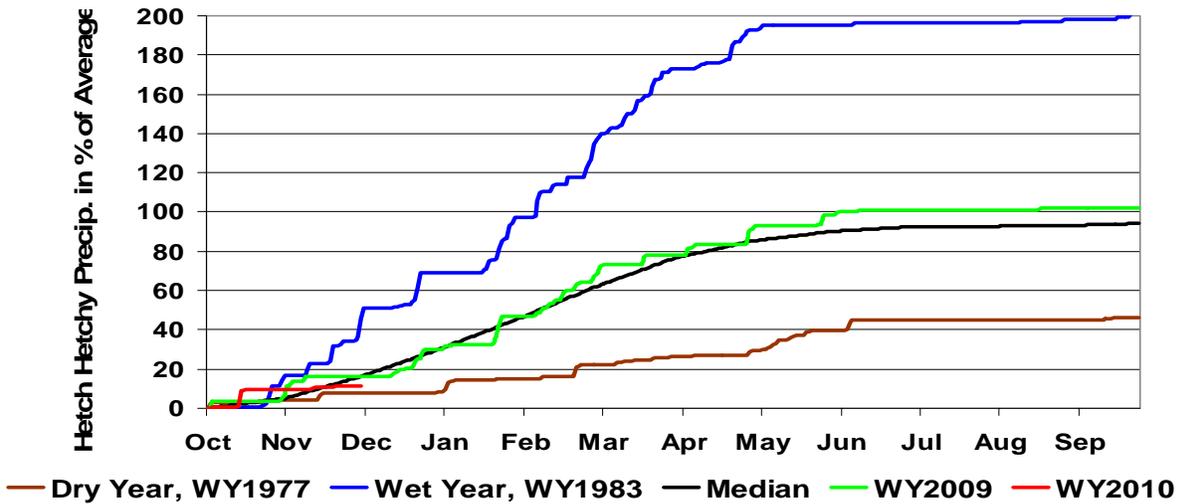
#### Hetch Hetchy System Precipitation Index <sup>5/</sup>

*Current Month:* The November six-station precipitation index is 0.91 inch, or 23.1% of the average index for the month. November was relatively dry as compared to October; Hetch Hetchy received only 0.82 inch of precipitation.

*Cumulative Precipitation to Date:* The accumulated six-station precipitation index for water year 2010 is 5.36 inches, which is 15.1% of the average annual water year total, or 90.0% of the season-to-date precipitation. The water year cumulative precipitation for the Hetch Hetchy gauge is shown in Figure 1 in red, and is slightly below the median line.

<sup>5/</sup>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 2010



**Figure 1:** Water year 2010 cumulative precipitation received at Hetch Hetchy Reservoir through the end-of-month November. Precipitation curves for wet, dry, median, and WY 2009 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 November 30<sup>th</sup> is summarized below in Table 2. The November inflows to all reservoirs were below normal. Season to date inflows were above normal because of the wet October. In November, there was no water available to the City due to the lack of significant precipitation.

	November 2009				October 1, 2009 through November 30, 2009			
	Observed Flow	Median <sup>6</sup>	Average <sup>6</sup>	Percent of Average	Observed Flow	Median <sup>6</sup>	Average <sup>6</sup>	Percent of Average
Inflow to Hetch Hetchy Reservoir	6,367	6,892	14,104	45.1%	26,999	10,442	20,198	133.7%
Inflow to Cherry Reservoir and Lake Eleanor	3,717	8,406	16,102	23.1%	28,754	11,742	21,228	135.5%
Tuolumne River at La Grange	10,830	24,262	47,011	23.0%	65,136	39,873	63,835	102.0%
Water Available to the City	0	0	14,042	0%	19,129	0	15,917	120.2%

<sup>6</sup> Hydrologic Record: 1919 – 2005.

## Hetch Hetchy System Operations

A total of 24,400 acre-feet of water was released from Hetch Hetchy Reservoir in November to support minimum streamflow releases and SJPL deliveries.

During November, about 4,249 acre-feet of power draft was made from Cherry Reservoir to support the City's Municipal load and District Class 1. Lake Eleanor spilled in early November as a result of high inflow in October. Pumping was started on November 10<sup>th</sup>. Over 8,800 AF of water was transferred from Eleanor to Cherry in November.

## Local System Operations

Due to planned maintenance work, the Sunol Valley Treatment Plant was off-line for much of November; the average plant rate for the month was 2 MGD. The Harry Tracy Water Treatment Plant rate averaged 49 MGD in November.

## Local System Water Demand

November water demand averaged 203 MGD, a 5% decrease from the October average of 213 MGD. This decline in water usage is seasonally consistent with expected November demands.

## Local Precipitation

November precipitation across both East Bay and Peninsula watersheds was minimal with dry conditions persisting throughout most of the month. Precipitation totals are presented in Table 3.

Table 3 Precipitation Totals At Three Local Area Reservoirs For November 2009				
Reservoir	Month Total (inches)	Percentage of Normal for the Month	Year To Date <sup>7</sup> (inches)	Percentage of Normal for the Year-to-Date <sup>7</sup>
Pilarcitos	1.03	22 %	6.23	80 %
Lower Crystal Springs	0.14	4 %	4.50	84 %
Calaveras	0.47	18 %	3.29	79 %

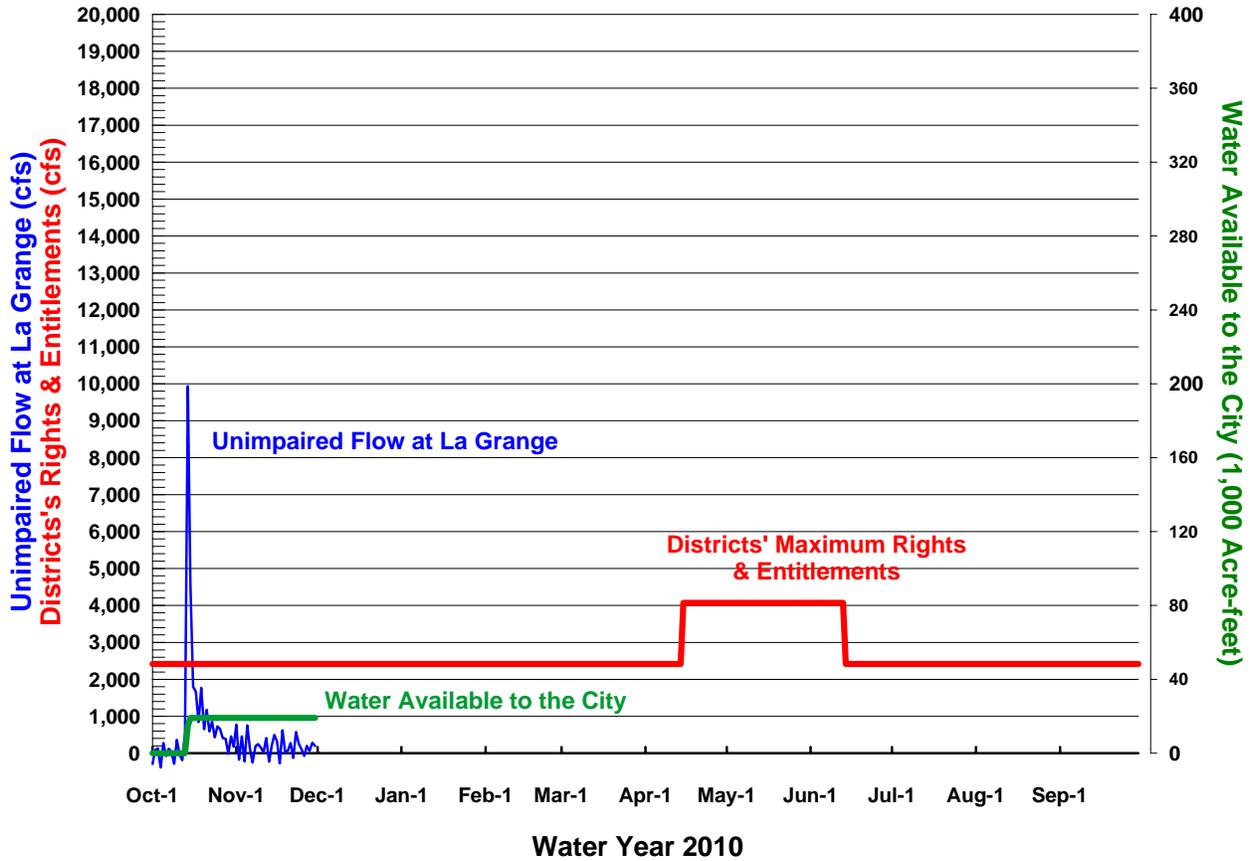
<sup>7</sup> Since July 1 2009

## Snowmelt and Water Supply

November was dry with mild temperatures. Clear skies and relatively warm weather melted much of the snow that fell in October in the high country, and inflows to the Tuolumne reservoirs are receding with the dry November conditions.

December is the month which normally has significant precipitation and supplements the seasonal snowpack that often begins in November. The short-term weather forecast is for a system to approach central California by the second week of December, and the system is expected to bring significant precipitation to both the local and the upcountry watersheds. The National Weather Service's Climate Prediction Center predicts above-normal precipitation for the month of December and above-average precipitation accumulation for the next three months. This forecast is based on global climate patterns, historical data, El Nino conditions in the Pacific, but it has inherent uncertainty. The forecast and conditions will be tracked to see if the predictions come to fruition.

## Unimpaired Flow at La Grange & Water Available to the City



**Figure 2:** Calculated unimpaired flow at La Grange and the allocation of flows between the Districts and the City. Water available to the City for the period from October 1<sup>st</sup>, 2009 through November 30<sup>th</sup>, 2009 was 19,129 acre-feet.

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

**STAFF REPORT**

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

**From:** Dave Dickson, General Manager

**Agenda:** December 8, 2009

**Date:** November 24, 2009

**Subject:** Notice of Completion - Acceptance of Pilarcitos Culvert Replacement Project

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**Recommendation:**

That the Board of Directors take the following actions:

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

**Background**

Coastside County Water District entered into a contract with Andreini Bros, Inc. on September 9, 2009 for the Pilarcitos Culvert Replacement Project.

This project consisted of construction of a bypass for the Pilarcitos Creek around the work area, removing the temporary flatbed bridge over the damaged culvert, removing the damaged culvert and surrounding riprap, sinking the sections of box culvert into the streambed according to specified plans and drawings, reinstating surrounding rip rap, establishment of the access road with guard rail over the culvert, and disposal of removed materials located within District owned property in Pilarcitos Creek, off of Pilarcitos Creek Road, 1.25 miles North of Highway 92, Half Moon Bay CA 94019.

The project was completed on November 12, 2009. The project was constructed according to the plans and specifications and is now in service.

**Fiscal Impact:** None.

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO

Name  
Street  
Address  
City &  
State

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

SPACE ABOVE THIS LINE FOR RECORDER'S USE

RECORD WITHOUT FEE Govt. Code § 6103 & 27383

### NOTICE OF COMPLETION

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

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

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

3. On the 12th day of November, 2009 there was completed upon the hereinafter described real property a work of improvement as a whole named Pilarcitos Culvert Replacement Project, consisting of construction of a bypass for the Pilarcitos Creek around the said work area, removal of the temporary flatbed bridge over the damaged culvert, removal of the damaged culvert and surrounding riprap, sinking the sections of box culvert into the streambed according to specified plans and drawings, reinstating surrounding rip rap, establishment of the access road with guard rail over the culvert, and disposal of removed materials.

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

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

*The work is located within property owned by the District in Pilarcitos Creek, off of Pilarcitos Creek Road, 1.25 miles North of Highway 92, Half Moon Bay, California (Assessor Parcel Number 056-370-080).*

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

COASTSIDE COUNTY WATER DISTRICT

BY: \_\_\_\_\_  
David R. Dickson, Secretary

**VERIFICATION**

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

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

Executed on December 8, 2009, at Half Moon Bay, California  
(Date) (Place where signed)

By: \_\_\_\_\_  
David R. Dickson,  
Secretary of the District

## **STAFF REPORT**

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

**From:** David Dickson, General Manager

**Agenda:** December 8, 2009

Report

Date: December 1, 2009

**Subject:** Coastside County Water District Basic Financial Statements and Independent Auditors Report for the Year Ended June 30, 2009

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### **Recommendation:**

Approve the Basic Financial Statements.

### **Background:**

On June 9, 2009 the Board approved retaining the services of Joseph J. Arch, CPA (JJA) as the District's Independent Auditor after the District sent out a Request for Proposal (RFP) for Financial Auditing Services for Fiscal Year ending June 30, 2009.

JJA has completed their work on the Basic Financial Statements for the Year Ended June 30, 2009. 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 Board meeting to discuss the Financial Statements and answer the Board's questions.

### **Fiscal Impact:**

No fiscal impact.

**COASTSIDE COUNTY WATER DISTRICT**

**BASIC FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY SCHEDULES**

**JUNE 30, 2009**

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2009**

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**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2009**

**Elected Officials and Administrative Personnel**

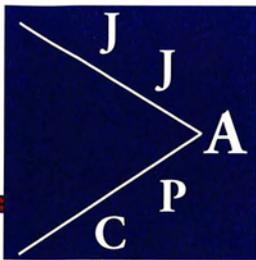
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**BOARD OF DIRECTORS**

Chris Mickelsen – President  
Bob Feldman – Vice President  
Ken Coverdell – Director  
Everett Ascher – Director  
Jim Larimer – Director

**MANAGEMENT**

David Dickson – General Manager



# JJACPA, Inc.

A Professional Accounting Services Corp.

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## 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, 2009. 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, 2008, financial statements, which were audited by other auditors who expressed an unqualified opinion on October 2, 2008, on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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, 2009, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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.

November 23, 2009

JJACPA, Inc.

