

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

REGULAR MEETING OF THE BOARD OF DIRECTORS

Tuesday, February 10, 2015 - 7:00 p.m.

AGENDA

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

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

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

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

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

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

4) CONSENT CALENDAR

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

- A. Approval of disbursements for the month ending January 31, 2015: Claims: \$677,280.43; Payroll: \$113,692.61 for a total of \$790,973.04 ([attachment](#))
 - *January 2015 Monthly Financial Claims reviewed by Vice-President Glassberg*
- B. Acceptance of Financial Reports ([attachment](#))
- C. Approval of Minutes of January 13, 2015 Special and Regular Board of Directors Meetings ([attachment](#))
- D. Approval of Minutes of January 14, 2015 Special Board of Directors Meeting ([attachment](#))
- E. Installed Water Connection Capacity and Water Meters Report ([attachment](#))
- F. Total CCWD Production Report ([attachment](#))
- G. CCWD Monthly Sales by Category Report - January 2015 ([attachment](#))
- H. January 2015 Leak Report ([attachment](#))
- I. Rainfall Reports ([attachment](#))
- J. San Francisco Public Utilities Commission Hydrological Conditions Report for December 2014 ([attachment](#))
- K. Approval for Vice-President Glassberg to attend the Association of California Water Agencies (ACWA) Spring Conference in Sacramento - May 5 - 8, 2015 ([attachment](#))

5) MEETINGS ATTENDED / DIRECTOR COMMENTS

6) GENERAL BUSINESS

- A. Approval of Coastside County Water District Basic Financial Statements and Independent Auditors Report for Fiscal Year Ended June 30, 2014 ([attachment](#))
- B. Main Street Bridge Pipeline Project ([attachment](#))
- C. Fiscal Year 2015-2016 Budget Process Timeline ([attachment](#))
- D. Appointment of CCWD Board Member Representative Alternate(s) to Participate in San Mateo Local Agency Formation Commission (LAFCo) election of officers ([attachment](#))

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

- SFPUC Water Supply Status
- Administration Building Remodel
- ERAF Refund
- Assistant General Manager Recruitment

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

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

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

9) **ADJOURNMENT**

Accounts Payable

Checks by Date - Summary by Check Number

User: GBRAZIL
Printed: 2/2/2015 10:23 AM



Check No	Vendor No	Vendor Name	Check Date	Void Checks	Check Amount
20964	ALL04	ALLIED WASTE SERVICES #925	01/06/2015	0.00	353.95
20965	COM02	COMCAST	01/06/2015	0.00	174.92
20966	HAS01	HASSETT HARDWARE	01/06/2015	0.00	580.85
20967	MAS01	MASS MUTUAL FINANCIAL GROUP	01/06/2015	0.00	1,919.68
20968	PAC01	PACIFIC GAS & ELECTRIC CO.	01/06/2015	0.00	46.96
20969	PUB01	PUB. EMP. RETIRE SYSTEM	01/06/2015	0.00	21,463.60
20970	SAN20	SAN FRANCISCO FIRE CREDIT UNION	01/06/2015	0.00	300.00
20971	VAL01	VALIC	01/06/2015	0.00	1,945.00
20972	ICM01	VANTAGEPOINT TRANSFER AGENTS	01/06/2015	0.00	40.00
20973	ASS01	HEALTH BENEFITS ACWA-JPIA/CB&T	01/16/2015	0.00	22,057.94
20974	ASS08	ASSOC. CALIF. WATER AGENCY	01/16/2015	0.00	9,926.00
20975	ATT02	AT&T	01/16/2015	0.00	2,090.94
20976	BRE01	CATHLEEN BRENNAN	01/16/2015	0.00	167.45
20977	CUL01	CULLIGAN SANTA CLARA, CA	01/16/2015	0.00	160.20
20978	ICM01	VANTAGEPOINT TRANSFER AGENTS	01/16/2015	0.00	40.00
20979	KAI01	KAISER FOUNDATION HEALTH PLAN	01/16/2015	0.00	12,886.00
20980	MAS01	MASS MUTUAL FINANCIAL GROUP	01/16/2015	0.00	1,960.65
20981	PAC01	PACIFIC GAS & ELECTRIC CO.	01/16/2015	0.00	21,869.35
20982	PAT05	DONALD PATTERSON	01/16/2015	0.00	294.26
20983	PUB01	PUB. EMP. RETIRE SYSTEM	01/16/2015	0.00	21,395.32
20984	SAN20	SAN FRANCISCO FIRE CREDIT UNION	01/16/2015	0.00	300.00
20985	STA03	STATE WATER RESOURCES CONTROL	01/16/2015	0.00	60.00
20986	TEA02	TEAMSTERS LOCAL UNION #856	01/16/2015	0.00	903.00
20987	USB01	U.S. BANK GLOBAL CORP TRUST SER	01/16/2015	0.00	80,052.51
20988	VAL01	VALIC	01/16/2015	0.00	1,945.00
20989	ADP01	ADP, INC.	01/27/2015	0.00	581.90
20990	ADV02	FRANK YAMELLO	01/27/2015	0.00	235.00
20991	ANA01	ANALYTICAL ENVIRONMENTAL SER	01/27/2015	0.00	10,543.51
20992	AND01	ANDREINI BROS. INC.	01/27/2015	0.00	89,131.89
20993	ATT03	AT&T LONG DISTANCE	01/27/2015	0.00	306.76
20994	AZT01	AZTEC GARDENS, INC.	01/27/2015	0.00	190.00
20995	BAL04	BALANCE HYDROLOGICS, INC	01/27/2015	0.00	11,016.63
20996	BAR01	BARTKIEWICZ, KRONICK & SHANAH	01/27/2015	0.00	855.50
20997	BAY05	BAY AREA WATER SUPPLY &	01/27/2015	0.00	5,000.00
20998	BAY10	BAY ALARM COMPANY	01/27/2015	0.00	532.98
20999	BIG01	BIG CREEK LUMBER	01/27/2015	0.00	19.27
21000	BIG02	BIG ED'S CRANE SERVICE, INC	01/27/2015	0.00	990.00
21001	CAL06	CALIFORNIA GENERATOR SERVICE	01/27/2015	0.00	1,395.34
21002	CAL08	CALCON SYSTEMS, INC.	01/27/2015	0.00	8,924.08
21003	CAL09	CALIFORNIA URBAN WATER CONSER	01/27/2015	0.00	25.00
21004	CAL11	CALIFORNIA C.A.D. SOLUTIONS, INC	01/27/2015	0.00	10,396.53
21005	CAR02	CAROLYN STANFIELD	01/27/2015	0.00	485.00
21006	CHE01	CHEVRON/TEXACO UNIVERSAL CAR	01/27/2015	0.00	1,192.84
21007	CHE04	CHEMTRADE CHEMICALS US LLC	01/27/2015	0.00	2,217.60
21008	CLI01	CLIFFORD BECHTEL	01/27/2015	0.00	280.00
21009	COA19	COASTSIDE COUNTY WATER DIST.	01/27/2015	0.00	147.56
21010	CUR01	CURLEY & RED'S INC. BODY SHOP	01/27/2015	0.00	2,612.39

Check No	Vendor No	Vendor Name	Check Date	Void Checks	Check Amount
21011	DAT01	DATAPROSE, LLC	01/27/2015	0.00	4,298.72
21012	DEL07	DEL GAVIO GROUP	01/27/2015	0.00	16,060.59
21013	DIA01	DIAMOND FENCE CO., INC.	01/27/2015	0.00	162.50
21014	EKI01	EKI INC.	01/27/2015	0.00	41,474.09
21015	EME01	EMERGENCY VEHICLE EQUIPMENT	01/27/2015	0.00	778.87
21016	FIR06	FIRST NATIONAL BANK	01/27/2015	0.00	1,080.68
21017	GEM01	GEMPLER'S, INC.	01/27/2015	0.00	2,183.93
21018	GRA03	GRAINGER, INC.	01/27/2015	0.00	43.44
21019	HAC01	HACH CO., INC.	01/27/2015	0.00	1,748.35
21020	HAL04	HALF MOON BAY REVIEW	01/27/2015	0.00	2,624.00
21021	HAL24	H.M.B.AUTO PARTS	01/27/2015	0.00	32.60
21022	HAN01	HANSONBRIDGETT. LLP	01/27/2015	0.00	3,087.50
21023	IRO01	IRON MOUNTAIN	01/27/2015	0.00	406.30
21024	IRV01	IRVINE CONSULTING SERVICES, INC.	01/27/2015	0.00	2,309.00
21025	IRV02	IRVINE CONSULTING SERVICES, INC.	01/27/2015	0.00	16.75
21026	KEN03	KENNEDY/JENKS CONSULTANTS	01/27/2015	0.00	4,117.74
21027	KOF01	KANEKO AND KRAMMER CORP	01/27/2015	0.00	4,050.00
21028	LOM01	GLENNA LOMBARDI	01/27/2015	0.00	106.00
21029	MET06	METLIFE GROUP BENEFITS	01/27/2015	0.00	1,532.19
21030	MIS01	MISSION UNIFORM SERVICES INC.	01/27/2015	0.00	355.77
21031	MOB01	MOBILE MODULAR MGMT CORP	01/27/2015	0.00	779.65
21032	NAT02	NATIONAL METER & AUTOMATION	01/27/2015	0.00	840.00
21033	NTU01	NTU TECHNOLOGIES, INC	01/27/2015	0.00	4,408.00
21034	OFF01	OFFICE DEPOT	01/27/2015	0.00	862.17
21035	OFF02	OFFICIAL PAYMENTS CORPORATION	01/27/2015	0.00	150.00
21036	ONT01	ONTRAC	01/27/2015	0.00	683.04
21037	PAC06	PACIFICA COMMUNITY TV	01/27/2015	0.00	250.00
21038	PAU01	PAULO'S AUTO CARE	01/27/2015	0.00	348.13
21039	PIT04	PITNEY BOWES	01/27/2015	0.00	198.00
21040	RIC01	RICOH USA, INC.	01/27/2015	0.00	272.30
21041	RIC02	RICOH USA INC	01/27/2015	0.00	530.50
21042	ROB01	ROBERTS & BRUNE CO.	01/27/2015	0.00	38,327.96
21043	ROG01	ROGUE WEB WORKS, LLC	01/27/2015	0.00	687.00
21044	SAN03	SAN FRANCISCO WATER DEPT.	01/27/2015	0.00	129,077.20
21045	SAN05	SAN MATEO CTY PUBLIC HEALTH LA	01/27/2015	0.00	520.00
21046	SAN14	COUNTY OF SAN MATEO	01/27/2015	0.00	6,000.00
21047	SEW01	SEWER AUTH. MID- COASTSIDE	01/27/2015	0.00	570.00
21048	SPR04	SPRINGBROOK SOFTWARE, INC	01/27/2015	0.00	1,650.00
21049	SRT01	SRT CONSULTANTS	01/27/2015	0.00	2,992.00
21050	STA03	STATE WATER RESOURCES CONTRO	01/27/2015	0.00	180.00
21051	TEA01	TEAMWRKX CONSTRUCTION, INC.	01/27/2015	0.00	38,596.52
21052	TET01	JAMES TETER	01/27/2015	0.00	987.00
21053	UB*01303	DON FOX	01/27/2015	0.00	121.41
21054	UB*01304	CASEY CHRISTENSEN	01/27/2015	0.00	78.42
21055	UB*01305	MARTIN KOUGHAN	01/27/2015	0.00	42.39
21056	UB*01306	TOM DA ROSA/TDR PROPERTIES	01/27/2015	0.00	28.80
21057	UB*01307	ERIC DOOLEY/CATHERINE FITZHUGH	01/27/2015	0.00	55.74
21058	UB*01308	SARA WRIGHT	01/27/2015	0.00	78.34
21059	UB*01309	DEBORAH FINCH	01/27/2015	0.00	69.65
21060	UNI15	UNIVAR USA INC	01/27/2015	0.00	3,024.57
21061	USA01	USA BLUE BOOK	01/27/2015	0.00	514.30
21062	VER02	VERIZON WIRELESS	01/27/2015	0.00	645.13
21063	XC201	RANDY ENGLE	01/27/2015	0.00	2,475.00
21064	COM02	COMCAST	01/29/2015	0.00	184.18
21065	ICM01	VANTAGEPOINT TRANSFER AGENTS.	01/29/2015	0.00	40.00
21066	MAS01	MASS MUTUAL FINANCIAL GROUP	01/29/2015	0.00	1,960.65
21067	SAN20	SAN FRANCISCO FIRE CREDIT UNION	01/29/2015	0.00	300.00

Check No	Vendor No	Vendor Name	Check Date	Void Checks	Check Amount
21068	SAN24	SAN MATEO COUNTY	01/29/2015	0.00	200.00
21069	STA01	STAT PADS, LLC	01/29/2015	0.00	125.00
21070	VAL01	VALIC	01/29/2015	0.00	1,945.00
Report Total (107 checks):				0.00	677,280.43

COASTSIDE COUNTY WATER DISTRICT - PERIOD BUDGET ANALYSIS
31-Jan-15

ACCOUNT	DESCRIPTION	CURRENT ACTUAL	CURRENT BUDGET	B/(W) VARIANCE	B/(W) % VAR	YTD ACTUAL	YTD BUDGET	B/(W) VARIANCE	B/(W) % VAR
OPERATING REVENUE									
1-0-4120-00	Water Revenue -All Areas	542,852.27	686,117.48	(143,265.21)	-20.9%	4,955,387.88	5,569,094.76	(613,706.88)	-11.0%
TOTAL OPERATING REVENUE		542,852.27	686,117.48	(143,265.21)	-20.9%	4,955,387.88	5,569,094.76	(613,706.88)	-11.0%
NON-OPERATING REVENUE									
1-0-4170-00	Water Taken From Hydrants	740.61	2,083.33	(1,342.72)	-64.5%	25,141.63	14,583.35	10,558.28	72.4%
1-0-4180-00	Late Notice -10% Penalty	6,250.69	5,833.33	417.36	7.2%	51,221.78	40,833.35	10,388.43	25.4%
1-0-4230-00	Service Connections	731.43	666.66	64.77	9.7%	5,914.49	4,666.70	1,247.79	26.7%
1-0-4920-00	Interest Earned	639.93	636.00	3.93	0.0%	1,797.94	1,908.00	(110.06)	-5.8%
1-0-4930-00	Tax Apportionments/Cnty Checks	8,772.80	0.00	8,772.80	0.0%	395,385.96	365,000.00	30,385.96	8.3%
1-0-4950-00	Miscellaneous Income	480.99	3,083.33	(2,602.34)	-84.4%	16,572.98	21,583.35	(5,010.37)	-23.2%
1-0-4955-00	Cell Site Lease Income	15,353.73	11,240.00	4,113.73	36.6%	84,455.13	78,680.00	5,775.13	7.3%
1-0-4965-00	ERAF REFUND -County Taxes	356,277.26	0.00	0.00	0.0%	356,277.26	0.00	356,277.26	0.0%
1-0-4990-00	Water Sales Refunded	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
TOTAL NON-OPERATING REVENUE		389,247.44	23,542.65	365,704.79	1553.4%	936,767.17	527,254.75	409,512.42	77.7%
TOTAL REVENUES		932,099.71	709,660.13	222,439.58	31.3%	5,892,155.05	6,096,349.51	(204,194.46)	-3.3%
OPERATING EXPENSES									
1-1-5130-00	Water Purchased	129,077.20	150,652.00	21,574.80	14.3%	1,293,516.80	1,580,572.00	287,055.20	18.2%
1-1-5230-00	Pump Exp, Nunes T P	2,584.85	1,800.00	(784.85)	-43.6%	17,213.83	14,750.00	(2,463.83)	-16.7%
1-1-5231-00	Pump Exp, CSP Pump Station	10,335.66	5,000.00	(5,335.66)	-106.7%	274,936.73	125,910.00	(149,026.73)	-118.4%
1-1-5232-00	Pump Exp, Trans. & Dist.	884.85	986.00	101.15	10.3%	7,558.65	8,082.00	523.35	6.5%
1-1-5233-00	Pump Exp, Pilarcitos Can.	5,714.48	4,754.00	(960.48)	-20.2%	8,438.80	14,962.00	6,523.20	43.6%
1-1-5234-00	Pump Exp. Denniston Proj.	1,954.34	17,280.00	15,325.66	88.7%	12,225.84	44,340.00	32,114.16	72.4%
1-1-5235-00	Denniston T.P. Operations	4,632.69	3,715.00	(917.69)	-24.7%	21,471.97	9,766.00	(11,705.97)	-119.9%
1-1-5236-00	Denniston T.P. Maintenance	339.37	3,875.00	3,535.63	91.2%	12,726.45	33,125.00	20,398.55	61.6%
1-1-5240-00	Nunes T P Operations	7,543.49	2,332.00	(5,211.49)	-223.5%	38,827.58	25,933.00	(12,894.58)	-49.7%
1-1-5241-00	Nunes T P Maintenance	1,332.02	2,542.00	1,209.98	47.6%	16,464.50	24,794.00	8,329.50	33.6%
1-1-5242-00	CSP Pump Station Operations	654.03	700.00	45.97	6.6%	5,689.87	4,900.00	(789.87)	-16.1%
1-1-5243-00	CSP Pump Station Maintenance	1,119.07	3,300.00	2,180.93	66.1%	17,137.47	23,100.00	5,962.53	25.8%
1-1-5250-00	Laboratory Services	2,025.10	3,333.00	1,307.90	39.2%	18,107.21	23,331.00	5,223.79	22.4%
1-1-5318-00	Studies/Surveys/Consulting	4,050.00	20,000.00	15,950.00	79.8%	14,422.48	140,000.00	125,577.52	89.7%
1-1-5321-00	Water Conservation	7,651.38	3,250.00	(4,401.38)	-135.4%	30,168.52	22,750.00	(7,418.52)	-32.6%
1-1-5322-00	Community Outreach	250.00	3,475.00	3,225.00	92.8%	8,441.95	24,325.00	15,883.05	65.3%
1-1-5325-00	Water Shortage Program	0.00	0.00	0.00	0.0%	18,555.01	0.00	(18,555.01)	0.0%
1-1-5411-00	Salaries & Wages -Field	121,695.76	121,507.62	(188.14)	-0.2%	649,571.53	648,040.60	(1,530.93)	-0.2%
1-1-5412-00	Maintenance -General	32,005.17	17,625.00	(14,380.17)	-81.6%	124,542.62	123,375.00	(1,167.62)	-0.9%

