

# **COASTSIDE COUNTY WATER DISTRICT**

**766 MAIN STREET**

**HALF MOON BAY, CA 94019**

## **REGULAR MEETING OF THE BOARD OF DIRECTORS**

**Tuesday, February 9, 2016 - 7:00 p.m.**

### **AGENDA**

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

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

*This agenda and accompanying materials can be viewed on Coastside County Water District's website located at: [www.coastsidewater.org](http://www.coastsidewater.org).*

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

- 1) ROLL CALL**
- 2) PLEDGE OF ALLEGIANCE**
- 3) PUBLIC 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, 2016:  
Claims: \$609,064.33; Payroll: \$91,890.47 for a total of \$700,954.80 ([attachment](#))  
➤ *January 2016 Monthly Financial Claims reviewed & approved by Director Coverdell*
- B. Acceptance of Financial Reports ([attachment](#))
- C. Approval of Minutes of January 12, 2016 Special Board of Directors Meeting ([attachment](#))
- D. Approval of Minutes of January 12, 2016 Regular Board of Directors Meeting ([attachment](#))
- E. Approval of Minutes of January 26, 2016 Special Board of Directors Meeting ([attachment](#))
- F. Installed Water Connection Capacity and Water Meters Report ([attachment](#))
- G. Total CCWD Production Report ([attachment](#))
- H. CCWD Monthly Sales by Category Report – January 2016 ([attachment](#))
- I. Monthly Emergency Main and Service Repairs Report ([attachment](#))
- J. Rainfall Reports ([attachment](#))
- K. SFPUC Hydrological Report for December 2015 ([attachment](#))
- L. Notice of Completion – Ventura/Washington Pipeline Replacement Project ([attachment](#))

#### 5) MEETINGS ATTENDED / DIRECTOR COMMENTS

#### 6) GENERAL BUSINESS

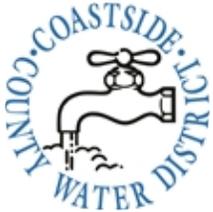
- A. Accept the Coastside County Water District Basic Financial Statements and Independent Auditors Report for Fiscal Year Ended June 30, 2015 ([attachment](#))
- B. Fiscal Year 2016-2017 Budget Process Timeline ([attachment](#))
- C. Appointment of CCWD Board Member Representative Alternate(s) to Participate in San Mateo Local Agency Formation Commission (LAFCo) election of officers ([attachment](#))
- D. Recycled Water Update ([attachment](#))

#### 7) GENERAL MANAGER'S REPORT & MONTHLY INFORMATIONAL REPORTS ([attachment](#))

- A. Assistant General Manager's Report ([attachment](#))
- B. Operations Report ([attachment](#))
- C. Water Resources Report ([attachment](#))

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

9) **ADJOURNMENT**



Coastside County Water District

# Check Report

By Check Number

Date Range: 01/01/2016 - 01/31/2016

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
<b>Bank Code: General Checking-General Checking - First National Bank</b>						
ASS01	HEALTH BENEFITS ACWA-JPIA/CB&T	01/14/2016	Regular	0.00	26,321.73	22297
ASS08	ASSOC. CALIF. WATER AGENCY	01/14/2016	Regular	0.00	9,917.00	22298
ATT02	AT&T	01/14/2016	Regular	0.00	2,502.87	22299
CHA02	CHARLES HOELZEL CAPITAL SERVICES	01/14/2016	Regular	0.00	220.00	22300
HAL04	HALF MOON BAY REVIEW	01/14/2016	Regular	0.00	2,061.50	22301
HAS01	HASSETT HARDWARE	01/14/2016	Regular	0.00	388.21	22302
HOD02	CHARLIE HODGIN	01/14/2016	Regular	0.00	338.07	22303
KAI01	KAISER FOUNDATION HEALTH PLAN	01/14/2016	Regular	0.00	17,021.00	22304
MAS01	MASS MUTUAL FINANCIAL GROUP	01/14/2016	Regular	0.00	2,195.65	22305
PAC01	PACIFIC GAS & ELECTRIC CO.	01/14/2016	Regular	0.00	31,814.13	22306
PUB01	PUB. EMP. RETIRE SYSTEM	01/14/2016	Regular	0.00	24,052.34	22307
PUB02	CalPERS FISCAL SERVICES DIVISION	01/14/2016	Regular	0.00	23,148.00	22308
REP02	REPUBLIC SERVICES	01/14/2016	Regular	0.00	364.57	22309
TEA02	TEAMSTERS LOCAL UNION #856	01/14/2016	Regular	0.00	973.00	22310
TEL02	US TELEPACIFIC CORPORATION	01/14/2016	Regular	0.00	1,773.31	22311
USB01	U.S. BANK GLOBAL CORP TRUST SERVICES	01/14/2016	Regular	0.00	78,026.13	22312
VAL01	VALIC	01/14/2016	Regular	0.00	3,140.00	22313
WIN01	RAYMOND WINCH	01/14/2016	Regular	0.00	387.62	22314
ADA02	ERICA ADAMS	01/27/2016	Regular	0.00	396.48	22315
ADP01	ADP, INC.	01/27/2016	Regular	0.00	619.00	22316
ADV02	FRANK YAMELLO	01/27/2016	Regular	0.00	235.00	22317
AND01	ANDREINI BROS. INC.	01/27/2016	Regular	0.00	1,534.10	22318
AND11	JEFFERY & MICHELLE ANDERSON	01/27/2016	Regular	0.00	241.32	22319
ATT03	AT&T LONG DISTANCE	01/27/2016	Regular	0.00	68.70	22320
AZT01	AZTEC GARDENS, INC.	01/27/2016	Regular	0.00	190.00	22321
BAL04	BALANCE HYDROLOGICS, INC	01/27/2016	Regular	0.00	4,029.85	22322
BAR01	BARTKIEWICZ, KRONICK & SHANAHAN	01/27/2016	Regular	0.00	4,214.26	22323
BER01	MANUEL & CECILIA BERTAO	01/27/2016	Regular	0.00	142.72	22324
CAL08	CALCON SYSTEMS, INC.	01/27/2016	Regular	0.00	1,271.00	22325
CAL26	KATHY CALOCA	01/27/2016	Regular	0.00	150.00	22326
CAS01	GUILLERMO CASTANEDA & PAULA BUESO-INCHAI	01/27/2016	Regular	0.00	183.32	22327
CHA02	CHARLES HOELZEL CAPITAL SERVICES	01/27/2016	Regular	0.00	65.00	22328
CUR01	CURLEY & RED'S INC. BODY SHOP	01/27/2016	Regular	0.00	70.00	22329
DOH04	HUGH DOHERTY, JR	01/27/2016	Regular	0.00	66.72	22330
ELE01	ELECSYS INTERNATIONAL CORP	01/27/2016	Regular	0.00	250.00	22331
GOU01	MARIA GOULART	01/27/2016	Regular	0.00	75.00	22332
GRA03	GRAINGER, INC.	01/27/2016	Regular	0.00	218.13	22333
HAC01	HACH CO., INC.	01/27/2016	Regular	0.00	1,079.88	22334
HAL24	H.M.B.AUTO PARTS	01/27/2016	Regular	0.00	104.40	22335
IRI01	JAMES IRIZARRY	01/27/2016	Regular	0.00	142.72	22336
IRO01	IRON MOUNTAIN	01/27/2016	Regular	0.00	519.19	22337
IRV01	IRVINE CONSULTING SERVICES, INC.	01/27/2016	Regular	0.00	2,384.00	22338
KEE02	ALICE KEETON	01/27/2016	Regular	0.00	75.00	22339
KEL02	EDWARD KELLY	01/27/2016	Regular	0.00	125.00	22340
MIS01	MISSION UNIFORM SERVICES INC.	01/27/2016	Regular	0.00	102.74	22341
MON07	MONTEREY COUNTY LAB	01/27/2016	Regular	0.00	1,616.00	22342
NAT02	NATIONAL METER & AUTOMATION	01/27/2016	Regular	0.00	840.00	22343
NOR08	NORTHSTAR CHEMICAL	01/27/2016	Regular	0.00	1,502.55	22344
OCC01	OCCU-MED, LTD	01/27/2016	Regular	0.00	73.50	22345
OFF01	OFFICE DEPOT	01/27/2016	Regular	0.00	332.12	22346
ONT01	ONTRAC	01/27/2016	Regular	0.00	294.41	22347
PAC06	PACIFICA COMMUNITY TV	01/27/2016	Regular	0.00	250.00	22348
PAU01	PAULO'S AUTO CARE	01/27/2016	Regular	0.00	440.04	22349
PER01	MICHAEL PERKINS	01/27/2016	Regular	0.00	75.00	22350

## Check Report

Date Range: 01/01/2016 - 01/31/2016

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
ROB01	ROBERTS & BRUNE CO.	01/27/2016	Regular	0.00	559.39	22351
ROG01	ROGUE WEB WORKS, LLC	01/27/2016	Regular	0.00	243.75	22352
SAN05	SAN MATEO CTY PUBLIC HEALTH LAB	01/27/2016	Regular	0.00	658.00	22353
SER03	SERVICE PRESS	01/27/2016	Regular	0.00	770.28	22354
STA01	STAT PADS, LLC	01/27/2016	Regular	0.00	125.00	22355
STO02	MARK STOLOSKI & ROBERT GONZALEZ	01/27/2016	Regular	0.00	203.52	22356
SUL03	DAVID SULLIVAN	01/27/2016	Regular	0.00	75.00	22357
UB*01399	LAURIE TERRELL	01/27/2016	Regular	0.00	11.86	22358
UB*01400	VERONICA/TIMOTHY MILLER	01/27/2016	Regular	0.00	127.50	22359
UB*01401	GRACE HERSH	01/27/2016	Regular	0.00	15.94	22360
UB*01402	JASON/KIMBERLY OLSEN	01/27/2016	Regular	0.00	50.39	22361
UB*01403	CARINA CHRISTENSEN	01/27/2016	Regular	0.00	21.83	22362
UB*01404	ADELA VILLALOBOS	01/27/2016	Regular	0.00	7.75	22363
UB*01405	STOLOSKI & GONZALEZ	01/27/2016	Regular	0.00	856.39	22364
UB*01406	PATRICK BARRON	01/27/2016	Regular	0.00	25.75	22365
UB*01407	SUPERIOR HYDROSEEDING INC.	01/27/2016	Regular	0.00	972.77	22366
WAL02	JAY & CATHERINE WALKER	01/27/2016	Regular	0.00	142.72	22367
WES01	WEST YOST ASSOCIATES, INC	01/27/2016	Regular	0.00	6,947.47	22368
WSO01	WATER SYSTEMS OPTIMIZATION, INC	01/27/2016	Regular	0.00	11,582.50	22369
ZAB01	ZABALLA SQUARE INVESTMENTS LP	01/25/2016	Manual	0.00	500.00	022370
MIN01	TOM & JUNE MINAIDIS	01/25/2016	Manual	0.00	85,264.00	022371
A1001	A-1 SEPTIC TANK SERVICE	01/28/2016	Regular	0.00	700.00	22372
ACC02	ACCURATE AIR ENGINEERING, INC	01/28/2016	Regular	0.00	469.83	22373
ADP01	ADP, INC.	01/28/2016	Regular	0.00	368.50	22374
ALI01	ALIFANO TECHNOLOGIES LLC	01/28/2016	Regular	0.00	563.91	22375
BAY10	BAY ALARM COMPANY	01/28/2016	Regular	0.00	559.59	22376
BIG01	BIG CREEK LUMBER	01/28/2016	Regular	0.00	19.98	22377
CAL08	CALCON SYSTEMS, INC.	01/28/2016	Regular	0.00	50,399.19	22378
CAL11	CALIFORNIA C.A.D. SOLUTIONS, INC	01/28/2016	Regular	0.00	3,090.00	22379
CAR02	CAROLYN STANFIELD	01/28/2016	Regular	0.00	600.00	22380
CHE01	CHEVRON/TEXACO UNIVERSAL CARD	01/28/2016	Regular	0.00	1,322.25	22381
COA19	COASTSIDE COUNTY WATER DIST.	01/28/2016	Regular	0.00	211.58	22382
DAT01	DATAPROSE, LLC	01/28/2016	Regular	0.00	3,038.00	22383
EKI01	EKI INC.	01/28/2016	Regular	0.00	4,295.07	22384
FIR06	FIRST NATIONAL BANK	01/28/2016	Regular	0.00	297.83	22385
HAC01	HACH CO., INC.	01/28/2016	Regular	0.00	1,026.23	22386
HAL24	H.M.B.AUTO PARTS	01/28/2016	Regular	0.00	153.95	22387
HAN01	HANSONBRIDGETT. LLP	01/28/2016	Regular	0.00	5,381.80	22388
HEA01	U.S. HEALTHWORKS MEDICAL GROUP, P.C.	01/28/2016	Regular	0.00	99.00	22389
IRV02	IRVINE CONSULTING SERVICES, INC.	01/28/2016	Regular	0.00	296.03	22390
KEN03	KENNEDY/JENKS CONSULTANTS	01/28/2016	Regular	0.00	1,550.00	22391
LOM01	GLENNA LOMBARDI	01/28/2016	Regular	0.00	106.00	22392
MAS01	MASS MUTUAL FINANCIAL GROUP	01/28/2016	Regular	0.00	2,195.65	22393
MET06	METLIFE GROUP BENEFITS	01/28/2016	Regular	0.00	1,732.23	22394
MIS01	MISSION UNIFORM SERVICES INC.	01/28/2016	Regular	0.00	102.74	22395
MON07	MONTEREY COUNTY LAB	01/28/2016	Regular	0.00	4,223.00	22396
NAT02	NATIONAL METER & AUTOMATION	01/28/2016	Regular	0.00	7,654.61	22397
OFF01	OFFICE DEPOT	01/28/2016	Regular	0.00	560.47	22398
OFF02	OFFICIAL PAYMENTS CORPORATION	01/28/2016	Regular	0.00	150.00	22399
ONT01	ONTRAC	01/28/2016	Regular	0.00	235.15	22400
PAC01	PACIFIC GAS & ELECTRIC CO.	01/28/2016	Regular	0.00	59.13	22401
PAU01	PAULO'S AUTO CARE	01/28/2016	Regular	0.00	167.88	22402
PIT04	PITNEY BOWES	01/28/2016	Regular	0.00	215.82	22403
RIC01	RICOH USA, INC.	01/28/2016	Regular	0.00	450.18	22404
RIC02	RICOH USA INC	01/28/2016	Regular	0.00	506.54	22405
ROB01	ROBERTS & BRUNE CO.	01/28/2016	Regular	0.00	21,423.75	22406
SAN02	SAN MATEO CTY RESOURCE CONSERVATION DIST	01/28/2016	Regular	0.00	11,059.69	22407
SAN03	SAN FRANCISCO WATER DEPT.	01/28/2016	Regular	0.00	106,587.24	22408
SAN14	COUNTY OF SAN MATEO	01/28/2016	Regular	0.00	6,000.00	22409
STR02	STRAWFLOWER ELECTRONICS	01/28/2016	Regular	0.00	46.98	22410
TET01	JAMES TETER	01/28/2016	Regular	0.00	4,871.85	22411

Check Report

Date Range: 01/01/2016 - 01/31/2016

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
TYL01	TYLER TECHNOLOGIES, INC	01/28/2016	Regular	0.00	4,000.00	22412
UNI07	UNITED STATES POSTAL SERV.	01/28/2016	Regular	0.00	600.00	22413
UPS01	UPS STORE	01/28/2016	Regular	0.00	38.26	22414
VAL01	VALIC	01/28/2016	Regular	0.00	3,140.00	22415
VER02	VERIZON WIRELESS	01/28/2016	Regular	0.00	710.33	22416