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2009**

**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, 2009. 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, 2009, the District's net assets decreased to \$36,179,828 from \$36,296,107 in 2008 or \$116,279. Operating revenues increased by \$143,447 as can be seen on Page 5 primarily from a water rate increase, which became effective July 1, 2008. Operating expenses (with depreciation included) increased by \$144,707 as can be seen on Page 7 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 \$136,665 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, 2009**

**Management's Discussion and Analysis, Continued**

**Financial Analysis of the District as a Whole**

	Net Assets		Increase (Decrease)	Percent Change
	2009	2008		
<b>As of June 30, 2009 and 2008</b>				
<b>Assets:</b>				
Current assets	\$ 6,454,336	\$ 9,750,932	\$ (3,296,596)	(33.8)%
Non-current assets	38,445,479	36,655,542	1,789,937	4.9%
<b>Total assets</b>	<u>44,899,815</u>	<u>46,406,474</u>	<u>(1,506,659)</u>	<u>(3.2)%</u>
<b>Liabilities:</b>				
Current liabilities	547,057	1,527,076	(980,019)	(64.2)%
Non-current liabilities	8,172,930	8,583,291	(410,361)	(4.8)%
<b>Total liabilities</b>	<u>8,719,987</u>	<u>10,110,367</u>	<u>(1,390,380)</u>	<u>(13.8)%</u>
<b>Net assets:</b>				
Investment in capital assets, net of related debt	30,349,431	28,196,742	2,152,689	7.6%
Unrestricted:				
Restricted for Crystal Springs Project	130,118	1,137,085	(1,006,967)	(88.6)%
Restricted for capital improvements	2,324,846	4,173,471	(1,848,625)	(44.3)%
Unrestricted	3,375,433	2,788,809	586,624	21.0%
<b>Total net assets</b>	<u>\$ 36,179,828</u>	<u>\$ 36,296,107</u>	<u>\$ (116,279)</u>	<u>(0.3)%</u>

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, 2009, decreased to \$36,179,828 from \$36,296,107 in 2008. 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, 2009**

**Management's Discussion and Analysis, Continued**

Operating results are summarized as follows:

**Operating Results**  
**For the years ended June 30, 2009 and 2008**

	<u>2009</u>	<u>2008</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
<b>Operating revenues</b>	\$ 5,342,937	\$ 5,199,490	\$ 143,447	2.8%
<b>Operating expenses</b>	<u>6,430,938</u>	<u>6,286,231</u>	<u>144,707</u>	<u>2.3%</u>
<b>Operating income</b>	(1,088,001)	(1,086,741)	(1,260)	0.1%
<b>Non-operating revenues</b>	1,239,896	1,427,996	(188,100)	(13.2)%
<b>Non-operating expenses</b>	<u>(397,810)</u>	<u>(404,719)</u>	<u>6,909</u>	<u>(1.7)%</u>
<b>Net income before contributions</b>	(245,915)	(63,464)	(182,451)	287.5%
Capital contributions	<u>129,636</u>	-	<u>129,636</u>	<u>100.0%</u>
<b>Change in net assets</b>	(116,279)	(63,464)	(52,815)	83.2%
<b>Net assets:</b>				
Beginning of year	<u>36,296,107</u>	<u>36,359,571</u>	<u>(63,464)</u>	<u>(0.2)%</u>
End of year	<u>\$ 36,179,828</u>	<u>\$ 36,296,107</u>	<u>\$ (116,279)</u>	<u>(0.3)%</u>

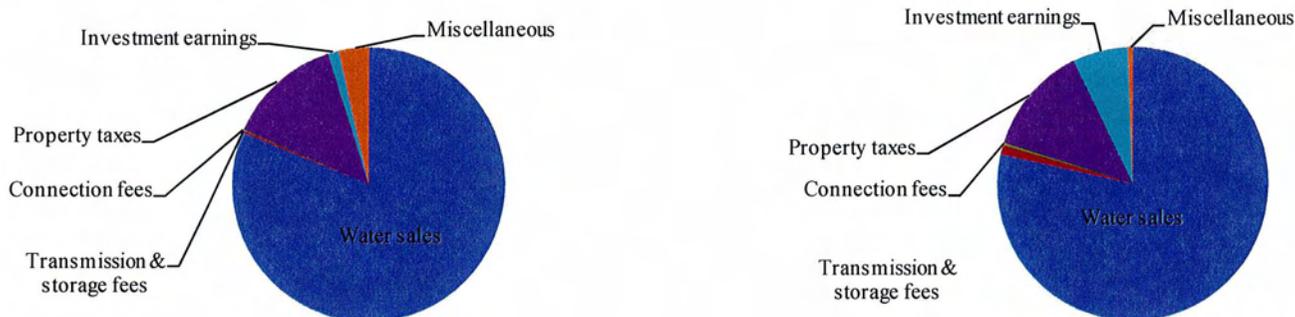
While the Statement of Net Assets shows the change in financial position of net assets, the operating results are reflected in the Statement of Revenues, Expenses, and Changes in Net Assets. This statement provides answers to the nature and source of the change in financial position of net assets.

**Coastside County Water District  
Basic Financial Statements  
For the year ended June 30, 2009**

**Management's Discussion and Analysis, Continued**

The following is a graphic illustration of revenues by source:

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



<u>FY 2008-2009</u>			<u>FY 2007-2008</u>		<b>Increase (Decrease)</b>
\$ 5,342,937	81.2%	<b>Water sales</b>	\$ 5,199,490	78.5%	\$ 143,447
13,940	0.2%	<b>Transmission &amp; storage fees</b>	70,984	1.1%	(57,044)
7,316	0.1%	<b>Connection fees</b>	20,074	0.3%	(12,758)
894,152	13.6%	<b>Property taxes</b>	856,774	12.9%	37,378
85,876	1.3%	<b>Investment earnings</b>	439,408	6.6%	(353,532)
238,612	3.6%	<b>Miscellaneous</b>	40,756	0.6%	197,856
<u>\$ 6,582,833</u>	<u>100.0%</u>	<b>Totals</b>	<u>\$ 6,627,486</u>	<u>100.0%</u>	<u>\$ (44,653)</u>

Water sales increased \$143,447 due to an 11% rate increase for fiscal year 2008-2009, which was approved by the Board of Directors. Property taxes increased by \$37,378 primarily due to San Mateo County's method of calculating and distributing funds. Investment earnings decreased significantly by \$353,532, primarily the result of declining interest rates and a recessionary economy.

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2009**

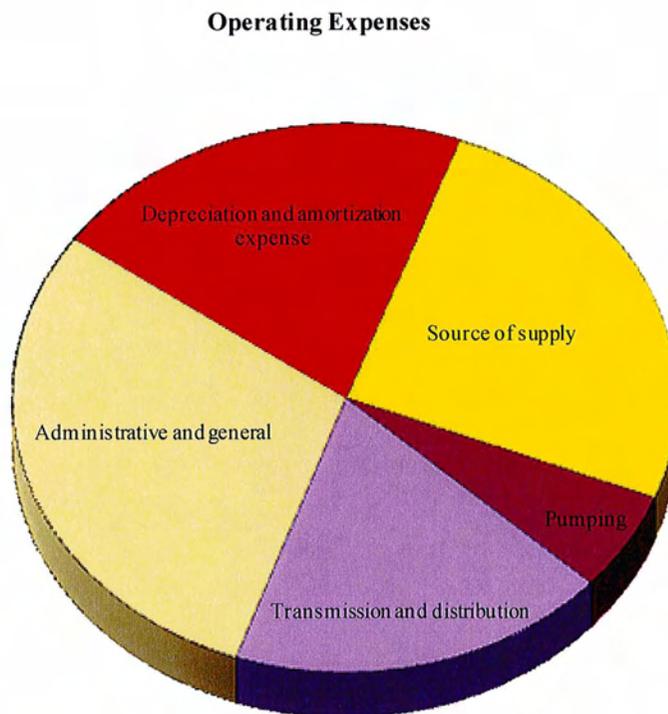
**Management's Discussion and Analysis, Continued**

Operating expenses increased by \$144,707 as detailed below:

<b>Operating Expenses</b>				
<b>For the years ended June 30, 2009 and 2008</b>				
	<u>2009</u>	<u>2008</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
<b>Operating expenses:</b>				
Source of supply	\$ 1,633,664	\$ 1,900,644	\$ (266,980)	(14.0)%
Pumping	374,722	372,943	1,779	0.5%
Transmission and distribution	1,194,947	1,117,384	77,563	6.9%
Administrative and general	1,898,231	1,702,551	195,680	11.5%
Depreciation and amortization expense	1,329,374	1,192,709	136,665	11.5%
<b>Total</b>	<u>\$ 6,430,938</u>	<u>\$ 6,286,231</u>	<u>\$ 144,707</u>	<u>2.3%</u>

Source of supply decreased \$266,980, which coincides with the draught conditions and water rationing affecting demand. Depreciation and amortization increased by \$136,665 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, 2009**

**Management's Discussion and Analysis, Continued**

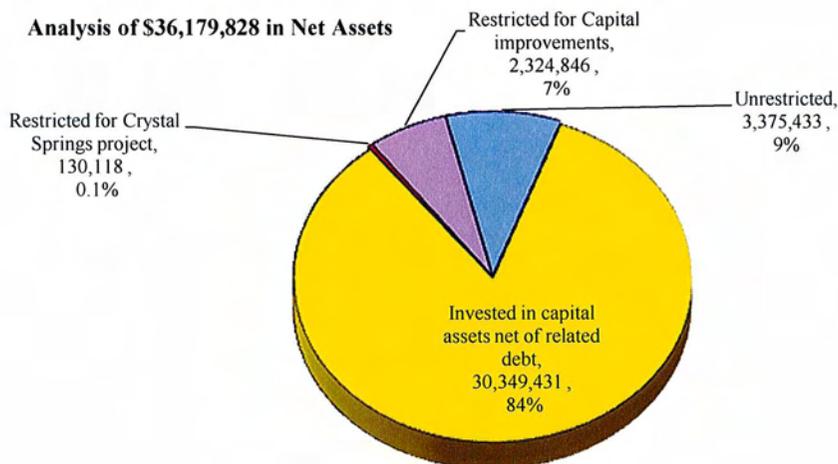
Net assets decreased by \$116,279 as detailed below:

**Analysis of Net Assets**  
**As of June 30, 2009 and 2008**

	<u>2009</u>	<u>2008</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
<b>Net assets:</b>				
Invested in capital assets net of related debt	\$ 30,349,431	\$ 28,196,742	\$ 2,152,689	7.6%
Restricted				
Crystal Springs Project	130,118	1,137,085	(1,006,967)	0.0%
Capital improvements	2,324,846	4,173,471	(1,848,625)	(44.3)%
Unrestricted	<u>3,375,433</u>	<u>2,788,809</u>	<u>586,624</u>	<u>21.0%</u>
<b>Total</b>	<u><u>\$ 36,179,828</u></u>	<u><u>\$ 36,296,107</u></u>	<u><u>\$ (116,279)</u></u>	<u><u>(0.3)%</u></u>

The change in net assets is a \$116,279 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, 2009**

**Management's Discussion and Analysis, Continued**

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**Cash Flows**

Cash flows have remained relatively unchanged with a decrease of \$229,739, which coincides with the significant reductions in interest receipts on invested monies.

**Long-term Debt**

No new debt was issued for the year, with amounts decreasing by \$362,752 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, 2009

(with comparative totals for June 30, 2008)

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and investments	\$ 3,120,914	\$ 3,350,653
Restricted cash and investments	2,434,253	5,310,556
Accounts receivable:		
Customer water	487,099	577,542
Taxes	24,707	42,111
Interest	9,932	33,595
Prepaid expenses	15,489	18,798
Materials and supplies inventory	118,157	157,511
Unamortized bond issuance costs	243,785	260,166
<b>Total current assets</b>	<u>6,454,336</u>	<u>9,750,932</u>
<b>Noncurrent assets:</b>		
Capital assets:		
Utility plant	54,225,125	46,448,952
Construction in progress	3,038,853	7,886,092
Less accumulated depreciation	(18,818,499)	(17,679,502)
<b>Total noncurrent assets</b>	<u>38,445,479</u>	<u>36,655,542</u>
<b>Total assets</b>	<u>\$ 44,899,815</u>	<u>\$ 46,406,474</u>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 379,652	\$ 1,263,410
Accrued payroll	21,536	55,741
Customer deposits	59,250	51,560
Unearned revenue	-	87,830
Due to Crystal Springs Assessment District	86,619	68,535
<b>Total current liabilities</b>	<u>547,057</u>	<u>1,527,076</u>
<b>Noncurrent liabilities:</b>		
Due within one year	387,752	365,000
Due after one year	7,708,296	8,093,800
Accrued vacation and sick leave	76,882	124,491
<b>Total noncurrent liabilities</b>	<u>8,172,930</u>	<u>8,583,291</u>
<b>Total liabilities</b>	<u>8,719,987</u>	<u>10,110,367</u>
<b>NET ASSETS</b>		
Invested in capital assets net of related debt	30,349,431	28,196,742
Restricted for Crystal Springs Project	130,118	1,137,085
Restricted for capital improvements	2,324,846	4,173,471
Unrestricted	3,375,433	2,788,809
<b>Total net assets</b>	<u>36,179,828</u>	<u>36,296,107</u>
<b>Total liabilities and net assets</b>	<u>\$ 44,899,815</u>	<u>\$ 46,406,474</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, 2009**

(with comparative totals for the year ended June 30, 2008)