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	5,638.36	4,221.00	(1,417.36)	-33.6%	34,043.80	29,547.00	(4,496.80)	-15.2%
1-1-5415-00	Maintenance -Well Fields	0.00	0.00	0.00	0.0%	0.00	10,000.00	10,000.00	0.0%
1-1-5610-00	Salaries/Wages-Administration	74,550.02	93,376.38	18,826.36	20.2%	401,332.98	498,007.40	96,674.42	19.4%
1-1-5620-00	Office Supplies & Expense	9,878.61	13,152.08	3,273.47	24.9%	70,766.36	92,064.60	21,298.24	23.1%
1-1-5621-00	Computer Services	18,818.33	7,650.00	(11,168.33)	-146.0%	42,547.42	53,550.00	11,002.58	20.5%
1-1-5625-00	Meetings / Training / Seminars	1,507.10	1,916.66	409.56	21.4%	19,986.21	13,416.70	(6,569.51)	-49.0%
1-1-5630-00	Insurance	15,936.74	16,250.00	313.26	1.9%	61,024.85	73,750.00	12,725.15	17.3%
1-1-5635-00	EE/Ret. Medical Insurance	34,435.37	40,191.33	5,755.96	14.3%	241,206.01	281,339.35	40,133.34	14.3%
1-1-5640-00	Employees Retirement Plan	38,839.37	60,448.74	21,609.37	35.7%	295,858.78	322,393.20	26,534.42	8.2%
1-1-5645-00	SIP 401K Plan	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
1-1-5681-00	Legal	2,740.50	5,000.00	2,259.50	45.2%	33,456.70	35,000.00	1,543.30	4.4%
1-1-5682-00	Engineering	480.00	1,166.66	686.66	58.9%	3,000.00	8,166.70	5,166.70	63.3%
1-1-5683-00	Financial Services	0.00	0.00	0.00	0.0%	14,585.00	24,000.00	9,415.00	39.2%
1-1-5684-00	Payroll Tax Expense	15,026.19	15,531.21	505.02	3.3%	72,991.87	82,833.25	9,841.38	11.9%
1-1-5687-00	Membership, Dues, Subscript.	190.99	5,256.16	5,065.17	96.4%	32,633.65	36,793.20	4,159.55	11.3%
1-1-5688-00	Election Expenses	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
1-1-5689-00	Labor Relations	0.00	500.00	500.00	100.0%	0.00	3,500.00	3,500.00	100.0%
1-1-5700-00	San Mateo County Fees	6,000.00	1,475.00	(4,525.00)	-306.8%	16,834.56	10,325.00	(6,509.56)	-63.0%
1-1-5705-00	State Fees	0.00	1,333.33	1,333.33	100.0%	8,035.27	9,333.35	1,298.08	13.9%
TOTAL OPERATING EXPENSES		557,891.04	633,595.17	75,704.13	11.9%	3,938,321.27	4,476,075.35	537,754.08	12.0%
CAPITAL ACCOUNTS									
1-1-5711-00	Debt Srvc/Existing Bonds 1998A	0.00	0.00	0.0%	0.0%	0.00	0.00	0.00	0.0%
1-1-5712-00	Debt Srvc/Existing Bonds 2006B	0.00	0.00	0.0%	0.0%	350,866.38	349,992.00	(874.38)	-0.2%
1-1-5715-00	Debt Srvc/CIEDB 11-099 (I-BANK)	80,052.51	80,053.00	0.0%	0.0%	338,023.96	338,024.00	0.04	0.0%
TOTAL CAPITAL ACCOUNTS		80,052.51	80,053.00	(0.49)	0.0%	688,890.34	688,016.00	(874.34)	-0.1%
TOTAL EXPENSES		637,943.55	713,648.17	75,704.62	10.6%	4,627,211.61	5,164,091.35	536,879.74	10.4%
NET INCOME		294,156.16		1,264,943.44					

**COASTSIDE COUNTY WATER DISTRICT
MONTHLY INVESTMENT REPORT
January 31, 2015**

RESERVE BALANCES

CAPITAL AND OPERATING RESERVE	\$2,299,794.03
RATE STABILIZATION RESERVE	\$250,000.00

TOTAL DISTRICT RESERVES	\$2,549,794.03
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ACCOUNT DETAIL

ACCOUNTS WITH FIRST NATIONAL BANK (FNB)	
CHECKING ACCOUNT	\$918,668.04
CSP T & S ACCOUNT	\$610,413.92

LOCAL AGENCY INVESTMENT FUND (LAIF) BALANCE	\$1,020,082.07
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DISTRICT CASH ON HAND	\$630.00
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TOTAL ACCOUNT BALANCES	\$2,549,794.03
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This report is in conformity with CCWD's Investment Policy.

COASTSIDE COUNTY WATER DISTRICT
 APPROVED CAPITAL IMPROVEMENT PROJECTS
 FISCAL YEAR 2014-2015

1/31/2015

Approved CIP Budget FY 14/15	Actual To Date FY 14/15	Projected Year-End FY 14/15	Projected vs. Budget Variance	% Completed	Project Status/ Comments
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Previous CIP Projects - paid in FY 14/15

Nunes WTP Access Road Repaving Proj - Phase 1	\$ 86,674	\$ 80,000			Complete
El Granada Tank #2 Recoating/Repair Project	\$ 58,743	\$ 58,743			Complete
Denniston Water Supply Development	\$ 23,807	\$ 23,807			
Miramar Tank Fence Replacement	\$ 26,418	\$ 26,418			Complete
Nunes Hydropneumatic Systems Improvements	\$ 81,070	\$ 80,000			Construction complete, vendor not paid

PREVIOUS YEAR TOTALS \$ - \$ 276,712 \$ 268,967 \$ (268,967) In Progress

UNSCHEDULED ITEMS (CAPITAL EXPENDITURES) FOR CURRENT FISCAL YEAR 14/15

Sunrise Court Pipeline Replacement	\$ 34,489	\$ 34,489			Complete
Denniston Dam Repair	\$ 980	\$ 980			
Denniston Booster Pump Station	\$ 4,118	\$ 4,118			
		\$ -			
		\$ -			
		\$ -			

NON-BUDGETED TOTALS \$ - \$ 39,587 \$ 39,587 \$ (39,587)

CIP TOTALS \$ 2,798,000 \$ 1,466,958 \$ 1,881,554 \$ 916,446

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

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

Month	Admin (General Legal Fees)	Water Supply Develpmnt	Transfer Program	CIP	Personnel	Water Shortage	Lawsuits	Infrastructure Project Review (Reimbursable)	TOTAL
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Feb-14	2,752	140							2,892
Mar-14	6,214								6,214
Apr-14	2,096		604					1,487	4,187
May-14	2,519			257				286	3,063
Jun-14	2,252		220	858					3,330
Jul-14	6,604		269	772	550				8,196
Aug-14	2,145			715	1,494	3,752			8,105
Sep-14	4,054		314	143	5,092	1,516			11,119
Oct-14	2,571	1,087			2,034				5,691
Nov-14	3,277			114	4,111			429	7,931
Dec-14	2,460		290		3,793				6,542
Jan-15	1,373	286		57	1,372				3,088

TOTAL	38,316	1,513	1,698	2,917	18,444	5,267	0	2,202	70,358
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**Engineer Cost Tracking Report
12 Months At-A-Glance**

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

Month	Admin & Retainer	CIP	Studies & Projects	TOTAL	Reimbursable from Projects
Feb-14	480		423	903	423
Mar-14	480	1,606	930	3,015	930
Apr-14	480	2,005	169	2,654	169
May-14	480	5,463	2,907	8,850	2,907
Jun-14	480	9,551		10,031	
Jul-14	480	7,799	169	8,448	169
Aug-14	480	8,316		8,796	
Sep-14	240	7,445	180	7,865	180
Oct-14	480	13,394		13,874	
Nov-14	480	11,154	3,211	14,845	3,211
Dec-14	360		254	614	254
Jan-15	480		507	987	507
TOTAL	5,400	66,732	8,748	80,881	8,748

Calcon T&M Projects Tracking

Project No.	Name	Acct No.	Proposal Date	Approved Date	Project Budget	Billing Date								Project Total Billing	Project Budget Remaining	CIP Project		
						3/31/14	4/30/14	5/31/14	6/30/14	7/31/14	8/31/14	9/30/14	10/30/14				11/30/14	12/31/14
CAL-13-EMG	Emergency Callout					\$6,210.17		\$540.00										
CAL-14-EMG	Emergency Callout								\$1,330.00	\$250.00	\$1,330.00	\$1,364.50		\$1,060.00				
CAL-13-00	Calcon Project Admin/Miscellaneous								\$112.88									
CAL-13-01	EG Tank 2 Recoating Project		9/30/13	10/8/13	\$8,220.00				\$1,712.50	\$750.00					\$8,837.50	-\$617.50	08-17	
CAL-13-02	Nunes Control System Upgrades		9/30/13	10/8/13	\$46,141.00										\$55,363.60	-\$9,222.60	FY13 CIP	
CAL-13-03	Win 911 and PLC Software		9/30/13	10/8/13	\$9,717.00		\$1,935.00								\$12,231.74	-\$2,514.74		
CAL-13-04	Crystal Springs Surge Tank Retrofit		11/26/13	11/27/13	\$31,912.21		\$31,964.53	\$10,229.10			\$9,620.12				\$66,572.54	-\$34,660.33	6-Dec	
CAL-13-05															\$0.00	\$0.00		
CAL-13-06	Nunes Legacy Backwash System Removal		11/25/13	11/26/13	\$6,516.75										\$6,455.00	\$61.75		
CAL-13-07	Denniston Backwash FTW Valves		11/26/13	11/27/13	\$6,914.21										\$9,518.28	-\$2,604.07		
CAL-14-01	Denniston Wash Water Return Retrofit		1/28/14	2/14/14	\$13,607.00										\$13,591.60	\$15.40		
CAL-14-02	Denniston Calirifier SCADA Data		4/2/14	4/7/14	\$4,125.00				\$4,077.50						\$4,077.50	\$47.50		
CAL-14-03	Nunes Surface Scatter Turbidimeter		4/2/14	4/7/14	\$2,009.50										\$0.00	\$2,009.50		
CAL-14-04	Phase I Control System Upgrade		4/2/14	4/7/14	\$75,905.56	\$9,670.00		\$15,593.35	\$4,415.00	\$14,780.79					\$44,459.14	\$31,446.42		
CAL-14-06	Miramar Control Panel		8/28/14	8/28/14	\$37,953.00						\$25,176.15	\$2,804.56			\$27,980.71	\$9,972.29		
CAL-14-08	SFWater Flow & Data Logger/Cahill Tank		8/20/2014	8/20/2014	\$1,370.00								\$1,372.00		\$1,372.00	-\$2.00		
					\$244,391.23	\$9,670.00	\$33,899.53	\$25,822.45	\$10,317.88	\$15,530.79	\$34,796.27	\$2,804.56	\$1,372.00	\$0.00	\$0.00	\$250,459.61	-\$6,068.38	

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

Tuesday, January 13, 2015

- 1) **ROLL CALL** - The Closed Session convened at 6:00 p.m. Present at roll call: President Chris Mickelsen, Vice President Arnie Glassberg, Directors Ken Coverdell, and Glenn Reynolds. Director Steve Flint arrived shortly thereafter.
- 2) **PUBLIC COMMENT** - There were no public comments.
- 3) **CLOSED SESSION**
 - A. **Public Employee Performance Evaluation**
(Cal. Govt. Code §54957): Title: General Manager
- 4) **RECONVENE TO OPEN SESSION**

The Closed Session concluded at 6:57 p.m., and the Board reconvened to open session, at which time it was reported by President Mickelsen that no action was taken during the closed session.
- 5) **ADJOURNMENT** - The special meeting was adjourned at 6:58 p.m.

Respectfully submitted,

David R. Dickson, General Manager
Secretary of the District

Chris Mickelsen, President
Board of Directors

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE BOARD OF DIRECTORS MEETING

Tuesday, January 13, 2015

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

Also present were: David Dickson, General Manager; Patrick Miyaki, Legal Counsel; Joe Guistino, Superintendent of Operations; JoAnne Whelen, Administrative Assistant/Recording Secretary; Cathleen Brennan, Water Resources Analyst; and Gina Brazil, Office Manager. District Engineer James Teter was present. Water Treatment Supervisor Sean Donovan and Distribution Supervisor John Davis, were also in the audience.

- 2) **PLEDGE OF ALLEGIANCE**

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

- 4) **SPECIAL ORDER OF BUSINESS**

- A. **Resolution 2015-01 - A Resolution of the Board of Directors of the Coastside County Water District Expressing Gratitude to James S. Teter for his Fifty-Four Years of Dedicated Engineering Services**

President Mickelsen introduced this special order of business by requesting comments from the Board members. Director Coverdell began by stating that he was very happy to see Mr. Teter in attendance and had appreciated his presence at the Board of Directors meetings in previous years because of his valuable knowledge of the design, construction and operation of the CCWD water system. He added that he did not even see how the District could ever adequately thank Mr. Teter for all his years of service and the level of dedication he has presented to the District.

President Mickelsen echoed Director Coverdell's sentiments and added that when Mr. Teter designs a project for the District, he also creates very precise and specific bid documents and engineering estimates, which has been invaluable to the District. He thanked Mr. Teter for all the years of his dedicated and outstanding service to the Coastside County Water District.

Director Reynolds thanked Mr. Teter for his exemplary work and cost-effective and valuable engineering solutions. He also commended Mr. Teter for his exceptional skills, knowledge and experience.

Former Coastside County Water District Board Member, Bob Feldman, also shared his comments, joking that not many people can say that they have worked fifty-four years at any job. He also commended Mr. Teter for the projects he has accomplished for the District, crediting the District's success with local water sources with Mr. Teter's sound design and engineering.

On behalf of the staff, Mr. Dickson stated that over the years that he has been at CCWD, he has come to appreciate all of Mr. Teter's contributions to the District, which basically includes the District's entire infrastructure system, including the Nunes Water Treatment Plant, the Denniston Water Treatment Plant, the Crystal Springs Project, and the El Granada Pipeline Project

Mr. Miyaki commented that over his career with Hanson Bridgett he has learned a lot from Mr. Teter, especially with regard to contracts, specifications and how to approach large public works projects. He also expressed his appreciation to Mr. Teter for this experience and all of his successes with the District.

Mr. Teter shared a few words about his very enjoyable and rewarding career with the District and his interest in continuing to be the District's Engineer. President Mickelsen then proceeded to read Resolution 2015-01 aloud.

ON MOTION BY Director Coverdell and seconded by President Mickelsen, the Board voted as follows, by roll call vote, to approve and adopt Resolution 2015-01, A Resolution of the Board of Directors of the Coastside County Water District Expressing Gratitude to James S. Teter for his Fifty-Four Years of Dedicated Engineering Services:

Vice-President Mickelsen	Aye
Director Coverdell	Aye
Director Flint	Aye
Director Glassberg	Aye
President Reynolds	Aye

5) **BRIEF RECESS** - The Board and Staff enjoyed refreshments during a brief recess and the meeting was reconvened at 7:34 p.m.

6) **CONSENT CALENDAR**

- A. Approval of disbursements for the month ending December 31, 2014:
Claims: \$685,749.28; Payroll: \$76,978.97 for a total of \$762,728.25
➤ *December 2014 Monthly Financial Claims reviewed by Director Flint*
- B. Acceptance of Financial Reports
- C. Approval of Minutes of December 9, 2014 Special and Regular Board of Directors Meetings
- D. Installed Water Connection Capacity and Water Meters Report
- E. Total CCWD Production Report
- F. CCWD Monthly Sales by Category Report - November 2014
- G. December 2014 Leak Report
- H. Rainfall Reports
- I. San Francisco Public Utilities Commission Hydrological Conditions Report for November 2014

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

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

Vice-President Mickelsen	Aye
Director Coverdell	Aye
Director Flint	Aye
Director Glassberg	Aye
President Reynolds	Aye

7) **MEETINGS ATTENDED / DIRECTOR COMMENTS**

President Mickelsen reported that he will be attending a Bay Area Water Supply and Conservation Agency (BAWSCA) meeting later next week.

8) **GENERAL BUSINESS**

A. Main Street Bridge Pipeline Replacement Project- 30% Design

Mr. Dickson introduced this item, and distributed handouts of the Project Update at 30% Design and photographs of the current pipeline condition. He reviewed the history of this project, including alternatives explored and evaluated for this pipeline replacement. He advised that project cost estimates included in Erler & Kalinowski, Inc's. (EKI) 30% design report are significantly higher than the conceptual estimate and that the initially preferred microtunneling approach could cost as much as \$3.2 million. He further explained that a substantial portion of the increase is associated with subsurface conditions revealed in EKI's geotechnical investigation. Mr. Dickson introduced Jeff Tarantino, Steve Tarantino and Jon Sutter with EKI.

Jeff Tarantino reviewed the project objectives and challenges recapped the 30% design work, explained the microtunneling construction method, and discussed the opinion of probable cost. He answered questions from the Board members and discussion ensued about potential alternatives. In an effort to summarize the Board's comments in the form of direction to staff, Director Coverdell recommended that the District continue to pursue the microtunneling project, but at the same time continue to put effort towards attempting to arrive at a quicker and more complete emergency solution in order to avoid any breaks in the present pipeline. Vice-President Glassberg also suggested that a summary of the other alternatives be prepared, to include the costs and feasibility of the other proposed alternatives.