Bank Code General Checking Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	171	118	0.00	523,300.33
Manual Checks	2	2	0.00	85,764.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	<b>173</b>	<b>120</b>	<b>0.00</b>	<b>609,064.33</b>



Coastside County Water District

# Monthly Budget Report Account Summary

For Fiscal: Current Period Ending: 01/31/2016

	January Budget	January Activity	Variance Favorable (Unfavorable)	Variance %	YTD Budget	YTD Activity	Variance Favorable (Unfavorable)	Variance %	Total Budget	
<b>Revenue</b>										
<b>RevType: 1 - Operating</b>										
<a href="#">1-4120-00</a>	Water Revenue	612,680.00	549,525.75	-63,154.25	-10.31 %	5,829,513.00	5,539,770.87	-289,742.13	-4.97 %	9,863,916.00
	<b>Total RevType: 1 - Operating:</b>	<b>612,680.00</b>	<b>549,525.75</b>	<b>-63,154.25</b>	<b>-10.31 %</b>	<b>5,829,513.00</b>	<b>5,539,770.87</b>	<b>-289,742.13</b>	<b>-4.97 %</b>	<b>9,863,916.00</b>
<b>RevType: 2 - Non-Operating</b>										
<a href="#">1-4170-00</a>	Water Taken From Hydrants	3,333.33	2,404.64	-928.69	-27.86 %	23,333.31	61,346.85	38,013.54	162.92 %	40,000.00
<a href="#">1-4180-00</a>	Late Notice - 10% Penalty	7,500.00	4,838.48	-2,661.52	-35.49 %	52,500.00	40,775.35	-11,724.65	-22.33 %	90,000.00
<a href="#">1-4230-00</a>	Service Connections	833.00	0.00	-833.00	-100.00 %	5,831.00	7,826.84	1,995.84	34.23 %	10,000.00
<a href="#">1-4920-00</a>	Interest Earned	637.50	926.46	288.96	45.33 %	1,912.50	2,438.55	526.05	27.51 %	2,550.00
<a href="#">1-4930-00</a>	Tax Apportionments/County Checks	0.00	1,317.80	1,317.80	0.00 %	365,000.00	416,170.14	51,170.14	14.02 %	600,000.00
<a href="#">1-4950-00</a>	Miscellaneous Income	3,083.00	3,270.77	187.77	6.09 %	21,581.00	12,216.92	-9,364.08	-43.39 %	37,000.00
<a href="#">1-4955-00</a>	Cell Site Lease Income	11,603.75	11,975.07	371.32	3.20 %	81,226.25	83,312.79	2,086.54	2.57 %	139,245.00
<a href="#">1-4965-00</a>	ERAF REFUND - County Taxes	0.00	325,710.11	325,710.11	0.00 %	0.00	325,710.11	325,710.11	0.00 %	200,000.00
	<b>Total RevType: 2 - Non-Operating:</b>	<b>26,990.58</b>	<b>350,443.33</b>	<b>323,452.75</b>	<b>1,198.39 %</b>	<b>551,384.06</b>	<b>949,797.55</b>	<b>398,413.49</b>	<b>72.26 %</b>	<b>1,118,795.00</b>
	<b>Total Revenue:</b>	<b>639,670.58</b>	<b>899,969.08</b>	<b>260,298.50</b>	<b>40.69 %</b>	<b>6,380,897.06</b>	<b>6,489,568.42</b>	<b>108,671.36</b>	<b>1.70 %</b>	<b>10,982,711.00</b>
<b>Expense</b>										
<b>ExpType: 1 - Operating</b>										
<a href="#">1-5130-00</a>	Water Purchased	201,231.00	98,587.24	102,643.76	51.01 %	1,732,203.00	1,664,373.80	67,829.20	3.92 %	2,871,947.00
<a href="#">1-5230-00</a>	Nunes T P Pump Expense	2,458.00	1,176.74	1,281.26	52.13 %	17,206.00	17,207.82	-1.82	-0.01 %	29,500.00
<a href="#">1-5231-00</a>	CSP Pump Station Pump Expense	5,000.00	2,116.25	2,883.75	57.68 %	203,605.00	221,532.88	-17,927.88	-8.81 %	307,052.00
<a href="#">1-5232-00</a>	Other Trans. & Dist Pump Expense	1,067.00	4,042.94	-2,975.94	-278.91 %	7,469.00	9,694.69	-2,225.69	-29.80 %	12,800.00
<a href="#">1-5233-00</a>	Pilarcitos Canyon Pump Expense	4,490.00	5,438.49	-948.49	-21.12 %	6,568.00	8,737.16	-2,169.16	-33.03 %	18,000.00
<a href="#">1-5234-00</a>	Denniston T P Pump Expense	15,604.00	7,929.76	7,674.24	49.18 %	31,939.00	11,650.26	20,288.74	63.52 %	90,100.00
<a href="#">1-5242-00</a>	CSP Pump Station Operations	709.00	674.43	34.57	4.88 %	4,958.00	5,728.61	-770.61	-15.54 %	8,500.00
<a href="#">1-5243-00</a>	CSP Pump Station Maintenance	3,083.33	1,333.33	1,750.00	56.76 %	21,583.31	2,979.36	18,603.95	86.20 %	37,000.00
<a href="#">1-5246-00</a>	Nunes T P Operations - General	4,138.00	2,608.67	1,529.33	36.96 %	31,834.00	34,255.05	-2,421.05	-7.61 %	52,764.00
<a href="#">1-5247-00</a>	Nunes T P Maintenance	4,625.00	982.28	3,642.72	78.76 %	32,375.00	36,380.37	-4,005.37	-12.37 %	55,500.00
<a href="#">1-5248-00</a>	Denniston T P Operations-General	5,196.00	1,059.91	4,136.09	79.60 %	10,635.00	18,978.03	-8,343.03	-78.45 %	30,000.00
<a href="#">1-5249-00</a>	Denniston T.P. Maintenance	2,667.00	8,027.44	-5,360.44	-200.99 %	18,669.00	24,836.39	-6,167.39	-33.04 %	32,000.00
<a href="#">1-5250-00</a>	Laboratory Expenses	3,333.00	7,040.77	-3,707.77	-111.24 %	23,333.00	22,643.57	689.43	2.95 %	40,000.00
<a href="#">1-5260-00</a>	Maintenance - General	22,375.00	11,642.92	10,732.08	47.96 %	156,625.00	152,856.61	3,768.39	2.41 %	268,500.00
<a href="#">1-5261-00</a>	Maintenance - Well Fields	0.00	0.00	0.00	0.00 %	40,000.00	19,603.96	20,396.04	50.99 %	40,000.00
<a href="#">1-5263-00</a>	Uniforms	0.00	0.00	0.00	0.00 %	0.00	1,501.67	-1,501.67	0.00 %	0.00
<a href="#">1-5318-00</a>	Studies/Surveys/Consulting	20,000.00	18,529.97	1,470.03	7.35 %	140,000.00	92,806.47	47,193.53	33.71 %	240,000.00
<a href="#">1-5321-00</a>	Water Conservation	3,083.33	2,636.50	446.83	14.49 %	21,583.31	27,547.64	-5,964.33	-27.63 %	37,000.00

Monthly Budget Report

For Fiscal: Current Period Ending: 01/31/2016

	January Budget	January Activity	Variance Favorable (Unfavorable)	Variance %	YTD Budget	YTD Activity	Variance Favorable (Unfavorable)	Variance %	Total Budget
<a href="#">1-5322-00</a> Community Outreach	7,925.00	250.00	7,675.00	96.85 %	55,475.00	5,431.48	50,043.52	90.21 %	95,100.00
<a href="#">1-5381-00</a> Legal	5,000.00	2,672.80	2,327.20	46.54 %	35,000.00	20,037.00	14,963.00	42.75 %	60,000.00
<a href="#">1-5382-00</a> Engineering	1,166.66	480.00	686.66	58.86 %	8,166.62	3,360.00	4,806.62	58.86 %	14,000.00
<a href="#">1-5383-00</a> Financial Services	0.00	0.00	0.00	0.00 %	24,000.00	6,240.00	17,760.00	74.00 %	24,000.00
<a href="#">1-5384-00</a> Computer Services	8,650.00	7,177.83	1,472.17	17.02 %	60,550.00	38,314.89	22,235.11	36.72 %	103,800.00
<a href="#">1-5410-00</a> Salaries/Wages-Administration	81,675.38	67,996.80	13,678.58	16.75 %	653,403.04	553,814.92	99,588.12	15.24 %	1,061,780.00
<a href="#">1-5411-00</a> Salaries & Wages - Field	86,038.92	87,413.00	-1,374.08	-1.60 %	688,311.36	674,586.15	13,725.21	1.99 %	1,118,506.00
<a href="#">1-5420-00</a> Payroll Tax Expense	11,773.53	11,954.68	-181.15	-1.54 %	94,188.25	83,965.00	10,223.25	10.85 %	153,056.00
<a href="#">1-5435-00</a> EE/Ret Medical Insurance	43,954.75	43,045.56	909.19	2.07 %	307,683.25	266,936.56	40,746.69	13.24 %	527,457.00
<a href="#">1-5436-00</a> Retiree Medical Insurance	0.00	106.00	-106.00	0.00 %	0.00	106.00	-106.00	0.00 %	0.00
<a href="#">1-5440-00</a> Employees Retirement Plan	38,870.92	37,464.90	1,406.02	3.62 %	310,967.36	270,533.15	40,434.21	13.00 %	505,322.00
<a href="#">1-5445-00</a> Supplemental Retirement 401a	0.00	0.00	0.00	0.00 %	0.00	0.00	0.00	0.00 %	30,000.00
<a href="#">1-5510-00</a> Motor Vehicle Expense	4,638.00	3,010.66	1,627.34	35.09 %	32,463.00	22,576.95	9,886.05	30.45 %	55,650.00
<a href="#">1-5620-00</a> Office Supplies & Expense	13,706.25	16,676.29	-2,970.04	-21.67 %	95,943.75	110,455.45	-14,511.70	-15.13 %	164,475.00
<a href="#">1-5625-00</a> Meetings / Training / Seminars	2,000.00	20.52	1,979.48	98.97 %	14,000.00	9,477.81	4,522.19	32.30 %	24,000.00
<a href="#">1-5630-00</a> Insurance	16,250.00	16,550.52	-300.52	-1.85 %	73,750.00	62,662.44	11,087.56	15.03 %	115,000.00
<a href="#">1-5687-00</a> Membership, Dues, Subscript.	5,940.83	125.00	5,815.83	97.90 %	41,585.81	36,964.47	4,621.34	11.11 %	71,290.00
<a href="#">1-5688-00</a> Election Expenses	0.00	0.00	0.00	0.00 %	0.00	0.00	0.00	0.00 %	25,000.00
<a href="#">1-5689-00</a> Labor Relations	500.00	0.00	500.00	100.00 %	3,500.00	0.00	3,500.00	100.00 %	6,000.00
<a href="#">1-5700-00</a> San Mateo County Fees	1,475.00	6,000.00	-4,525.00	-306.78 %	10,325.00	16,984.84	-6,659.84	-64.50 %	17,700.00
<a href="#">1-5705-00</a> State Fees	1,333.33	0.00	1,333.33	100.00 %	9,333.31	10,424.88	-1,091.57	-11.70 %	16,000.00
<b>Total ExpType: 1 - Operating:</b>	<b>629,958.23</b>	<b>474,772.20</b>	<b>155,186.03</b>	<b>24.63 %</b>	<b>5,019,231.37</b>	<b>4,566,186.33</b>	<b>453,045.04</b>	<b>9.03 %</b>	<b>8,358,799.00</b>
<b>ExpType: 4 - Capital Related</b>									
<a href="#">1-5712-00</a> Debt Service/Existing Bonds 2006B	0.00	0.00	0.00	0.00 %	349,992.00	350,896.46	-904.46	-0.26 %	485,889.00
<a href="#">1-5715-00</a> Debt Service/CIEDB 11-099	80,053.00	78,026.13	2,026.87	2.53 %	338,024.00	336,545.79	1,478.21	0.44 %	338,024.00
<b>Total ExpType: 4 - Capital Related:</b>	<b>80,053.00</b>	<b>78,026.13</b>	<b>2,026.87</b>	<b>2.53 %</b>	<b>688,016.00</b>	<b>687,442.25</b>	<b>573.75</b>	<b>0.08 %</b>	<b>823,913.00</b>
<b>Total Expense:</b>	<b>710,011.23</b>	<b>552,798.33</b>	<b>157,212.90</b>	<b>22.14 %</b>	<b>5,707,247.37</b>	<b>5,253,628.58</b>	<b>453,618.79</b>	<b>7.95 %</b>	<b>9,182,712.00</b>
<b>Report Total:</b>	<b>-70,340.65</b>	<b>347,170.75</b>	<b>417,511.40</b>		<b>673,649.69</b>	<b>1,235,939.84</b>	<b>562,290.15</b>		<b>1,799,999.00</b>

**COASTSIDE COUNTY WATER DISTRICT  
MONTHLY INVESTMENT REPORT  
January 31, 2016**

**RESERVE BALANCES**

CAPITAL AND OPERATING RESERVE	\$2,414,158.49
RATE STABILIZATION RESERVE	\$250,000.00

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<b>TOTAL DISTRICT RESERVES</b>	<b>\$2,664,158.49</b>
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**ACCOUNT DETAIL**

ACCOUNTS WITH FIRST NATIONAL BANK (FNB)	
CHECKING ACCOUNT	\$903,480.63
CSP T & S ACCOUNT	\$736,821.45

LOCAL AGENCY INVESTMENT FUND (LAIF) BALANCE	\$1,023,226.41
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DISTRICT CASH ON HAND	\$630.00
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<b>TOTAL ACCOUNT BALANCES</b>	<b>\$2,664,158.49</b>
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*This report is in conformity with CCWD's Investment Policy.*

**COASTSIDE COUNTY WATER DISTRICT  
APPROVED CAPITAL IMPROVEMENT PROJECTS  
FISCAL YEAR 2015-2016**

1/31/2016

	Approved CIP Budget FY 15/16	Actual To Date FY 15/16	Projected Year-End FY 15/16	Variance vs. Budget	% Completed	Project Status/ Comments
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**Equipment Purchases & Replacement**

06-03	SCADA/Telemetry/Electrical Controls Replacement	\$ 150,000	\$ 103,461	\$ 200,000	\$ -	69%	In progress
16-06	Portable Work Lights	\$ 6,000		\$ 6,000	\$ -	0%	
99-02	Vehicle Replacement	\$ 30,000		\$ 30,000	\$ -	0%	
99-03	Computer Systems	\$ 5,000	\$ 3,065	\$ 5,000	\$ -	61%	
99-04	Office Equipment/Furniture	\$ 3,000	\$ 3,988	\$ 3,000	\$ -	133%	

**Facilities & Maintenance**

08-08	PRV Valves Replacement Project	\$ 30,000	\$ 6,820	\$ 30,000	\$ -	23%	
09-09	Fire Hydrant Replacement	\$ 20,000	\$ 17,113	\$ 20,000	\$ -	86%	Complete for FY16
09-23	District Digital Mapping	\$ 10,000		\$ 10,000	\$ -	0%	
14-11	Replace 2" and Larger Meters with Omni Meters	\$ 30,000		\$ 30,000	\$ -	0%	
15-01	Utility Billing Software Upgrade	\$ 150,000	\$ 45,491	\$ 150,000	\$ -	30%	Software transition to be complete by 4/2016
99-01	Meter Change Program	\$ 10,000	\$ 38,640	\$ 70,000	\$ (60,000)	386%	