	<u>2009</u>	<u>2008</u>
<b>OPERATING REVENUES:</b>		
Water sales	\$ 5,342,937	\$ 5,199,490
<b>OPERATING EXPENSES:</b>		
Source of supply	1,633,664	1,900,644
Pumping	374,722	372,943
Transmission and distribution	1,194,947	1,117,384
Administrative and general	1,898,231	1,702,551
Depreciation and amortization	1,329,374	1,192,709
<b>Total operating expenses</b>	<u>6,430,938</u>	<u>6,286,231</u>
<b>Operating loss</b>	<u>(1,088,001)</u>	<u>(1,086,741)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Property taxes	894,152	856,774
Investment earnings	85,876	439,408
Transmission and storage fees	13,940	70,984
Connection fees	7,316	20,074
Miscellaneous income	238,612	40,756
Collection fees	(8,798)	(7,269)
Interest expense	(389,012)	(397,450)
<b>Total nonoperating revenues (expenses)</b>	<u>842,086</u>	<u>1,023,277</u>
<b>Income (loss) before contributions</b>	<u>(245,915)</u>	<u>(63,464)</u>
Capital contributions	129,636	-
<b>Net Income (Loss)</b>	<u>(116,279)</u>	<u>(63,464)</u>
<b>CHANGE IN NET ASSETS:</b>		
Beginning of year	36,296,107	36,359,571
End of year	<u>\$ 36,179,828</u>	<u>\$ 36,296,107</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, 2009

(with comparative amounts for the year ended June 30, 2008)

	<u>2009</u>	<u>2008</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	\$ 5,362,954	\$ 5,134,006
Payments to suppliers	(4,453,911)	(2,975,027)
Payments to employees	(1,562,872)	(1,246,891)
<b>Net cash provided (used) by operating activities</b>	<u>(653,829)</u>	<u>912,088</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Property taxes net of collection fees	885,354	827,803
Miscellaneous receipts	238,612	40,756
<b>Net cash provided (used) by noncapital financing activities</b>	<u>1,123,966</u>	<u>868,559</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Change in restricted cash and investments	2,876,303	3,923,613
Capital contributions	129,636	-
Transmission and storage fee receipts	13,940	70,984
Connection fee receipts	7,316	20,074
Redemption of Crystal Springs Project Bond	18,084	1,485
Principal and interest payments on long-term debt	(754,013)	(760,300)
Acquisition of fixed assets	(3,100,681)	(5,364,038)
<b>Net cash provided (used) by capital and related financing activities</b>	<u>(809,415)</u>	<u>(2,108,182)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest received on investments	109,539	479,895
<b>Net cash provided (used) by investing activities</b>	<u>109,539</u>	<u>479,895</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(229,739)	152,360
<b>CASH:</b>		
Beginning of year	3,350,653	3,198,293
End of year	<u>\$ 3,120,914</u>	<u>\$ 3,350,653</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating (loss)	\$ (1,088,001)	\$ (1,086,741)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization expense	1,329,374	1,192,709
Change in assets and liabilities:		
Accounts receivable	107,847	(39,409)
Materials and supplies	39,354	(9,917)
Prepaid expenses	3,309	(245)
Accounts payable and accrued liabilities	(883,758)	873,325
Accrued payroll	(34,205)	30,601
Customer deposits	7,690	(4,117)
Unearned revenue	(87,830)	(21,958)
Accrued vacation and sick leave	(47,609)	(22,160)
<b>Net cash provided (used) by operating activities</b>	<u>\$ (653,829)</u>	<u>\$ 912,088</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, 2009**

**Notes to Basic Financial Statements**

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**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, 2009**

**Notes to Basic Financial Statements, Continued**

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**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, 2009**

**Notes to Basic Financial Statements, Continued**

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**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 1<sup>st</sup> and August 30<sup>th</sup>.

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, 2009**

**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, 2009			June 30, 2008
	FDIC insured	Not rated	Fair Value	
Cash in bank	\$ 250,000	\$ 337,227	\$ 587,227	\$ 1,427,058
Petty cash	430	-	430	1,930
Local Agency Investment Fund (LAIF)	-	2,642,664	2,642,664	3,058,750
Money Market Funds	-	2,324,846	2,324,846	4,173,471
<b>Total</b>	<b>\$ 250,430</b>	<b>\$ 5,304,737</b>	<b>\$ 5,555,167</b>	<b>\$ 8,661,209</b>
Financial Statement presentation:				
Cash and investments			\$ 3,120,914	\$ 3,350,653
Restricted cash and investments			2,434,253	5,310,556
<b>Total</b>			<b>\$ 5,555,167</b>	<b>\$ 8,661,209</b>

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, 2009**

**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, 2009**

**Notes to Basic Financial Statements, Continued**

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**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, 2009, these investments matured in an average of 212 days.

Money market funds are available for withdrawal on demand and at June 30, 2009, 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, 2009.

**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 2009-10.

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2009**

**Notes to Basic Financial Statements, Continued**

**3. CAPITAL ASSETS**

Changes in capital assets and depreciation were as follows:

	<u>July 1, 2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2009</u>
<b>Capital Assets</b>				
<i>Nondepreciable:</i>				
Land	\$ 160,612	\$ -	\$ -	\$ 160,612
Construction in progress	7,886,092	3,932,845	(8,780,084)	3,038,853
Total nondepreciable assets	<u>8,046,704</u>	<u>3,932,845</u>	<u>(8,780,084)</u>	<u>3,199,465</u>
<i>Depreciable:</i>				
Source of supply	401,039	-	-	401,039
Transmission and distribution	17,033,135	-	(67,169)	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	1,262,654	7,744,522	-	9,007,176
Crystal Springs Project	21,526,507	-	-	21,526,507
Buildings and structures	579,925	-	-	579,925
Vehicles	676,629	16,443	(27,766)	665,306
Furniture and equipment	1,059,244	119,198	(9,056)	1,169,386
Total depreciable assets	<u>46,288,341</u>	<u>7,880,163</u>	<u>(103,991)</u>	<u>54,064,513</u>
Total utility plant at cost	<u>54,335,045</u>	<u>11,813,008</u>	<u>(8,884,075)</u>	<u>57,263,978</u>
<b>Less: accumulated depreciation</b>	<u>(17,679,502)</u>	<u>(1,310,745)</u>	<u>171,748</u>	<u>(18,818,499)</u>
Total utility plant (net)	<u>\$ 36,655,543</u>	<u>\$ 10,502,263</u>	<u>\$ (8,712,327)</u>	<u>\$ 38,445,479</u>

Construction in progress at June 30, 2009, consisted primarily of pipeline replacement costs.

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2009**

**Notes to Basic Financial Statements, Continued**

**4. LONG-TERM DEBT**

**A. Long-Term Debt Activity**

	Original Issue Amount	Balance July 1, 2008	Retirements	Balance June 30, 2009	Due Within One Year
1998A ABAG Water and Wastewater Revenue Refunding Bonds, 3.75-5.3%, due 10/01/2013	\$ 2,855,000	\$ 1,380,000	\$ (200,000)	\$ 1,180,000	\$ 215,000
2006B Water Revenue Bonds 3.5-4.75%, due 10/01/32	7,295,000	7,135,000	(165,000)	6,970,000	175,000
Discount	(58,459)	(56,200)	(2,248)	(53,952)	(2,248)
Totals	<u>\$ 10,091,541</u>	<u>8,458,800</u>	<u>\$ (367,248)</u>	<u>8,096,048</u>	<u>\$ 387,752</u>
Amount due within one year		<u>(365,000)</u>		<u>(387,752)</u>	
Total Long-term Debt		<u>\$ 8,093,800</u>		<u>\$ 7,708,296</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, 2009, may be redeemed at par plus a 2% premium on or after October 1, 2008. 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 2011, 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, 2009**

**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
2010	\$ 215,000	\$ 55,845	\$ 175,000	\$ 311,401	\$ 390,000	\$ 367,246
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
2015-2019	-	-	1,130,000	1,289,420	1,130,000	1,289,420
2020-2024	-	-	1,405,000	999,645	1,405,000	999,645
2025-2029	-	-	1,765,000	628,745	1,765,000	628,745
2030-2033	-	-	1,740,000	170,050	1,740,000	170,050
Total	<u>\$ 1,180,000</u>	<u>\$ 160,845</u>	<u>\$ 6,970,000</u>	<u>\$ 4,577,663</u>	<u>\$ 8,150,000</u>	<u>\$ 4,738,508</u>
Due within one year	\$ 215,000	\$ 55,845	\$ 175,000	\$ 311,401	\$ 390,000	\$ 367,246
Due after one year	965,000	105,000	6,795,000	4,266,262	7,760,000	4,371,262
Total	<u>\$ 1,180,000</u>	<u>\$ 160,845</u>	<u>\$ 6,970,000</u>	<u>\$ 4,577,663</u>	<u>\$ 8,150,000</u>	<u>\$ 4,738,508</u>
Discounts						
2010	\$ -	\$ -	\$ (2,248)	\$ -	\$ (2,248)	\$ -
2011	-	-	(2,248)	-	(2,248)	-
2012	-	-	(2,248)	-	(2,248)	-
2013	-	-	(2,248)	-	(2,248)	-
2014	-	-	(2,248)	-	(2,248)	-
2015-2019	-	-	(11,240)	-	(11,240)	-
2020-2024	-	-	(11,240)	-	(11,240)	-
2025-2029	-	-	(11,240)	-	(11,240)	-
2030-2034	-	-	(8,992)	-	(8,992)	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (53,952)</u>	<u>\$ -</u>	<u>\$ (53,952)</u>	<u>\$ -</u>

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2009**

**Notes to Basic Financial Statements, Continued**

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**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, 2008, 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, 2009, 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 \$130,118 and capital improvements of \$2,324,846.

**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, 2009**

**Notes to Basic Financial Statements, Continued**

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**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, 2008, and June 30, 2009, 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 2008-09 was 21.551% of annual payroll. The contribution requirements of the plan members are established by state statute.

**C. Annual Pension Cost**

For 2009, the District's annual pension cost of \$290,060 for CALPERS was equal to the District's required and actual contribution. The required contribution was determined as part of the June 30, 2007, 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, 2009**

**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 City pays to reflect an unfunded condition in the plan.

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2007	\$ 312,839	100%	-
June 30, 2008	300,547	100%	-
June 30, 2009	290,060	100%	-

**9. OTHER POST-EMPLOYMENT BENEFITS**

In addition to the pension benefits, the District provides certain healthcare benefits for retired employees through PERS. The District's full-time employees may become eligible for those benefits if they reach normal retirement age while still working for the District. At June 30, 2009, 11 retired employees/survivor dependents meet those eligibility requirements. The District contributions are financed on a pay-as-you-go basis and thus the District recognizes the cost of providing those benefits by budgeting for and expensing the annual insurance premiums, which amounted to \$74,029 for the year ended June 30, 2009. The District has not set aside amounts in a trust, nor have they had an actuarial valuation of the benefits performed to determine a net OPEB Obligation. They have elected to treat the obligation in accordance with the exception for smaller governments and have a valuation performed at a later date.

Fiscal Year	Annual OPEB Cost (APC)	Percentage of APC Contributed	Net OPEB Obligation
June 30, 2008	\$ 80,572	100%	-
June 30, 2009	74,029	100%	-

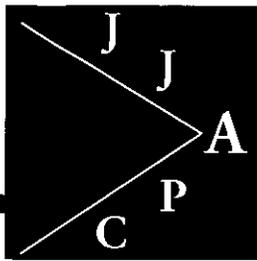
**10. COMMITMENTS AND CONTINGENCIES**

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.

**COASTSIDE COUNTY WATER DISTRICT**

**MANAGEMENT LETTER COMMENTS**

**JUNE 30, 2009**



# JJACPA, Inc.

A Professional Accounting Services Corp.

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November 23, 2009

Governing Board  
Coastside County Water District  
San Mateo, California

## ***Our Responsibility under U.S. Generally Accepted Auditing Standards***

In planning and performing our audit of the financial statements of the Coastside County Water District (District) as of and for the year ended June 30, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that are significant deficiencies or material weaknesses.

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. There were no control deficiencies noted during the course of our audit.

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entities ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States, 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. There were no significant deficiencies noted during the course of our audit.

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. We did not identify any deficiencies in internal control that we consider to be material weaknesses as defined herein.

### ***Significant Accounting Policies***

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the District are described in Note 1 to the basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2009. We noted no transactions entered into by the District during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

### ***Audit Adjustments***

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the District's financial reporting process (that is, cause future financial statements to be materially misstated). In our judgment, none of the adjustments we proposed, whether recorded or unrecorded by the District, either individually or in the aggregate, indicate matters that could have a significant effect on the District's financial reporting process.

### ***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 that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### ***Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or the determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### ***Issues Discussed Prior to Retention of Independent Auditor***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing our audit and received prompt attention to questions and schedule requests.

## ***STAFF REPORT***

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

**From:** David Dickson, General Manager

**Agenda:** December 8, 2009

Report

Date: December 4, 2009

**Subject:** Fiscal Year 2008-2009 Year-End Budget Review

---

### **Recommendation:**

None. Information only.

### **Background:**

Staff has prepared a Fiscal Year 2008-2009 year-end budget analysis (Attachment A) to supplement the audited financial reports. The analysis shows that net income for the year was \$287,000 better than plan.

Revenue for the year was \$93,000 under budget, primarily due to water revenue \$455,000 (8%) which was lower than planned. This shortfall was largely offset by over-budget tax revenue, ERAF refund, and miscellaneous income.

Operating expenses were \$377,000 (6.9%) under budget. Lower water production, lower insurance costs, and deferral of some maintenance expenses contributed to the cost underrun.