Mr. Dickson proposed that a qualitative matrix could be developed as a type of first-screening for some of the other alternatives to show the pros and cons involved with the other options. He summarized the Board's direction to include spending some time and effort in dedicating some of EKI's resources to prepare this summary of alternatives, and in the meantime approach the City of Half Moon Bay to pursue scheduling a meeting of both agencies in a joint effort to discuss project alternatives.

The meeting was then adjourned for a five-minute break.

B. Approval of Guiding Principles for the Recycled Water Project Between SAM, CCWD and MWSD

Mr. Dickson reviewed the background of this item and directed the Board's attention to the Guiding Principles for Recycled Water Project between SAM, CCWD, and MWSD, which he recommended, be approved. Mr. Miyaki reported that he had reviewed the document and agreed with Mr. Dickson's recommendation. He commended Director Coverdell and all committee members in achieving these Guiding Principles.

ON MOTION BY Director Reynolds and seconded by Director Flint, the Board voted as follows, by roll call vote, to approve the Guiding Principles for the Recycled Water Project Between SAM, CCWD and MWSD as presented:

Vice-President Mickelsen	Aye
Director Coverdell	Aye
Director Flint	Aye
Director Glassberg	Aye
President Reynolds	Aye

C. Approve Resolution Formalizing Policy for Paying and Reporting the Value of Employer Paid Member Contributions to the California Public Employees' Retirement System (CalPERS)

Mr. Dickson explained the Employer Paid Member Contribution (EPMC) changes under the terms of the recently approved Memorandum of Understanding with the Teamsters Union. He also explained that this Resolution addresses all of the required changes to become effective February 1, 2015, July 1, 2015 and July 1, 2016, and that all represented and non-represented employees would be paying the full Member Contribution as of July 1, 2016.

ON MOTION BY Director Reynolds and seconded by Vice-President Glassberg, the Board voted as follows, by roll call vote, to approve Resolution 2015-02 Formalizing Policy for Paying and Reporting the Value of Employer Paid Member Contributions to the California Public Employees' Retirement System (CalPERS):

Vice-President Mickelsen	Aye
Director Coverdell	Aye
Director Flint	Aye
Director Glassberg	Aye
President Reynolds	Aye

D. Quarterly Financial Review

Mr. Dickson briefly summarized the quarterly financial review. There were no questions from the Board members.

E. Coastside County Water District Board Committees

President Mickelsen asked the Board members if they had an interest in changing any of the District Committees in which they currently serve. There were no requests for any changes to the current Board Committees.

9) GENERAL MANAGER'S REPORT -INCLUDING MONTHLY INFOMATIONAL REPORTS

SFPUC Water Supply Status - Mr. Dickson reviewed SFPUC's status report, advising that mandatory rationing remains a possibility unless precipitation totals improve. He pointed out that the District had the lowest per-capita consumption (39 gpcd) among SFPUC's wholesale customers in the data Steve Ritchie of SFPUC presented to BAWSCA representatives.

A. Operations Report - Mr. Guistino provided a brief update on the progress of water production at the Denniston Water Treatment Plant, the near completion of Phase 3 of the Avenue Cabrillo Project and the Nebbia Winery main break.

B. Water Resources Report

Ms. Brennan noted that Mr. Dickson had previously covered the information in her report.

10) DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS

11) ADJOURNMENT - The meeting was adjourned at 9:54 p.m.

Respectfully submitted,

David R. Dickson, General Manager
Secretary of the District

Chris Mickelsen, President
Board of Directors

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

Wednesday, January 14, 2015 - 2:00 p.m.

- 1) **ROLL CALL** - The Closed Session convened at 2:06 p.m. Present at roll call: President Chris Mickelsen, Vice President Arnie Glassberg, Directors Steve Flint and Ken Coverdell. Director Glenn Reynolds arrived during the closed session. David Dickson, General Manager, Patrick Miyaki, Legal Counsel and Alan Lilly, Attorney, with Bartkiewicz, Kronick & Shanahan were also present.

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

- 3) **CLOSED SESSION**
 - A. **Conference with Legal Counsel - Existing Litigation**
Pursuant to California Government Code Section §54956.9(d)(1)
Name of Case: State Water Resources Control Board, Division of Water Rights, Coastside County Water District Permit 15882 (Application 22680), Petition for Extension of Time

- 4) **RECONVENE TO OPEN SESSION**
The Board reconvened in open session at 4:06 p.m. at which time Mr. Miyaki reported that the Board met in Closed Session to confer with legal counsel for existing litigation pursuant to California Government Code Section §54956.9(d) (1) Name of Case: State Water Resources Control Board, Division of Water Rights, Coastside County Water District Permit 15882 (Application 22680), Petition for Extension of Time, and no action was taken in the Closed Session.

- 5) **ADJOURNMENT** - The special meeting was adjourned at 4:07 p.m.

Respectfully submitted,

David R. Dickson, General Manager
Secretary of the District

Chris Mickelsen, President
Board of Directors

TOTAL CCWD PRODUCTION (MG) ALL SOURCES- FY 2015

	PILARCITOS WELLS	PILARCITOS LAKE	DENNISTON WELLS	DENNISTON RESERVOIR	CRYSTAL SPRINGS RESERVOIR	RAW WATER TOTAL	UNMETERED WATER	TREATED TOTAL
JUL	0.00	0.00	0.48	2.32	71.96	74.76	0.85	73.92
AUG	0.00	0.00	0.10	0.82	73.97	74.89	0.09	74.80
SEPT	0.00	0.00	0.05	0.60	59.58	60.23	0.45	59.78
OCT	0.00	0.00	0.00	0.00	57.13	57.13	0.13	57.00
NOV	4.43	0.00	0.01	0.93	41.00	46.37	0.72	45.65
DEC	10.67	9.68	0.20	2.19	16.37	39.11	0.35	38.76
JAN	8.44	20.23	0.64	13.95	10.52	53.78	0.30	53.48
FEB								
MAR								
APR								
MAY								
JUN								
TOTAL	23.54	29.90	1.48	20.81	330.53	406.26	2.87	403.39
% MONTHLY TOTAL	15.69%	37.61%	1.19%	25.94%	19.56%	100.00%	0.88%	99.12%
% ANNUAL TO DATE TOTAL	5.8%	7.4%	0.4%	5.1%	81.4%	100.0%	0.71%	99.3%

12 Month Running Treated Total **680.72**

TOTAL CCWD PRODUCTION (MG) ALL SOURCES- FY 2014

	PILARCITOS WELLS	PILARCITOS LAKE	DENNISTON WELLS	DENNISTON RESERVOIR	CRYSTAL SPRINGS RESERVOIR	RAW WATER TOTAL	UNMETERED WATER	TREATED TOTAL
JUL	0.00	0.00	0.00	0.00	75.61	75.61	0.40	75.21
AUG	0.00	0.00	0.00	0.00	84.56	84.56	-0.18	84.74
SEPT	0.00	0.00	0.00	0.00	66.04	66.04	0.21	65.83
OCT	0.00	0.00	0.00	0.00	68.72	68.72	-0.09	68.81
NOV	1.82	0.00	0.00	0.00	56.17	57.99	0.13	57.86
DEC	0.76	0.00	0.00	0.00	55.12	55.88	0.07	55.81
JAN	0.00	0.00	0.00	0.46	57.17	57.63	1.10	56.53
FEB	2.97	0.00	0.00	2.33	35.25	40.55	1.61	38.94
MAR	1.78	0.00	0.25	8.86	31.25	42.14	-0.38	42.52
APR	0.00	19.89	0.92	12.58	19.70	53.09	0.21	52.88
MAY	0.00	16.79	0.83	7.89	50.40	75.91	-0.06	75.97
JUN	0	0.00	0.00	1.22	66.61	67.83	0.81	67.02
TOTAL	7.33	36.68	2.00	33.34	666.60	745.95	3.82	742.12
% TOTAL	1.0%	4.9%	0.3%	4.5%	89.4%	100.0%	0.51%	99.5%

 denotes estimated due to faulty SFPUC meter

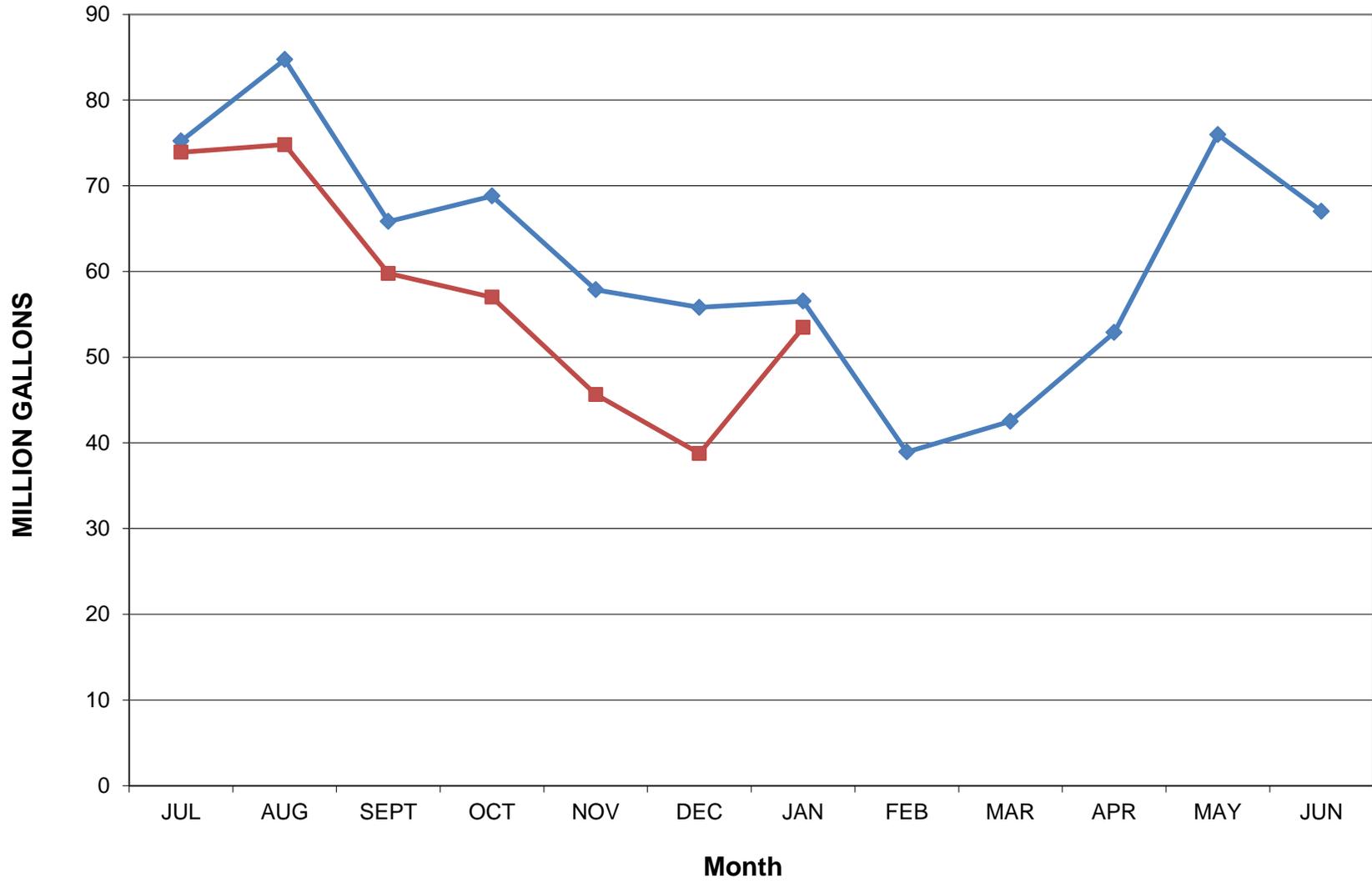
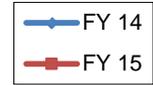
COASTSIDE COUNTY WATER DISTRICT

Predicted vs Actual Production - All Sources FY 15

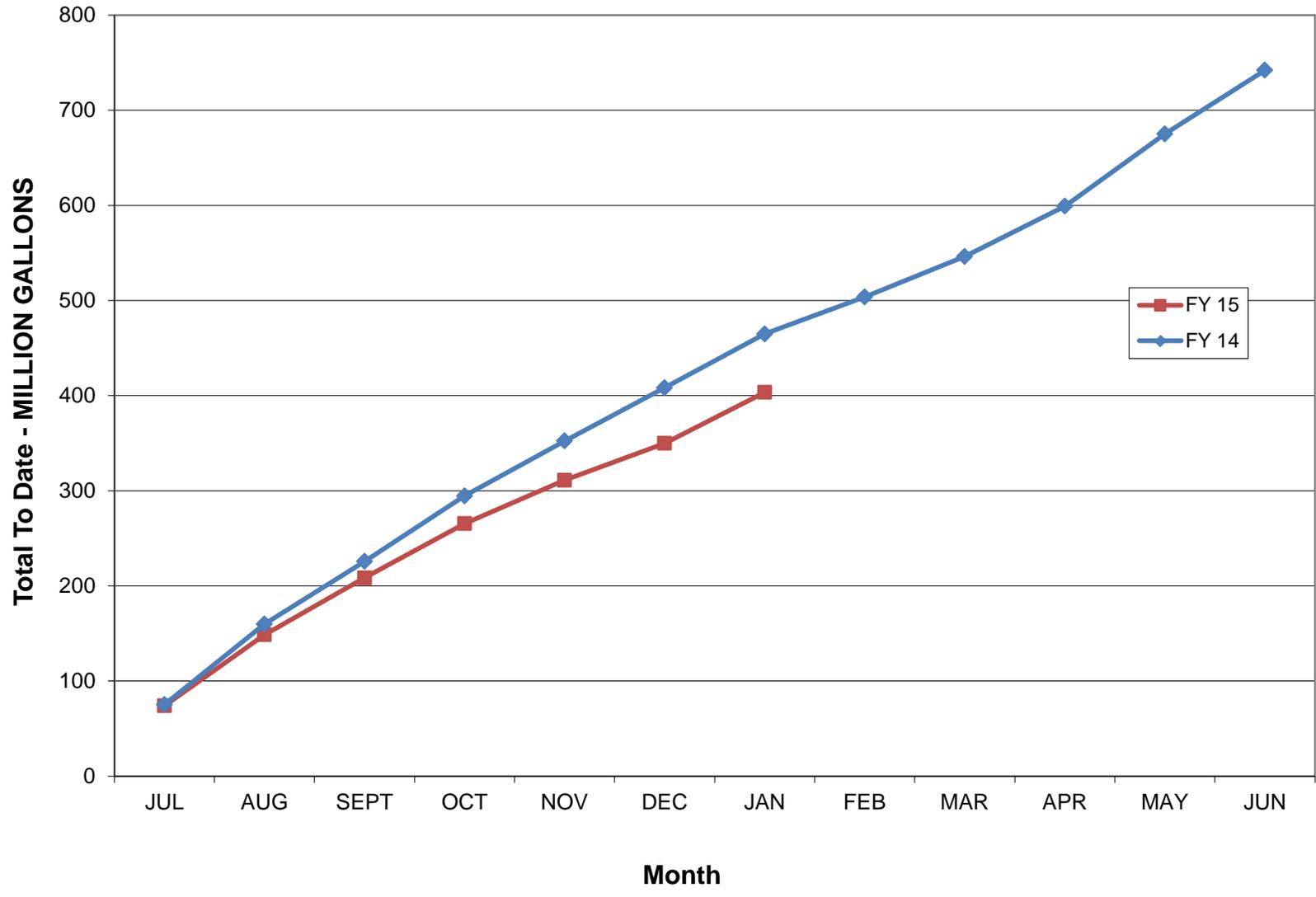
	Denniston Surface			Denniston Wells			Pilarcitos Wells			Pilarcitos Surface			SFWD CSP			SFWD Total	
	Actual MG	Predicted MG	pred-act	Actual MG	Predicted	pred-act	Actual MG	Predicted MG	pred-act	Actual MG	Predicted MG	pred-act	Actual MG	Predicted MG	pred-act	Actual MG	Predicted MG
Jul-14	2.32	5.34	3.02	0.48	0.00	-0.48	0.00	0.00	0.00	0.00	31.42	31.42	71.96	34.44	-37.52	71.96	65.86
Aug-14	0.82	0.00	-0.82	0.10	0.00	-0.10	0.00	0.00	0.00	0.00	47.40	47.40	73.97	32.50	-41.47	73.97	79.90
Sep-14	0.60	0.00	-0.60	0.05	0.00	-0.05	0.00	0.00	0.00	0.00	27.24	27.24	59.58	35.18	-24.40	59.58	62.42
Oct-14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	36.36	36.36	57.13	29.25	-27.88	57.13	65.61
Nov-14	0.93	6.34	5.41	0.01	0.00	-0.01	4.43	1.87	-2.56	0.00	46.19	46.19	41.00	0.00	-41.00	41.00	46.19
Dec-14	2.19	11.53	9.34	0.20	0.00	-0.20	10.67	1.12	-9.55	9.68	39.52	29.85	16.37	0.00	-16.37	26.05	39.52
Jan-15	13.95	16.58	2.63	0.64	1.12	0.48	8.44	1.12	-7.32	20.23	36.19	15.96	10.52	0.00	-10.52	30.75	36.19
Feb-15			#VALUE!			#VALUE!			#VALUE!			#VALUE!			#VALUE!	0.00	19.64
Mar-15			#VALUE!			#VALUE!			#VALUE!			#VALUE!			#VALUE!	0.00	19.00
Apr-15			#VALUE!			#VALUE!			#VALUE!			#VALUE!			#VALUE!	0.00	43.53
May-15			#VALUE!			#VALUE!			#VALUE!			#VALUE!			#VALUE!	0.00	63.20
Jun-15			#VALUE!			#VALUE!			#VALUE!			#VALUE!			#VALUE!	0.00	60.46
MG Totals	20.81	39.79	18.98	1.48	1.12	-0.36	23.54	4.11	-19.43	29.90	264.33	234.42	330.53	131.37	-199.16	360.43	601.52