**Pipeline Projects**

07-03	Pilarcitos Canyon Pipeline Replacement	\$ 100,000	\$ 9,255	\$ 100,000	\$ -	9%	Evaluating design
10-01	El Granada Pipeline Final Phase Replacement Project	\$ 2,000,000	\$ 156,427	\$ 850,000	\$ 1,150,000	8%	Construction to start February 2016
14-01	Replace 12" Welded Steel Line on Hwy 92 with 8" DI	\$ 300,000		\$ 300,000	\$ -		In design
16-09	Slipline 10-inch Pipeline in Magellan at Hwy 1	\$ 100,000	\$ 12,098	\$ 20,000	\$ 80,000	12%	In design - will slip into next fiscal year

**Pump Stations / Tanks / Wells**

06-04	Hazen's Tank Replacement	\$ 300,000	\$ 702	\$ 5,000	\$ 300,000	0%	Design complete, may not need tank
13-11	EG Tank #1 & Tank #2 Emergency Generators	\$ 75,000		\$ 10,000	\$ 65,000	0%	Will slip into next fiscal year

**Water Supply Development**

10-02	Denniston Pump Station & Pipeline Project (formerly Bridgeport Drive Pipeline Replacement Project)	\$ 110,000	\$ 229,438	\$ 300,000	\$ (190,000)		In design
12-04	Denniston Treated Water Booster Station	\$ 200,000		\$ 200,000	\$ -		In design
12-12	San Vicente Diversion & Pipeline	\$ 300,000		\$ -	\$ 300,000		Waiting for SWRCB time extension approval
14-24	Denniston/San Vicente EIR & Permitting	\$ 50,000	\$ 16,383	\$ 20,000	\$ 30,000		
14-25	Water Shortage Plan Development	\$ 100,000		\$ -	\$ 100,000	0%	

**Water Treatment Plants**

16-01	Denniston WTP Coag Tank Motor Operated Valve	\$ 10,000		\$ 10,000	\$ -	0%	
16-02	Denniston WTP Filter Repairs	\$ 110,000	\$ 85,718	\$ 110,000	\$ -	78%	Completed, have not processed Retention
16-03	Denniston WTP Filter Flow Meter Replacement	\$ 10,000		\$ 10,000	\$ -	0%	
16-04	Denniston WTP Pond Return Pump	\$ 25,000		\$ -	\$ 25,000	0%	Project not needed
16-05	Nunes Filter Valve Repairs & Replacements	\$ 15,000		\$ 15,000	\$ -	0%	

**COASTSIDE COUNTY WATER DISTRICT  
APPROVED CAPITAL IMPROVEMENT PROJECTS  
FISCAL YEAR 2015-2016**

		1/31/2016					
		Approved CIP Budget FY 15/16	Actual To Date FY 15/16	Projected Year-End FY 15/16	Variance vs. Budget	% Completed	Project Status/ Comments
99-05	Denniston Maintenance Dredging	\$ 35,000		\$ -	\$ 35,000	0%	Will not dredge this year
<b>FY 15/16 TOTALS</b>		<b>\$ 4,284,000</b>	<b>\$ 728,597</b>	<b>\$ 2,504,000</b>	<b>\$ 1,835,000</b>		

**Previous CIP Projects - paid in FY 15/16**

	Sand for Nunes Drying Bed		\$ 29,680	\$ 29,680			
	Pilarcitos Road Improvement 2014		\$ 19,706	\$ 35,000			
<b>PREVIOUS YEAR TOTALS</b>		<b>\$ -</b>	<b>\$ 49,386</b>	<b>\$ 64,680</b>	<b>\$ (64,680)</b>		In Progress

**UNSCHEDULED ITEMS (CAPITAL EXPENDITURES) FOR CURRENT FISCAL YEAR 15/16**

	Ventura/Washington Pipeline Replacement Project		\$ 304,355	\$ 400,000			
	Water Recycling		\$ 51,653	\$ 50,000			
	Valve for Nunes Filter #3		\$ 5,133	\$ 5,133			
	New Fence for District Office		\$ 9,889	\$ 9,889			Completed
	Denniston Dam Repair		\$ 1,867	\$ 1,867			
	Replace 8 inch Pipeline Under Creek at PilarcitoS Avenue		\$ 1,558	\$ 1,558			
	New Valves for Nunes Surface Wash		\$ 1,227	\$ 1,227			
	Water Softener for Denniston Treatment Plant		\$ 2,495	\$ 2,495			
	Slip Lining - Near LaNebbia Winery		\$ 17,230	\$ 17,230			
<b>NON-BUDGETED TOTALS</b>		<b>\$ -</b>	<b>\$ 395,408</b>	<b>\$ 489,400</b>	<b>\$ (489,400)</b>		

<b>CIP TOTALS</b>		<b>\$ 4,284,000</b>	<b>\$ 1,173,391</b>	<b>\$ 3,058,080</b>	<b>\$ 1,280,920</b>		
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**Legal Cost Tracking Report  
12 Months At-A-Glance**

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

Month	Admin (General Legal Fees)	Water Supply Develpmnt	Recycled Water	Transfer Program	CIP	Personnel	Water Shortage	Lawsuits	Infrastructure Project Review  (Reimbursable)	TOTAL
<b>Feb-15</b>	2,660	1,773				1,483			823	6,739
<b>Mar-15</b>	1,411	1,470							1,352	4,233
<b>Apr-15</b>	2,205	88		1,697						3,990
<b>May-15</b>	2,543	559		3,415			4,204			10,720
<b>Jun-15</b>	6,115			554						6,670
<b>Jul-15</b>	5,824					718	1,235			7,777
<b>Aug-15</b>	8,255			625	88					8,968
<b>Sep-15</b>	764		1,147	206	1,348				941	4,405
<b>Oct-15</b>	2,259	88	500	1,609	6,164	504			118	11,241
<b>Nov-15</b>	3,920		176	1,113	5,014					10,224
<b>Dec-15</b>	1,535	617			1,970					4,122
<b>Jan-16</b>	2,673	970		798	941					5,382
<b>TOTAL</b>	<b>40,164</b>	<b>5,566</b>	<b>1,823</b>	<b>10,016</b>	<b>15,524</b>	<b>2,706</b>	<b>5,439</b>	<b>0</b>	<b>3,233</b>	<b>84,471</b>

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

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

<b>Month</b>	<b>Admin &amp; Retainer</b>	<b>CIP</b>	<b>Studies &amp; Projects</b>	<b>TOTAL</b>	<b>Reimbursable from Projects</b>
<b>Feb-15</b>	480			<b>480</b>	
<b>Mar-15</b>	480		254	<b>734</b>	254
<b>Apr-15</b>	480		1,014	<b>1,494</b>	1,014
<b>May-15</b>	649	7,192	423	<b>8,264</b>	423
<b>Jun-15</b>	544	16,999		<b>17,543</b>	
<b>Jul-15</b>	480	11,378	1,014	<b>12,872</b>	1,014
<b>Aug-15</b>	480	9,845	85	<b>10,409</b>	85
<b>Sep-15</b>	480	11,362	507	<b>12,349</b>	507
<b>Oct-15</b>	480	10,853	1,372	<b>12,705</b>	1,372
<b>Nov-15</b>	480	2,095	1,606	<b>4,180</b>	1,606
<b>Dec-15</b>	480	1,389	4,901	<b>6,770</b>	4,901
<b>Jan-16</b>	480		4,392	<b>4,872</b>	4,392
<b>TOTAL</b>	<b>5,993</b>	<b>71,111</b>	<b>15,566</b>	<b>92,670</b>	<b>15,566</b>

**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	
						7/31/15	8/31/15	9/30/15	10/31/15	11/30/15	12/31/15				
CAL-13-EMG	Emergency Callout														
CAL-14-EMG	Emergency Callout														
CAL-15-EMG	Emergency Callout							\$410.48		\$1,107.50	\$5,488.33				
CAL-13-00	Calcon Project Admin/Miscellaneous														
CAL-13-01	EG Tank 2 Recoating Project		9/30/13	10/8/13	\$8,220.00							\$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							\$12,231.74	-\$2,514.74		
CAL-13-04	Crystal Springs Surge Tank Retrofit		11/26/13	11/27/13	\$31,912.21							\$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 Califrier SCADA Data		4/2/14	4/7/14	\$4,125.00							\$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							\$44,459.14	\$31,446.42		
CAL-14-06	Miramar Control Panel		8/28/14	8/28/14	\$37,953.00							\$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	-\$2.00		
CAL-15-01	Main Street Monitors											\$6,779.42	-\$6,779.42		
CAL-15-02	Denniston To Do List											\$2,930.00	-\$2,930.00		
CAL-15-03	Nunes & Denniston Turbidity Meters				\$6,612.50							\$5,833.26	\$779.24		
CAL-15-04	Phase II Control System Upgrade							\$7,292.50	\$22,711.88	\$16,250.78	\$44,910.86	\$91,166.02	-\$91,166.02		
CAL-15-05	Permanganate Water Flow							\$1,567.15				\$1,567.15	-\$1,567.15		
					\$244,391.23	\$0.00	\$0.00	\$8,859.65	\$22,711.88	\$16,250.78	\$44,910.86	\$358,735.46	-\$107,731.73		

**COASTSIDE COUNTY WATER DISTRICT**

**766 MAIN STREET**

**HALF MOON BAY, CA 94019**

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

**Tuesday, January 12, 2016**

- 1) **ROLL CALL** - President Arnie Glassberg called the special meeting to order at 6:00 p.m. Present at roll call: Directors Chris Mickelsen, Ken Coverdell, Steve Flint and Vice-President Glenn Reynolds. David Dickson, General Manager, was present and Patrick Miyaki, Legal Counsel, joined the meeting a few moments later.
  
- 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 Board reconvened into open session at 6:51 p.m. No action was taken in the Closed Session.
  
- 5) **ADJOURNMENT** - The Special Board meeting was adjourned at 6:52 p.m.

Respectfully submitted,

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David R. Dickson, General Manager  
Secretary of the District

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Arnie Glassberg, 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 12, 2016**

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

Also present: David Dickson, General Manager; Mary Rogren, Assistant General Manager; Patrick Miyaki, Legal Counsel; Joe Guistino, Superintendent of Operations; JoAnne Whelen, Administrative Assistant/Recording Secretary; and Gina Brazil, Office Manager.

- 2) **PLEDGE OF ALLEGIANCE**

- 3) **PUBLIC COMMENT** - Steve McGrath, San Mateo County Harbor District - Mr. McGrath, General Manager for the San Mateo County Harbor District, introduced himself to the Board, stating that he looked forward to a continued good working relationship between the agencies.

- 4) **CONSENT CALENDAR**

- A. Approval of disbursements for the month ending December 31, 2015:  
Claims: \$780,917.94; Payroll: \$135,608.34 for a total of \$916,526.28  
➤ *December 2015 Monthly Financial Claims reviewed & approved by Director Mickelsen*
- B. Acceptance of Financial Reports
- C. Monthly Water Transfer Report
- D. Approval of Minutes of December 8, 2015 Regular Board of Directors Meeting
- E. Approval of Minutes of December 17, 2015 Special Board of Directors Meeting
- F. Installed Water Connection Capacity and Water Meters Report
- G. Total CCWD Production Report
- H. CCWD Monthly Sales by Category Report - December 2015
- I. Monthly Emergency Main and Service Repairs Report
- J. Rainfall Reports
- K. SFPUC Hydrological Report for November 2015

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

**ON MOTION BY Director Flint and seconded by Director Mickelsen the Board voted, to accept and approve the Consent Calendar in its entirety:**

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

**5) MEETINGS ATTENDED / DIRECTOR COMMENTS**

Director Coverdell summarized the recent Joint Recycled Water Committee meeting, which he commented was very well attended by all of the interested parties and included a very positive discussion among the agencies. Mr. Dickson added that the topic would be agendaized for the February Board of Directors meeting for continued discussion of the project.

**6) GENERAL BUSINESS**

**A. El Granada Pipeline Replacement Final Phase Project Award of Contract to EKI for Engineering Services During Construction and Construction Management**

Mr. Dickson advised that this project is about ready to begin, that the permits and funds are now available, as well as the easement agreements. He reviewed the contract from Erler & Kalinowski, Inc., (EKI) for Engineering Services During Construction and Construction Management and outlined their scope of services, emphasizing the importance of a full-time inspector on a project of this sensitive nature.

Stephen Tarantino, P.E., Vice President of EKI, and Jonathan Sutter, P.E. Project Manager were both in attendance. Mr. Tarantino outlined the scope of work and answered questions from the Board members about the project.

**ON MOTION BY Vice-President Reynolds and seconded by Director Flint, the Board voted to authorize the General Manager to execute a professional services agreement with EKI for engineering services during construction and construction management on the El Granada Pipeline Replacement Final Phase Project (Project) for a time-and-materials costs not to exceed \$133,200:**

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

**B. El Granada Pipeline Replacement Final Phase Project Award of Construction Contract to Stoloski & Gonzales, Inc.**

Mr. Dickson summarized the bids received for this project, advising that staff has verified that the low bid, submitted by Stoloski & Gonzales, Inc., is responsive to the District’s requirements and recommends awarding the contract to them.

**ON MOTION BY Director Coverdell and seconded by Vice-President Reynolds, the Board voted to authorize the General Manager to execute a contract with Stoloski & Gonzales, Inc. for construction of the El Granada Pipeline Replacement Final Phase Project (Project) for the lump sum amount of \$661,336:**

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

**C. El Granada Pipeline Replacement Final Phase Project Agreement Between Coastside County Water District and Tom and June Minaidis for Acquisition of Permanent and Temporary Construction Easements and Joint Escrow Instructions**

Mr. Dickson provided the background of this agenda item and advised that the Minaidises had agreed to sell permanent and temporary construction easements to the District in accordance with the proposed Agreement.

**ON MOTION BY Vice-President Reynolds and seconded by Director Mickelsen, the Board voted to authorize the General Manager to execute the Agreement for Acquisition of Permanent and Temporary Construction Easements and Joint Escrow Instructions (Agreement) between the District and Tom and June Minaidis:**

<b>Director Mickelsen</b>	<b>Aye</b>
<b>Director Coverdell</b>	<b>Aye</b>
<b>Director Flint</b>	<b>Aye</b>
<b>Vice President Reynolds</b>	<b>Aye</b>
<b>President Glassberg</b>	<b>Aye</b>

**D. Quarterly Financial Review**

Ms. Rogren reviewed the year to date revenue, year-to-date expenses, other savings and water purchase costs and pumping expenses. A brief discussion ensued about the District’s local water sources, noting that higher use of local sources in the January – March 2016 period could produce additional savings in SFPUC water purchase costs.

**E. Coastside County Water District Board Committees**

President Glassberg reported one change on the District’s Board Committees with Director Reynolds replacing Director Glassberg on the Recycled Water Committee, so the members of the committee would now include Directors Coverdell and Reynolds.

**7) MONTHLY INFORMATIONAL REPORTS**

**A. Operations Report** - Mr. Guistino reviewed the monthly highlights, including the successful running of the Denniston Water Treatment Plant for the past month. He updated the Board on the progress of the Stone Dam Pipeline Replacement Project, the completion of the Washington-Ventura Street Main Replacement Project, and the El Granada Tank 3 Rehabilitation Project.