**COASTSIDE COUNTY WATER DISTRICT - PERIOD BUDGET ANALYSIS**  
**30-Jun-09**

<b>ACCOUNT</b>	<b>DESCRIPTION</b>	<b>YTD ACTUAL</b>	<b>YTD BUDGET</b>	<b>B/(W) VARIANCE</b>	<b>B/(W) % VAR</b>
<b>REVENUE</b>					
1-0-4120-00	Water Revenue -All Areas	5,262,344	5,716,897	(454,553)	(8.0%)
1-0-4170-00	Water Taken From Hydrants	33,013	25,000	8,013	32.1%
1-0-4180-00	Late Notice -10% Penalty	47,579	50,000	(2,421)	(4.8%)
1-0-4230-00	Service Connections	7,316	8,000	(684)	(8.6%)
1-0-4235-00	CSP Connection T & S Fees	13,940	0	13,940	0.0%
1-0-4920-00	Interest Earned	60,347	100,124	(39,777)	(39.7%)
1-0-4930-00	Tax Apportionments/Cnty Checks	657,452	600,000	57,452	9.6%
1-0-4950-00	Miscellaneous Income	238,612	76,000	162,612	214.0%
1-0-4965-00	ERAF REFUND -County Taxes	236,700	100,000	136,700	136.7%
1-0-4970-00	Wavecrest Reserve Conn. Fees	0	0	0	0.0%
<b>REVENUE TOTALS</b>		<b>6,557,303</b>	<b>6,676,021</b>	<b>(118,718)</b>	<b>(1.8%)</b>
<b>EXPENSES</b>					
1-1-5130-00	Water Purchased	1,378,781	1,460,119	81,338	5.6%
1-1-5230-00	Pump Exp, Nunes T P	20,243	20,000	(243)	(1.2%)
1-1-5231-00	Pump Exp, CSP Pump Station	297,110	234,299	(62,811)	(26.8%)
1-1-5232-00	Pump Exp, Trans. & Dist.	27,496	24,800	(2,696)	(10.9%)
1-1-5233-00	Pump Exp, Pilarcitos Can.	8,905	10,000	1,095	11.0%
1-1-5234-00	Pump Exp. Denniston Proj.	20,969	74,500	53,531	71.9%
1-1-5235-00	Denniston T.P. Operations	22,036	59,560	37,524	63.0%
1-1-5236-00	Denniston T.P. Maintenance	38,396	36,000	(2,396)	(6.7%)
1-1-5240-00	Nunes T P Operations	84,801	91,400	6,599	7.2%
1-1-5241-00	Nunes T P Maintenance	63,580	51,700	(11,880)	(23.0%)
1-1-5242-00	CSP Pump Station Operations	8,302	8,500	199	2.3%
1-1-5243-00	CSP Pump Station Maintenance	15,596	66,000	50,404	76.4%
1-1-5250-00	Laboratory Services	83,273	65,000	(18,273)	0.0%
1-1-5318-00	Studies/Surveys/Consulting	46,901	50,000	3,099	6.2%
1-1-5321-00	Water Conservation	41,970	40,000	(1,970)	(4.9%)
1-1-5322-00	Community Outreach	26,611	31,700	5,089	16.1%
1-1-5411-00	Salaries & Wages -Field	763,482	823,397	59,915	7.3%
1-1-5412-00	Maintenance -General	194,951	180,786	(14,165)	(7.8%)
1-1-5414-00	Motor Vehicle Expense	48,058	58,000	9,942	17.1%
1-1-5415-00	Maintenance -Well Fields	11,874	25,400	13,526	53.3%
1-1-5610-00	Salaries/Wages-Administration	607,782	617,719	9,937	1.6%
1-1-5620-00	Office Supplies & Expense	112,023	139,350	27,327	19.6%
1-1-5621-00	Computer Services	63,494	53,900	(9,594)	(17.8%)
1-1-5625-00	Meetings / Training / Seminars	22,398	32,500	10,102	31.1%
1-1-5630-00	Insurance	425,122	493,349	68,227	13.8%
1-1-5640-00	Employees Retirement Plan	412,944	395,280	(17,664)	(4.5%)
1-1-5681-00	Legal	49,616	57,000	7,384	13.0%
1-1-5682-00	Engineering	12,437	25,000	12,563	50.3%
1-1-5683-00	Financial Services	21,231	47,375	26,144	55.2%
1-1-5684-00	Payroll Tax Expense	102,227	105,541	3,314	3.1%
1-1-5687-00	Membership, Dues, Subscript.	46,246	51,965	5,719	11.0%
1-1-5688-00	Election Expenses	0	0	0	0.0%
1-1-5689-00	Labor Relations	12,000	15,000	3,000	20.0%
1-1-5700-00	San Mateo County Fees	8,798	9,200	402	4.4%
1-1-5705-00	State Fees	10,711	33,000	22,289	67.5%
<b>OPERATING EXPENSES</b>		<b>5,110,363</b>	<b>5,487,340</b>	<b>376,977</b>	<b>6.9%</b>
1-1-5711-00	Debt Srvc/Existing Bonds 1998A	268,118	266,220	(1,898)	(0.7%)
1-1-5712-00	Debt Srvc/Existing Bonds 2006B	483,305	482,460	(845)	(0.2%)
1-1-5713-00	Contribution to CIP & Reserves	434,000	440,000	6,000	1.4%
1-1-5745-00	CSP Connect. Reserve Contribu.	13,940	0	(13,940)	0.0%
1-1-5746-00	Wavecrest CSP Connt. Reserve	0	0	0	0.0%
<b>CAPITAL</b>		<b>1,199,363</b>	<b>1,188,680</b>	<b>(10,683)</b>	<b>0.5%</b>
<b>EXPENSE TOTALS</b>		<b>6,309,726</b>	<b>6,676,020</b>	<b>366,294</b>	<b>5.5%</b>
<b>NET INCOME</b>		<b>247,578</b>	<b>0</b>	<b>247,578</b>	

## **STAFF REPORT**

**To:** Coastside County Water District Board of Directors  
**From:** David Dickson, General Manager  
**Agenda:** December 8, 2009

Report

Date: December 1, 2009

**Subject: Proposed Increase in Transmission and Storage Fees**

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### **Recommendation:**

Authorize issuance of a notice of proposed increases in the District's Transmission and Storage fees and schedule a public hearing on the proposed increases to be held at the Board's regular meeting on February 9, 2010.

### **Background:**

Staff retained an experienced public agency financial consultant, Bartle Wells Associates, to review the District's Transmission and Storage (T&S) fees. The T&S fee is the amount charged by the District for a connection – priority or non-priority – granting the purchaser the right to obtain water service from the District.

The existing T&S fees were established by Resolution No. 712, passed by the Board on August 11, 1987. The fees have not been increased since then. Bartle Wells has recommended that the District adjust its T&S fees for inflation in accordance with the Engineering News-Record 20-City Average Construction Cost Index (ENR CCI). Their letter outlining this approach is included as Attachment A.

The ENR CCI adjustment would increase the Transmission and Storage Fee for a 5/8 inch connection from \$6,970 to \$13,592. Staff recommends that the public notice for the proposed increase also specify that the fee will be increased according to the ENR CCI effective July 1, 2011 and July 1, 2012.

The recommended action authorizes the public notice of the proposed increase of the Transmission and Storage Fee and sets the public hearing after the required 45-day notice period. The draft notice is included as Attachment B.

### **Fiscal Impact:**

Increased revenue from future sale of priority and non-priority connections.



**BARTLE WELLS ASSOCIATES**  
INDEPENDENT PUBLIC FINANCE ADVISORS

1889 Alcatraz Avenue  
Berkeley, CA 94703  
510 653 3399 fax: 510 653 3769  
e-mail: [rschmidt@bartlewells.com](mailto:rschmidt@bartlewells.com)

November 30, 2009  
Coastside County Water District  
766 Main Street  
Half Moon Bay CA 94019

Attention: David Dickson, General Manager

Subject: Water Connection Fee

The Coastside County Water District (CCWD or District) requested Bartle Wells Associates (BWA) to review the District's water connection fee.

BWA has analyzed CCWD's water connection fee, which is called the transmission and storage fee in the District's "Rate and Fee Schedule". The amount of the fee is determined by the number and size of the service connection required to provide water service to a customer. The current fee for a 5/8 x 3/4 inch service connection is \$6,970.00. There are different fees for 3/4 inch, 1 inch, 1-1/2 inch, 2 inch, 3 inch, and 4 inch service connections. The transmission and storage fees were established on August 11, 1987 and have not been changed by the District's Board of Directors.

BWA reviewed different generally accepted methods to calculate connection fees. BWA recommends setting the new transmission and storage fees by escalating the 1988 fee by the change in the 20-City Average Engineering News Record's Construction Cost Index (ENR CCI). The approach is simple and straightforward. The adjustment takes into account the increases in construction costs. The 20-City ENR CCI is commonly used index to adjust connection fees and is readily available in the Engineering New Record's weekly magazine published by McGraw-Hill.

The 20-City annual average ENR CCI for 1987 was 4406 and for November 2009 (most recent available) it stood at 8592. Dividing 8592 by 4406 and then multiplying by \$6,970 calculates the fee to be \$13,592 for 2009. BWA recommends the transmission and storage fee for a 5/8 x 3/4 inch service connection be set at \$13,592. A similar calculation should be made for the remaining service connections.

BWA recommends that each year when the District prepares its annual budget and develops new water consumption charges that it adjusts the transmission and storage fees using the same formula, i.e., adjusting by the change in the 20-City Average ENR CCI.

Coastside County Water District  
November 30, 2009  
Page 2 of 2

BWA advises District staff to review Government Code Section 66000 to make sure the District's connection fee accounting and approval procedures are in compliance with this section.

Very truly yours,

BARTLE WELLS ASSOCIATES

A handwritten signature in black ink that reads "Reed V. Schmidt". The signature is written in a cursive style with a prominent "S" and "t".

Reed V. Schmidt, CIPFA  
Principal

# NOTICE OF PUBLIC HEARING

## PROPOSED INCREASE IN

## TRANSMISSION & STORAGE FEES

December 10, 2009



**NOTICE IS HEREBY GIVEN** that the Coastside County Water District (CCWD) Board of Directors will hold a public hearing to consider proposed increases in the District's Transmission and Storage Fees. The Transmission and Storage Fee is the amount charged by the District for a priority or non-priority connection, which grants the purchaser the right to obtain water service from the District. The fee increases for different connection sizes are shown below. These fee increases will become effective April 15, 2010. The proposed increase is necessary to pay the increased costs of constructing the infrastructure for which the fee was established.

The current Transmission and Storage Fees were established by the District's Board of Directors in Resolution No. 712, August 11, 1987. The fees have not been increased since then. The proposed increase would adjust the Transmission and Storage Fees for inflation by applying the Engineering News-Record Construction Cost Index (ENR CCI, 20-City Average, 1987=4519, November 2009=8592).

Effective July 1, 2011, and July 1, 2012, the Transmission and Storage Fee will be adjusted in accordance with the ENR CCI

for June of the current year. The new Transmission and Storage Fee for each connection size will be calculated by multiplying the Fiscal Year 2009-2010 fee shown in the table below by the ratio of the June ENR CCI to the ENR CCI for November 2009.

**YOU CAN BE HEARD:** If you wish to protest the proposed Transmission and Storage Fee changes, CCWD must receive your **written protest** prior to the close of the public hearing on February 9, 2010.

You may deliver your written protest by 1<sup>st</sup> class mail to:  
*Attention: General Manager, Coastside County Water District, 766 Main Street, Half Moon Bay, CA 94019.*

**\*Emails will not be accepted\***

For your protest to be counted, please include the: address(es) or Assessor Parcel Number(s) of the property(ies) you own. Protests are limited to one per parcel.

**ATTEND THE PUBLIC HEARING:**  
**COASTSIDE COUNTY WATER DISTRICT OFFICE**  
**766 Main Street, Half Moon Bay, CA 94019**  
**Tuesday, February 9, 2010**  
**Meeting begins at 7:00 pm**

### COASTSIDE COUNTY WATER DISTRICT PROPOSED TRANSMISSION & STORAGE FEE SCHEDULE

Connection Size	Current Transmission & Storage Fee	Proposed Transmission & Storage Fee Effective April 15, 2009
5/8 x 3/4 inch	\$6,970	\$13,592
3/4 inch	\$10,455	\$20,388
1 inch	\$17,425	\$33,980
1.5 inch	\$34,850	\$67,960
2 inch	\$55,760	\$108,736
3 inch	\$121,975	\$237,860
4 inch	\$209,100	\$407,759

## **STAFF REPORT**

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

**From:** David Dickson, General Manager

**Agenda:** December 8, 2009

**Subject:** Appointment of Coastside County Water District Board Member Representative and alternate(s) to participate in San Mateo County Local Agency Formation Commission (LAFCo) election of officers

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### **Recommendation:**

Appoint a Coastside County Water District (CCWD) Board Member and alternate(s) to participate in San Mateo County Local Agency Formation Commission (LAFCo) election of officers.

### **Background:**

The Local Agency Formation Commission (LAFCo) is comprised of two county supervisor members, two city council members, two independent special district members, one public member and an alternate for each of the four categories, each serving a term of four years or until their position is vacated. Section 56332 of the Cortese Knox Hertzberg Act of 2000 sets forth that the independent special district members shall be appointed to LAFCo by the Independent Special District selection committee, which shall consist of the presiding officers of the independent special districts in the county, or if the presiding officer of a special district cannot participate, a Board appointed alternate Board member may participate and vote. Only elected Board members may participate and vote for special district commissioners on LAFCo. While special district staff may attend the selection committee meeting, staff may not represent the District or vote. A quorum of thirteen (13) districts must be present to conduct business.

LAFCo recommends that standing voting representatives been designated in case a special district selection committee is called due to a vacancy, and the District's presiding officer is not able to attend the meeting. At the December 9, 2008 CCWD Board of Directors meeting, the Board President was appointed as the District's representative, with the remaining four Board members selected to serve as alternates. It is once again time to advise LAFCo of the District's designated representative and alternate(s).