	Actual non SFPUC	Predicted non SFPUC	Actual SFPUC	Predicted SFPUC	TOTAL		
					Actual	Predicted	Pred-act
	45.83	45.03	360.43	395.70	406.26	440.73	34.46
% Total	11.28%	10.22%	88.72%	89.78%	92.18%		

Monthly Production FY 13 vs FY 14



Cumulative Production FY 13 vs.FY14



Plant Water Use*			Unmetered Water					2015			MG	
	Denniston Plant	Nunes Plant	Total	Main Flushing	Detector Checks*	Main Breaks	Fire Dept	Miscellaneous	Tank Level Difference	Total		
JAN	0.000	0.000	0.000	0.012	0.006	0.118	0.000	0.014	0.146	0.295		
FEB										0.000		
MAR										0.000		
APR										0.000		
MAY										0.000		
JUN										0.000		
JUL										0.000		
AUG										0.000		
SEP										0.000		
OCT										0.000		
NOV										0.000		
DEC										0.000		
TOTAL	0.00	0.00	0.00	0.01	0.01	0.12	0.00	0.01	0.15	0.30		

0.19 residential change	0.10	0.16	0.24	0.19	0.13	0.15	0.36
0.15 non residential change	0.17	-0.02	0.19	-0.01	-0.07	0.35	0.44
0.18 Total	0.14	0.09	0.21	0.13	0.04	0.21	0.41
sum fy 14	369.00						
sum fy 13	448.07						
	0.18						

Coastside County Water District Monthly Leak Report

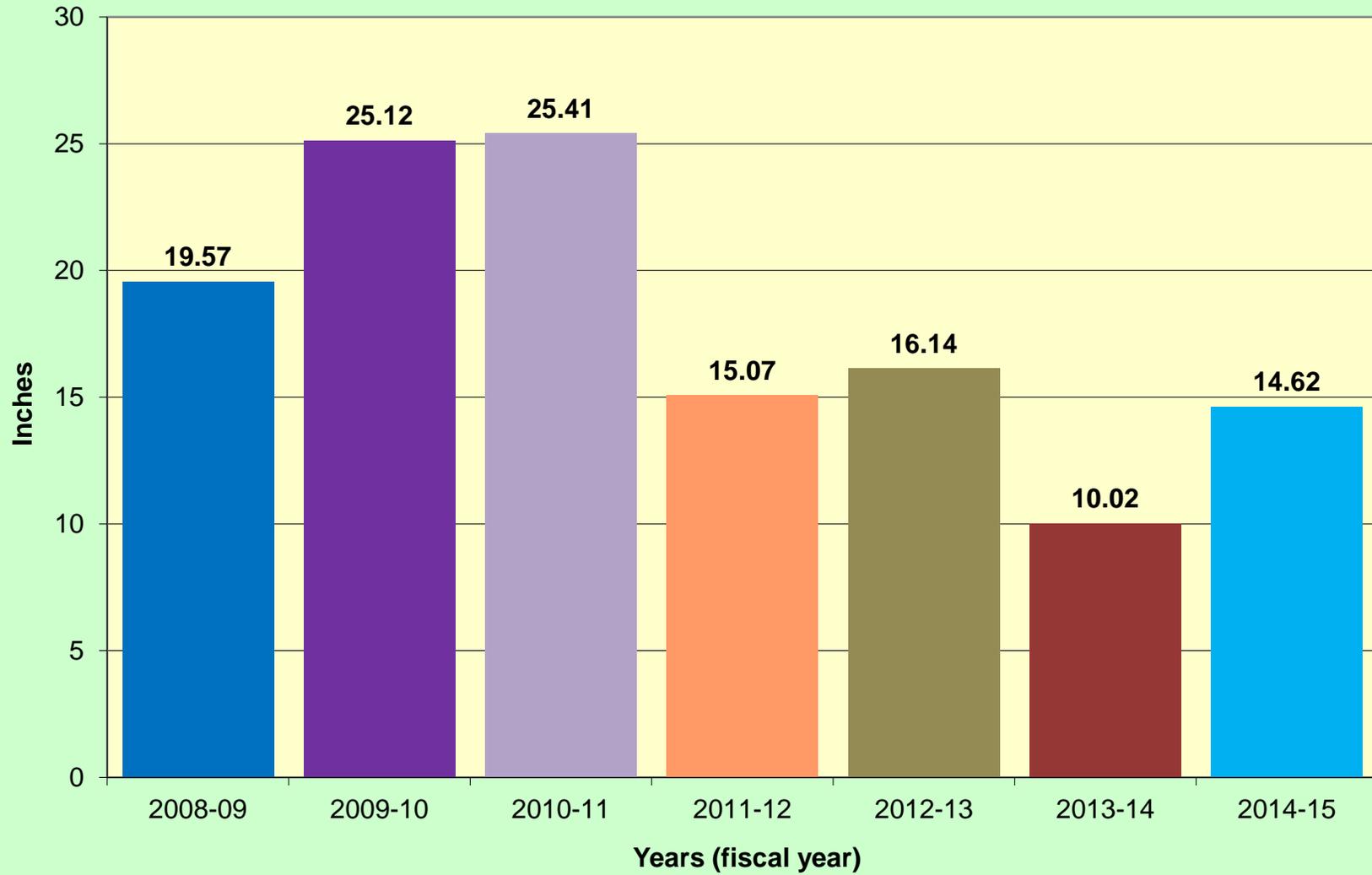
ID	Date Reported Discovered	Date Repaired	Location	Pipe Class	Pipe Size & Type	Estimated Water Loss (Gallons)*	Equipment Costs	Material Costs	Employee hours		Labor Costs	Total Costs
									Staff	Hours		
1	1/1/2015	1/1/15	Coronado X Isabella EG						Overtime			
				M	6" CI	15,000	\$1,125.00	\$600.00	4	4.5	\$1,800	\$3,525.00
2	1/14/2015	1/14/2015	Poplar Street						Overtime			
				S	3/4" PL	1,500	\$600.00	\$300.00	4	4	\$800	\$1,700.00
3	1/26/2015	1/26/2015	310 Bridgeport Ave						Overtime			
				m	12" CI	100,000	\$1,200.00	\$0.00	5	4	\$1,500	\$2,700.00
4	1/20/2015	1/27/2015	222 Sevilla						Overtime			
				S	1" PL	1,500	\$600.00	\$125.00	4	3	\$600	\$1,325.00
5									Overtime			
												\$0.00
6									Overtime			
												\$0.00
7									Overtime			
												\$0.00
8									Overtime			
												\$0.00

Totals	118,000	\$3,525.00	\$1,025.00	17	15.5	\$4,700	\$9,250.00
---------------	----------------	-------------------	-------------------	-----------	-------------	----------------	-------------------

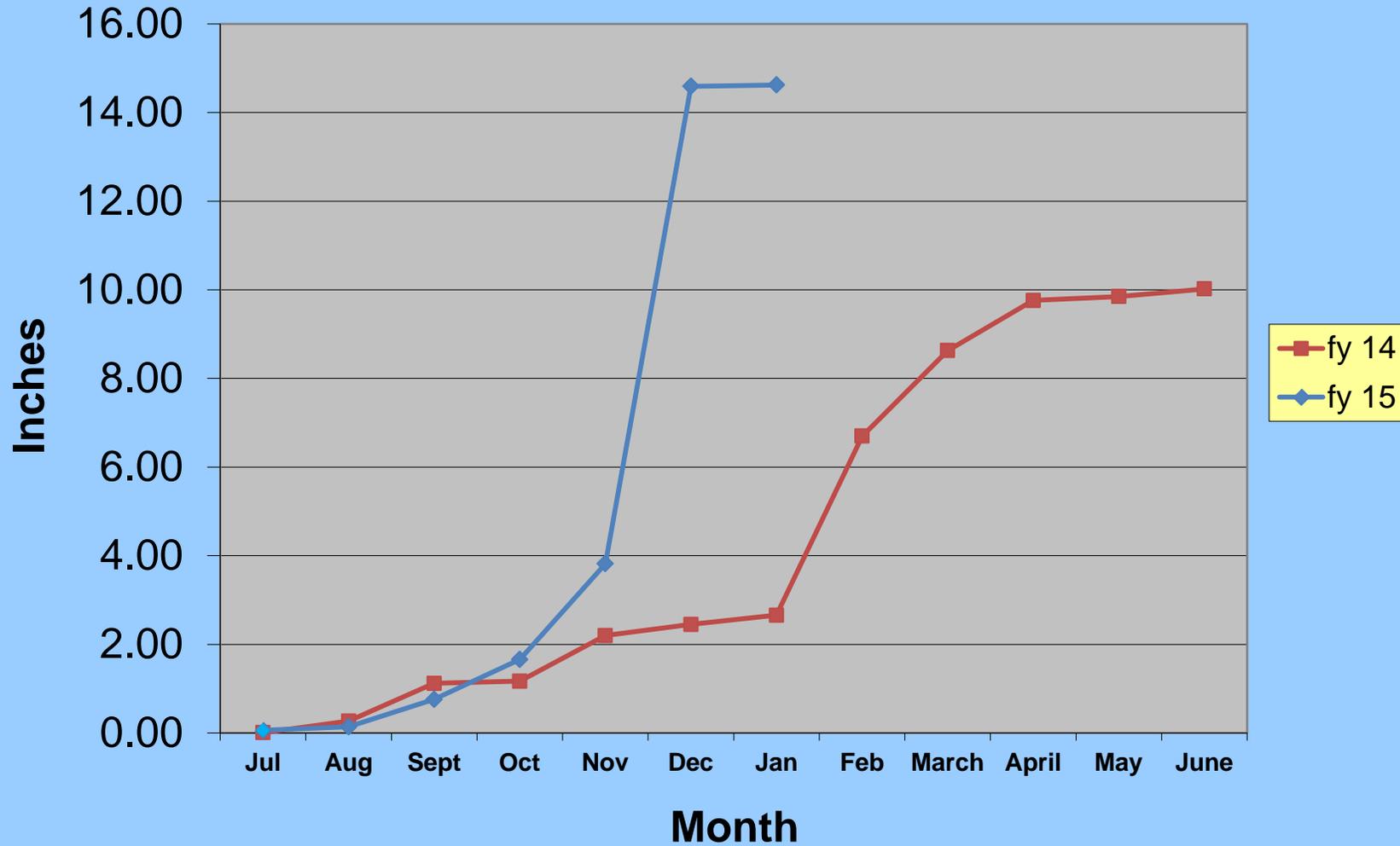
*includes 1,000 gallons for mains to daylight plus 1,000 gallons to flush mains or 100 gallons to flush services	Staff x hours = 263.5
--	------------------------------

Rain Totals

Fiscal Years 09 - 15



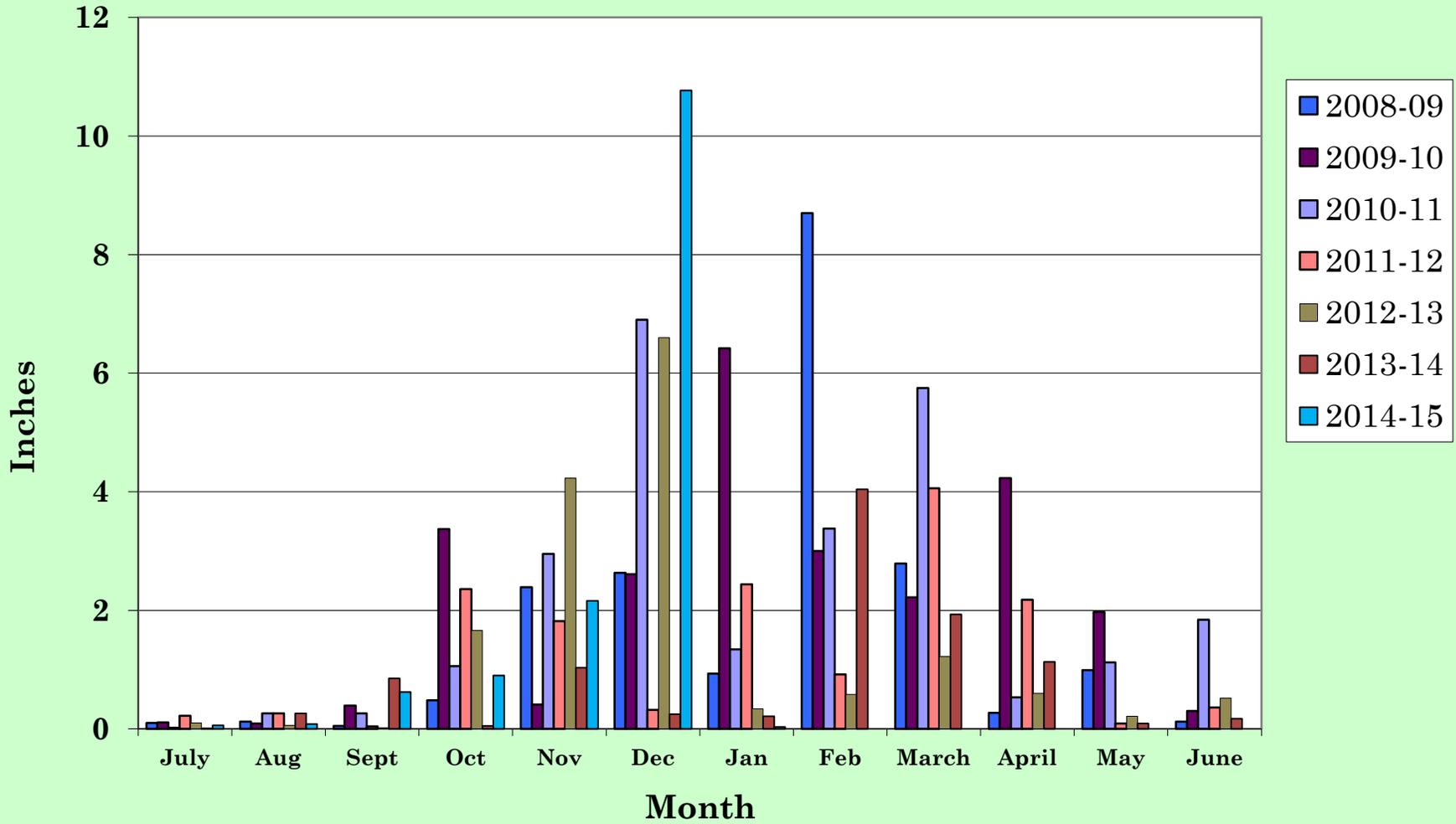
Rainfall Total Comparison Fiscal Years 14 and 15



Coastside County Water District

Rainfall by Month

Fiscal Years 08 - 14



MONTHLY CLIMATOLOGICAL SUMMARY for JAN. 2015

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

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

DAY	MEAN TEMP	HIGH	TIME	LOW	TIME	HEAT DEG DAYS	COOL DEG DAYS	RAIN	AVG WIND SPEED	HIGH	TIME	DOM DIR
1	46.7	56.9	2:30p	36.2	2:30a	18.3	0.0	0.00	2.7	15.0	12:00p	E
2	45.3	57.5	2:00p	37.9	12:00m	19.7	0.0	0.00	2.3	14.0	9:30a	E
3	46.1	58.1	3:00p	36.8	3:30a	18.9	0.0	0.00	1.0	9.0	7:30a	E
4	50.5	59.1	4:00p	39.7	2:00a	14.5	0.0	0.00	2.4	15.0	8:00a	E
5	56.5	63.5	3:30p	49.8	4:00a	8.5	0.0	0.00	5.3	22.0	4:00p	E
6	60.4	67.4	3:00p	54.0	7:00a	4.8	0.2	0.00	5.3	19.0	11:00a	E
7	62.7	73.0	2:00p	51.3	12:00m	3.8	1.5	0.00	3.6	19.0	11:00a	E
8	58.5	66.6	2:30p	49.4	2:00a	6.6	0.1	0.00	1.3	13.0	3:30p	E
9	54.8	65.6	12:30p	49.4	7:00a	10.2	0.0	0.00	0.5	8.0	1:30p	E
10	51.5	60.8	3:00p	45.1	5:30a	13.5	0.0	0.00	0.5	10.0	1:00p	E
11	49.7	57.6	2:30p	42.9	5:00a	15.3	0.0	0.01	0.7	9.0	3:30p	E
12	52.5	64.1	12:00p	44.7	6:30a	12.5	0.0	0.00	0.8	9.0	2:00p	E
13	54.0	65.4	4:00p	45.4	2:00a	11.0	0.0	0.00	1.6	21.0	2:00p	E
14	54.1	64.0	1:30p	45.7	4:30a	10.9	0.0	0.00	2.0	14.0	9:00a	E
15	53.2	64.1	1:30p	43.4	8:00a	11.8	0.0	0.00	1.0	11.0	12:30p	E
16	53.9	65.3	1:00p	44.7	5:00a	11.1	0.0	0.00	0.6	16.0	12:00m	E
17	57.4	66.4	1:30p	52.0	7:30a	7.6	0.0	0.00	3.6	17.0	1:00a	E
18	59.2	66.2	2:00p	53.9	12:00m	5.8	0.0	0.00	1.3	14.0	8:00a	NE
19	55.4	62.2	3:30p	48.6	12:00m	9.6	0.0	0.00	2.4	21.0	2:00p	NE
20	50.9	60.1	1:30p	43.5	12:00m	14.1	0.0	0.01	1.4	13.0	10:00a	E
21	54.0	64.9	3:30p	42.3	1:30a	11.0	0.0	0.01	2.9	17.0	1:30p	NE
22	53.2	59.6	3:30p	47.4	8:00a	11.8	0.0	0.00	5.1	30.0	7:00a	E
23	59.7	70.4	2:30p	51.4	12:30a	6.2	0.9	0.00	3.1	16.0	12:00p	NE
24	62.9	73.0	2:00p	53.8	11:30p	3.9	1.8	0.00	3.6	27.0	10:00a	NE
25	58.2	68.6	2:30p	49.9	7:30a	7.3	0.5	0.00	4.6	17.0	11:30a	E
26	58.6	67.5	2:00p	49.2	1:30a	6.6	0.2	0.00	1.9	14.0	12:30p	E
27	60.4	71.1	1:00p	50.7	11:00p	5.1	0.6	0.00	1.4	15.0	3:00a	WSW
28	56.2	67.2	2:00p	47.5	10:30p	9.0	0.2	0.00	2.1	16.0	7:30a	E
29	54.3	68.0	2:00p	46.1	11:30p	10.8	0.2	0.00	2.0	16.0	1:30p	ENE
30	54.7	60.0	2:30p	46.6	12:30a	10.3	0.0	0.00	0.9	11.0	1:00p	W
31	57.5	73.0	12:30p	45.6	12:00m	8.7	1.1	0.00	1.5	15.0	9:30a	E

	54.9	73.0	7	36.2	1	319.2	7.3	0.03	2.2	30.0	22	E

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

Max Rain: 0.01 ON 01/11/15

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

Heat Base: 65.0 Cool Base: 65.0 Method: Integration

San Francisco Public Utilities Commission Hydrological Conditions Report For December 2014

J. Chester, C. Graham, A. Mazurkiewicz, & M. Tsang, January 13, 2015



February 2013 view of O'Shaughnessy Dam, Hetch Hetchy Reservoir and Tuolumne River Watershed.