**B. Water Resources Report** - Mr. Dickson advised that Ms. Brennan was not in attendance and referenced her staff report, which was included in the Board packet.

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

There were no requests for future agenda items from the Board.

**9) ADJOURNMENT - The meeting was adjourned at 8:03 p.m.**

Respectfully submitted,

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David R. Dickson General Manager  
Secretary of the District

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Arnie Glassberg, President  
Board of Directors

**COASTSIDE COUNTY WATER DISTRICT**

**766 MAIN STREET**

**HALF MOON BAY, CA 94019**

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

**Tuesday, January 26, 2016**

1) **ROLL CALL** - President Arnie Glassberg called the special meeting to order at 3:05 p.m. Present at roll call: Directors Chris Mickelsen, Ken Coverdell, and Vice-President Glenn Reynolds. Director Steve Flint was absent. David Dickson, General Manager, was also present initially, but was not in attendance during the entire closed session portion of the meeting.

2) **PLEDGE OF ALLEGIANCE**

3) **PUBLIC COMMENT**

Clemens Heldmaier - Expressed his appreciation for the opportunity to work with Mr. Dickson and commended Mr. Dickson for his previous work and the legacy that he built at the Sewer Authority Mid-Coastside, as well as his many years of successfully managing the Coastside County Water District.

Bob Feldman - Commented that he felt that the hiring of Mr. Dickson at the Coastside County Water District was one of the best hires of his personal career and that it will be difficult and challenging to replace Mr. Dickson.

4) **CLOSED SESSION**

A. Pursuant to California Government Code Section §54957  
Public Employee Appointment - Title: General Manager

5) **RECONVENE TO OPEN SESSION**

The Board reconvened into open session at 4:29 p.m. and reported that no action had been taken in closed session. Mr. Dickson, Mary Rogren, Assistant General Manager, and JoAnne Whelen, Administrative Assistant/Recording Secretary, joined the meeting.

A. Retirement of General Manager and Transition Planning

President Glassberg stated that the Board had extensively discussed the organizational role of the General Manager position. He reported that it is the Board's desire to look to the future for stability and to maintain the current efficient management style and the level of quality staff that currently contribute to the smooth and successful operation of the District. He added that the Board feels that rather than launch a recruitment process, that the best plan at this point is to retain the services of the current General Manager, Mr. Dickson, re-negotiate his contract to a part time basis to allow for to continued focus on some of the ongoing District projects that he has been so intimately involved with and to continue with the positive relationships that he has built for the District over the years.

President Glassberg explained that the Board had determined that based on their decision, there are several tasks the Board would like to assign staff: (1) obtain all pertinent information that the Board may need from CalPERS in order to retain the General Manager's services on a part-time basis; (2) draft a transition plan that would provide guidance to the Board regarding how things will proceed for the District over the next two to four years, with a focus on stability; and (3) provide an analysis of the budget implications of the transition plan; and (4) as part of the transition plan, evaluate the District's current engineering services to assist in determining whether the current District Engineer position should be reassessed for the future needs of the District.

On behalf of the Board, Director Coverdell thanked Mr. Dickson for considering staying on and continuing to lead such a strong and productive District staff. Vice-President Reynolds added that the reason that the Board is so comfortable with this plan is because Mr. Dickson and the individual staff members that make up the team have done a great job of operating the District in an efficient and successful manner.

Mr. Dickson thanked the Board for their decision and their vote of confidence.

- 6) **ADJOURNMENT** - The Special Board meeting was adjourned at 4:36 p.m.

Respectfully submitted,

---

David R. Dickson, General Manager  
Secretary of the District

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Arnie Glassberg, President  
Board of Directors



**Fiscal Year 2016 Water Service Installations**

*FY 2016*

APN	Name	Install Address	City/Community	Meter Size	Type	Date Installed	Notes
048-211-060	Taffera, Anthony	421 Wave Ave	HMB	5/8"	dom	10-Jul-15	with 1" fire
056-141-700	Belloni, Paula	456-458 Oak Street	HMB	5/8"	dom	31-Jul	second unit meter
064-092-550	Shaw, Dan	401 Filbert Street	HMB	1"	fire	4-Aug-15	fire only
066-600-080	Carnoustie LLC	241 Bayhill Rd	HMB	3/4"	dom	21-Aug-15	with 2" fire
066-600-110	Carnoustie LLC	116 Carnoustie Dr	HMB	3/4"	dom	21-Aug-15	with 2" fire
066-600-100	Carnoustie LLC	118 Carnoustie Dr	HMB	3/4"	dom	21-Aug-15	with 2" fire
066-600-090	Carnoustie LLC	231 Bayhill Rd	HMB	3/4"	dom	25-Aug-15	with 2" fire
064-231-270	McGregor, Paul	483 Poplar Street	HMB	5/8"	dom	31-Aug-15	with 1" fire
037-320-350	Lea, David and Patricia	6 Denniston Road	EG	3/4"	dom	2-Sep-15	with 2" fire
056-143-330	Taffera, Anthony	447 Laurel Ave	HMB	5/8"	dom	11-Sep-15	with 1" fire
056-104-150	Carey, Robert	208 Valdez	HMB	5/8"	dom	18-Sep-16	1" fire installed 25 Jan 16
047-113-210	Coffield, Lyle	925 Ferdinand Ave	EG	5/8"	dom	25-Sep-15	with 1" fire
048-054-130	Garrison, Michi	375 Miramar Drive	EG	5/8"	dom	2-Oct-15	with 1" fire
066-600-320	Carnoustie LLC	120 Carnoustie Drive	HMB	3/4"	dom	4-Nov-15	with 2" fire
056-191-070	Mithal, Arti	728 Main Street	HMB	5/8"	dom	5-Nov-15	second unit meter with 1" fire
047-222-100	Wenzel, Lutz	477 Avenue Portola	EG	5/8"	dom	9-Nov-15	fire not installed yet
056-081-370	Moules, Roberty and Bertin	690 Terrace Ave.	HMB	5/8"	dom	18-Nov-15	with 1" fire
056-144-290	KN Properties	481/483/485 Pine St.	HMB	3/4"	dom	10-Nov-15	with 5/8" irrigation and 2" fire
048-023-350	Bakshi, Reema	321 Cortez Ave	EG	3/4"	dom	27-Jan-16	with 1" fire

**TOTAL CCWD PRODUCTION (MG) ALL SOURCES- FY 2016**

	CCWD Sources			SFPUC Sources		RAW WATER TOTAL	UNMETERED WATER	TREATED TOTAL
	DENNISTON WELLS	DENNISTON RESERVOIR	PILARCITOS WELLS	PILARCITOS LAKE	CRYSTAL SPRINGS RESERVOIR			
JUL	0.00	0.00	0.00	0.00	57.33	57.33	2.57	54.76
AUG	0.00	0.00	0.00	0.00	62.00	62.00	2.07	59.93
SEPT	0.00	0.00	0.00	0.00	59.07	59.07	2.93	56.14
OCT	0.00	0.00	0.00	0.00	56.60	56.60	2.44	54.16
NOV	0.00	0.00	2.07	0.00	42.44	44.51	2.45	42.06
DEC	0.00	12.51	9.44	0.00	17.68	39.63	3.03	36.60
JAN	0.00	11.84	15.14	0.00	10.96	37.94	2.59	35.35
FEB								
MAR								
APR								
MAY								
JUN								
<b>TOTAL</b>	0.00	24.35	26.65	0.00	306.08	357.08	18.08	339.00
% MONTHLY TOTAL	0.00%	31.21%	39.91%	0.00%	28.89%	100.00%	6.83%	93.17%
% ANNUAL TO DATE TOTAL	0.0%	6.8%	7.5%	0.0%	85.7%	100.0%	5.06%	94.9%

Local vs Imported-month      71.1%      28.89%      CCWD vs SFPUC- month      71.1%      28.9%

Local vs Imported-annual      14.3%      85.7%      CCWD vs SFPUC- annual      14.3%      85.7%

Local Source      Imported Source

**12 Month Running Treated Total      579.25**

**TOTAL CCWD PRODUCTION (MG) ALL SOURCES- FY 2015**

	DENNISTON WELLS	DENNISTON RESERVOIR	PILARCITOS WELLS	PILARCITOS RESERVOIR	CRYSTAL SPRINGS RESERVOIR	RAW WATER TOTAL	UNMETERED WATER	TREATED TOTAL
JUL	0.48	2.32	0.00	0.00	71.96	74.76	3.10	71.67
AUG	0.10	0.82	0.00	0.00	73.97	74.89	3.00	71.89
SEPT	0.05	0.60	0.00	0.00	59.58	60.23	2.89	57.34
OCT	0.00	0.00	0.00	0.00	57.13	57.13	2.15	54.98
NOV	0.01	0.93	4.43	0.00	41.00	46.37	2.18	44.19
DEC	0.20	2.19	10.67	9.68	16.37	39.11	2.19	36.92
JAN	0.64	13.95	8.44	20.23	10.52	53.78	3.17	50.61
FEB	0.51	12.88	8.56	25.95	2.43	50.33	2.36	47.97
MAR	0.81	12.59	8.8	25.67	2.02	49.89	2.70	47.19
APR	1.31	14.34	0.00	31.85	1.38	48.88	2.54	46.34
MAY	0.60	6.18	0.00	30.04	7.37	44.19	1.65	42.54
JUN	0.00	0.00	0	0.00	56.87	56.87	0.67	56.20
<b>TOTAL</b>	<b>4.71</b>	<b>66.80</b>	<b>40.90</b>	<b>143.41</b>	<b>400.60</b>	<b>656.42</b>	<b>28.58</b>	<b>627.85</b>
% TOTAL	0.7%	10.2%	6.2%	21.8%	61.0%	100.0%	4.35%	95.6%