LAFCo meetings are normally held on the third Wednesday of the month at 2:30 p.m. in the Board of Supervisors Chambers at the Hall of Justice in Redwood City.

## **STAFF REPORT**

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

**From: David Dickson, General Manager**

**Agenda: December 8, 2009**

**Subject: Appointment of Coastside County Water District Board Member Representative and an alternate to serve on the Board of Directors of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA)**

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### **Recommendation:**

Appoint a Coastside County Water District (CCWD) Board Member and an alternate to serve as the District's representative to the ACWA/JPIA Board of Directors.

### **Background:**

ACWA is the largest coalition of public water agencies in the country. It is a leader on California water issues and a respected voice for its members in both Sacramento and Washington, D.C. ACWA's 450 public agency members are responsible for 90% of the water delivered to communities, farms, and businesses in California. ACWA plays an active role in managing the state's water resources and promoting investments in water use efficiency, water recycling, ground management, and desalination.

ACWA/JPIA was formed during the mid 1970's to provide liability coverages tailored to the unique needs of California Water Agencies. Due to the success of the Liability Insurance Program, a Property Program was added in 1983, followed by a Worker's Compensation Program in 1984. Each water agency that joins the ACWA/JPIA must also be a member of ACWA, be a public entity, and be directly involved in water. Each agency member designates one of its directors, and at least one alternate to sit on the ACWA/JPIA's Board of Directors.

The designated representative will receive the bimonthly publication, the Perspective, and will receive other important information throughout the year. The designated Director is able to vote at conferences. If the designated Director cannot attend a conference, then the alternate Director is allowed to vote in his/her absence. The designated Board member's term coincides with their term serving on the CCWD Board.

**Subject:** Appointment of Coastside County Water District Board Member Representative and an alternate to serve on the Board of Directors of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA)

The Board of Directors of the ACWA/JPIA has the following powers and functions:

- (a) The Board shall elect from its voting members an Executive Committee.
- (b) The Board may review all acts of the Executive Committee, and shall have the power to modify and/or reverse any decision or action of the Executive Committee upon a majority vote of the voting directors present at any Duly Constituted Board Meeting.
- (c) The Board shall review, modify if necessary, and approve the annual operating budget of the Authority, prepared by the Executive Committee.
- (d) The Board shall receive and review periodic accountings of all funds under Articles 17 and 18 of the Agreement
- (e) The Board shall have the power to conduct on behalf of the Authority, all business of the Authority, including that assigned to the Executive Committee, which the Authority may conduct under the provisions and pursuant to law.
- (f) The Board shall have such powers and functions as are provided for in the Agreement or in the Bylaws.
- (g) Meetings - The Board shall provide for its regular, adjourned regular, and special meetings or upon call of the President of the Board; provided that it shall hold at least one regular meeting annually.

Additional information about ACWA and ACWA/JPIA may be obtained at their respective websites: <http://www.acwa.com> and <http://www.acwajpia.com> .

## **STAFF REPORT**

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

**From:** David Dickson, General Manager

**Agenda:** December 8, 2009

**Subject:** Coastside County Water District Advisory Committees

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### **Recommendation:**

Staff recommends that appointments be considered at this meeting to the following District Committees with vacancies as a result of Director Ascher's departure from the Board:

- Finance Committee
- Human Resources Committee
- CCWD - Montara Water and Sanitary District Mutual Interest Committee

### **Background:**

Director Ascher's departure from the Board has created vacancies in the District Advisory Committees listed above.

Past District practice has established that committee appointments are the prerogative of the Board President.

### **Fiscal Impact:**

None.

## **STAFF REPORT**

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

**From:** David Dickson, General Manager

**Agenda:** December 8, 2009

Report

Date: December 2, 2009

**Subject:** Water Reclamation Update

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### **Recommendation:**

Discuss and provide input to staff on 1) principles of SAM-CCWD agreement for water recycling and 2) recycled water project management services.

### **Background:**

Staff would like to present for the Board's consideration two items developed in cooperation with SAM staff:

#### **1. Principles of CCWD-SAM Agreement for Recycled Water**

Working with SAM staff, we have developed an outline of proposed principles for a CCWD-SAM agreement on recycled water (see Attachment A). The principles establish SAM as the producer of recycled water and CCWD as the distributor within CCWD's boundaries. Each agency is responsible for planning, permitting, design, construction, and operation and maintenance on its side of the "point of delivery" where ownership of recycled water passes from SAM to CCWD. CCWD will be responsible for all project costs on the distribution side and for the costs of producing recycled water provided to CCWD.

Subject to the Board's review and input, the next step in developing a CCWD-SAM agreement would be for the staff of both agencies to work with their respective counsel to draft a more detailed set of principles for consideration by both boards.

#### **2. Recycled Water Project Management Services**

Implementing a recycled water project in the shortest reasonable time will require that both SAM and CCWD diligently pursue the tasks associated with their defined roles and that we effectively coordinate project planning, environmental review, permitting, and funding. CCWD and SAM staff would like to propose that the agencies jointly hire a project manager independent of either agency, whose activities CCWD and SAM would jointly direct, and whose costs would be shared.

If both boards approve the project manager concept, we would work with SAM staff as follows:

- Develop a scope and budget for the project management task.
- Develop a budget for water recycling tasks to be undertaken during the remainder of the current fiscal year.
- Present the project management scope and budget and the budget for FY10 project tasks to SAM and CCWD boards for approval.
- Conduct an RFP/interview process to identify the project management consultant.
- Bring the consultant recommendation to the agency boards for approval.
- Retain the water recycling project manager.

Principles of CCWD-SAM Agreement for Recycled Water - DRAFT  
November 2009

<b>Authority</b>	CCWD will be the exclusive distributor of recycled water to customers within its boundaries. SAM will be the producer of recycled water.
<b>Facility Design and Construction</b>	SAM to be responsible for treatment facility design and construction. CCWD will specify water quality and production rate needed to meet CCWD needs. SAM design subject to CCWD approval as a condition of financing. CCWD to be responsible for design and construction of distribution facilities downstream of point of delivery.
<b>CEQA</b>	Each agency will be responsible for complying with CEQA for its portion of the project. SAM and CCWD will coordinate CEQA efforts.
<b>Permits</b>	SAM and CCWD will jointly apply for permits from Regional Water Quality Control Board and DPH. Each agency will apply for coastal development permit(s) and construction permits associated with its portion of the project. SAM and CCWD will coordinate permitting activities as necessary.
<b>Financing</b>	CCWD will reimburse SAM for all costs associated with design and construction of treatment facilities as needed to meet CCWD requirements.
<b>Facility Ownership</b>	SAM will own all treatment facilities to the point of delivery. CCWD will own all transmission and distribution facilities downstream of the point of delivery.
<b>Operation and Maintenance</b>	SAM to be responsible for O&M of treatment facilities up to the point of delivery. CCWD will operate and maintain facilities downstream of the point of delivery.
<b>Cost Reimbursement</b>	CCWD will reimburse SAM for facility operation and maintenance costs attributable to CCWD recycled water production, including overhead.

## ***STAFF REPORT***

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

**From:** David Dickson, General Manager

**Agenda:** December 8, 2009

Report

Date: December 4, 2009

**Subject:** General Manager's Report

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### **Recommendation:**

None. Information only.

### **Background:**

For this month's report, I would like to highlight important activities led by Superintendent Joe Guistino and Water Resource Analyst Cathleen Brennan:

#### **1. Unidirectional Flushing Program**

We have experienced two episodes of "brown water" complaints in recent weeks, one during system-wide flow testing required for insurance rating purposes, and one associated with flow changes made after starting up the Denniston Water Treatment Plant. The discoloration is caused by sediments accumulated in the distribution system which are picked up when flow velocity increases above the normal levels. Although discolored, the water remains safe and does not violate any standards.

Preventing brown water complaints requires a routine program for flushing sediment out of the transmission system. Joe Guistino will describe the unidirectional flushing program he has designed to accomplish this with the lowest possible cost in water and labor.

#### **2. Water Conservation Programs**

Limitations in water supply and new rules included in the state's recently passed water legislation will impose additional water conservation requirements on CCWD. Cathleen Brennan will give a presentation on new water conservation programs and requirements, with a focus on the Bay Area Water Supply and Conservation Agency's 2009 Water Conservation Implementation Plan (see attached staff report).

## Monthly Report

**To:** David Dickson, General Manager  
**From:** Cathleen Brennan, Water Resources Analyst  
**Agenda:** December 8, 2009  
**Subject:** Water Resources Report

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This report is provided as an update on water resources activities.

The report includes the following items:

- Senate Bill 7: Water Conservation
- Water Conservation Implementation Plan (WCIP)
- Summary of Meetings

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### □ California Senate Bill 7: Water Conservation

The 2009 comprehensive water package, includes Senate Bill No. 7, which requires urban water agencies to reduce statewide (gross) per capita water consumption 20 percent by the year 2020 (20x2020). In addition, this bill requires the development of agricultural water management plans and a framework for future water resources planning.

This legislation establishes choices for the urban water retail suppliers to meet the required reduction in per capita water consumption:

- Set a conservation target of 80% of baseline daily per capita water use
- Utilize performance standards for water use that are specific to uses
  - Indoor residential per capita water use at 55gpd
  - Irrigated landscape with dedicated meters that meet the water efficiency of the model water efficiency landscape ordinance
  - A 10% reduction for commercial, industrial and institutional users
- 95% of the applicable hydrologic region target
- An unknown method to be determined by the Department of Water Resources by 12/31/2010.

These choices for compliance were included in the legislation to avoid penalizing water suppliers that have already implemented water conservation programs. The legislation permits reductions of less than the 20% goal for water suppliers that already have a relatively low gross per capita water use. When choosing the method for achieving compliance, it is important to note that the urban water retail supplier must achieve a reduction of no less than 5% (does not apply to urban water retail suppliers with a base daily per capita water use at or below 100 gallons per capita per day) of base daily per capita water use.

This legislation allows targets to be met at a regional level. It specifically lists the Bay Area Water Supply and Conservation Agency (BAWSCA), as a region.

The water supplier will report their targets and progress through Urban Water Management Plans and standardized reporting forms that will be developed by the Department of Water Resources, Department of Public Health and the Public Utilities Commission. An incremental target for the year 2010 (10% reduction) must be established. Suppliers shall be granted an extension for the submittal of the 2010 Urban Water Management Plan, in order to allow for the use of technical methodologies developed by the Department of Water Resources.

Failure to comply with these regulations will make an urban water retail supplier ineligible for grants or loans administered by the State of California on or after 7/1/2016.

The 2009 comprehensive water package includes an \$11.14 billion general obligation bond. This water bond is referred to the Safe, Clean and Reliable Drinking Water Supply Act of 2010 and must be approved by the voters of California. It will most likely be on the November 2010 ballot. Funds from this general obligation bond will be distributed by region and by type of project.

#### Fiscal Impacts

These mandated water conservation targets and reporting will require additional data management and water conservation program implementation. If voters approve the general obligation bond there is the potential to receive loans and grants, but it will still result in the need to allocate more funds for Water Resources.

Attached is a summary of the package and all of its components.

□ **2009 Water Conservation Implementation Plan (WCIP)**

The Bay Area Water Supply and Conservation Agency (BAWSCA) completed a Water Conservation Implementation Plan in 2009 to help BAWSCA member agencies meet the interim supply limitation of 184 million gallons per day (MGD) through 2018. Demand projections developed for BAWSCA in 2004 and updated in 2009 show that water demand will exceed the 184 MGD supply limitation in 2018. The executive summary of the 2009 WCIP is attached to this report.

Based on the 2004 demand projections, BAWSCA developed goals for water conservation measures to be implemented by both BAWSCA and its member agencies. The 2009 WCIP updated those water conservation goals and developed new measures to help provide a more reliable water supply. The table below lists identified water conservation measures. There is some overlap between the new and existing measures because some of the measures were not implemented and there is a higher market penetration for the new measures.

<b>Water Conservation Measures</b>	
<b>2004</b>	<b>2009</b>
Residential Surveys	High Efficiency Toilet Rebates
Large Landscape Audits	Landscape Education
Water Budgets	High Efficiency Clothes Washer Rebates
Clothes Washer Rebates	New Building Indoor Water Efficiency Regulations
Public Information Program	New Landscape Water Efficiency Regulations
Commercial Low Flow Toilet /Urinal Rebates	
Residential Low Flow Toilet Rebates	
Landscape Education	
Landscape Requirements	
Restaurant Low Flow Spray Rinse Nozzles	
Financial Incentives for Water Budgets	
Water Utility/Municipal Water Reduction	

BAWSCA’s role in implementing these conservation measures is divided into core programs and subscription programs.

<b>Core Programs</b>	<b>Subscription Programs</b>
Develop Regional Partnerships	School Education Programs
Pursue Grants	Bulk Purchase of Residential Plumbing Fixtures
Provide Technical Support	High Efficiency Toilet Rebates
Develop Templates for Ordinances	High Efficiency (clothes) Washer Rebates
Support BMP Reporting to CUWCC	Residential Weather Based Irrigation Controller Rebates
Legislative Policy Support	Bulk Purchase of Pre-Rinse Spray Valves
Implement Regional Public Information Program	Commercial Surveys
Residential Landscape Training and Education	

Core Programs are paid for by those agencies that benefit from their implementation. Regional programs reduce the administrative costs for participating agencies and regional

programs should complement and not compete with existing individual agency programs. Subscription programs are fully funded by the subscribing agencies.

#### Next Steps

BAWSCA and its member agencies formed a working group and developed templates for the New Building Indoor and Outdoor Water Efficiency Regulations. It is the expectation of BAWSCA that water districts and local building authorities will adopt these water efficiency ordinances.