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

Table 1 Current Storage As of January 1, 2015							
Reservoir	Current Storage		Maximum Storage		Available Capacity		Percentage of Maximum Storage
	Acre-Feet	Millions of Gallons	Acre-Feet	Millions of Gallons	Acre-Feet	Millions of Gallons	
Tuolumne System							
Hetch Hetchy ¹	232,664		340,830		108,166		68.3%
Cherry ²	181,630		268,810		87,180		67.6%
Lake Eleanor ³	15,951		21,495		5,544		74.2%
Water Bank	244,979		570,000		325,021		43.0%
Tuolumne Storage	675,224		1,201,135		525,911		56.2%
Local Bay Area Storage							
Calaveras ⁴	23,440	7,638	96,824	31,550	73,384	23,912	24.2%
San Antonio	45,381	14,788	50,496	16,454	5,114	1,667	89.9%
Crystal Springs	56,152	18,297	58,377	19,022	2,225	725	96.2%
San Andreas	18,922	6,166	18,996	6,190	74	24	99.6%
Pilarcitos	2,826	921	2,995	976	169	55	94.4%
Total Local Storage	146,721	47,809	227,688	74,192	80,967	26,383	64.4%
Total System	812,945		1,428,823		606,878		57.5%

¹ Maximum Hetch Hetchy Reservoir storage with drum gates deactivated.

² Maximum Cherry Reservoir storage with flash-boards removed.

³ Maximum Lake Eleanor storage with flash-boards removed.

⁴ Available capacity does not take into account current DSOD storage restrictions.

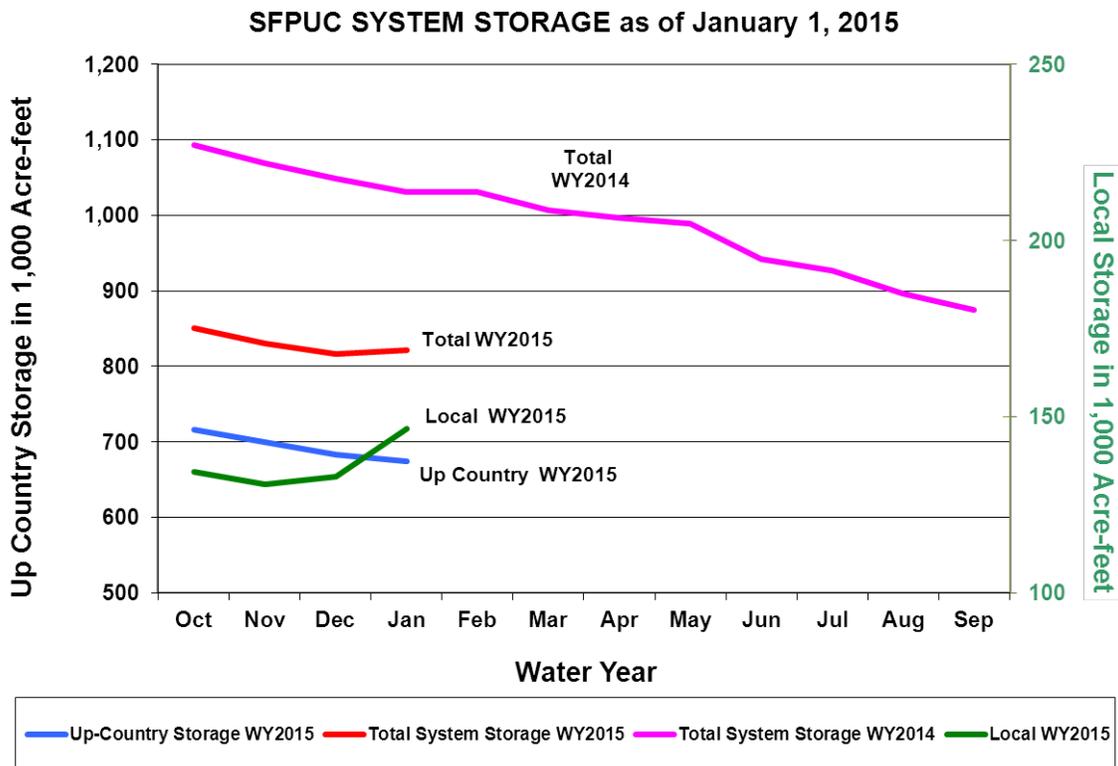


Figure 1: Monthly system storage for WY 2015

Hetch Hetchy System Precipitation Index ^{5/}

Current Month: The December six-station precipitation index was 5.32 inches, or 96.5% of the average index for the month.

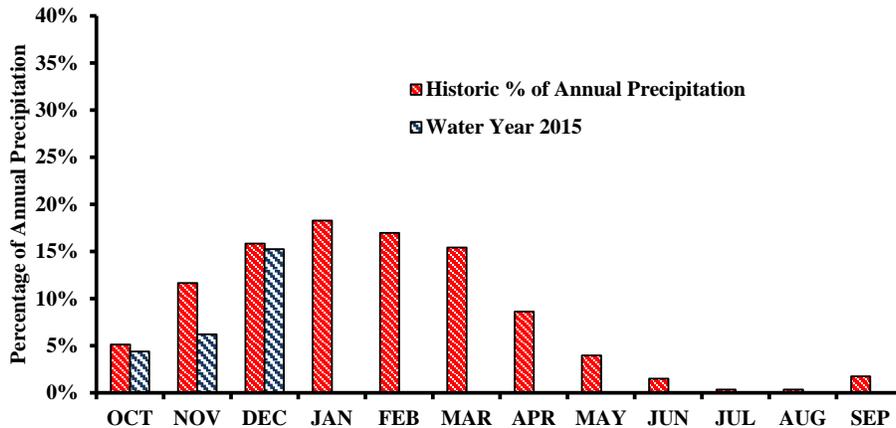


Figure 2: Monthly distribution of the Hetch Hetchy Six-station precipitation index as percent of the annual average precipitation.

Cumulative Precipitation to Date: The accumulated six-station precipitation index for water year 2015 is 9.06 inches, which is 25.5% of the average annual water year total, or 79.3% of the annual-to-date. Hetch Hetchy received 4.58 inches of precipitation in December, for a water year total of 8.70 inches. The cumulative Hetch Hetchy precipitation is shown in Figure 3 in red.

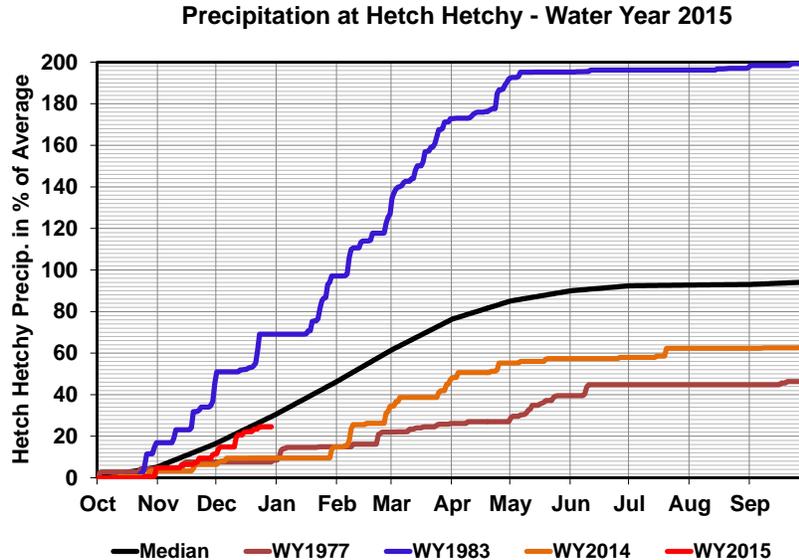


Figure 3. Water year 2015 cumulative precipitation measured at Hetch Hetchy Reservoir through December 31st, 2015. Precipitation at the Hetch Hetchy gauge for wet, dry, median, and WY 2014 are included for comparison purposes.

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

Tuolumne Basin Unimpaired Inflow

Unimpaired inflow to SFPUC reservoirs and the Tuolumne River at La Grange as of December 31st is summarized below in Table 2.

Table 2 Unimpaired Inflow Acre-Feet								
	December 2014				October 1, 2014 through December 31, 2014			
	Observed Flow	Median ⁶	Average ⁶	Percent of Average	Observed Flow	Median ⁶	Average ⁶	Percent of Average
Inflow to Hetch Hetchy Reservoir	13,121	11,972	20,622	63.6%	16,592	28,949	40,357	41.1%
Inflow to Cherry Reservoir and Lake Eleanor	33,588	13,930	23,196	144.8%	35,802	31,552	44,261	80.9%
Tuolumne River at La Grange	68,747	48,026	86,225	79.7%	82,086	95,877	148,810	55.2%
Water Available to the City	7,096	980	36,207	19.6%	7,096	5,371	51,539	13.8%

⁶ Hydrologic Record: 1919 – 2010

Hetch Hetchy System Operations

Draft and releases from Hetch Hetchy Reservoir in the month of December totaled 18,008 acre-feet to meet SJPL deliveries and instream release requirements. The instream release schedule at Hetch Hetchy Reservoir for the month of December was year type C (below normal conditions). This year type is based upon accumulated runoff in water year 2014, starting October 1st, 2013 through July 31, 2014. The instream release requirement from Hetch Hetchy Reservoir was 35 cfs for December. Releases for the month of January 2015 are 40 cfs under the type B water year condition. The water year type was re-assessed on January 1st based observed precipitation during water year 2015 to-date.

A power draft of 20,055 acre-feet was made from Cherry Reservoir during the month of December to meet District inflow obligations. 9,656 acre-feet of water was transferred from Lake Eleanor to Cherry Reservoir in December by means of gravity flow. The required minimum instream release from Lake Eleanor and Cherry Reservoir for December and January are 5 cfs each.

Local System Treatment Plant Production

The Harry Tracy Water Treatment Plant average production rate for the month was 27 MGD. The Sunol Valley Water Treatment Plant production rate for the month was 1 MGD.

Local System Water Delivery

The average December delivery rate was 150 MGD which is a 16% decrease below the November rate of 179 MGD.

Local Precipitation

Significant precipitation was recorded across all local watersheds during the first half of the month. The December rainfall summary is presented in Table 3.

Reservoir	Month Total (inches)	Percentage of Average for the Month	Water Year to Date ⁷ (inches)	Percentage of Average for the Year-to-Date ⁷
Pilarcitos	17.09	237%	22.67	159%
Lower Crystal Springs	14.11	303%	17.46	183%
Calaveras	9.15	253%	11.40	154%

⁷ WY 2015: Oct. 2014 through Sep. 2015.

Snowmelt and Water Supply

The current system storage level reflects three-years of continued dry conditions. However, water conservation efforts have been met which has resulted in lower system demands and the storage level in Hetch Hetchy Reservoir to be approximately 35,000 acre-feet higher on January 1, 2015 than January 1, 2014. Precipitation variability across the region during the month of December has left a large disparity in accumulation in the Tuolumne River basin as compared to the Local Area Watersheds (17.09 inches at Pilarcitos Reservoir as compared to 4.58 inches at Hetch Hetchy Reservoir). As a result, local reservoirs are higher than the typical seasonal condition, which has reduced the demand on the Tuolumne River basin. These conditions were the result of two storm events in the first half of December, which also produced 7,096 acre-feet of water available to the City. While manual snow survey measurements in the Tuolumne River basin are not performed until February 1st, automated snow monitoring stations in and near the Tuolumne River basin indicate conditions are near 16% of peak snowpack conditions.

The National Weather Service is predicting normal precipitation conditions during the month of January. The seasonal outlook for the first three months of winter is for above normal precipitation.

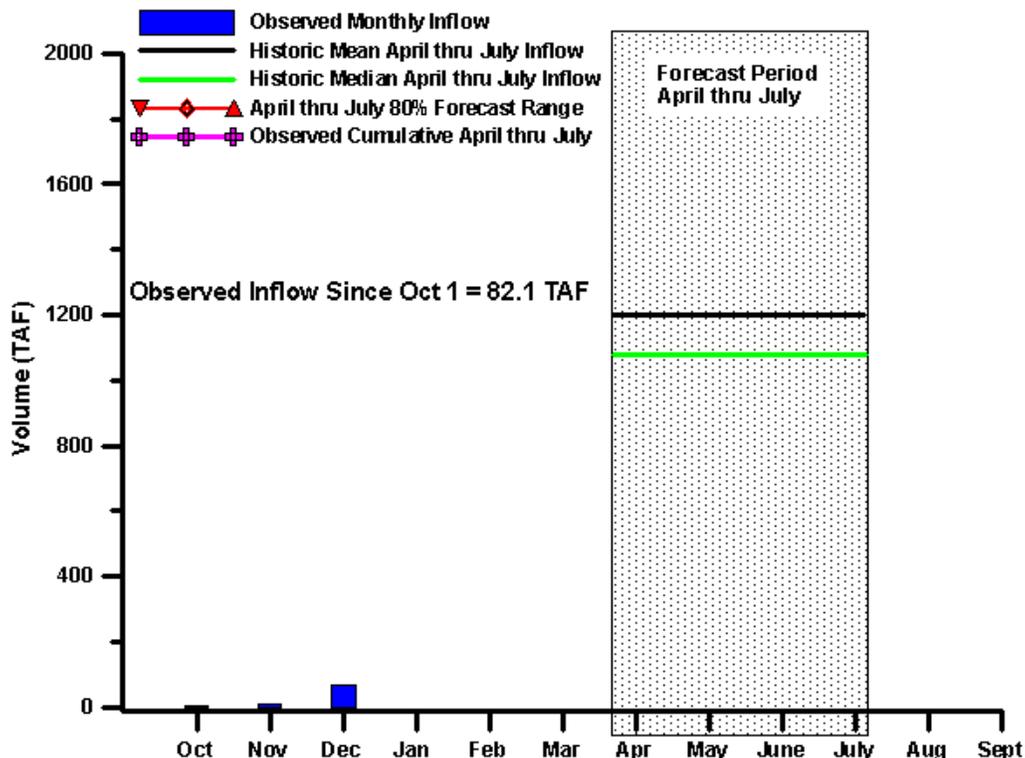


Figure 4: Water Year conditions for the Tuolumne River at La Grange

Unimpaired Flow at La Grange & Water Available to the City

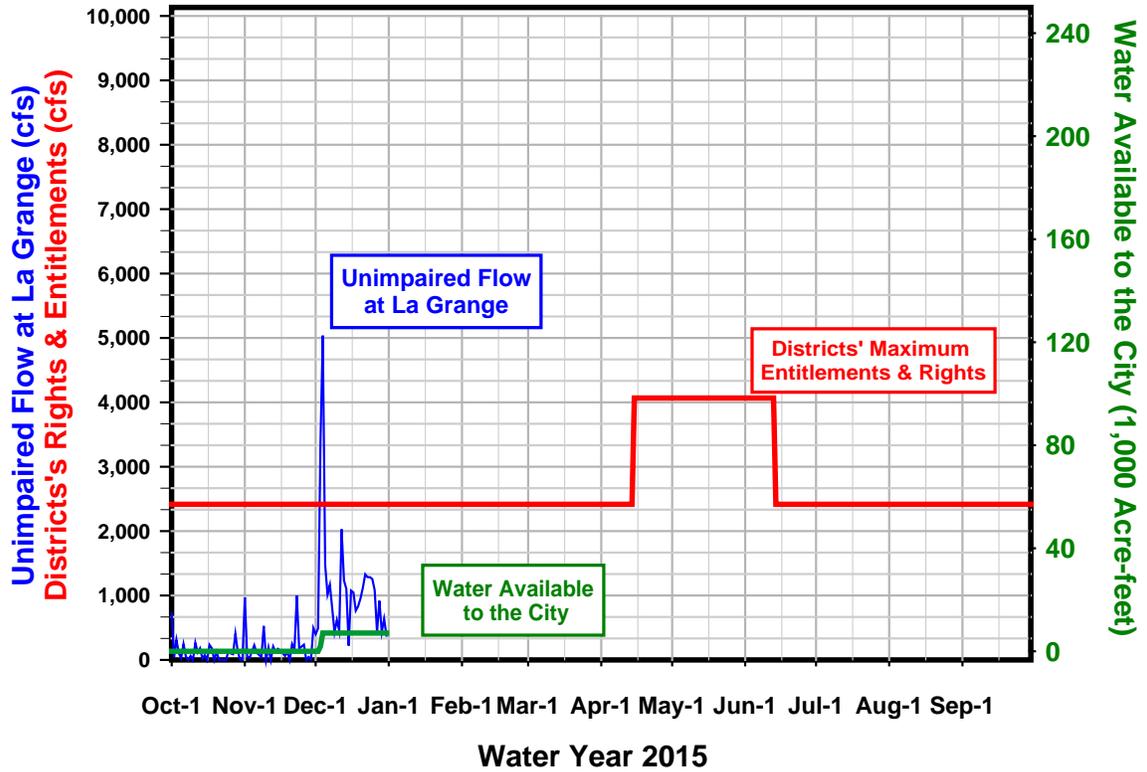


Figure 5: Calculated unimpaired flow at La Grange and the allocation of flows between the Districts and the City. Only 7,096 acre-feet of water was available to the City for water year 2015.

cc	HHWP Records	Gibson, Bill	Levin, Ellen	Rydstrom, Todd
	Briggs, David	Graham, Chris	Mazurkiewicz, Adam	Sandkulla, Nicole
	Carlin, Michael	Hale, Barbara	Meier, Steve	Tsang, Michael
	Chester, John	Hannaford, Margaret	Moses, Matt	Williams, Mike
	DeGraca, Andrew	Kelly, Harlan	Patterson, Mike	
	Dhakai, Amod	Jue, Tyrone	Nelson, Chris	
	Dufour, Alexis	Kehoe, Paula	Ramirez, Tim	
	Gambon, Paul	Lehr, Dan	Ritchie, Steve	

STAFF REPORT

To: Coastside County Water District Board of Directors

From: David Dickson, General Manager

Agenda: February 10, 2015

Report Date: February 5, 2015

Subject: Approval for Vice-President Glassberg to attend the Association of California Water Agencies (ACWA) Spring Conference in Sacramento May 5 – 8, 2015

Recommendation:

Approve expense reimbursement for Vice-President Glassberg's attendance at the Association of California Water Agencies (ACWA) Spring Conference in Sacramento, CA, May 5th through 8th 2015, including the \$695.00 registration fee and travel expenditures.