 denotes estimated due to faulty SFPUC meter

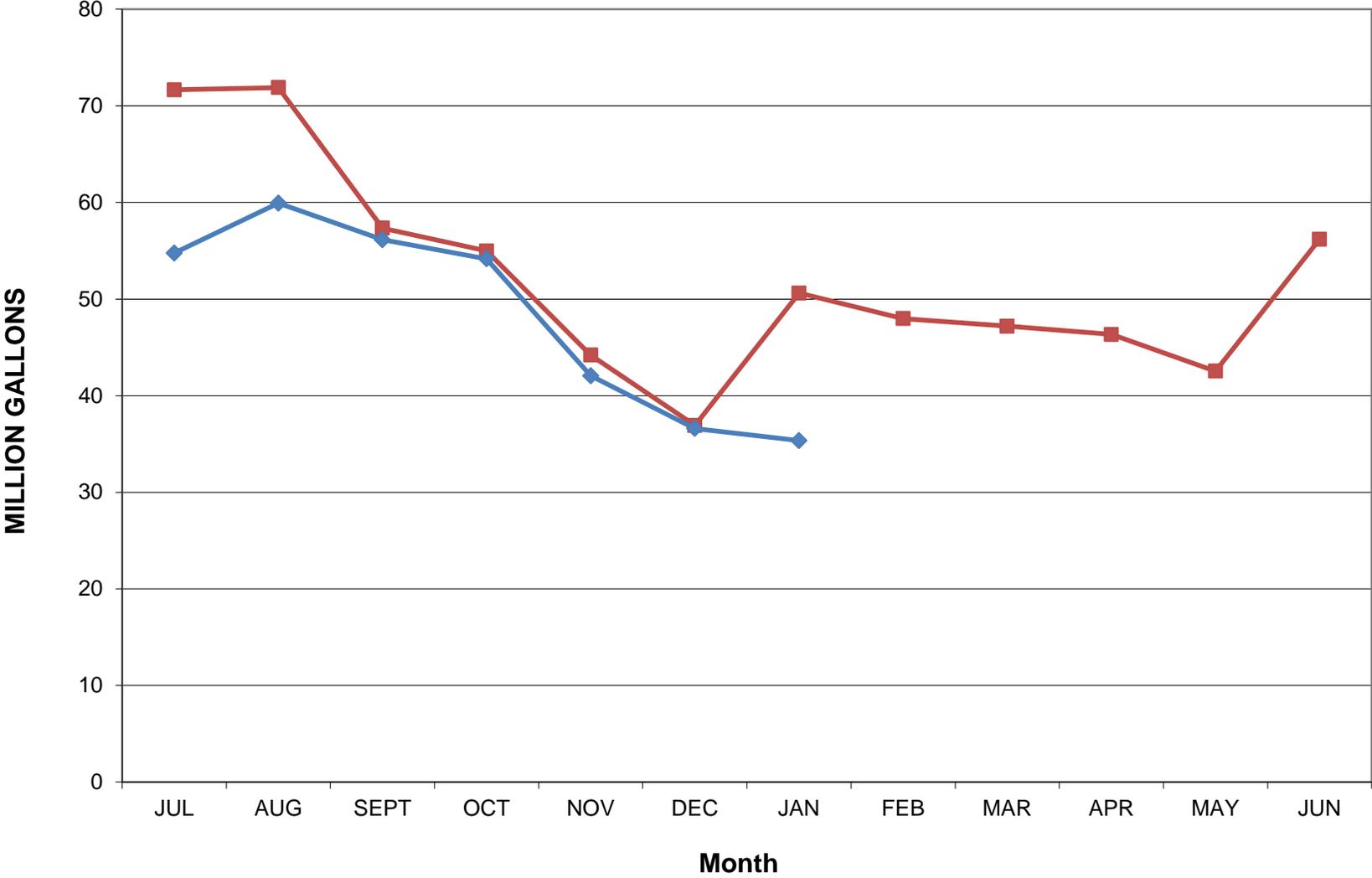
**COASTSIDE COUNTY WATER DISTRICT**

**Predicted vs Actual Production - All Sources FY 16**

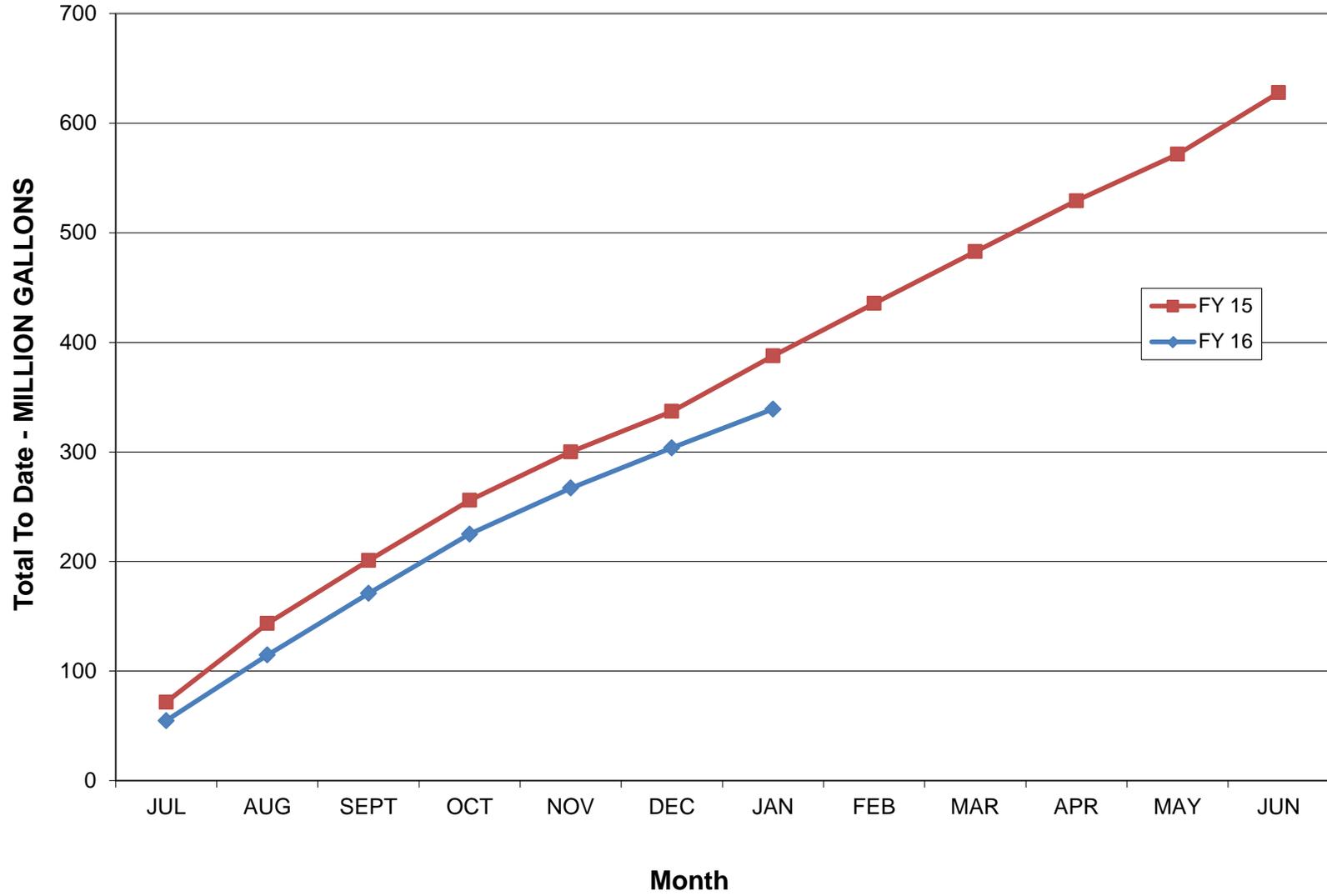
	Denniston Surface			Denniston Wells			Pilarcitos Wells			Pilarcitos Surface			SFWD CSP			SFWD Total	
	Actual MG	Predicted MG	pred-act	Actual MG	Predicted	pred-act	Actual MG	Predicted MG	pred-act	Actual MG	Predicted MG	pred-act	Actual MG	Predicted MG	pred-act	Actual MG	Predicted MG
Jul-15	0.00	2.32	2.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	57.33	62.94	5.61	57.33	62.94
Aug-15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	62.00	65.62	3.62	62.00	65.62
Sep-15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	59.07	52.90	-6.17	59.07	52.90
Oct-15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	56.60	50.89	-5.71	56.60	50.89
Nov-15	0.00	0.97	0.97	0.00	0.01	0.01	2.07	4.94	2.87	0.00	0.00	0.00	42.44	35.50	-6.94	42.44	35.50
Dec-15	12.51	3.74	-8.77	0.00	0.20	0.20	9.44	8.98	-0.46	0.00	9.17	9.17	17.68	14.73	-2.95	17.68	23.90
Jan-16	11.84	8.23	-3.61	0.00	0.60	0.60	15.14	8.98	-6.16	0.00	36.69	36.69	10.96	0.00	-10.96	10.96	36.69
Feb-16			#VALUE!			#VALUE!			#VALUE!			#VALUE!			#VALUE!	0.00	21.17
Mar-16			#VALUE!			#VALUE!			#VALUE!			#VALUE!			#VALUE!	0.00	29.63
Apr-16			#VALUE!			#VALUE!			#VALUE!			#VALUE!			#VALUE!	0.00	41.61
May-16			#VALUE!			#VALUE!			#VALUE!			#VALUE!			#VALUE!	0.00	62.06
Jun-16			#VALUE!			#VALUE!			#VALUE!			#VALUE!			#VALUE!	0.00	58.53
<b>MG Totals</b>	<b>24.35</b>	<b>15.26</b>	<b>-9.09</b>	<b>0.00</b>	<b>0.81</b>	<b>0.81</b>	<b>26.65</b>	<b>22.89</b>	<b>-3.76</b>	<b>0.00</b>	<b>45.86</b>	<b>45.86</b>	<b>306.08</b>	<b>282.58</b>	<b>-23.50</b>	<b>306.08</b>	<b>541.44</b>

	Actual non SFPUC	Predicted non SFPUC	Actual SFPUC	Predicted SFPUC	TOTAL Actual	TOTAL Predicted	TOTAL Pred-act
	51.00	38.96	306.08	328.44	357.08	367.40	10.32
<b>% Total</b>	<b>14.28%</b>	<b>10.60%</b>	<b>85.72%</b>	<b>89.40%</b>	<b>97.19%</b>		

Monthly Production FY 15 vs FY 16



**Cumulative Production FY 15 vs.FY16**



Plant Water Use*			Unmetered Water						2016		MG	
	Denniston Plant	Nunes Plant	Total	Main Flushing	Detector Checks*	Main Breaks	Fire Dept	Miscellaneous	Tank Level Difference	Total		
JAN	1.070	1.430	2.500	0.005	0.022	0.000	0.006	0.055	0.002	2.589		
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		
<b>TOTAL</b>	<b>1.07</b>	<b>1.43</b>	<b>2.50</b>	<b>0.01</b>	<b>0.02</b>	<b>0.00</b>	<b>0.01</b>	<b>0.06</b>	<b>0.00</b>	<b>2.59</b>		



Jan-16

Coastside County Water District Monthly Discharge Report

EMERGENCY MAIN OR TANK DISCHARGES AND SERVICE REPAIRS

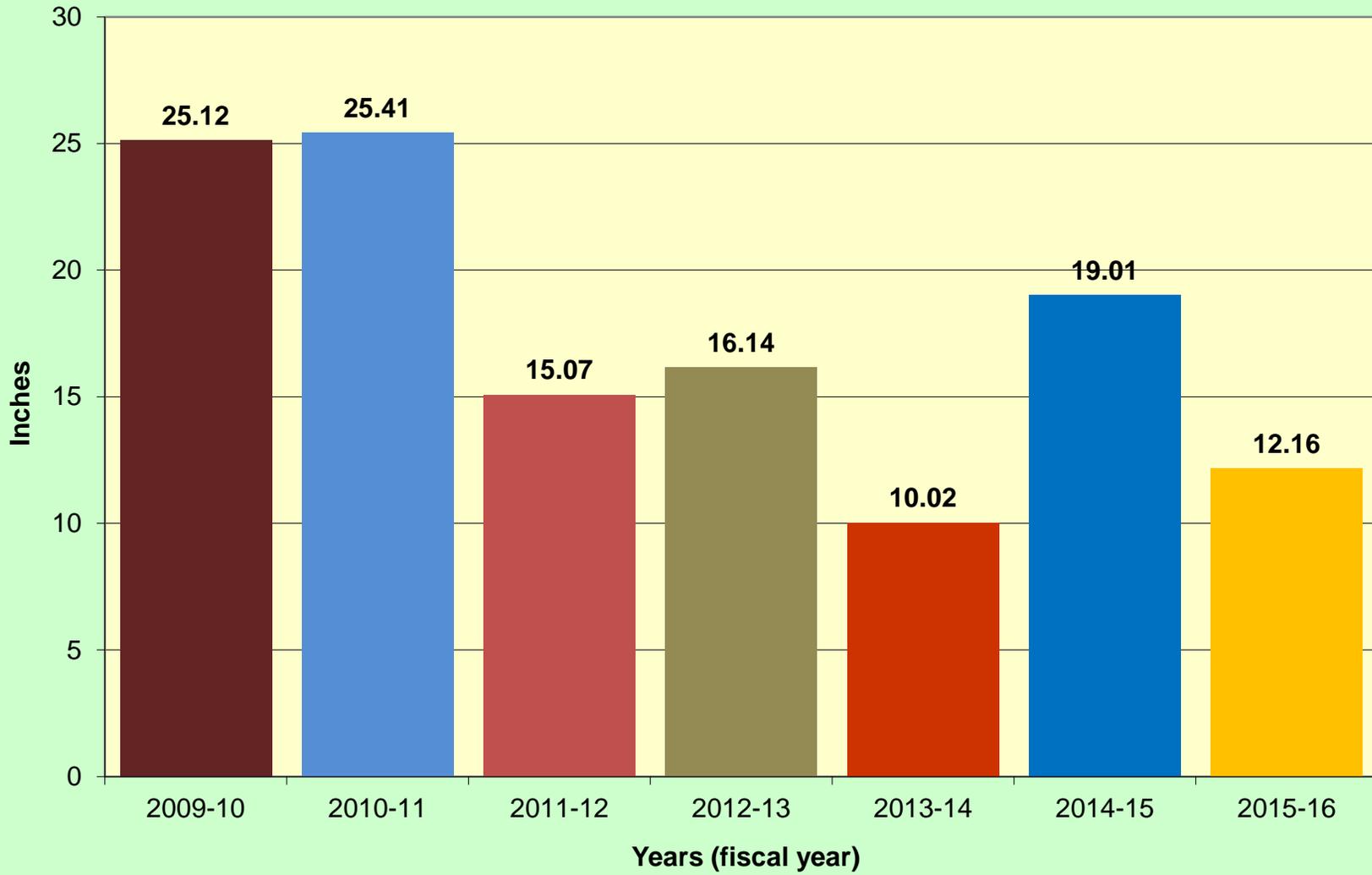
Date Reported Discovered	Date Repaired	Location	Pipe Class	Pipe Size & Type	Estimated Water Loss (Gallons)*	Environmental Damage? Y/N **	If Yes chlorine residual after dechlor	Equipment Costs	Material Costs	Employee hours		Labor Costs	Total Costs
										Staff	Hours		
<b>NO LEAKS IN JANUARY</b>													
1													
2													
													\$0.00
3													
													\$0.00
4													
													\$0.00
5													
													\$0.00
6													
													\$0.00
7													
													\$0.00
8													
													\$0.00
<b>Totals</b>					<b>0</b>			<b>\$0.00</b>	<b>\$0.00</b>	<b>0</b>	<b>0</b>	<b>\$0</b>	<b>\$0.00</b>
*includes 1,000 gallons for mains to daylight plus 1,000 gallons to flush mains or 100 gallons to flush services								** If Yes, include photos of damage		Staff x hours = 0			

Jan-16											
PLANNED PLANT OR TANK DISCHARGE AND NEW WATER LINE FLUSHING REPORT								OTHER DISCHARGES			
	Date	Project/Location	Pipe Size & Type	Estimated Water Flushed (Gallons)	Chlorine Residual after dechlor	pH	Duration of Discharge (minutes)	Total Volumes (gallons)			
1	22-31 Jan	Denniston Drying Beds		35,366	<0.1	8.11	1000 min/day	Flushing Program			
2								Reservoir Cleaning			
3								Automatic Blowoffs	21600		
3								Dewatering Operations			
4								Other (includes flow testing)			
<b>DEWATERING OPERATIONS GREATER THAN 350,000 GALLONS (requires prenotification to CWRCB)</b>								Number of planned or emergency discharges greater than 50,000 gallons			
	Date	Location	Volume	pH			Chlorine Residual after dechlor			Duration (min)	
				5 min	20 min	end	5 min	20 min	end		
1											
2											
<b>ANNUAL REPRESENTATIVE MONITORING</b>								PLANNED DISCHARGES GRAND TOTAL (MG)			
	Date	Location	Volume (gal)	pH	Chlorine Residual after dechlor (ppm)						
1							56,966				