#### Financial Impacts

The District will need to increase water conservation expenditures to implement new water conservation (efficiency) measures to meet the mandate of 20x2020, the California Urban Water Conservation Council's Best Management Practices (MOU), and SFPUC's supply limitations.

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□ **Summary of Meetings**

Bay Area Water Supply and Conservation Agency (BAWSCA) - 11/12/2009

San Francisco Public Utilities Commission - 11/13/2009

Employee Meeting - 11/17/2009

Safety Meeting - Defensive Driving - 11/18/2009

Special CUWCC Quarterly Water Use Efficiency Meeting - 11/19/2009

Build It Green (South Bay Chapter) - Water Conservation - 12/1/2009



# 2009 COMPREHENSIVE WATER PACKAGE

## SPECIAL SESSION POLICY BILLS AND BOND SUMMARY

NOVEMBER 2009

The California  
Department of  
Water Resources

# 2009 COMPREHENSIVE WATER PACKAGE

## BILL SUMMARY SB 1

NOVEMBER 2009

Department of Water Resources

*G*overnor Schwarzenegger and state lawmakers successfully crafted a plan to meet California's growing water challenges. A comprehensive deal was agreed to, representing major steps towards ensuring a reliable water supply for future generations, as well as restoring the Sacramento-San Joaquin Delta and other ecologically sensitive areas.

*The plan is comprised of four policy bills and an \$11.14 billion bond. The package establishes a Delta Stewardship Council, sets ambitious water conservation policy, ensures better groundwater monitoring, and provides funds for the State Water Resources Control Board for increased enforcement of illegal water diversions. The bond will fund, with local cost-sharing, drought relief, water supply reliability, Delta sustainability, statewide water system operational improvements, conservation and watershed protection, groundwater protection, and water recycling and water conservation programs.*

### SENATE BILL NO. 1 DELTA GOVERNANCE / DELTA PLAN

SB 1 establishes the framework to achieve the co-equal goals of providing a more reliable water supply to California and restoring and enhancing the Delta ecosystem. The co-equal goals will be achieved in a manner that protects the unique cultural, recreational, natural resource, and agricultural values of the Delta. Specifically, this bill:

- Creates the Delta Stewardship Council, consisting of seven members with diverse expertise providing a broad statewide perspective. The Chairperson of the Delta Protection Commission is a permanent member of the Council. The Council is also tasked with:
  - Developing a Delta Plan to guide state and local actions in the Delta in a manner that furthers the co-equal goals of Delta restoration and water supply reliability;
  - Developing performance measures for the assessment and tracking of progress and changes to the health of the Delta ecosystem, fisheries, and water supply reliability;
  - Determining if a state or local agency's project in the Delta is consistent with the Delta Plan and the co-equal goals, and acting as the appellate body in the event of a claim that such a project is inconsistent with the goals; and
  - Determining the consistency of the Bay-Delta Conservation Plan (BDCP) with the co-equal goals.
- Ensures that the Department of Fish and Game and the State Water Resources Control Board identify the water supply needs of the Delta estuary for use in determining the appropriate water diversion amounts associated with BDCP.

# 2009 COMPREHENSIVE WATER PACKAGE

BILL SUMMARY SB 1

NOVEMBER 2009 Department of Water Resources

- Establishes the Sacramento-San Joaquin Delta Conservancy to implement ecosystem restoration activities within the Delta. In addition to the restoration duties the Conservancy is required to:
  - Adopt a strategic plan for implementation of the Conservancy goals;
  - Promote economic vitality in the Delta through increased tourism and the promotion of Delta legacy communities;
  - Promote environmental education about, and the public use of, public lands in the Delta; and
  - Assist in the preservation, conservation, and restoration of the region's agricultural, cultural, historic, and living resources.
- Restructures the current Delta Protection Commission (DPC), reducing the membership from 23 to 15 members, and tasks DPC with the duties of:
  - Adopting an economic sustainability plan for the Delta, which is to include flood protection recommendations to state and local agencies;
  - Submitting the economic sustainability plan to the Delta Stewardship Council for inclusion in the Delta Plan.
- Appropriates funding from Proposition 84 to fund the Two-Gates Fish Protection Demonstration Program, a project in the central Delta which will utilize operable gates for protection of sensitive species and management of water supply.

# 2009 COMPREHENSIVE WATER PACKAGE

## BILL SUMMARY SB 6

NOVEMBER 2009

Department of Water Resources

### SENATE BILL NO. 6 GROUNDWATER MONITORING

SB 6 requires, for the first time in California's history, that local agencies monitor the elevation of their groundwater basins to help better manage the resource during both normal water years and drought conditions. Specifically, this bill:

- Requires the Department of Water Resources (DWR) to establish a priority schedule for the monitoring of groundwater basins and the review of groundwater elevation reports, and to make recommendations to local entities to improve the monitoring programs.
- Requires DWR to assist local monitoring entities with compliance with this statute.
- Allows local entities to determine regionally how best to set up their groundwater monitoring program, crafting the program to meet their local circumstances.
- Provides landowners with protections from trespass by state or local entities.
- Provides that if the local agencies fail to implement a monitoring program and/or fail to provide the required reports, DWR may implement the groundwater monitoring program for that region.
- Provides that failure to implement a monitoring program will result in the loss of eligibility for state grant funds by the county and the agencies responsible for performing the monitoring duties.

# 2009 COMPREHENSIVE WATER PACKAGE

## BILL SUMMARY SB 7

NOVEMBER 2009

Department of Water Resources

### SENATE BILL NO. 7 STATEWIDE WATER CONSERVATION

SB 7 creates a framework for future planning and actions by urban and agricultural water suppliers to reduce California's water use. For the first time in California's history, this bill requires the development of agricultural water management plans and requires urban water agencies to reduce statewide per capita water consumption 20 percent by 2020. Specifically, this bill:

- Establishes multiple pathways for urban water suppliers to achieve the statewide goal of a 20 percent reduction in urban water use. Specifically, urban water suppliers may:
  - Set a conservation target of 80 percent of their baseline daily per capita water use;
  - Utilize performance standards for water use that are specific to indoor, landscape, and commercial, industrial and institutional uses;
  - Meet the per capita water use goal for their specific hydrologic region as identified by DWR and other state agencies in the 20 percent by 2020 Water Conservation Plan; or
  - Use an alternate method that is to be developed by DWR before December 31, 2010.
- Requires urban water suppliers to set an interim urban water use target and meet that target by December 31, 2015 and meet the overall target by December 31, 2020.
- Requires DWR to cooperatively work with the California Urban Water Conservation Council to establish a task force that shall identify best management practices to assist the commercial, industrial and institutional sector in meeting the water conservation goal.
- Requires agricultural water suppliers to measure water deliveries and adopt a pricing structure for water customers based at least in part on quantity delivered, and, where technically and economically feasible, implement additional measures to improve efficiency.
- Requires agricultural water suppliers to submit Agricultural Water Management Plans beginning December 31, 2012 and include in those plans information relating to the water efficiency measures they have undertaken and are planning to undertake.
- Makes ineligible for state grant funding any urban or agricultural water supplier who is not in compliance with the requirements of this bill relating to water conservation and efficient water management.
- Requires DWR to, in 2013, 2016 and 2021, report to the Legislature on agricultural efficient water management practices being undertaken and reported in agricultural water management plans.
- Requires DWR, the State Water Resources Control Board, and other state agencies to develop a standardized water information reporting system to streamline water reporting required under the law.

# 2009 COMPREHENSIVE WATER PACKAGE

## BILL SUMMARY SB 8

NOVEMBER 2009

Department of Water Resources

### SENATE BILL NO. 8 WATER DIVERSION AND USE / FUNDING

SB 8 improves accounting of the location and amounts of water being diverted by recasting and revising exemptions from the water diversion reporting requirements under current law. Additionally, this bill appropriates existing bond funds for various activities to benefit the Delta ecosystem and secure the reliability of the state's water supply, and to increase staffing at the State Water Resources Control Board to manage the duties of this statute. Specifically, this bill:

- Provides a stronger accounting of water diversion and use in the Delta by removing an exemption from reporting water use by in-Delta water users.
- Redefines the types of diversions that are exempt from the reporting requirement.
- Assesses civil liability and monetary penalties on diverters who fail to submit the required reports, and for willful misstatements, and/or tampering with monitoring equipment.
- Appropriates \$546 million from Propositions 1E and 84, in the following manner:
  - \$250 million (Proposition 84) for integrated regional water management grants and expenditures for projects to reduce dependence on the Delta;
  - \$202 million (\$32 million Proposition 84 and \$170 million Proposition 1E) for flood protection projects in the Delta to reduce the risk of levee failures that would jeopardize water conveyance;
  - \$70 million (Proposition 1E) for stormwater management grants; and
  - \$24 million (Proposition 84) for grants to local agencies to develop or implement Natural Community Conservation plans.
- Appropriates \$3.75 million from the Water Rights Fund to the State Water Resources Control Board for staff positions to manage the duties in this bill relating to water diversion reporting, monitoring and enforcement.

# SAFE, CLEAN, AND RELIABLE DRINKING WATER SUPPLY ACT OF 2010

## WATER BOND SUMMARY

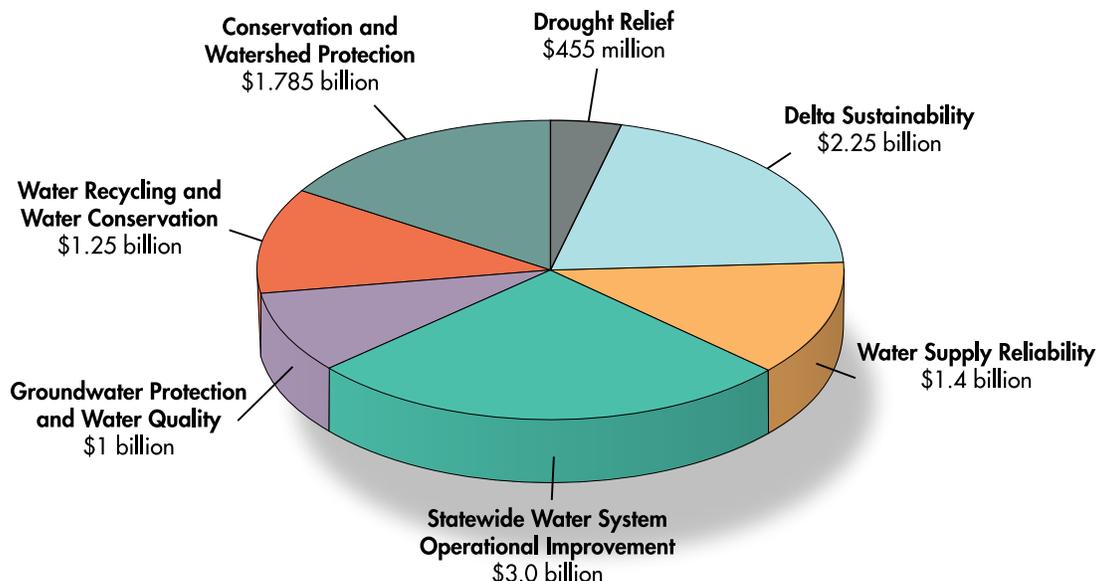
NOVEMBER 2009

**T**he Safe, Clean, and Reliable Drinking Water Supply Act of 2010 is an \$11.14 billion general obligation bond proposal that would provide funding for California's aging water infrastructure and for projects and programs to address the ecosystem and water supply issues in California. The bond is comprised of seven categories, including drought relief, water supply reliability, Delta sustainability, statewide water system operational improvement, conservation and watershed protection, groundwater protection and water quality, and water recycling and water conservation.

### Total: \$11.14 billion

**Drought Relief - \$455 million.** This funding will be available for local and regional drought relief projects that reduce the impacts of drought conditions, including the impacts of reductions to Delta diversions. Projects will include water conservation and water use efficiency projects, water recycling, groundwater cleanup and other water supply reliability projects including local surface water storage projects that provide emergency water supplies and water supply reliability in drought conditions. Funds will be available to disadvantaged communities and economically distressed areas experiencing economic impacts from the drought for drought relief projects and programs. Funds will also be available to improve wastewater treatment facilities to protect water quality or prevent contamination of surface water or groundwater resources.

**Delta Sustainability - \$2.25 billion.** This bond will provide funds for projects to assist in maintaining and restoring the Delta as an important ecosystem. These investments will help to reduce the seismic risk to water supplies derived from the Delta, protect drinking water quality and reduce conflict between water management and environmental protection.



# SAFE, CLEAN, AND RELIABLE DRINKING WATER SUPPLY ACT OF 2010

NOVEMBER 2009

**Water Supply Reliability - \$1.4 billion.** These funds would be in addition to prior funding provided by Proposition 50 and Proposition 84 and would support the existing Integrated Regional Water Management (IRWM) program. IRWM is designed to encourage integrated regional strategies for management of water resources that will protect communities from drought, protect and improve water quality and improve local water security by reducing dependence on imported water. The bond would provide funds for water supply projects in 12 regions throughout the state and would also be available for local and regional conveyance projects that support regional and interregional connectivity and water management.

<b>North Coast</b>	\$45,000,000
<b>San Francisco Bay</b>	\$132,000,000
<b>Central Coast</b>	\$58,000,000
<b>Los Angeles subregion</b>	\$198,000,000
<b>Santa Ana subregion</b>	\$128,000,000
<b>San Diego subregion</b>	\$87,000,000
<b>Sacramento River</b>	\$76,000,000
<b>San Joaquin River</b>	\$64,000,000
<b>Tulare/Kern</b>	\$70,000,000
<b>North/South Lahontan</b>	\$51,000,000
<b>Colorado River Basin</b>	\$47,000,000
<b>Mountain Counties Overlay</b>	\$44,000,000
<b>Interregional Projects</b>	\$50,000,000

**Statewide Water System Operational Improvement - \$3.0 billion.** This funding would be dedicated to the development of additional water storage, which, when combined with other water management and flood system improvement investments being made, can increase reliability and offset the climate change impacts of reduced snow pack and higher flood flows. Eligible projects for this funding include surface storage projects identified in the CALFED Bay-Delta Record of Decision; groundwater storage projects and groundwater contamination prevention or remediation projects that provide water storage benefits; conjunctive use and reservoir reoperation projects; local and regional surface storage projects that improve the operation of water systems in the state and provide public benefits.