Background:

District policy in Section XII.b of Resolution 2004-06 (Code of Conduct) states that "Each member of the Board of Directors is encouraged to participate in those outside activities and organizations that in the judgment of the Board further the interests of the District. Expenses incurred by Board members in connection with such activities are reimbursable, where authorized in advance or subsequently ratified by the Board."

Vice-President Glassberg plans to attend the ACWA Spring Conference and requests that the Board approve reimbursement of his expenses.

ACWA conferences provide an excellent opportunity for Directors and water utility staff to learn about California water issues. The District has reimbursed Director's attendance at these conferences in the past.

STAFF REPORT

To: Board of Directors
From: David Dickson, General Manager
Agenda: February 10, 2015

Report

Date: February 3, 2015

Subject: Coastside County Water District Basic Financial Statements and Independent Auditors Report for the Fiscal Year Ended June 30, 2014

Recommendation:

Approve the Basic Financial Statements for Fiscal Year Ended June 30, 2014.

Background:

Joseph J. Arch, CPA, Inc. (JJACPA), the District's Independent Auditor, has completed work on the Basic Financial Statements for the Year Ended June 30, 2014. 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 January Board meeting to discuss the Financial Statements and to answer the Board's questions.

Fiscal Impact:

No fiscal impact.

COASTSIDE COUNTY WATER DISTRICT

BASIC FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

JUNE 30, 2014

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Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2014

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	31

**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2014**

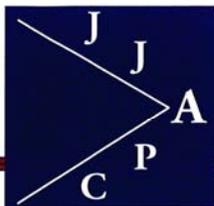
Elected Officials and Administrative Personnel

BOARD OF DIRECTORS

Glenn Reynolds– President
Chris Mickelsen – Vice President
Ken Coverdell – Director
Steve Flint – Director
Arnie Glassberg – Director

MANAGEMENT

David Dickson – General Manager



JJACPA, Inc.

A Professional Accounting Services Corp.

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Coastside County Water District (District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. The prior year comparative total information has been derived from the District's 2013 basic financial statements and, in our reported dated January 10, 2014 we expressed an unqualified opinion on those financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* on pages 3–9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

February 2, 2015

JJACPA, Inc.
JJACPA, Inc.
Dublin, CA

Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2014

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, 2014. 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 - 28).

Financial Highlights

At June 30, 2014, the District's net position increased \$728,792 to \$37,060,689 from \$36,331,897 in 2013. Operating revenues increased by \$673,977 primarily due to a water rate increase which became effective July 1, 2013. Operating expenses (with depreciation included) increased by \$465,115 as a result of increases to source of supply and pumping expenses and an increase in administrative and general expenses.

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, 2014

Management's Discussion and Analysis, Continued

Financial Analysis of the District as a Whole

	Net Position		Increase (Decrease)	Percent Change
	As of June 30, 2014 and 2013			
	2014	2013		
Assets:				
Current assets	\$ 3,937,514	\$ 3,981,846	\$ (44,332)	(1.1)%
Non-current assets	46,949,869	46,407,179	542,690	1.2%
Total assets	50,887,383	50,389,025	498,358	1.0%
Liabilities:				
Current liabilities	1,189,459	1,222,897	(33,438)	(2.7)%
Non-current liabilities	12,637,235	12,834,231	(196,996)	(1.5)%
Total liabilities	13,826,694	14,057,128	(230,434)	(1.6)%
Net position:				
Net investment in capital assets	34,494,009	32,207,607	2,286,402	7.1%
Restricted/Unrestricted Net Position:				
Restricted for Crystal Springs Project	373,447	373,447	-	0.0%
Restricted for capital improvements	1,135,209	1,135,209	-	0.0%
Unrestricted	1,076,953	2,615,634	(1,538,681)	(58.8)%
Total net position	\$ 37,079,618	\$ 36,331,897	\$ 747,721	2.1%

This schedule is prepared from the District's Statement of Net Position (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 position at June 30, 2014, increased to \$37,060,689 from \$36,331,897 in 2013. The increase in net position was primarily due to increased operating revenues.

Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2014

Management's Discussion and Analysis, Continued

Financial Analysis of the District as a Whole, Continued

Operating results are summarized as follows:

Operating Results				
For the years ended June 30, 2014 and 2013				
	2014	2013	Increase (Decrease)	Percent Change
Operating revenues	\$ 8,375,436	\$ 7,701,459	\$ 673,977	8.8%
Operating expenses	8,078,031	7,612,916	465,115	6.1%
Operating income (loss)	297,405	88,543	208,862	235.9%
Non-operating revenues	1,239,780	1,224,764	15,016	1.2%
Non-operating expenses	(808,393)	(676,422)	(131,971)	19.5%
Net income before contributions	728,792	636,885	91,907	14.4%
Change in net position	728,792	636,885	91,907	14.4%
Net position:				
Beginning of year	36,331,897	35,695,012	636,885	1.8%
End of year	<u>\$ 37,060,689</u>	<u>\$ 36,331,897</u>	<u>\$ 728,792</u>	<u>2.0%</u>

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

**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2014**

Management’s Discussion and Analysis, Continued

Financial Analysis of the District as a Whole, Continued

The following is a graphic illustration of revenues by source:

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



<u>FY 2013-2014</u>			<u>FY 2012-2013</u>		<u>Increase (Decrease)</u>
\$ 8,375,436	87.1%	Water sales	\$ 7,701,459	86.4%	\$ 673,977
1,158	0.0%	Transmission & storage fees	38,033	0.4%	(36,875)
11,220	0.1%	Connection fees	16,089	0.2%	(4,869)
1,043,476	10.9%	Property taxes	988,429	11.1%	55,047
8,055	0.1%	Investment earnings	25,610	0.3%	(17,555)
175,871	1.8%	Miscellaneous	156,603	1.8%	19,268
<u>\$ 9,615,216</u>	<u>100.0%</u>	Totals	<u>\$ 8,926,223</u>	<u>100.0%</u>	<u>\$ 688,993</u>

Water sales increased \$673,977 due to a rate increase for fiscal year 2013-2014, approved by the Board of Directors. Property taxes increased by \$55,047 primarily due to San Mateo County’s method of calculating and distributing funds. Investment earnings decreased by \$17,555, as a result of one time payment in fiscal year 2012-13 for the interest earnings on the IBank Loan (CIEDB11-099) for undistributed funds from July 1, 2012 through the date of final disbursement.

**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2014**

Management’s Discussion and Analysis, Continued

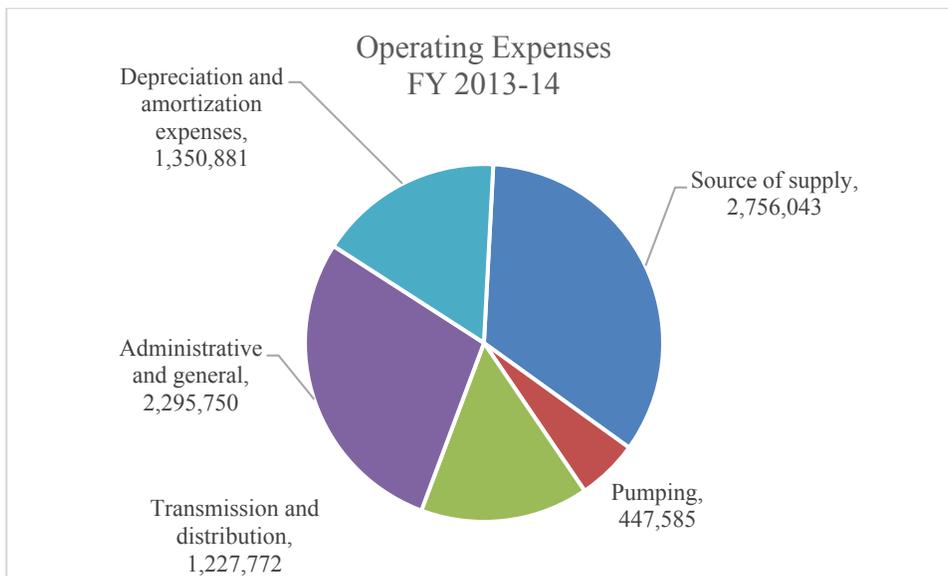
Financial Analysis of the District as a Whole, Continued

Operating expenses increased by \$465,115 as detailed below:

	Operating Expenses		Increase (Decrease)	Percent Change
	For the years ended June 30, 2014 and 2013			
	<u>2014</u>	<u>2013</u>		
Operating expenses:				
Source of supply	\$ 2,756,043	\$ 2,456,095	\$ 299,948	12.2%
Pumping	447,585	401,894	45,691	11.4%
Transmission and distribution	1,227,772	1,231,613	(3,841)	(0.3)%
Administrative and general	2,295,750	2,157,074	138,676	6.4%
Depreciation and amortization expense	1,350,881	1,366,240	(15,359)	(1.1)%
Total	<u><u>\$ 8,078,031</u></u>	<u><u>\$ 7,612,916</u></u>	<u><u>\$ 465,115</u></u>	<u><u>6.1%</u></u>

Source of supply increased \$299,948 due to higher wholesale water rates from the San Francisco Public Utilities Commission (SFPUC) and greater reliance on more expensive SFPUC supplies due to drought. Pumping expenses increased \$45,691 due to decreased availability of water from the Pilarcitos Reservoir supply source resulting from continuing drought. Administrative and general expense increased \$138,676 primarily due to increases in salaries and wages, office expense, computer services, medical insurance, and retirement.

The following is a graphic illustration of operating expenses:



**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2014**

Management’s Discussion and Analysis, Continued

Financial Analysis of the District as a Whole, Continued

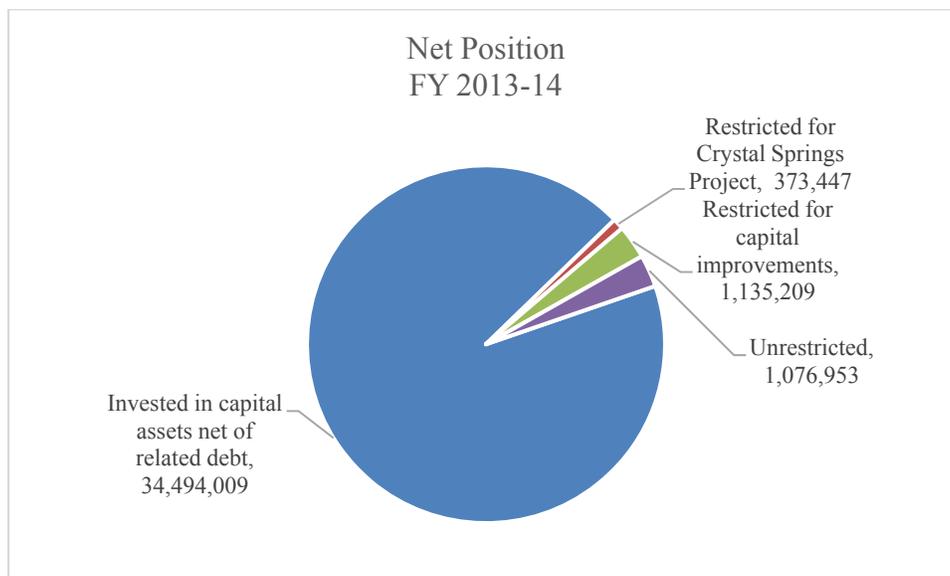
Net position increased by \$747,721 as detailed below:

**Analysis of Net Position
As of June 30, 2014 and 2013**

	<u>2014</u>	<u>2013</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Net position:				
Net investment in capital assets	\$ 34,494,009	\$ 32,207,607	\$ 2,286,402	7.1%
Restricted				
Crystal Springs Project	373,447	373,447	-	0.0%
Capital improvements	1,135,209	1,135,209	-	0.0%
Unrestricted	<u>1,076,953</u>	<u>2,615,634</u>	<u>(1,538,681)</u>	<u>(58.8)%</u>
Total	<u>\$ 37,079,618</u>	<u>\$ 36,331,897</u>	<u>\$ 747,721</u>	<u>2.1%</u>

The change in net position is a \$747,721 increase primarily due to increased water sales and capital project expenditures.

The following is a graphic illustration of net position:



**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2014**

Management's Discussion and Analysis, Continued

Cash Flows

Net cash increased by \$997,780 primarily the result of increased water sales revenue and lower payments to suppliers.

Long-term Debt

The District's long term debt decreased by a net amount of \$608,765. This was a result of principal repayment and amortization of bond discounts during fiscal year 2013-14. In fiscal year 2013-14, the District fully repaid its 1998A ABAG Water and Wastewater Revenue Refunding Bonds.

Economic Factors and Potential Future Results

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

Contacting the District

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

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

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

David R Dickson, General Manager
Gina Brazil, Office Manager

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BASIC FINANCIAL STATEMENTS

Coastside County Water District

Statement of Net Position

June 30, 2014

(with comparative totals for June 30, 2013)

	<u>2014</u>	<u>2013</u>
ASSETS		
Current assets:		
Cash and investments	\$ 2,100,310	\$ 2,110,403
Restricted cash and investments	609,427	606,363
Accounts receivable:		
Customer water	829,902	853,716
Taxes	14,389	13,325
Interest	13,063	14,636
Prepaid expenses	20,544	17,142
Materials and supplies inventory	188,000	188,000
Unamortized bond issuance costs	161,879	178,261
Total current assets	<u>3,937,514</u>	<u>3,981,846</u>
Noncurrent assets:		
Capital assets:		
Construction in progress	5,339,190	4,195,583
Utility plant	67,427,654	66,696,319
Less accumulated depreciation	(25,816,975)	(24,484,723)
Total noncurrent assets	<u>46,949,869</u>	<u>46,407,179</u>
Total assets	<u>\$ 50,887,383</u>	<u>50,389,025</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 431,685	\$ 380,560
Accrued payroll	124,412	92,202
Customer deposits	42,949	48,909
Due to Crystal Springs Assessment District	-	87,965
Interest payable	139,470	-
Due within one year	362,978	613,261
Total current liabilities	<u>1,101,494</u>	<u>1,222,897</u>
Noncurrent liabilities:		
Due after one year	12,092,882	12,451,364
Net OPEB obligation	456,029	295,623
Accrued vacation and sick leave	88,324	87,244
Total noncurrent liabilities	<u>12,637,235</u>	<u>12,834,231</u>
Total liabilities	<u>13,738,729</u>	<u>14,057,128</u>
NET POSITION		
Net investment in capital assets	34,494,009	33,342,554
Restricted for Crystal Springs Project	373,447	373,447
Restricted for capital improvements	-	1,135,209
Unrestricted	2,281,198	1,480,687
Total Net Position	<u>37,148,654</u>	<u>36,331,897</u>
Total liabilities and net position	<u>\$ 50,887,383</u>	<u>50,389,025</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 Position
For the year ended June 30, 2014

(with comparative totals for the year ended June 30, 2013)