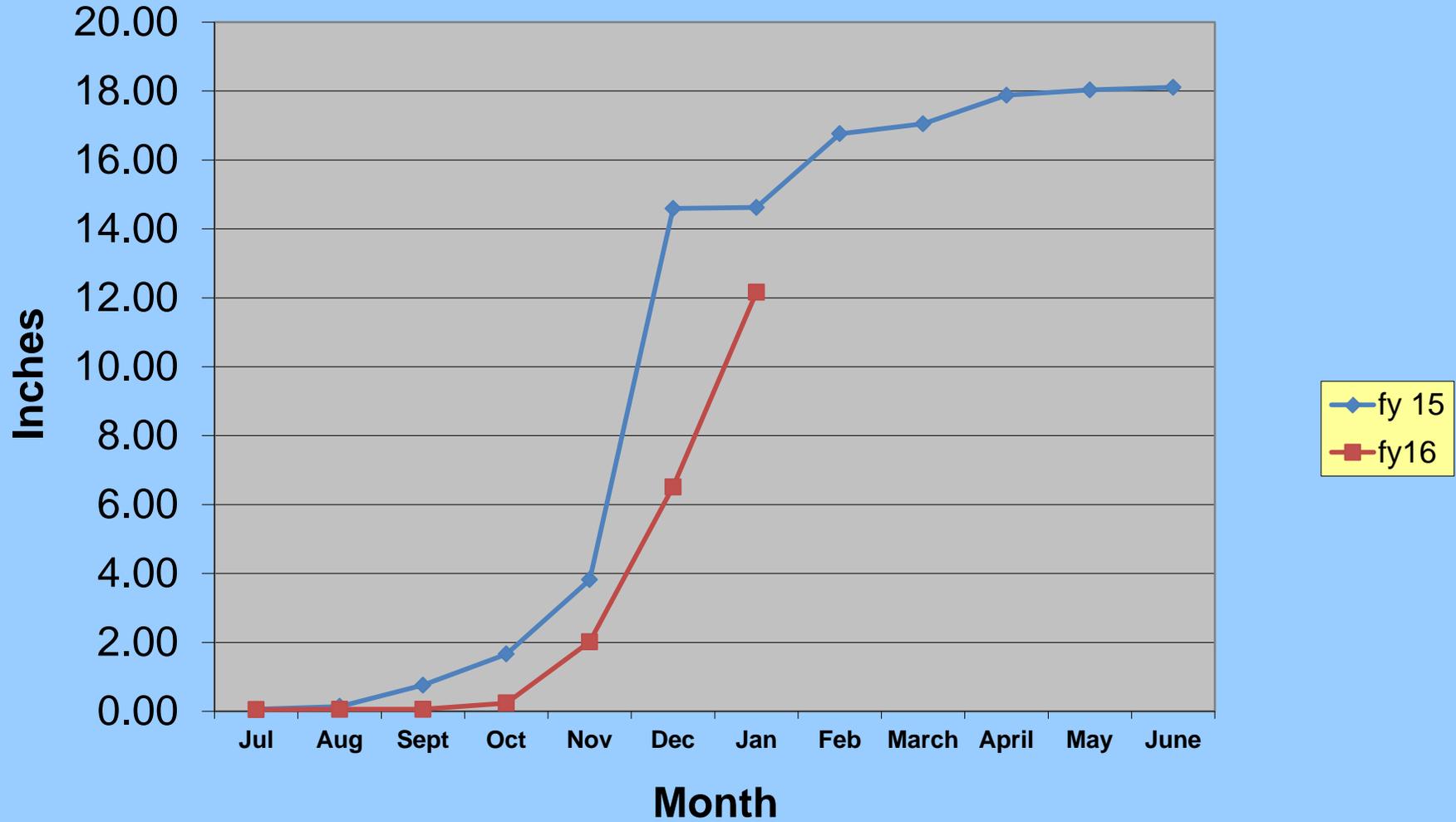


# Rain Totals

## Fiscal Years 10 - 16



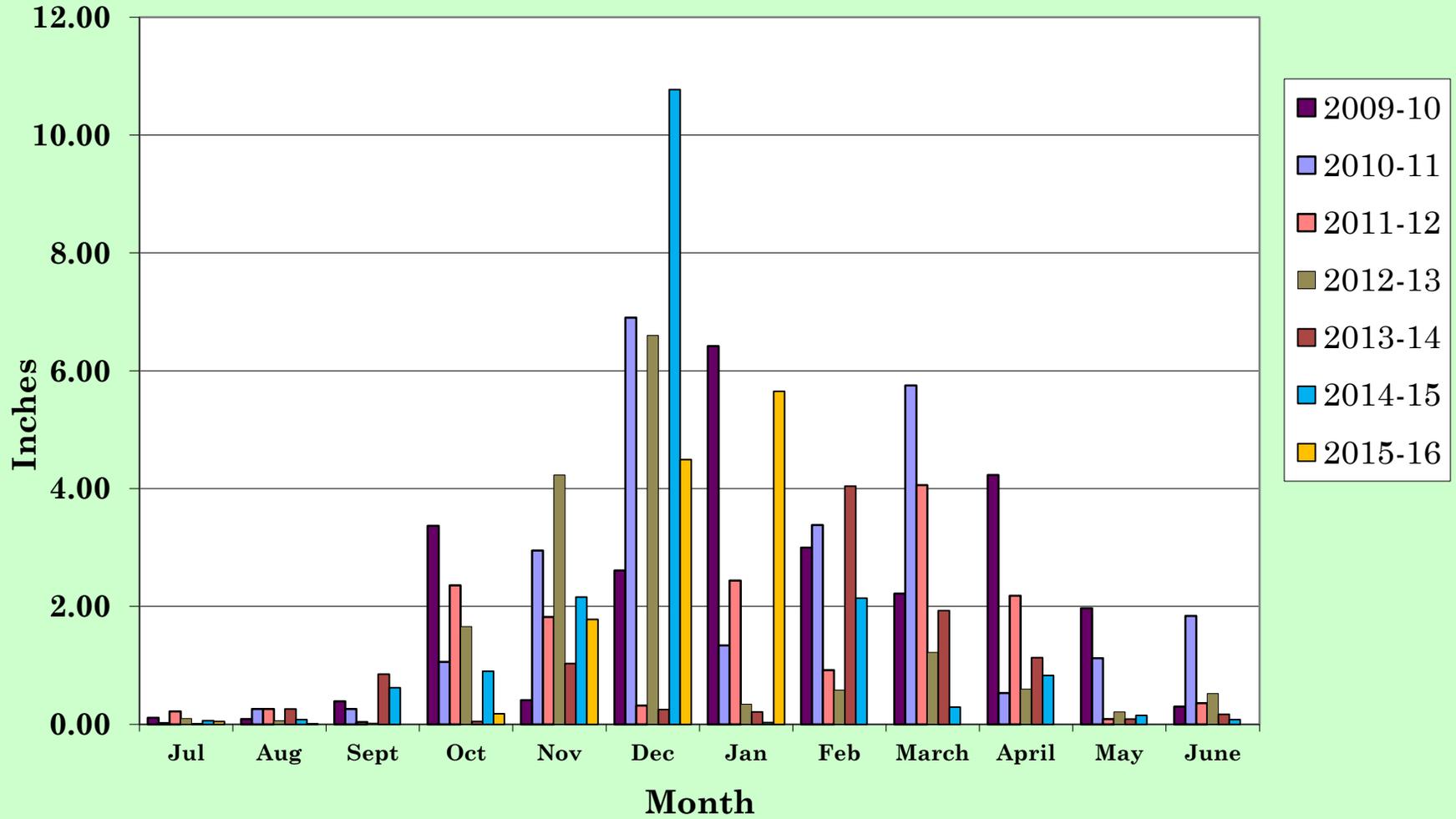
## Rainfall Total Comparison Fiscal Years 15 and 16



# Coastside County Water District

## Rainfall by Month

Fiscal Years 09 - 15



MONTHLY CLIMATOLOGICAL SUMMARY for JAN. 2016

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	45.1	50.2	2:30p	40.7	7:00a	19.9	0.0	0.00	5.0	22.0	9:30a	E
2	48.9	57.5	3:30p	44.6	2:00a	16.1	0.0	0.00	3.6	17.0	1:00p	E
3	53.2	60.0	12:00p	48.3	4:00a	11.8	0.0	0.06	2.5	13.0	8:30a	E
4	55.6	62.0	12:00p	50.0	4:00a	9.4	0.0	0.12	3.5	20.0	12:00m	SSW
5	53.1	57.4	12:30a	50.8	12:30p	11.9	0.0	1.04	2.1	21.0	2:00a	SSW
6	51.7	55.7	4:00p	47.3	7:30a	13.3	0.0	0.91	3.0	20.0	7:00a	WSW
7	48.1	56.5	3:30p	41.2	12:00m	16.9	0.0	0.05	0.8	12.0	12:30p	ESE
8	49.0	56.3	1:30p	40.1	2:30a	16.0	0.0	0.01	0.6	9.0	12:00p	E
9	53.2	59.4	1:00p	48.7	10:00p	11.8	0.0	0.01	1.5	11.0	2:00a	S
10	52.3	55.7	10:30a	49.5	6:00a	12.7	0.0	0.00	2.6	15.0	11:30a	E
11	55.9	62.1	2:30p	50.1	12:30a	9.1	0.0	0.00	1.1	11.0	8:30p	ENE
12	56.7	64.8	11:30a	50.9	2:00a	8.3	0.0	0.00	2.0	17.0	10:30p	E
13	54.9	60.7	1:00a	44.5	12:00m	10.1	0.0	0.22	3.7	24.0	1:30a	WSW
14	49.9	57.3	11:30a	41.0	4:30a	15.1	0.0	0.15	2.3	14.0	7:30p	SSW
15	55.4	63.9	2:30p	48.3	8:00a	9.6	0.0	0.15	0.7	8.0	12:00p	WSW
16	56.7	60.2	5:00p	52.1	12:30a	8.3	0.0	0.12	1.1	11.0	7:30a	SSW
17	57.8	59.1	12:00p	56.2	12:30a	7.2	0.0	0.87	2.6	16.0	3:30p	SSW
18	56.1	61.6	1:30p	51.0	8:00a	8.9	0.0	0.26	0.9	10.0	12:00p	WSW
19	56.5	60.7	1:00p	52.0	12:00m	8.5	0.0	0.90	2.1	23.0	8:30a	SSW
20	53.1	61.6	3:00p	46.4	8:00a	11.9	0.0	0.01	0.6	9.0	1:00p	E
21	57.8	67.4	1:30p	50.5	5:30a	7.3	0.1	0.00	1.4	13.0	8:00p	WSW
22	58.0	60.4	11:00a	52.7	11:00p	7.0	0.0	0.24	4.6	25.0	10:00p	SSW
23	54.3	59.0	12:30p	51.3	9:30p	10.7	0.0	0.23	3.4	19.0	3:30p	W
24	51.2	58.0	3:00p	45.8	7:00a	13.8	0.0	0.01	0.7	10.0	2:30p	ENE
25	53.2	60.9	12:00p	45.4	4:00a	11.8	0.0	0.00	0.9	10.0	4:30p	E
26	54.6	63.3	3:30p	44.3	7:30a	10.4	0.0	0.01	1.8	14.0	9:30p	E
27	56.0	66.9	3:00p	46.6	12:00m	9.1	0.1	0.00	3.4	17.0	4:30a	E
28	54.2	61.8	2:30p	44.8	6:00a	10.8	0.0	0.00	0.4	11.0	7:00a	W
29	57.1	58.8	9:30a	53.0	12:00m	7.9	0.0	0.28	1.8	12.0	5:30p	WSW
30	53.1	58.4	12:30p	49.2	11:00p	11.9	0.0	0.00	0.9	12.0	2:00p	NE
31	50.4	54.0	2:30p	46.8	8:00a	14.6	0.0	0.00	4.4	28.0	6:00p	NE
	53.6	67.4	21	40.1	8	352.1	0.2	5.65	2.1	28.0	31	E

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

Max Rain: 1.04 ON 01/05/16

Days of Rain: 15 (>.01 in) 13 (>.1 in) 1 (>1 in)

Heat Base: 65.0 Cool Base: 65.0 Method: Integration



# San Francisco Public Utilities Commission Hydrological Conditions Report For December 2015

J. Chester, C. Graham, A. Mazurkiewicz, & M. Tsang, January 11, 2016



**Granite Creek** within the Tuolumne Basin continues to exhibit impacts from the Rim Fire. Due to dry conditions since the beginning of the drought, many streams have not had significant flow events to begin flushing sediment from the stream channel. Observed conditions over the past two months indicate the creeks and rivers are beginning to recover from the Rim Fire impacts a little bit after each storm event.

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

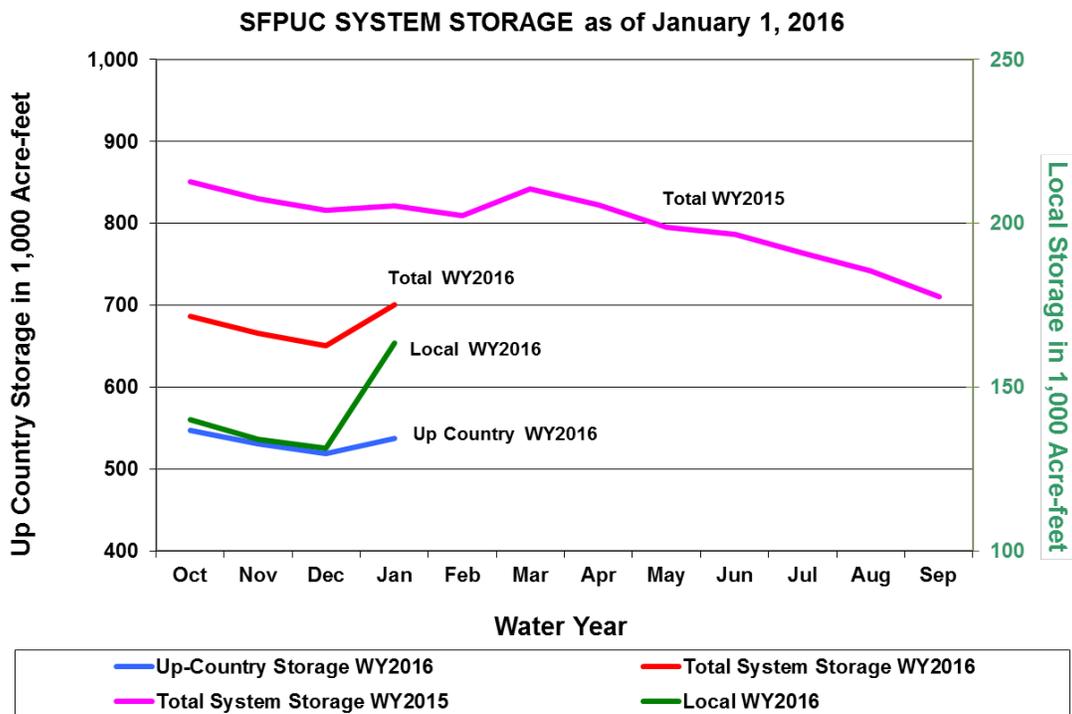
Table 1 Current Storage As of January 1, 2016							
Reservoir	Current Storage		Maximum Storage		Available Capacity		Percentage of Maximum Storage
	Acre-Feet	Millions of Gallons	Acre-Feet	Millions of Gallons	Acre-Feet	Millions of Gallons	
<b>Tuolumne System</b>							
Hetch Hetchy <sup>1</sup>	259,755		340,830		81,075		76.2%
Cherry <sup>2</sup>	93,308		268,810		175,502		34.7%
Lake Eleanor <sup>3</sup>	1,528		21,495		19,967		7.1%
Water Bank	182,354		570,000		387,646		32.0%
Tuolumne Storage	536,945		1,201,135		664,190		44.7%
<b>Local Bay Area Storage</b>							
Calaveras <sup>4</sup>	22,825	7,437	96,824	31,550	73,999	24,113	23.6%
San Antonio	47,987	15,636	50,496	16,454	2,509	818	95.0%
Crystal Springs	52,774	17,196	58,377	19,022	5,603	1,826	90.4%
San Andreas	17,391	5,667	18,996	6,190	1,605	523	91.5%
Pilarcitos	2,250	733	2,995	976	744	243	75.1%
Total Local Storage	143,227	46,669	227,688	74,192	84,460	27,523	62.9%
<b>Total System</b>	<b>680,172</b>		<b>1,428,823</b>		<b>748,650</b>		<b>47.6%</b>

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

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

<sup>3</sup> Maximum Lake Eleanor storage with flash-boards removed.

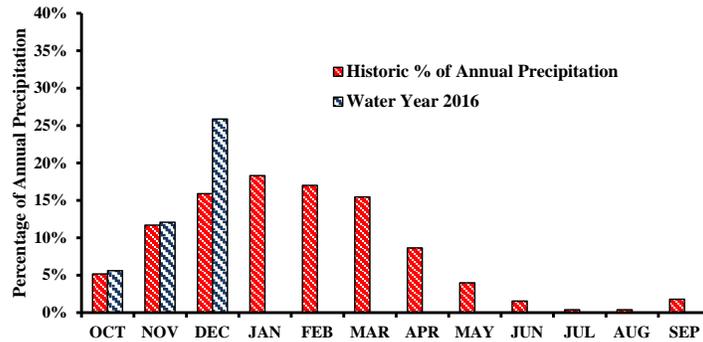
<sup>4</sup> Available capacity does not take into account current DSOD storage restrictions.



**Figure 1: Monthly system storage for water year 2016**

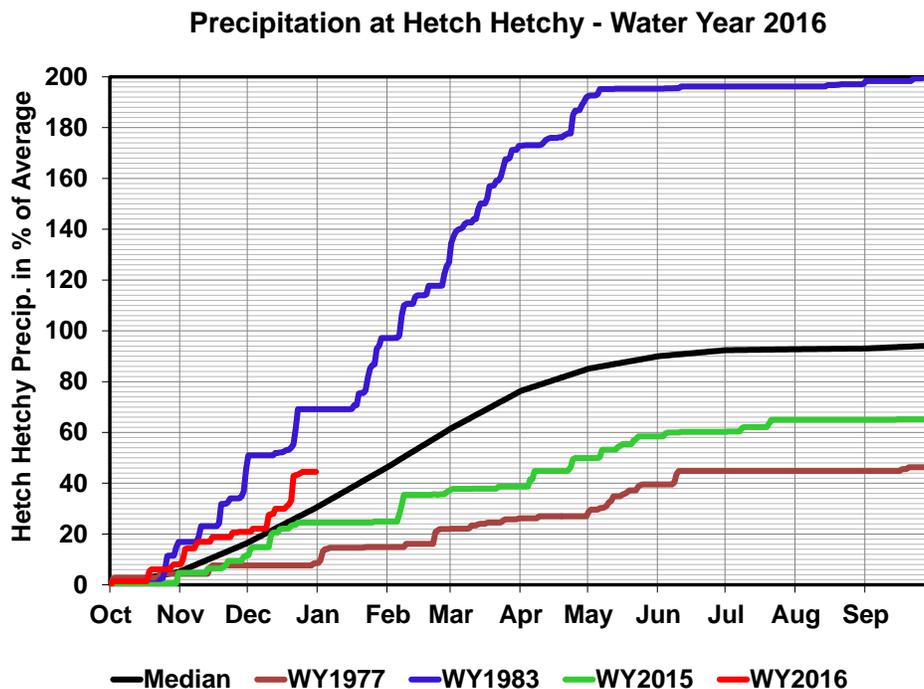
## Hetch Hetchy System Precipitation Index <sup>5/</sup>

*Current Month:* The December six-station precipitation index was 9.21 inches, or 163.0% 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 2016 is 15.44 inches, which is 43.4% of the average annual water year total, or 133.2% of average annual to date. Hetch Hetchy received 8.43 inches of precipitation in December, a total of 15.1 inches for water year 2016 to date. The cumulative Hetch Hetchy precipitation is shown in Figure 3 in red.