The bond provides that water suppliers who would benefit from new storage will pay their share of the total costs of the project while the public benefits of new water storage can be paid for by this general obligation bond.

**Groundwater Protection and Water Quality - \$1 billion.** To protect public health, funds will be available for projects to prevent or reduce the contamination of groundwater that serves as a source of drinking water. Funds will also be used to finance emergency and urgent actions on behalf of disadvantaged communities and economically distressed areas to ensure that safe drinking water supplies are available to all Californians.

# SAFE, CLEAN, AND RELIABLE DRINKING WATER SUPPLY ACT OF 2010

NOVEMBER 2009

**Water Recycling and Water Conservation - \$1.25 billion.** Funds will be available for water recycling and advanced treatment technology projects that recycle water or that remove salts and contaminants from water sources. Funds will also be available for urban and agricultural water conservation and water use efficiency plans, projects, and programs. These funds will assist urban water users in achieving water conservation targets.

**Conservation and Watershed Protection - \$1.785 billion.** Funds will be available, through a 50-50 cost share program, for ecosystem and watershed protection and restoration projects in 21 watersheds throughout the state, including coastal protection, wildlife refuge enhancement, fuel treatment and forest restoration, fish passage improvement and obsolete dam removal.

Coastal counties and watersheds	\$250,000,000
Wildlife Conservation Board	\$365,000,000
San Gabriel and Lower Los Angeles River watersheds	\$75,000,000
Santa Monica Mountains Conservancy	\$75,000,000
Baldwin Hills Conservancy	\$20,000,000
Santa Monica Bay watershed	\$25,000,000
Coastal salmonid restoration	\$50,000,000
Lake Tahoe watershed restoration	\$100,000,000
Farmland Conservancy Program	\$20,000,000
River parkways and urban streams restoration	\$50,000,000
Sierra Nevada Conservancy	\$75,000,000
Salton Sea restoration	\$100,000,000
Watershed climate change impacts and adaptation	\$10,000,000
Watershed education facilities	\$30,000,000
Waterfowl habitat preservation	\$10,000,000
Forest restoration	\$100,000,000
Klamath dam removal	\$250,000,000
Siskiyou County economic development offset	\$20,000,000
Agricultural water use efficiency research	\$50,000,000
Ocean protection	\$50,000,000
CVPIA fish passage improvement	\$60,000,000

Prepared for



# Water Conservation Implementation Plan



September 2009

## FINAL REPORT



**MADDAUS WATER  
MANAGEMENT**

**BROWN AND  
CALDWELL**

# WATER CONSERVATION IMPLEMENTATION PLAN FINAL REPORT

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## EXECUTIVE SUMMARY

In September 2008, the Bay Area Water Supply and Conservation Agency (BAWSCA) initiated work on the development of the Water Conservation Implementation Plan (WCIP or Plan). The goal of the WCIP, as defined at that time, was to:

***Develop an implementation plan for BAWSCA and its member agencies to attain the water efficiency goals that the agencies committed to achieving in 2004 as part of the Program Environmental Impact Report for the Water System Improvement Program.***

On October 31, 2008 the San Francisco Public Utilities Commission (SFPUC) made the decision to limit the volume of water that the member agencies could purchase from San Francisco Regional Water System to 184 million gallons per day (MGD) until at least 2018. As a result of this decision by the SFPUC, it has been estimated that the BAWSCA member agencies must save up to an additional 10 MGD by 2018 in order to continue to meet customer needs. Therefore, in response to this SFPUC “Interim Supply Limitation” of 184 MGD, the goal of the WCIP was expanded to:

***Identify how BAWSCA member agencies could use water conservation as a way to continue to provide reliable water supplies to their customers through 2018 given the 184 MGD Interim Supply Limitation.***

Pursuant to the above goals, the specific objectives of the WCIP are as follows:

1. Assist BAWSCA member agencies in evaluating the potential water savings and cost-effectiveness associated with implementing additional water conservation measures, beyond what they had committed to in 2004;
2. Determine the potential water savings in 2018 and 2030 associated with implementing a selected suite of new conservation measures, in addition to the 2004 water conservation commitments;
3. Determine BAWSCA’s role in assisting the member agencies in achieving their individual water conservation goals; and
4. Develop a coordinated, regional plan for implementing water conservation which serves as a guideline for the BAWSCA member agencies to implement specific, new water conservation measures to meet both the water conservation savings they committed to in 2004, as well as up to an additional 10 MGD of savings. Under the assumption that a specific suite of water conservation measures are implemented, the WCIP provides information as to who (i.e., BAWSCA, the member agencies, or Santa Clara Valley Water District (SCVWD), etc.) should implement what conservation measure or program, and when they should implement each measure or program in order to achieve the specified water savings goals.

## Background

In preparation for the SFPUC Water System Improvement Program (WSIP) Program Environmental Impact Report (PEIR), the SFPUC, in conjunction with BAWSCA and its member agencies, completed three planning studies to estimate the future water demand and conservation potential for each of the BAWSCA member agencies:

- *Wholesale Customer Water Demand Projections Technical Report* (URS, November 2004);
- *Wholesale Customer Water Conservation Potential Technical Report* (URS, December 2004); and
- *Wholesale Customer Recycled Water Potential Technical Memorandum* (RMC, December 2004).

Based on the 2004 SFPUC Technical Reports, the BAWSCA member agency demand was projected to be 209 MGD from the SFPUC system in 2030, after accounting for the following:

- 25 MGD of conservation savings that would naturally occur within the BAWSCA service area as a result of implementation of existing plumbing codes; and
- 23 MGD of conservation savings and recycled water use that the BAWSCA member agencies committed to including:
  - 10.43 MGD of recycled water, which includes both existing and planned projects.
  - 12.77 MGD of water conservation that is in various stages of planning and implementation.

In October 2007, BAWSCA committed to saving an additional 10 MGD of water purchased from the SFPUC by 2030 as part of its comments on the SFPUC Draft PEIR for its WSIP. As such, the BAWSCA member agencies' demand for SFPUC water is projected to be 199 MGD in 2030.<sup>1</sup>

In October 2008, as part of its adoption of the WSIP PEIR, the SFPUC unilaterally selected a water supply option (i.e., the WSIP Variant) that established an Interim Supply Limitation of 184 MGD for the BAWSCA member agencies until at least 2018. This change in the WSIP accelerates the timeframe by which the BAWSCA member agencies are required to achieve the additional 10 MGD of conservation savings (i.e., those savings now had to be achieved by 2018 rather than 2030 in order to keep BAWSCA member agency purchases from SFPUC below 184 MGD). BAWSCA, in coordination with its member agencies, prepared this *Water Conservation Implementation Plan* in 2009 to identify additional water conservation measures that the member agencies could potentially implement to achieve the water savings necessary to keep their collective purchases from the SFPUC below 184 MGD until 2018.

## WCIP Development Process

The WCIP was developed jointly with BAWSCA, its member agencies, and the SCVWD. Additional input was provided by the Pacific Institute. Collectively these parties are referred to herein as the "Working Group". A series of meeting and workshops were held with the Working Group to solicit input on the WCIP development process. In addition, a series of technical memoranda were produced to inform the development of the WCIP. These technical memoranda were reviewed by the Working Group and their comments are incorporated into the WCIP and this report.

As part of the WCIP development, population and employment projections for the BAWSCA member agencies were updated using primarily Association of Bay Area Governments (ABAG) 2007 data. Total water demand projections, before and after plumbing code savings, were also updated utilizing the new ABAG 2007 population and employment projections.

The Demand Side Management Least Cost Planning Decision Support System (DSS model), was used to estimate the future conservation potential for each of the BAWSCA member agencies. The conservation savings associated with the water conservation commitments made by the BAWSCA member agencies in 2004 were updated with actual implementation activity since 2004, to the extent that that information was

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<sup>1</sup> BAWSCA Annual Survey FY 2006-2007.

available. As described in more detail below and in Section 3, the result of the modeling effort and the Working Group discussions was the selection of five new water conservation measures that the BAWSCA member agencies agreed to evaluate for implementation and the associated water savings potential, in addition to the water conservation commitments they made in 2004. A subset of the member agencies elected to begin implementation of selected water conservation measures as part of a BAWSCA regional program, at least at some level. The WCIP presents the framework for how BAWSCA will work together with its member agencies to implement a regional water conservation program for the next three years, and provides a detailed implementation plan including budget for Year 1 (fiscal year [FY] 2010).

## WCIP Regional Results

**Population and Employment Projections.** As part of the WCIP, population and employment projections for the BAWSCA agencies were updated using primarily ABAG 2007 data. Total water demand estimates, before and after plumbing code savings, were also updated utilizing the new population and employment projections. Based in the analyses conducted as part of this effort, population and employment are projected to grow by less than one percent per year between 2001 and 2030. Likewise, over the same period, water demands are projected to increase by 0.7 percent per year after accounting for the effects of the existing plumbing code. These results are shown in Tables ES-1 and ES-2.

**New Water Conservation Measures Selected for Evaluation.** Based on input from the Working Group, the following five new conservation measures were evaluated to assess if, through aggressive implementation of these measures, the BAWSCA member agencies could save up to 10 MGD by 2018, in addition to the water conservation measures and savings that they had committed to in 2004. The five new measures include:

- NM-1: High-efficiency Toilet (HET) Rebate Program
- NM-2: Education/ Training Program for Residential Landscape Water Use Efficiency
- NM-5: High-efficiency Washing Machine (HEW) Rebates
- NM-6: New Building Indoor Water Efficiency Regulations
- NM-7: New Building Landscape Water Efficiency Regulations

Each of these new conservation measures were incorporated into the individual BAWSCA member agency DSS models with the corresponding regional cost and savings results for 2018 and 2030 as shown in Table ES-3 and ES-4.

In order to achieve the water conservation targets identified herein, and the associated water savings, BAWSCA and its member agencies will likely have to increase their water conservation budgets, information campaigns, and other mechanisms to increase program visibility and participation. In addition, to achieve the necessary penetration rates associated with the selected conservation measures, it may be necessary for BAWSCA and its member agencies to consider program changes to increase customer response. For example, with the HET program, BAWSCA and its member agencies may want to consider augmenting the rebate program with a give-away program, or other, more aggressive HET replacement programs.

## BAWSCA's Water Conservation Implementation and Financing Plan

Discussions with the Working Group resulted in the development of a plan to guide implement the conservation measures within the BAWSCA agency service areas. The plan was developed in accordance with the following key principles:

- BAWSCA regional conservation programs are paid for by those agencies that benefit from their implementation;

- BAWSCA regional conservation programs reduce the administration costs for the participating agency compared to the agency implementing the program on its own; and
- BAWSCA regional conservation programs are designed to complement, rather than compete with, existing agency programs.

Based on member agency input, a Water Conservation Implementation and Financing Plan was developed that is based on a two tier program that offers *Core Programs* and *Subscription Programs*. In addition to an overall plan, the Working Group also identified the specific actions that BAWSCA would take during FY2009-2010 to support the implementation of the water conservation measures pursuant to both the Core and Subscription Programs (i.e., the Year 1 Plan).

- **The Core Program** is funded through the annual BAWSCA budget and contains those conservation measures that benefit from regional implementation and that provide regional benefit, irrespective of individual agency jurisdictions. The BAWSCA Year 1 Plan Core Program includes:
  - Regional Program Management and Coordination with Wholesale Agencies
  - Developing Regional Partnerships
  - Pursuing Grants or Other Financial Support
  - Providing Technical Support and Training
  - Developing Template New Building Indoor and Outdoor Water Efficiency Regulations (New)
  - Best Management Plan (BMP) and Urban Water Management Plan (UWMP) Reporting Support
  - Legislative Policy Support
  - Design and Implementation of a Regional Public Information Program (New)
  - Education/Training Program for Residential Landscape Water Use Efficiency (Expanded)
- **The Subscription Program** is fully funded by the individual agency that elects to participate in the program based on their participation level and includes conservation measures whose benefits can be realized in individual water agency service areas. The BAWSCA Year 1 Plan Subscription Program includes:
  - School Education Program (Expanded)
  - Bulk Purchase Residential Retrofit Kits (New)
  - HET Rebates (Expanded)
  - High-efficiency Clothes Washer Rebates (Expanded)
  - Residential Weather Based Controller Rebates (New -Design Phase Only)
  - Bulk Purchase of Pre-Rinse Spray Valves (New)
  - Commercial Surveys (New - Design Phase Only)
  - Large Landscape Water Budgets (Existing)

## Conclusions and Next Steps

Based on the WCIP development and analysis process, BAWSCA and its member agencies identified five new water conservation measures, which, if implemented fully throughout the BAWSCA service area could potentially save an additional 8.4 MGD by 2018 (and 12.5 MGD by 2030), as shown in Table ES-3 and ES-4. While the projected water savings are less than the 10 MGD by 2018 goal, based on the revised water demand projections, BAWSCA believes that the identified water conservation savings and other actions will still be sufficient to keep the collective purchases from the SFPUC below 184 MGD by 2018.

At this time, no formal commitment has been made at the individual agency level to implement the new water conservation measures that were evaluated as part of the WCIP, or for achieving additional conservation savings beyond the 2004 savings commitments. However, several member agencies have elected to participate in the BAWSCA regional programs at some level and BAWSCA intends to work with individual member agencies to incorporate the savings identified in the WCIP into their future water supply portfolios with the goal of maintaining collective SFPUC purchases below 184 MGD by 2018.