	<u>2014</u>	<u>2013</u>
OPERATING REVENUES:		
Water sales	\$ 8,375,436	\$ 7,701,459
OPERATING EXPENSES:		
Source of supply	2,756,043	2,456,095
Pumping	447,585	401,894
Transmission and distribution	1,227,772	1,231,613
Administrative and general	2,295,750	2,157,074
Depreciation and amortization	1,350,881	1,366,240
Total operating expenses	<u>8,078,031</u>	<u>7,612,916</u>
Operating income	<u>297,405</u>	<u>88,543</u>
NONOPERATING REVENUES (EXPENSES):		
Property taxes	1,043,476	988,429
Investment earnings	8,055	25,610
Transmission and storage fees	1,158	38,033.00
Connection fees	11,220	16,089
Miscellaneous income	263,836	156,603
Collection fees	(10,343)	(14,099)
Net OPEB expense	(160,406)	(138,211)
Interest expense	(637,644)	(524,112)
Total nonoperating revenues (expenses)	<u>519,352</u>	<u>548,342</u>
Net Income	<u>816,757</u>	<u>636,885</u>
NET POSITION:		
Beginning of year	36,331,897	35,695,012
End of year	<u>\$ 37,148,654</u>	<u>\$ 36,331,897</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, 2014

(with comparative amounts for the year ended June 30, 2013)

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 8,398,186	\$ 7,552,608
Payments to suppliers	(5,052,123)	(5,216,304)
Payments to employees	(1,599,974)	(1,587,995)
Net cash provided (used) by operating activities	<u>1,746,089</u>	<u>748,309</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Property taxes received net of collection fees	1,033,133	974,330
Miscellaneous receipts	173,624	156,603
Net cash provided (used) by noncapital financing activities	<u>1,206,757</u>	<u>1,130,933</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Change in restricted cash and investments	(3,064)	(40,669)
Transmission and storage fee receipts	1,158	38,033
Connection fee receipts	11,220	16,089
Proceeds from the issuance of long-term debt	-	3,878,031
Principal and interest payments on long-term debt	(1,106,939)	(948,607)
Acquisition of capital assets	(1,874,942)	(4,474,556)
Net cash provided (used) by capital and related financing activities	<u>(2,972,567)</u>	<u>(1,531,679)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received on investments	9,628	16,146
Net cash provided (used) by investing activities	<u>9,628</u>	<u>16,146</u>
Net increase (decrease) in cash and cash equivalents	(10,093)	363,709
CASH:		
Beginning of year	2,110,403	1,746,694
End of year	<u>\$ 2,100,310</u>	<u>\$ 2,110,403</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income	\$ 297,405	\$ 88,543
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization expense	1,350,881	1,366,240
Change in assets and liabilities:		
Accounts receivable	22,750	(148,851)
Materials and supplies	-	550
Prepaid expenses	(3,402)	1,284
Accounts payable and accrued liabilities	51,125	(529,845)
Accrued payroll	32,210	(20,038)
Customer deposits	(5,960)	(10,437)
Accrued vacation and sick leave	1,080	863
Net cash provided (used) by operating activities	<u>\$ 1,746,089</u>	<u>\$ 748,309</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, 2014

Notes to Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Description of the Reporting Entity

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

Oversight responsibility, the ability to conduct independent financial affairs, issue debt instruments, approve budgets, and otherwise influence operations and account for fiscal matters is exercised by the District's Board of Directors. The District is a separate reporting entity for financial reporting purposes and the accompanying financial statements reflect the assets, liabilities, net position, 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, 2014

Notes to Basic Financial Statements, Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Fund Accounting Classification and Basis of Accounting

On the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net position, 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 position.

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 position 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, 2014**

Notes to Basic Financial Statements, Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Property Taxes

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

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

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

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

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

F. Accrued Vacation and Sick Leave

The liability for vested vacation pay is recorded as an expense when the vacation is earned. District employees have a vested interest of up to 240 hours of accrued vacation time and up to 120 days of accrued sick time for employees that retire and are hired prior to December 31, 1990. Employees hired after that date have a vested interest in up to fifty % 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, 2014**

Notes to Basic Financial Statements, Continued

2. CASH AND INVESTMENTS

A. Composition

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

	June 30, 2014			Balance as of
	FDIC insured	Not Rated	Fair Value	June 30, 2013
Cash in bank	\$ 250,000	\$ 2,459,737	\$ 2,709,737	\$ 1,700,597
Petty Cash	-	430	430	430
Local Agency Investment Fund (LAIF)	-	1,018,246	1,018,246	1,015,739
Total	\$ 250,000	\$ 3,478,413	\$ 3,728,413	\$ 2,716,766

Financial Statement presentation:

Cash and investments	\$ 2,100,310	\$ 2,110,403
Restricted cash and investments	609,427	606,363
Total	\$ 2,709,737	\$ 2,716,766

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, 2014

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, 2014**

Notes to Basic Financial Statements, Continued

2. CASH AND INVESTMENTS, Continued

E. Interest Rate and Credit Risk

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

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 (LAIF) and in Money Market accounts which are not rated at June 30, 2014.

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, 2014, these investments matured in an average of 232 days

Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2014

Notes to Basic Financial Statements, Continued

3. CAPITAL ASSETS

Changes in capital assets and depreciation were as follows:

	July 1, 2013	Additions	Deletions	Transfer/ Adjustments	June 30, 2014
Nondepreciable:					
Construction in progress	\$ 4,195,583	\$ 1,706,907	\$ -	\$ (563,300)	\$ 5,339,190
Utility Plant Nondepreciable:					
Land	\$ 160,612	\$ -	\$ -	\$ 1	\$ 160,613
Total Utility Plant nondepreciable assets	160,612	-	-	1	160,613
Utility Plant Depreciable:					
Source of supply	401,039	-	-	1	401,040
Transmission and distribution	16,965,966	-	-	-	16,965,966
Treatment plants and well field projects					-
Acquired and constructed	11,172,205	5,856	-	46,715	11,224,776
Contributed	2,899,227	-	-	-	2,899,227
Pipelines and meters	10,421,709	-	-	516,583	10,938,292
Crystal Springs Project	21,751,383	-	-	-	21,751,383
Buildings and structures	591,613	-	-	-	591,613
Vehicles	788,531	-	-	-	788,531
Furniture and equipment	1,544,034	162,179	-	-	1,706,213
Total depreciable assets	66,535,707	168,035	-	563,299	67,267,041
Total utility plant at cost	66,696,319	168,035	-	563,300	67,427,654
Less: accumulated depreciation	(24,484,723)	(1,332,252)	-	-	(25,816,975)
Total utility plant (net)	42,211,596	(1,164,217)	-	563,300	41,610,679
Total capital assets	\$ 46,407,179	\$ 542,690	\$ -	\$ -	\$ 46,949,869

**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2014**

Notes to Basic Financial Statements, Continued

4. LONG-TERM DEBT

A. Long-Term Debt Activity

	Original Issue Amount	Balance July 1, 2013	Additions	Retirements	Balance June 30, 2014	Due Within One Year
1998A ABAG Water and Wastewater						
Revenue Refunding Bonds, 3.75-5.3%, due 10/01/2013	\$ 2,855,000	\$ 260,000	\$ -	\$ (260,000)	\$ -	\$ -
2006B Water Revenue Bonds						
3.5-4.75%, due 10/01/32	7,295,000	6,240,000	-	(200,000)	6,040,000	210,000
Discount	(58,459)	(44,961)	-	2,248	(42,713)	(2,248)
Total Debt Issuances	10,091,541	6,455,039	-	(457,752)	5,997,287	207,752
CIEDB Enterprise Fund						
Installment Loan	-	6,609,586	-	(151,013)	6,458,573	155,226
Total	<u>\$ 10,091,541</u>	<u>\$ 13,064,625</u>	<u>\$ -</u>	<u>\$ (608,765)</u>	<u>\$ 12,455,860</u>	<u>\$ 362,978</u>
Amount due within one year		\$ 608,765			\$ 362,978	
Amount due after one year		12,455,860			12,092,882	
		<u>\$ 13,064,625</u>			<u>\$ 12,455,860</u>	

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. The final installment of the loan was made on October 1, 2013.

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, 2014

Notes to Basic Financial Statements, Continued

4. LONG-TERM DEBT, Continued

A. Long-Term Debt Activity, Continued

CIEDB Enterprise Fund Installment Loan

On October 10, 2011 the District obtained an installment loan up to \$6,756,500 from the California Infrastructure and Economic Development Bank (CIEDB) for the District's Denniston Creek Water Treatment Plant Improvements Project. All funds must be drawn by September 10, 2014. The loan has a 30 year term with a semiannual interest rate of 2.79% (plus a 0.3% annual fee) payable on August 1 and February 1, beginning February 1, 2013. Annual principal payments are due on August 1; beginning after the District withdraws the full \$6,756,500 or completes the project. The final installment is due August 1, 2041. On March 1, 2014, the District and CIEDB entered into The Replacement Agreement and reduced the interest rate to 2.54%. As at June 30, 2014, the outstanding balance of the loan was \$6,458,573.

B. Repayment Schedule

Future annual repayment requirements are as follows:

Year Ending June 30,	Enterprise activities						
	2006B Water Revenue Bonds			CIEDB Loan		Total	
	Principal	Discount	Interest	Principal	Interest	Principal	Interest
2015	210,000	(2,248)	275,889	155,226	163,422	362,978	439,311
2016	215,000	(2,248)	267,494	159,557	158,079	372,309	425,573
2017	225,000	(2,248)	258,553	164,009	153,969	386,761	412,522
2018	235,000	(2,248)	248,919	168,585	149,745	401,337	398,664
2019	245,000	(2,248)	238,566	173,288	145,404	416,040	383,970
2020-2024	1,405,000	(11,240)	999,647	941,717	651,531	2,335,477	1,651,178
2025-2029	1,765,000	(11,240)	628,744	1,080,624	529,307	2,834,384	1,158,051
2030-2034	1,740,000	(8,993)	170,050	1,240,020	382,169	2,971,027	552,219
2035-2039	-	-	-	1,422,929	213,327	1,422,929	213,327
2040-2042	-	-	-	952,618	36,739	952,618	36,739
Total	<u>\$ 6,040,000</u>	<u>\$ (42,713)</u>	<u>\$ 3,087,862</u>	<u>\$ 6,458,573</u>	<u>\$ 2,583,692</u>	<u>\$ 12,455,860</u>	<u>\$ 5,671,554</u>
Due within one year	\$ 210,000	\$ (2,248)	\$ 275,889	\$ 155,226	\$ 163,422	\$ 362,978	\$ 439,311
Due after one year	5,830,000	(40,465)	2,811,973	6,303,347	2,420,270	12,092,882	5,232,243
Total	<u>\$ 6,040,000</u>	<u>\$ (42,713)</u>	<u>\$ 3,087,862</u>	<u>\$ 6,458,573</u>	<u>\$ 2,583,692</u>	<u>\$ 12,455,860</u>	<u>\$ 5,671,554</u>

Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2014

Notes to Basic Financial Statements, Continued

5. CRYSTAL SPRINGS ASSESSMENT DISTRICT

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

At June 30, 2010, the Assessment District had fully repaid the balance of its Limited Obligation Refunding Bonds, issued in 1999. Property owners were solely responsible for repayment of these Bonds. Security for the bonds was provided by a lien against each property to which a CSP water service connection is assigned. The County of San Mateo acted as the agent for the Assessment District, collecting assessments and forwarding bond payments to the Assessment District. The Assessment District was responsible for submitting monies collected by the County to a paying agent, 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, 2014, a final accounting for the District had not been performed and therefore residual balances remain on the District books for certain accounts.

6. NET POSITION

A portion of net position is a set aside for the Crystal Springs project of \$373,447 and capital improvements of \$1,135,209.

7. RISK MANAGEMENT AND SELF-INSURANCE

The District is exposed to various risks of loss related to torts, theft of, damage and destruction of assets, errors and omissions, and natural disasters. The District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA) and participates in the liability, property and workers' compensation programs.

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, 2014

Notes to Basic Financial Statements, Continued

7. RISK MANAGEMENT AND SELF-INSURANCE, Continued

The District's JPIA membership includes property coverage of \$1,000-\$101,000 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.

As of June 30, 2014 there was two open claims for the District. The first claim was for fire damage in the District's server room in which the District incurred \$253,500 in losses. The District had been paid \$80,314 and \$173,186 was still outstanding. The second was liability claim for sewer back up into home in the amount of \$100.

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 participate in the CalPERS Plans. Employees hired before August 14, 2011 are in the Tier 1 (2.5% at 55) plan, and employees hired on or after that date are in the Tier 2 (2% at 60) plan. The required member contribution rates are 8% of monthly salary over \$133.33 for the Tier 1 plan, and 7% of monthly salary over \$133.33 for Tier 2. Effective June 14, 2012 the portion of the member contribution rate paid by employees increased from 1% to 2%. The District pays the remainder of the member contribution. The required employer contribution rate for fiscal year 2013-14 was 25.409% of annual payroll. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration.

**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2014**

Notes to Basic Financial Statements, Continued

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

C. Annual Pension Cost

For fiscal year 2013-14, the District's annual pension cost of \$389,452 for CALPERS was equal to the District's required and actual contribution. The required contribution was determined as part of the June 30, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.50% of discount rate (net of administrative expenses), and (b) 3.30% to 14.20% projected annual salary increases that vary by age, duration of service and type of employment with 3.00% payroll growth. Both (a) and (b) included an inflation component of 2.75% and annual production growth of 0.25%.

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

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2012	331,254	100%	-
6/30/2013	359,950	100%	-
6/30/2014	389,452	100%	-

9. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

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

**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2014**

Notes to Basic Financial Statements, Continued

9. OTHER POST-EMPLOYMENT BENEFITS, Continued

Eligibility: Employees (and their dependents) are eligible to access retiree healthcare benefits if they retire from the District on or after age 55 (service retirement) with at least 15 years of service (service and disability retirement) and the employee must submit the retirement application within 120 days of separation and are eligible for a PERS pension. Membership of the plan consisted of the following at June 30, 2014:

Retirees and beneficiaries receiving benefits	8
Other participants fully eligible for benefits	2
Other participants not yet fully eligible for benefits (hired prior to 11/14/2006)	11
Other participants not yet fully eligible for 50% benefits (hired after to 11/14/2006)	3
Participants not eligible for benefits (hired on or after 11/1/2008)	2
Total	26

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

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

Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2014

Notes to Basic Financial Statements, Continued

9. OTHER POST-EMPLOYMENT BENEFITS, Continued

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

Annual required contribution *	\$ 246,000
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	246,000
Contributions made (premiums paid)	(85,594)
Increase in net OPEB obligation	160,406
Net OPEB obligation - beginning of year	295,623
Net OPEB obligation - end of year	\$ 456,029
* Annual required contribution is based on projected numbers from the actuarial report as of January 1, 2012 dated March 29, 2012.	

This is the second year that the District is following the reporting requirements of GASB 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pension Plans*. The District has elected to implement GASB 45 prospectively and therefore shows no OPEB obligation at transition. The District's annual OPEB cost (expense) is equal to the ARC, and the net OPEB obligation for 2014 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2012	147,400	64%	157,412
6/30/2013	235,670	41%	295,623
6/30/2014	246,000	35%	456,029

Plan Funded Status and Funding Progress

As of January 1, 2012, the most recent actuarial valuation date, the plan was 0% funded. The Actuarial Accrued Liability (AAL) for benefits was \$2,654,800, and the actuarial value of assets was zero dollars, resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$2,654,800. The covered payroll (annual payroll of active employees covered by the plan) was \$1,591,073 and the ratio of UAAL to the covered payroll was 186%.

Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2014

Notes to Basic Financial Statements, Continued

9. OTHER POST-EMPLOYMENT BENEFITS, Continued

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

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits costs between the employer and the plan members to that point. The actuarial methods and assumptions used included techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations. The actuarial valuation was performed in January of 2013 based upon June 30, 2012 amounts.

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

10. COMMITMENTS AND CONTINGENCIES

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

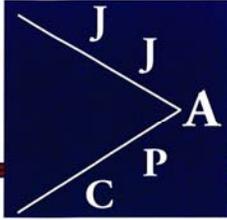
**Coastside County Water District
Basic Financial Statements
For the year ended June 30, 2014**

Notes to Basic Financial Statements, Continued

11. NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date" The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, "Accounting and Financial Reporting for Pensions". The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This Statement is effective for fiscal years beginning after June 15, 2014, and should be applied simultaneously with the provisions of Statement 68. The City will implement this Statement in fiscal year 2014-15.

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JJACPA, Inc.

A Professional Accounting Services Corp.

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

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

We have audited, in accordance with the auditing standard generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Coastside County Water District (District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Coastside County Water District's basic financial statements, and have issued our report thereon dated February 2, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. However, material weaknesses may exist that we have not identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

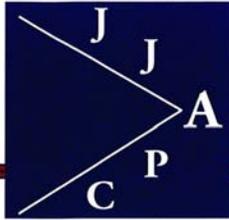
February 2, 2015

JJACPA, Inc.
JJACPA, Inc.
Dublin, CA

COASTSIDE COUNTY WATER DISTRICT

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

JUNE 30, 2014



JJACPA, Inc.

A Professional Accounting Services Corp.

February 2, 2015

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

We have audited the financial statements of Coastside County Water District (District) as of and for the year ended June 30, 2014, and have issued our report thereon dated February 2, 2015. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated April 15, 2014, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

Planned Scope and Timing of the Audit

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

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

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

Significant Accounting Estimates

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

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

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

Financial Statement Disclosures

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

Significant Difficulties Encountered during the Audit

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

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

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

Disagreements with Management

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

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated February 2, 2015.

Management's Consultations with Other Accountants

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

Other Significant Matters, Findings, or Issues

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

Communication of Internal Control Related Matters

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

New Accounting Pronouncements

The GASB has issued Statement No. 68, "Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27" The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of this Statement, as well as for nonemployer governments that have a legal obligation to contribute to those plans. This Statement will be effective for periods beginning after June 15, 2014. The District must implement this Statement in fiscal year 2014-15.