**Figure 3:** Water year 2016 cumulative precipitation measured at Hetch Hetchy Reservoir through December 31<sup>st</sup>, 2015. Precipitation at the Hetch Hetchy gauge for wet, dry, median, and WY 2015 are included for comparison purposes.

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

## Tuolumne Basin Unimpaired Inflow

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

	December 2015				October 1, 2015 through December 31, 2015			
	Observed Flow	Median <sup>6</sup>	Average <sup>6</sup>	Percent of Average	Observed Flow	Median <sup>6</sup>	Average <sup>6</sup>	Percent of Average
Inflow to Hetch Hetchy Reservoir	25,628	11,213	19,858	129.1%	47,928	28,667	40,852	117.3%
Inflow to Cherry Reservoir and Lake Eleanor	22,296	12,980	22,601	98.7%	36,150	31,737	45,069	80.2%
Tuolumne River at La Grange	101,405	48,032	87,990	115.2%	149,395	95,724	150,504	99.2%
Water Available to the City	38,394	1,449	37,212	103.2%	38,394	5,372	52,540	73.1%

<sup>6</sup> Hydrologic Record: 1919 – 2015

## Hetch Hetchy System Operations

Draft and releases from Hetch Hetchy Reservoir during the month of December totaled 27,205 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 (dry conditions). This year type is based upon accumulated runoff from October 1<sup>st</sup>, 2014 through July 31, 2015. The instream release requirement from Hetch Hetchy Reservoir was 35 cfs throughout December. The cumulative precipitation since October 1, 2015 at Hetch Hetchy Reservoir meets the criteria of a water year type A (normal to wet conditions). Hetch Hetchy releases for January will be 50 cfs under Type A condition.

8,112 acre-feet of draft was made from Cherry Reservoir during the month of December to meet senior water right obligations and instream release requirements. 9,437 acre-feet of water was transferred by gravity flow from Lake Eleanor to Cherry Reservoir in December. The required minimum instream release from Lake Eleanor and from Cherry Reservoir was 5 cfs during December. Instream flow requirements from each reservoir for the month of January are 5 cfs.

## Local System Treatment Plant Production

The Harry Tracy Water Treatment Plant average production rate for December was 16 MGD. The Sunol Valley Water Treatment Plant average production for the month was 2 MGD.

## Local System Water Delivery

The average December delivery rate was 147 MGD which is a 3% decrease below the November delivery rate of 152 MGD.

## Local Precipitation

The local area watersheds experienced above average precipitation during the month. The December rainfall summary is presented in Table 3.

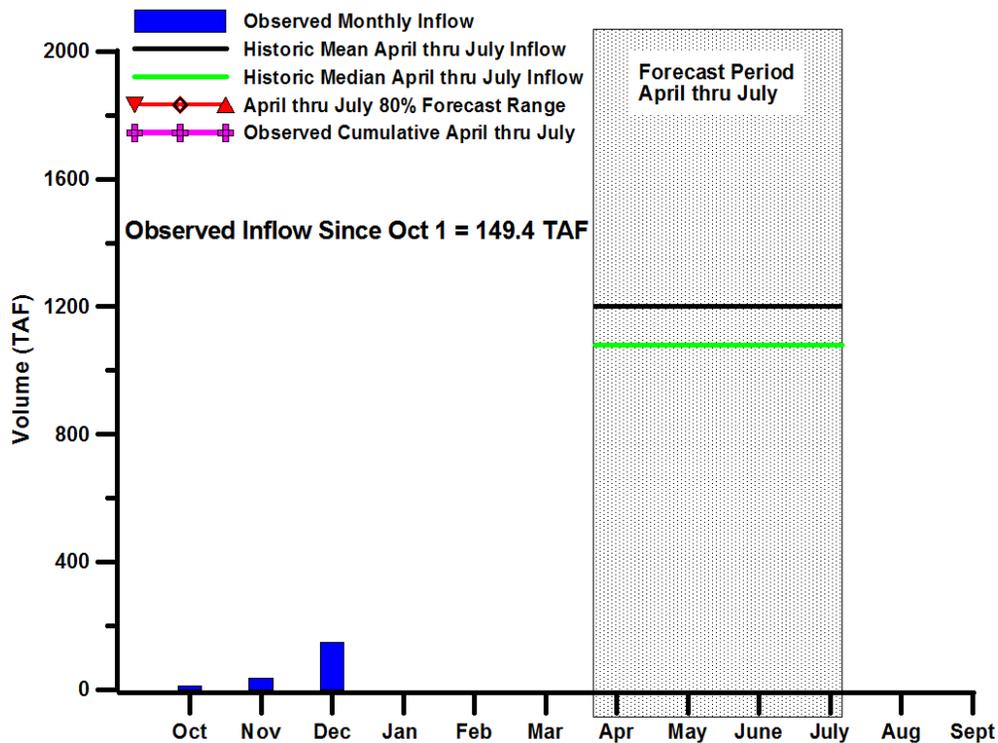
Reservoir	Month Total (inches)	Percentage of Average for the Month	Water Year to Date <sup>7</sup> (inches)	Percentage of Average for the Year-to-Date <sup>7</sup>
Pilarcitos	11.99	167%	14.94	105%
Lower Crystal Springs	7.53	162%	9.71	102%
Calaveras	5.77	159%	8.77	119%

<sup>7</sup> WY 2016: Oct. 2015 through Sep. 2016.

## Snowmelt and Water Supply

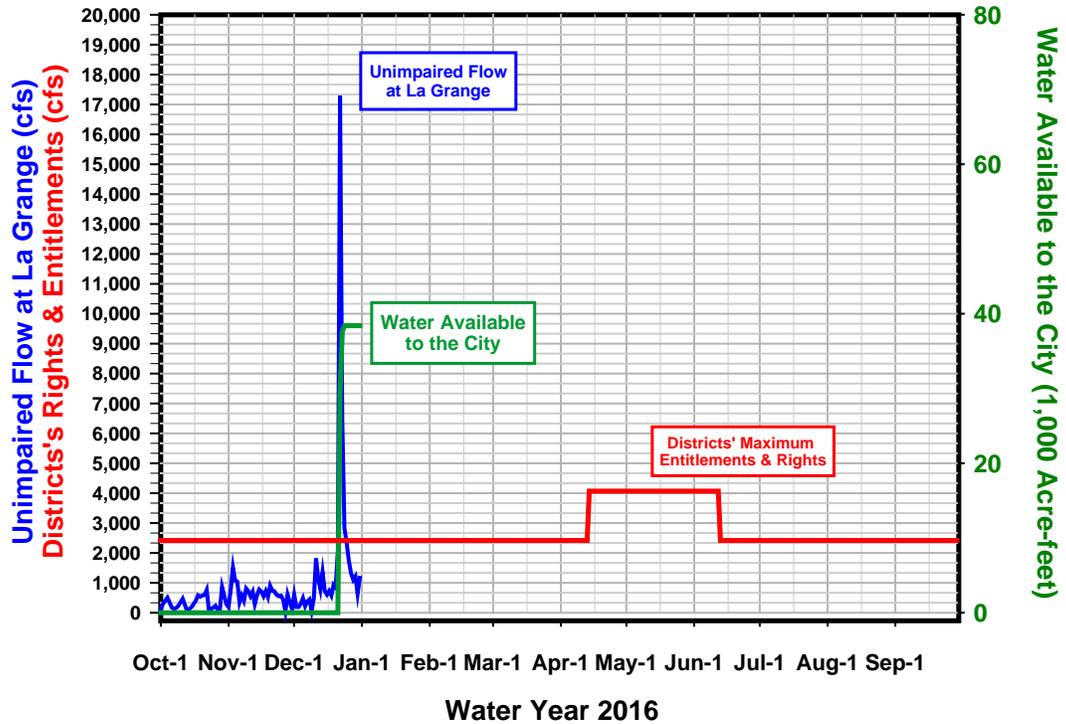
December 2015 was the first month with distinctly above normal precipitation since December 2012. Three small events with low snowlines continue to build on a seasonal snowpack established in late November. A warmer wet event late in the month melted some of the low elevation snow which triggered the highest natural flow event on the Tuolumne River since the spring runoff period of 2011. As a result, 38,394 acre-feet of water became available to the City (Figure 5).

Precipitation is currently above normal (133% of normal to-date) and the snowpack, as indicated by automated snow stations, is near 100% of normal for this time of year. Climate and weather forecasters continue to predict a shift in the pattern for the January through March period, where a more “zonal” (east-west) flow is forecasted to occur. This change in pattern does bring promise for storm events to continue. The Climate Prediction Center continues to predict the chance of above normal precipitation for the January through March period.



**Figure 4:** Water year 2016 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. 38,394 acre-feet of water has become available to the City during water year 2016.

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

**STAFF REPORT**

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

**From:** Dave Dickson, General Manager

**Agenda:** February 9, 2016

**Date:** February 3, 2016

**Subject:** Notice of Completion - Ventura/Washington Pipeline Replacement Project

---

Recommendation:

That the Board of Directors take the following actions:

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

**Background**

Coastside County Water District entered into a contract with Andreini Bros., Inc. on July 27, 2015 for the Ventura/Washington Pipeline Replacement Project.

The work consisted of construction of 2,100 linear feet of 6 inch diameter ductile iron water pipeline, 6 fire hydrants, 30 customer service connection replacements, 11 customer service re-connections, and temporary cold asphalt paving of all trenches. All work was located within the street right of way area of Ventura Street and Washington Blvd in the City of Half Moon Bay. All work was within existing street right of way areas.

The project was completed on January 29, 2016. The project was constructed according to District specifications.

**Fiscal Impact:** None.

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO

Name  
Street  
Address  
City &  
State

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

SPACE ABOVE THIS LINE FOR RECORDER'S USE

RECORD WITHOUT FEE Govt. Code § 6103 & 27383

### NOTICE OF COMPLETION

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

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

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

3. On the 29th of January, 2016 there was completed upon the hereinafter described real property a work of improvement as a whole named Ventura/Washington Pipeline Replacement Project. The work consisted of construction of 2,100 linear feet of 6 inch diameter ductile iron water pipeline, 6 fire hydrants, 30 customer service connection replacements, 11 customer service re-connections, and temporary cold asphalt paving of all trenches.

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

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

*All work was located within the street right of way area of Ventura Street and Washington Blvd in the City of Half Moon Bay.*

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

COASTSIDE COUNTY WATER DISTRICT

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

**VERIFICATION**

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

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

Executed on February 9, 2016, at Half Moon Bay, California  
(Date) (Place where signed)

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

## **STAFF REPORT**

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

**From:** Mary Rogren, Assistant General Manager

**Agenda:** February 9, 2016

### **Report**

**Date:** February 5,, 2016

**Subject:** Coastside County Water District Basic Financial Statements and Independent Auditors Report for the Fiscal Year Ended June 30, 2015

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### **Recommendation:**

Accept the Basic Financial Statements for Fiscal Year Ended June 30, 2015.

### **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, 2015. 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 February Board meeting to discuss the Financial Statements and to answer the Board's questions.

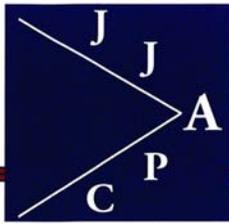
### **Exhibits:**

- JJACPA - Communications with Those Charged with Governance and Communication of Internal Control Related Matters
- Coastside County Water District - Basic Financial Statements and Supplementary Schedules - June 30, 2015

**COASTSIDE COUNTY WATER DISTRICT**

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

**JUNE 30, 2015**



**JJACPA, Inc.**

A Professional Accounting Services Corp.

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January 29, 2016

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, 2015, and have issued our report thereon dated January 29, 2016. 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 1, 2015, 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. As described in Note 1 to the financial statements, during the year, the District changed its method of accounting for debt issuance costs by adopting Governmental Accounting Standards Board (GASB) Statement No. 68, *Items Previously Reported as Assets and Liabilities*, and its method of accounting for pensions by adopting GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Accordingly, the cumulative effect of the accounting change as of the beginning of the year has been reported in the Statement of Activities. 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 a separate letter dated January 29, 2016.

### **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.

Very truly yours,

*Joseph J. Arch*

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

**COASTSIDE COUNTY WATER DISTRICT**

**BASIC FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY SCHEDULES**

**JUNE 30, 2015**

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**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2015**

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**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2015**

**Elected Officials and Administrative Personnel**

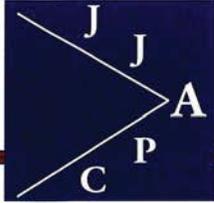
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**2015 BOARD OF DIRECTORS**

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

**MANAGEMENT**

David Dickson – General Manager  
Mary Rogren – Assistant General Manager



**JJACPA, Inc.**

A Professional Accounting Services Corp.

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## **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, 2015, 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 fiscal year 2014 basic financial statements and, in our report dated February 2, 2015 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, 2015, 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, the District's Schedules of Contributions on pages 40-41, and the Schedules of the District's Proportionate Share of the Net Pension Liability on pages 42-43 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.

#### ***Implementation of New Accounting Standards***

As disclosed in the Note 1(I) to the financial statements, the District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, during the fiscal year 2015.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2016 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.

January 29, 2016

*JJACPA, Inc.*  
JJACPA, Inc.  
Dublin, CA

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2015**

**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, 2015. 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 - 38).

**Financial Highlights**

At June 30, 2015, the District's net position, before prior period adjustments, increased \$938,286 as compared to \$816,757 in year ending June 30, 2014. Operating revenues increased by \$276,078 over prior year primarily due to a water rate increase which became effective July 1, 2014. Operating expenses increased by \$388,300 primarily due to increases in depreciation expense, administrative, and transmission and distribution expenses.

At June 30, 2015, the District's overall net position decreased \$2,163,725 from \$37,148,654 in 2014 to \$34,984,929 primarily due to a \$3,102,011 prior period accounting adjustment to reflect the implementation of GASB 68, "Accounting and Financial Reporting of Pensions," and GASB 65, which requires expensing of debt issuance costs. GASB 68 requires the District to account for and present net pension liability on the Statement of Net Position.