BAWSCA recognizes that actual implementation of water conservation to achieve the identified water savings goal must be managed in an adaptive fashion, making both small and large program changes as needed over time, to ensure that the water savings goals are met. BAWSCA further recognizes that the member agencies may be able to achieve the identified 8.4 MGD (and up to 10 MGD) of water savings by alternate mechanisms than those identified herein. For example, agencies may select to implement various water conservation measures individually, through the BAWSCA regional program, or through other regional efforts (e.g., the SCVWD program) or other sub-groups. Additional clarification regarding individual agencies' commitments to a specific conservation plan and associated conservation savings are anticipated to occur when individual agencies complete their respective UWMPs, which are due to the California Department of Water Resources (DWR) by December 2010.

A critical component of successful implementation of the WCIP and any other conservation programs initiated by the BAWSCA's member agencies will be the monitoring and tracking component such that actual implementation (and the associated water savings) can be measured against the targets. An effective tracking tool better also enables adaptive management both at the local and regional level. BAWSCA will develop such a tracking tool as part of the Year 1 Plan.

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	2030 DSS Population	2030 DSS Employment
2004 Study	1,933,829	1,488,566
2008 Study	2,054,820	1,559,154
Difference between 2004 and 2008 Population and Employment Estimates for 2030	120,991	70,588
Percent Difference between 2004 and 2008 Population and Employment Estimates for 2030	6%	5%

Dataset	Base Year (MGD)	Total BAWSCA Demand Projections (MGD)							Demand Increase from 2001 to 2030	
		2001	2005	2010	2015	2020	2025	2030	2035	MGD
2004 DSS Model Demand Projections Absent Conservation, (without Plumbing Codes)	272	285	300	313	326	337	349	NA	77	28
2004 DSS Model Demand Projections Absent Conservation, (with Plumbing Codes)	272	282	292	299	308	315	324	NA	52	19
2008 DSS Model Demand Projections Absent Conservation, (without Plumbing Codes)	272	271	286	302	322	339	356	373	84	31
2008 DSS Model Demand Projections Absent Conservation, (with Plumbing Codes)	272	268	278	289	302	314	326	341	54	20

Conservation Program	2018 Water Savings due to Conservation Programs (MGD) <sup>3</sup>	2018 Outdoor Water Savings due to Conservation Programs (MGD) <sup>3</sup>	Present Value of Water Utility Costs (\$1,000) through 2018 <sup>2</sup>	Water Utility Benefit-Cost Ratio through 2018 <sup>2</sup>	Water Utility Cost of Water Saved through 2018 (\$/AF) <sup>2</sup>	Present Value of Community Costs (\$1,000) through 2018 <sup>2</sup>	Community Benefit-Cost Ratio through 2018 <sup>2</sup>	Community Cost of Water Saved through 2018 (\$/AF) <sup>2</sup>	Total Potential Water Savings in 2018 (MGD) <sup>3</sup>	Incremental Increase in Savings (MGD) <sup>3</sup>
Plumbing Code <sup>1</sup>	NA	NA	NA	NA	NA	NA	NA	NA	16.5	NA
Baseline Conservation (2004 measures)	9.4	4.9	\$44,148	2.3	\$397	\$72,519	1.9	\$652	25.9	9.4
Updated Conservation (2004 and 2008 measures)	17.8	6.5	\$88,394	1.7	\$550	\$280,609	0.8	\$1,747	34.4	8.4

<sup>1</sup>Plumbing code savings represent water use savings associated with the natural replacement of plumbing fixtures with water-efficient models (i.e., toilets, showerheads, and washing machines).

<sup>2</sup>Benefits and costs in 2001 dollars

<sup>3</sup>Water savings based on measures were believed to be appropriate for the area in 2009. Water savings estimated were based on best available information at the time of the study. Actual water savings may be higher or lower than stated in this report for a variety of reasons.

Conservation Program	2030 Water Savings due to Conservation Programs (MGD) <sup>3</sup>	2030 Outdoor Water Savings due to Conservation Programs (MGD) <sup>3</sup>	Present Value of Water Utility Costs (\$1,000) through 2030 <sup>2</sup>	Water Utility Benefit-Cost Ratio through 2030 <sup>2</sup>	Water Utility Cost of Water Saved through 2030 (\$/AF) <sup>2</sup>	Present Value of Community Costs (\$1,000) through 2030 <sup>2</sup>	Community Benefit-Cost Ratio through 2030 <sup>2</sup>	Community Cost of Water Saved through 2030 (\$/AF) <sup>2</sup>	Total Potential Water Savings in 2030 (MGD) <sup>3</sup>	Incremental Increase in Savings (MGD) <sup>3</sup>
Plumbing Code <sup>1</sup>	NA	NA	NA	NA	NA	NA	NA	NA	29.4	NA
Baseline Conservation (2004 measures)	10.5	6.3	\$55,803	3.4	\$227	\$90,320	2.8	\$367	39.9	10.5
Updated Conservation (2004 and 2008 measures)	23.0	9.9	\$103,528	3.3	\$235	\$426,081	1.2	\$968	52.4	12.5

<sup>1</sup>Plumbing code savings represent water use savings associated with the natural replacement of plumbing fixtures with water-efficient models (i.e., toilets, showerheads, and washing machines).

<sup>2</sup>Benefits and costs in 2001 dollars<sup>3</sup> Water savings based on measures were believed to be appropriate for the area in 2009. Water savings estimated were based on best available information at the time of the study. Actual water savings may be higher or lower than stated in this report for a variety of reasons.

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# Monthly Report

**To:** David Dickson, General Manager  
**From:** Cathleen Brennan, Water Resources Analyst  
**Agenda:** December 8, 2009  
**Subject:** Water Shortage and Drought Contingency Plan

This report is provided as an update on the implementation of the Water Shortage and Drought Contingency Plan – Stage 1 (Advisory Stage). The Advisory Stage was implemented in June of 2007. In June of 2008, Governor Schwarzenegger declared a state - wide drought. On February 27, 2009, Governor Schwarzenegger proclaimed a state of emergency due to drought conditions and the resulting water shortage.

- √ **Local Precipitation**
- Water year 2007 was critically dry at 67% of annual historic average.
  - Water year 2008 was dry at 72% of the annual historic average.
  - Water Year 2009 was dry at 78% of annual historic average.
  - Water Year 2010 started on October 1<sup>st</sup>.

Precipitation for Half Moon Bay													
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
<b>Historic Average</b>	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
	2009						2010						
<b>Water Year 2010</b>	3.37	0.41											3.78
	2008						2009						
<b>Water Year 2009</b>	0.5	2.4	2.6	0.9	8.7	2.8	0.3	1.0	0.1	0.1	0.1	0.4	19.9
	2007						2008						
<b>Water Year 2008</b>	1.8	0.9	3.2	8.8	2.7	0.3	0.2	0.1	0.0	0.1	0.1	0.1	18.3
	2009						2007						
<b>Water Year 2007</b>	0.2	3.2	4.2	0.7	5.3	0.8	1.6	0.4	0.1	0.3	0.0	0.2	17.0

## ***MONTHLY REPORT***

**To:** David Dickson, General Manager  
**From:** Joe Guistino, Superintendent of Operations  
**Agenda:** December 8, 2009

**Report**  
**Date:** December 1, 2009

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### **Monthly Highlights**

#### Denniston Start-up

The Denniston WTP was successfully started up on 23 November and has been running ever since at about 350 gpm.

#### Brown Water Events and Unidirectional Flushing Program

We experienced two major brown water events in November and are presently planning to unidirectionally flush El Granada this year.

### **Source of Supply**

Crystal Springs Reservoir was the major source of supply for the month of November. Denniston WTP and Denniston Wells 1, 3, 5 and 9 as well as Pilarcitos Wells 1 and 4 supplemented Crystal Springs this month.

### **Systems Improvement**

#### Beautification

- Crews cleaned up parking lot and yard and straightened out the work truck.
- Crews assisted in the annual cleaning of the sedimentation basin at Nunes on the week of 16 November.
- Scrap meters removed from Nunes WTP.
- Shop lunchroom cleaned.

#### Nunes Emergency Generator Radiator

We have successfully installed a radiator on the Nunes emergency generator so that it no longer depends on plant utility water for cooling. We would sometimes experience generator failure due to low cooling water pressure if a power failure occurred during backwash. Also, whenever the generator came on we experienced issues with our disinfection system as the generator robbed the disinfection system of carrier water. The installation of this radiator has improved the reliability of the generator whenever there is a power outage.

### Radio Communication

An auxiliary radio was installed in my office and a speaker installed in the lobby to better respond to radio calls from the field.

### **Update on Other Activities:**

#### Crystal Springs Soft Starts

The board had previously consented to the replacement of the soft starts on units 1 and 3 at Crystal Springs and Staff had solicited bids from Eaton Electric and CalCon Electric for procurement and installation. Eaton was the low bid by \$4,000 and was approved by the board at the June 2009 board meeting. We have been unable to agree on the terms of contract with them. Legal fees would have soon exceeded the next higher bid and so we decided to drop Eaton and contract with CalCon for this service.

#### Brown Water Events and Unidirectional Flushing Program

We experienced two major brown water events in November. The first occurred on Wednesday, 18 November. International Organization for Standardization (ISO) and the Coastside Fire Protection District were conducting flow tests of various hydrants throughout our system which kicked up sediments of iron rust. We received 12 calls of brown water throughout the system but mainly in El Granada.

On 25 November, we received 23 brown water complaints and 2 low pressure complaints when the waters in El Granada reversed flow when we isolated the main line to optimize the use of Denniston Water Treatment Plant (WTP) water. Once we realized the cause, we reopened the valve and commenced to inform the customers who called to flush their service lines. The event was short lived, with customers reporting that the water cleared up within 15 minutes once they flushed their back hose bib.

Heretofore, I have been reluctant to flush our system for three reasons. First, the conventional flushing procedure would use about 4 or 5 times the amount of water that could effectively clean the pipes when using the unidirectional flushing method. To use this much water so inefficiently while encouraging our customers to conserve water would send them a mixed message. Second, we do not want to flush during the third year of drought, it is generally not accepted practice in the industry. Third, I have not yet completed a program for unidirectional flushing. At this point I am about 3 weeks away from completing a program for El Granada and Miramar. With this being an El Nino year, we are planning to launch the Unidirectional Flushing Program in January or February. I estimate that it will take about 4 weeks to flush the targeted areas. Staff is presently exercising valves in El Granada in preparation of the flushing program and we have purchased flushing diffusers that will also dechlorinate the water.

I have much experience with this technique at Contra Costa Water System and am confident that by unidirectionally flushing the entire system once every 5 years we will eliminate all future brown water complaints.

### Nunes Sludge Ponds

Annual clearing of the Nunes sludge ponds occurred in November.

### Denniston Start-up

The Denniston WTP was successfully started up on 23 November and has been running ever since at about 350 gpm. The wells are contributing 100 gpm and the rest is drafted from the reservoir. Inflow to the reservoir is a little less than we are drafting and so the reservoir level has dropped about 2 feet. Operating this plant lower than 350 gpm becomes problematic.

### **Safety/Training/Inspections/Meetings**

#### Meetings Attended

- 6 November – Met with Biologists Jim Steele and Tim Frahm at the Denniston watershed to try and find the source of the sand and black silt that we noticed comprising the majority of the silt during the Denniston Dredging Project.
- 10 November – Short Term Improvement (STI) Project pre kickoff meeting with EKI Consultants Steve and Jeffrey Tarantino and Josh Kimbrell.
- 12 November – STI kickoff meeting with the EKI project management team and the KG Walters team.
- 17 November – Alves Tank Coating Project meeting with Jim Teter, John Davis and Jon Bruce in the board room.
- 17 November – All employee meeting
- 17 November – Don Patterson annual review.
- 18 November – Sat on an interview panel for San Francisco Public Utilities Commission to select the candidates for the eligibility list for Chief Stationary Engineer.
- 23 November – O&M staff meeting
- 23 November – Met with Marc and Dave Dietert of Bennet Marine to discuss this year's tunnel cleaning for Crystal Springs Pump Station (PS).

#### Safety Meeting and Training

November's Safety Committee Meeting was on Accident Investigations and Investigation Procedures as well as recognizing substance abuse. John Davis was in attendance.

November's Safety Training was on defensive driving. Seven of the field crew and one office personnel were in attendance.

#### Truck Inspections

After piloting weekly truck inspections for one month we decided that monthly inspections would be the most appropriate.

## **Department of Public Health (DPH)**

### Approval to put Nunes WTP in direct filtration mode

DPH must be notified whenever we alter the treatment process for any purpose. On 16 November we requested and were approved to change the Nunes WTP from conventional to direct filtration mode for our annual sedimentation basin cleaning.

## **Projects**

### Tank Recoating Projects

Miramar Tank – Crosno construction resumed surface preparation for coating on 23 November. They have removed all of the bituminous coating and are preparing to sandblast on the first week of December. The electrical panel was modified for the PAX mixer. The contractors have added an additional fence to secure their equipment at the site.

Alves Tank – We met with Jim Teter to discuss preparation for the Alves Coating Project. We specifically established how the tank will be bypassed and will be recording neighborhood pressures during different demand periods with the tank off line. These tests will be done in December.

### Short Term Improvement (STI) Project

We met with EKI and KG Walters Construction on 12 November to establish the lines of communication, scheduling, staging and phasing. In addition to the above, the structural and electrical subs were also present.

### Pilarcitos Canyon Blending Project

Consultant Kennedy Jenks is finalizing the construction drawings and preparing the bid specifications for this project. District will hire an electrical firm to supply power to the site by the time construction will start.