GASB 68 requires the District, and other government entities that offer defined pension benefits to its employees, to report on the Statement of Net Position a "net pension liability." Additionally, the District, as a member of CalPERS, a defined benefit cost-sharing multiple-employer pension plan, will be required to recognize its proportionate share of the "collective" net pension liability. The District, despite having made all of its required contributions to CalPERS in the past, will still have to report its proportionate liability on the Statement of Net Position. The notes to the financial statements should include descriptive information about the pension plans and identify the discount rate and assumptions made in the measurement of the District's proportionate shares of net pension liability. This statement will also require the District to present in required supplementary information 10-year schedules containing (1) the net pension liability and certain related ratios and (2) if applicable, information about statutorily or contractually required contributions, contributions to the pension plan, and related ratios.

We encourage the District to begin planning for GASB 68 as soon as possible. For a fee, the District can obtain a report from CalPERS actuaries that include all the required information to implement the standard. We encourage management to communicate with CalPERS actuarial office as early as possible in order to obtain the necessary GASB 68 reporting valuations for the fiscal year 2014-15 financial statements.

Very truly yours,

Joseph J. Arch

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

STAFF REPORT

To: Coastside County Water District Board of Directors

From: David Dickson, General Manager

Agenda: February 10, 2015

Report

Date: February 6, 2015

Subject: Main Street Bridge Pipeline Replacement Project - Authorization for Additional Costs

Recommendation:

Authorize the General Manager to take the following actions with the respect to the Main Street Bridge Pipeline Replacement Project:

1. Amend EKI's Professional Services Agreement dated June 18, 2014 as necessary to authorize and pay costs of evaluating additional pipeline replacement alternatives, as directed by the Board, in an amount not to exceed \$40,000.
2. Purchase and keep on standby the piping and fittings necessary to install a temporary emergency bypass of the pipeline attached to the Main Street Bridge in the event of a failure, at a cost of approximately \$45,000.

Background:

At the January 13, 2015 Board of Directors meeting, staff and EKI presented EKI's 30% design and cost estimate for the Main Street Bridge Pipeline Replacement Project, based on the alignment and microtunneling construction approach presented to the Board in June 2014. Concern with the \$3.2 million estimate of total project cost led the Board to request that staff and EKI conduct additional "due diligence" to identify alternative approaches that could meet the District's needs at a lower cost, including installing the pipe on a new or rehabilitated Main Street Bridge. Since the January meeting, we have:

- Scheduled a meeting with City staff for March 4, 2015 to discuss short- and long-term pipeline replacement on the bridge.
- Visited the site with a structural engineer to observe the condition of the existing walkway, existing pipe support brackets, and potential siting for a temporary pipe bridge.
- Researched pipe bridge costs and construction methods.
- Prepared a plan and profile for what we believe to be the optimum horizontal directional drilling (HDD) alignment.
- Prepared calculations to verify the feasibility of the HDD alignment.
- Completed a CEQA Notice of Exemption for installation of an emergency interim pipeline in the event of a failure of the existing pipe.

Staff and EKI will present and discuss results of the alternatives evaluation developed to date.

As explained to the Board on January 13, EKI's scope does not include this additional evaluation effort. The estimated cost of the added work is about \$36,000, including subconsultants (Attachment A). Expenses incurred to date total approximately \$26,000.

In order to reduce the District's risk exposure while we complete a project to replace the existing pipe, staff recommends that we obtain and keep on hand the pipe and fittings that would be necessary to install an emergency bypass if the existing pipe fails. Doing so would cost about \$45,000 and would shorten the time needed to install the bypass from two to three weeks to one or two days.

Fiscal Impact:

Additional project cost of approximately \$85,000. Funding for the Main Street Bridge Pipeline Replacement Project is included the approved Capital Improvement Program.

TABLE 1
ESTIMATED BUDGET FOR ENGINEERING DESIGN SERVICES FOR REPLACEMENT OF THE MAIN STREET PIPELINE
 Coastside County Water District, Half Moon Bay, California

TASKS								EKI LABOR COST (\$)	TOTAL LABOR COST (\$)	EXPENSES AND ADMINISTRATION				ESTIMATED COST (2)	
	EKI		F&L	BTE	TJC		UNIT			QNTY	UNIT COST (\$)	10% MARKUP (\$)	TOTAL COST PER ITEM (\$)	SUB TOTALS (\$)	
	CAD	Jonathan Sutter, P.E.	Stephen A. Tarantino, P.E.	Jeffrey J. Tarantino, P.E.	Senior Project Engineer	Richard Thow, P.E.									Administrative Support
	123	159	217	209	220	197	76								
Task 1 - Alternative Evaluation															
Meetings and communcions with District		12	12	4				\$4,512	\$5,348					\$5,300	
Qualitative alternative analysis		36	10	6				\$7,894	\$9,148					\$9,100	
Site visit to observe condition of bridge sidewalk, existing pipe support brackets, and potential siting for a temporary pipe bridge		4	4			4	1	\$1,504	\$2,368					\$2,400	
Prepare plan and profile for a "most optimistic" HDD alignment		4			10			\$636	\$2,836					\$2,800	
Prepare design calculations for "most optimistic" HDD alignment		2			40			\$318	\$9,118					\$9,100	
Prepare draft technical memorandum including alternative matrix and figures		8	16	2				\$3,528	\$3,946					\$3,900	
Internal review			4	2				\$868	\$1,286					\$1,300	
Prepare final technical memorandum		2	8					\$1,518	\$1,518					\$1,500	
Communications Fee										-	4%	\$20,778		\$800	
Total Labor Hours	10	82	30	14	50	4	1	\$20,778	\$35,568	Total Estimated Cost				\$36,200	

Notes to Table:

- (1) Billing rates for subconsultants includes 10% markup.
- (2) Totals are rounded to the nearest \$100.

STAFF REPORT

To: Coastside County Water District Board of Directors

From: David Dickson, General Manager

Agenda: February 10, 2015

Report

Date: February 3, 2015

Subject: Fiscal Year 2015-2016 Budget Process Timeline

Recommendation:

None. Information only.

Background:

The attached Budget Process Timeline lays out the proposed schedule for presentation and consideration of the Fiscal Year 2015-2016 Budget and the Fiscal Year 15/16 - 24/25 Capital Improvement Program. Key timeline milestones follow the pattern established over the last two budget cycles, culminating in the public hearing on the budget scheduled for the regular June Board meeting. We anticipate scheduling meetings of the Finance Committee and District Facilities Committee during the week of February 23, 2015 .

Staff will review the budget process and answer any questions the Board may have.

Fiscal Impact:

None.

Coastside County Water District
BUDGET PROCESS TIMELINE
Fiscal Year 2015/16

Capital Improvement Program (CIP) & Operations & Maintenance (O&M) Budget

Description	Date
Staff Internal Budget Review - Distribute O&M Budget Worksheets and Update CIP budget spreadsheet	Week of January 20, 2015
Staff Internal Budget Review - Worksheets Due/Review CIP Budget	February 13, 2015
Present Budget Timeline	February 10, 2015 Regular Board Meeting
Finance Committee Meeting - Introduction to CIP and O&M Budget Process/Timeline	Week of February 23, 2015
Facility Committee Meeting - Introduction to CIP Budget Process/Timeline	Week of February 23, 2015
Present "Draft" CIP and O&M Budget to Board of Directors at Board Meeting	March 10, 2015 Regular Board Meeting
CIP / Budget Workshop	March 2015
Customer Outreach - E-Newsletter, Website Message: Connect with CCWD, Participate in Budget Process	March/April 2015
Present "Draft" CIP and O&M Budget to Board of Directors at Board Meeting - Approve Notice of Rate Increase (Prop 218)	April 14, 2015 Regular Board Meeting
Mail Notice of Rate Increase (Prop 218) - Minimum 45-Day Notice Before Public Hearing	April 20, 2015
Present & Discuss "Draft" CIP and O&M Budgets at Workshop	May 12, 2015 Regular Board Meeting
Customer Outreach - E-Newsletter, Website Message: Understanding Budget and Proposed Rate Increase	May/June 2015
Rate Increase Hearing - Approve CIP and O&M Budgets - Approve Rate Increase	June 9, 2015 Regular Board Meeting

STAFF REPORT

To: Coastside County Water District Board of Directors

From: David Dickson, General Manager

Agenda: February 10, 2015

Report Date: February 2, 2015

Subject: Appointment of CCWD Board Member Representative Alternate(s) to participate in San Mateo Local Agency Formation Commission (LAFCo) election of officers

Recommendation:

Appoint CCWD Board Member Representative alternate(s) to participate in San Mateo Local Agency Formation Commission (LAFCo) election of officers.

Background:

The Local Agency Formation Commission (LAFCo) is a state mandated, independent agency with countywide jurisdiction over changes in organization and boundaries of cities and special districts, including annexations, detachments, incorporations and formations. The Commission is comprised of two county supervisor members appointed by the Board of Supervisors, two city council members appointed by the City Selection Committee, two special district members selected by the Special Districts Selection Committee (comprised of the presiding officers of the independent special districts) and one public member appointed by the six members of the Commission.

Pursuant to Government Code Section 56332, the Independent Special District Selection Committee shall consist of the Presiding Officer/President of the legislative body of each of the independent special districts. The legislative body of the district may appoint one of its board members to attend and vote in the presiding officer's place if the presiding officer will not be present at the meeting. (Government Code Section 56332(b)). Since only the District's Board President or a Board appointed alternate member may vote in LAFCo 's election of officers, LAFCo recommends that standing voting representatives and alternates by referenced by name, 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.

Past practice of the District has been to revisit this particular item on an agenda of each new year and appoint the alternate representatives in a successive manner by naming the vice-president, followed by the tenure of Board members. Staff provides the roster of CCWD Board Member Representatives Alternates to LAFCo by forwarding a copy of the approved Minutes from the Board meeting where the action transpired.

STAFF REPORT

To: Coastside County Water District Board of Directors

From: David Dickson, General Manager

Agenda: February 10, 2015

Report

Date: February 4, 2015

Subject: General Manager's Report

Recommendation:

None. Information only.

Background:

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

1. **SFPUC Water Supply Status:** There was little specific insight into the likelihood of future rationing in Steve Ritchie's monthly water supply status presentation to BAWSCA Water Supply Management representatives on February 5. Much will depend on how much rain and snow we get - locally and in the Hetch Hetchy watershed - in February and March. He and Nicole Sandkulla told us for the first time, however, that they are working on specific strategies to address the problems that would be created by the Tier 1 wholesale-retail water allocation formula specified in the Water Supply Agreement.
2. **Administration Building Remodel:** We will move back into the building on February 12 be fully operational in our new offices on February 13.
3. **ERAF Refund:** We received an ERAF refund payment of about \$356,000 - \$156,000 more than budgeted. This rare upside surprise partially offsets our water sales revenue shortfall.
4. **Assistant General Manager Recruitment:** We received ten applications for the AGM position, and a panel including myself, Director Glassberg, and Gina Brazil interviewed the top four during the week of January 26. The panel ranked the candidates, and we have asked our recruiting firm, Koff and Associates, to conduct reference and background checks on the top candidate. I expect to have the position filled by the beginning of March and to be able to introduce the new AGM to the Board at the March meeting.

MONTHLY REPORT

To: David Dickson, General Manager
From: Joe Guistino, Superintendent of Operations
Agenda: February 10, 2015

Report
Date: February 5, 2015

Monthly Highlights

Magellan Avenue Cast Iron Pipe Isolation

Valves were installed on each end of the problematic section of pipe to allow us to quickly isolate the pipe in the event of another large main break as well as to expedite the slip lining process in the future.

Source of Supply

Crystal Springs, Pilarcitos and Denniston Reservoirs as well as Denniston and Pilarcitos Wells were the source of supply in January. Pilarcitos Wells contributed 8.4MG (16%) and the Denniston System contributed 14.6 MG (27%). Denniston WTP ran 25 days in January.

System Improvements

Cross Connection Program

Completed the cross connection surveys for the remainder of central Half Moon Bay. We also completed a survey of Capistrano Road in Princeton. Letters were sent to the non-residential properties that did not install a backflow device per the Coastside County Water District (CCWD) ordinance to remind them of their obligation to comply with the said ordinance. These second letters set a definitive deadline for compliance. It is hoped to have the majority of Princeton surveyed in February.

Magellan Avenue Cast Iron Pipe Isolation

Valves were installed on both ends of the 10" cast iron main on Magellan Avenue. This was done in response to the large water main break on this section of pipe in December. The valves are only partially opened so that the main can be quickly and easily isolated in the event of another failure. A new hydrant was installed on the good section of pipe on the east end of Magellan. Staff is developing plans to have this section of pipe slipped lined with a pipe of lesser diameter.

Meter Reading

The meter reading routes have been modified to make them more efficient, with less redundancy and backtracking. This will be done in phases, with the first phase of this project scheduled to be complete in February.

Other Activities Update:

Crystal Springs PS P-1

This unit once again developed an oil leak. The unit was pulled and sent back to the factory for repair under warrantee.

Main Break

There was a large main break on Bridgeport Drive on a dead end 12" stub across from the Clipper Ridge park on 26 January. Staff feels that this break was the result of increasing the Denniston booster pump to 450 gpm earlier that day. A similar break occurred on Sunrise Court last year when we attempted to get 450 gpm out of Denniston. Staff is developing a plan to abandon this stub since it doesn't serve any useful purpose.

Regulatory Agency Interaction

California State Water Resources Control Board (SWRCB)

-Karen Nishimoto, our regulator, inquired as to progress on the Denniston O&M Manual. I assured her that it is presently in the process of being upgraded.

Safety/Training/Inspections/Meetings

Meetings Attended

5 Jan - Facilities Committee meeting

13 Jan - Board of Director's meeting

13 Jan - Met with Andreini Bros. Construction and county public works inspector to discuss the schedule for seal coating the Avenue Cabrillo Phase 3a Project.

27 Jan - Met with EKI to look at temporary pipe alternatives for the Main Street Bridge Pipeline replacement project.

27 Jan - Met with SRT to go over 90% drawings for the Hazen's Tank replacement project.

Tailgate safety sessions in December

5 Jan - Make Holidays Happy for Everyone - Don't Drink and Drive

12 Jan - Safe Driving in Adverse Weather Conditions

20 Jan - Use Your Safety Sense

26 Jan - Hazard Communication Safety Data Sheets (SDSs)

CINTAS Safety Committee and Training

The safety committee convened in January to discuss old business and any new safety concerns.

The monthly safety training was on Confined Space Safety. Jahns, Schmidt, Donovan, Damrosch, Patterson, Duffy, Bruce and Winch were in attendance.

Training

I am scheduled to attend the Ca/Nv Section AWWA (Section) Spring Symposium in March in Ontario, California. I will be presiding over the Top Ops Competition, conducting a meeting of the Section Awards Committee and attending the Spring Section governing board meeting.

Treatment Staff is making changes to the sample pickup protocol as well as rate change procedures for Nunes WTP.

Treatment/Distribution Operator Trainee Ray Winch has been training at the treatment plants.

Projects

Avenue Cabrillo Project Phase 3A

This project is 95% complete. There were two shutdowns in January to tie in the new pipelines. The paving is complete and staff and the contractor consulted with the county inspector to schedule the slurry seal of the entire project to take place in the spring.

Hazen's Tank Replacement Project

We met with the design engineer, SRT, to discuss the 90% design review and to discuss the most current questions. They will be sending us electronic versions of the design to forward to SWRCB for approval in February.

STAFF REPORT

To: Board of Directors
From: Cathleen Brennan, Water Resources Analyst
Agenda: February 10, 2015
Report Date: February 5, 2015
Subject: Water Resources

This informational report includes: Water Year 2015 Second Snow Survey, Local Precipitation, Imported Water and Grant Funding Update

Second Snow Survey - January 29, 2015

The California Department of Water Resources has conducted the second snow survey for Water Year 2015 and the results reflect that California is indeed in a fourth consecutive year of drought. Conditions have deteriorated since December with only 2.3 inches of water content in the snowpack at Echo summit. Statewide water content of the snowpack is 25 percent of historical average to date. On an optimistic note, there is still time left in California's rainy season to help make up the snowpack deficit.



Local Precipitation

The current rainfall total for Water Year 2015 in Half Moon Bay is about 13.5 inches. In the month of January, there was no measurable precipitation. We need about 13 more inches this season to have an average water year, locally.

Imported (Purchased) Water

The San Francisco Public Utilities Commission (SFPUC) is encouraged by the estimated 9 billion gallons of water saved by its customers in calendar year 2014, but the lack of snowpack is a serious concern. If water supply conditions do not improve, the SFPUC may need to ask for more water savings.

The following are dates when the SFPUC will provide additional information.

1. There is a wholesale customer meeting scheduled for February 12, 2015 with the SFPUC.
2. There will be an update on water supply availability on March 1, 2015.
3. The final update on water supply availability is on April 15, 2015.

The January hydrological conditions report from the SFPUC was not available at the time this report was written. This report summarizes the conditions of the Regional Water System, including reservoir levels and precipitation.

Proposition 84 - Round One Grant Share Reimbursement - (\$2,811.53)

➤ **Washing Machine Rebate Program**

The District has received a check from the Bay Area Water Supply and Conservation Agency (BAWSCA) in the amount of \$890.63 for reimbursement of Proposition 84 Round One Grant Share. The check includes reimbursement for 25 Washing Machine Rebates issued between 9/01/2013 and 11/30/2013 at a reimbursement rate of 95 percent of \$37.50 per rebate. The remaining 5 percent will be reimbursed when all Proposition 84 round one grant activities are completed.

➤ **High Efficiency Toilet Rebate Program**

The District has received a check from BAWSCA in the amount of \$1920.90 for 95 percent of the reimbursement of Proposition 84 Round One Grant Share. The check includes reimbursement for 27 high efficiency toilet rebates issued between 12/01/2013 and 2/28/2014 at a reimbursement rate of 75 percent of the actual rebate amount. The maximum reimbursement amount is \$75 per toilet. The remaining 5 percent will be reimbursed when all Proposition 84 round one grant activities are completed.