**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, 2015**

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

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

	Net Position		Increase (Decrease)	Percent Change
	2015	2014		
As of June 30, 2015 and 2014				
Current assets	\$ 4,025,120	\$ 3,937,514	\$ 87,606	2.2%
Non-current assets	47,332,394	46,949,869	382,525	0.8%
Deferred outflows of resources	415,861	-	415,861	100%
<b>Total assets and deferred outflows</b>	<b>51,773,375</b>	<b>50,887,383</b>	<b>885,992</b>	<b>1.7%</b>
Current liabilities	1,108,490	1,101,494	6,996	0.6%
Non-current liabilities	15,074,554	12,637,235	2,437,319	19.3%
Deferred inflows of resources	605,402	-	605,402	100%
<b>Total liabilities and deferred inflows</b>	<b>16,788,446</b>	<b>13,738,729</b>	<b>3,049,717</b>	<b>22.2%</b>
<b>Net position:</b>				
Net investment in capital assets	35,239,512	34,494,009	745,503	2.2%
Restricted	660,341	623,447	36,894	5.9%
Unrestricted (deficit)	(914,924)	2,031,198	(2,946,122)	(145.0)%
<b>Total net position</b>	<b>\$ 34,984,929</b>	<b>\$ 37,148,654</b>	<b>\$ (2,163,725)</b>	<b>(5.8)%</b>

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, 2015, decreased to \$34,984,929 from \$37,148,654 in 2014. The decrease in net position was primarily due to the implementation of GASB 68, "Accounting and Financial Reporting for Pensions."

The pension related entries on the Statement of Net Position include:

Deferred outflows of resources	\$ 415,861
Net pension liability	(2,620,900)
Deferred inflows of resources	(605,402)
	<u>\$ (2,810,441)</u>

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2015**

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

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

Operating results are summarized as follows:

	<b>Operating Results</b>			
	<b>For the years ended June 30, 2015 and 2014</b>			
	<b>2015</b>	<b>2014</b>	<b>Increase (Decrease)</b>	<b>Percent Change</b>
Operating revenues	\$ 8,651,514	\$ 8,375,436	\$ 276,078	3.3%
Operating expenses	8,466,331	8,078,031	388,300	4.8%
Operating income (loss)	185,183	297,405	(112,222)	(37.7)%
Non-operating revenues	1,501,899	1,327,745	174,154	13.1%
Non-operating expenses	(748,796)	(808,393)	59,597	(7.4)%
Net income before contributions	938,286	816,757	121,529	14.9%
Change in net position	938,286	816,757	121,529	14.9%
Net position:				
Beginning of year	37,148,654	36,331,897	816,757	2.2%
Prior period adjustment	(3,102,011)	-	(3,102,011)	(100)%
Beginning, as adjusted	34,046,643	36,331,897	(2,285,254)	100%
End of year	\$ 34,984,929	\$ 37,148,654	\$ (2,163,725)	(5.8)%

Net income for fiscal year 2015 was \$938,286, an increase of \$121,529 over 2014.

Net position for fiscal year 2015 includes a prior period adjustment of \$3,102,011 to reflect the implementation of GASB 68, "Accounting and Financial Reporting of Pensions," and GASB 65 which requires expensing of debt issuance costs.

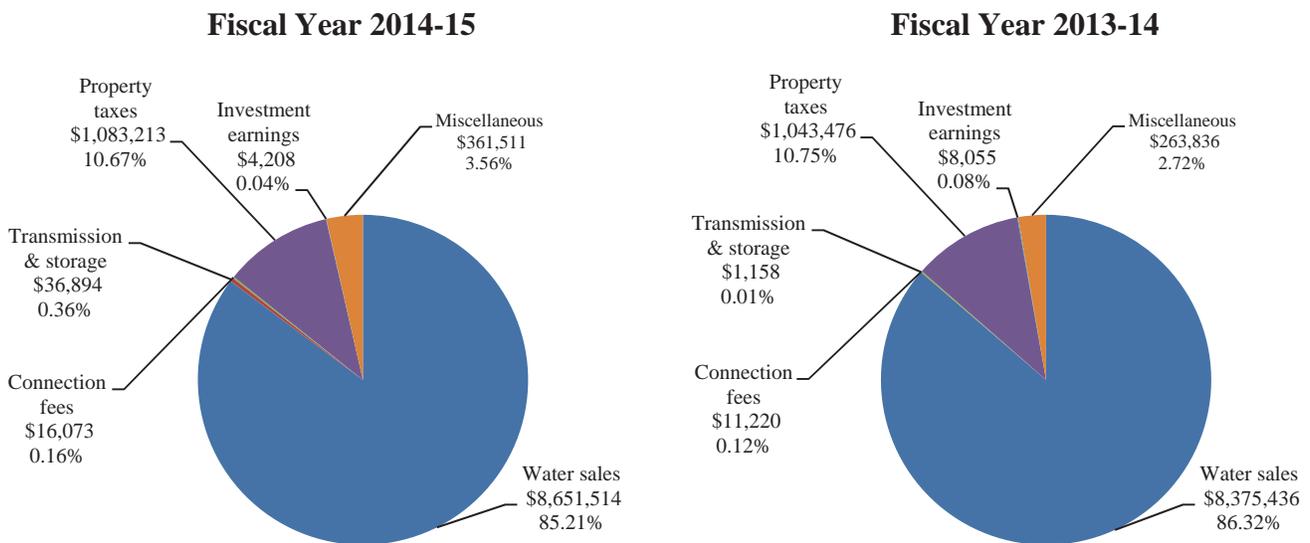
**Coastside County Water District  
Basic Financial Statements  
For the year ended June 30, 2015**

**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**



<b>FY 2014-2015</b>			<b>FY 2013-2014</b>		<b>Increase (Decrease)</b>
\$ 8,651,514	85.2%	<b>Water sales</b>	\$ 8,375,436	86.4%	\$ 276,078
36,894	0.4%	<b>Transmission &amp; storage fees</b>	1,158	0.0%	35,736
16,073	0.2%	<b>Connection fees</b>	11,220	0.1%	4,853
1,083,213	10.7%	<b>Property taxes</b>	1,043,476	10.8%	39,737
4,208	0.0%	<b>Investment earnings</b>	8,055	0.1%	(3,847)
361,511	3.6%	<b>Miscellaneous</b>	263,836	2.7%	97,675
<b>\$ 10,153,413</b>	<b>100.0%</b>	<b>Totals</b>	<b>\$ 9,703,181</b>	<b>100.0%</b>	<b>\$ 450,232</b>

Water sales increased \$276,078 due to a rate increase for fiscal year 2014-15, approved by the Board of Directors. Transmission and storage fees increased \$35,736 due to sales of priority Crystal Springs connections. Property taxes increased by \$39,737 primarily due to San Mateo County’s method of calculating and distributing funds. Miscellaneous Income increased \$97,675 primarily due to receipt of insurance proceeds attributable to the District office fire that occurred in fiscal year 2013-2014.

**Coastside County Water District  
Basic Financial Statements  
For the year ended June 30, 2015**

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

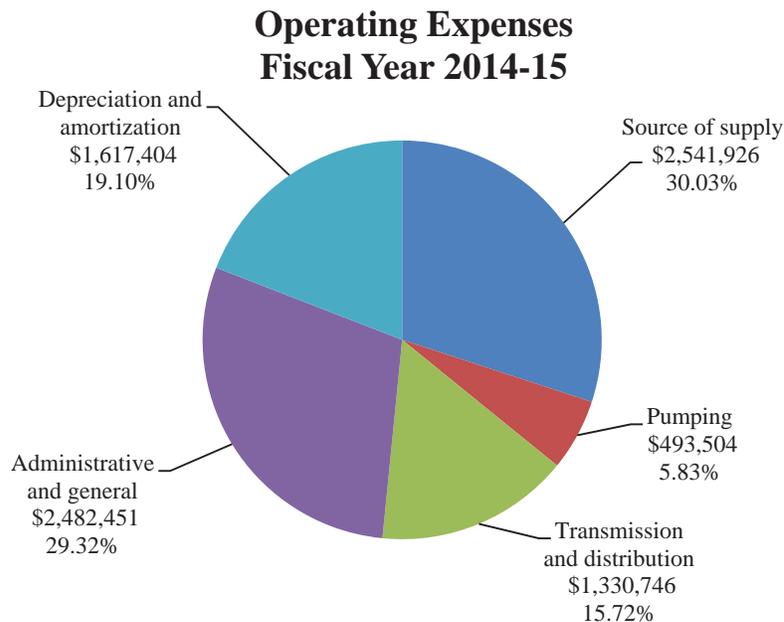
**Financial Analysis of the District as a Whole, Continued**

Operating expenses increased by \$388,300 as detailed below:

	Operating Expenses For the years ended June 30, 2015 and 2014		Increase (Decrease)	Percent Change
	2015	2014		
<b>Operating expenses:</b>				
Source of supply	\$ 2,541,926	\$ 2,756,043	\$ (214,117)	(7.8)%
Pumping	493,804	447,585	46,219	10.3%
Transmission and distribution	1,330,746	1,227,772	102,974	8.4%
Administrative and general	2,482,451	2,295,750	186,701	8.1%
Depreciation and amortization expense	1,617,404	1,350,881	266,523	19.7%
<b>Total</b>	<b>\$ 8,466,331</b>	<b>\$ 8,078,031</b>	<b>\$ 388,300</b>	<b>4.8%</b>

Source of supply decreased \$214,117 primarily due to lower water usage caused by drought related conservation efforts. Pumping expenses increased \$46,219 due to increased pumping from the Crystal Springs supply source given the decreased availability of water from Pilarcitos Reservoir. Transmission and distribution expenses increased \$102,974 due to increased maintenance and to increases in field staff salaries. Administrative and general expense increased \$186,701 primarily due to increases in expenditures for consulting services, water shortage programs, community outreach, and salaries and related costs.

The following is a graphic illustration of operating expenses:



**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2015**

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

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

Net position decreased by \$2,163,725 as detailed below:

<b>Analysis of Net Position</b>				
<b>As of June 30, 2015 and 2014</b>				
	<u>2015</u>	<u>2014</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
<b>Net position:</b>				
Net investment in capital assets	\$ 35,239,512	\$ 34,494,009	\$ 745,503	2.2%
Restricted				
Crystal Springs Project	410,341	373,447	36,894	9.9%
Rate Stabilization	250,000	250,000	-	0.0%
Unrestricted (deficit)	<u>(914,924)</u>	<u>2,031,198</u>	<u>(2,946,122)</u>	<u>(145.0)%</u>
<b>Total</b>	<u>\$ 34,984,929</u>	<u>\$ 37,148,654</u>	<u>\$ (2,163,725)</u>	<u>(5.8)%</u>

The change in net position is primarily due to the implementation of GASB 68, “Accounting and Financial Reporting for Pensions” and GASB 65, which requires expensing of debt issuance costs.

**Cash Flows**

Net cash increased by \$46,987 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 \$362,978. This was a result of principal repayment and amortization of bond discounts during fiscal year 2014-15.

**Coastside County Water District  
Basic Financial Statements  
For the year ended June 30, 2015**

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

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**Economic Factors and Potential Future Results**

On April 1, 2015, Governor Brown issued Executive Order B-29-15 imposing restrictions to achieve a statewide 25% reduction in potable urban water usage due to the drought. In response to Governor Brown's Order, effective June 1, 2015, the District was mandated by the State Water Resources Control Board to reduce water consumption by 8% over 2013 levels. At minimum, these mandated water use restrictions are anticipated to be in place through October, 2016. After the drought eases, water use is expected to 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 subject to approval by the Board of Directors and in consideration of Proposition 218 requirements.

**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 fiscal accountability. 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  
Mary Rogren, Assistant General Manager

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## **BASIC FINANCIAL STATEMENTS**

# Coastside County Water District

## Statement of Net Position

June 30, 2015

(with comparative totals for June 30, 2014)

ASSETS	2015	2014
<b>Current assets:</b>		
Cash and investments	\$ 2,147,297	\$ 2,100,310
Restricted cash and investments	647,879	609,427
Accounts receivable:		
Customer water	939,558	829,902
Taxes	14,134	14,389
Interest	5,828	13,063
Prepaid expenses	58,936	20,544
Materials and supplies inventory	178,215	188,000
Unamortized bond issuance costs	33,273	161,879
<b>Total current assets</b>	<b>4,025,120</b>	<b>3,937,514</b>
<b>Non-current assets:</b>		
Capital assets:		
Construction in progress	3,118,869	5,339,190
Utility plant	71,278,246	67,427,654
Less accumulated depreciation	(27,064,721)	(25,816,975)
<b>Total non-current assets</b>	<b>47,332,394</b>	<b>46,949,869</b>
<b>Total assets</b>	<b>51,357,514</b>	<b>50,887,383</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension plan	415,861	-
<b>Total assets and deferred outflows of resources</b>	<b>\$ 51,773,375</b>	<b>\$ 50,887,383</b>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 413,241	\$ 431,685
Accrued payroll	143,695	124,412
Customer deposits	44,586	42,949
Interest payable	134,659	139,470
Due within one year	372,309	362,978
<b>Total current liabilities</b>	<b>1,108,490</b>	<b>1,101,494</b>
<b>Non-current liabilities:</b>		
Due after one year	11,720,573	12,092,882
Net OPEB obligation	635,895	456,029
Accrued vacation and sick leave	97,186	88,324
Net pension liability	2,620,900	-
<b>Total non-current liabilities</b>	<b>15,074,554</b>	<b>12,637,235</b>
<b>Total liabilities</b>	<b>16,183,044</b>	<b>13,738,729</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension plan	605,402	-
<b>Total deferred inflows of resources</b>	<b>605,402</b>	<b>-</b>
<b>NET POSITION</b>		
Net investment in capital assets	35,239,512	34,494,009
Restricted for:		
Crystal Springs Project	410,341	373,447
Rate Stabilization	250,000	250,000
Unrestricted	(914,924)	2,031,198
<b>Total Net Position</b>	<b>34,984,929</b>	<b>37,148,654</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 51,773,375</b>	<b>50,887,383</b>

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, 2015**

(with comparative totals for the year ended June 30, 2014)

	<b>2015</b>	<b>2014</b>
<b>OPERATING REVENUES:</b>		
Water sales	\$ 8,651,514	\$ 8,375,436
<b>OPERATING EXPENSES:</b>		
Source of supply	2,541,926	2,756,043
Pumping	493,804	447,585
Transmission and distribution	1,330,746	1,227,772
Administrative and general	2,482,451	2,295,750
Depreciation and amortization	1,617,404	1,350,881
<b>Total operating expenses</b>	<b>8,466,331</b>	<b>8,078,031</b>
<b>Operating income</b>	<b>185,183</b>	<b>297,405</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
Property taxes	1,083,213	1,043,476
Investment earnings	4,208	8,055
Transmission and storage fees	36,894	1,158
Connection fees	16,073	11,220
Miscellaneous income	361,511	263,836
Collection fees	(16,835)	(10,343)
Net OPEB expense	(179,866)	(160,406)
Interest expense	(456,780)	(637,644)
Loss on disposal of capital assets	(40,602)	-
Miscellaneous expense	(54,713)	-
<b>Total non-operating revenues (expenses)</b>	<b>753,103</b>	<b>519,352</b>
<b>Net Income</b>	<b>938,286</b>	<b>816,757</b>
<b>NET POSITION:</b>		
Net position - beginning	37,148,654	36,331,897
Prior period adjustment	(3,102,011)	-
Net position - beginning, as adjusted	34,046,643	-
Net position - ending	<b>\$ 34,984,929</b>	<b>\$ 37,148,654</b>

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, 2015

(with comparative amounts for the year ended June 30, 2014)

	<b>2015</b>	<b>2014</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	\$ 8,542,113	\$ 8,398,186
Payments to suppliers	(5,105,730)	(5,052,123)
Payments to employees	(1,925,397)	(1,599,974)
<b>Net cash provided (used) by operating activities</b>	<b>1,510,986</b>	<b>1,746,089</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Property taxes received net of collection fees	1,066,378	1,033,133
Miscellaneous receipts	361,511	173,624
Miscellaneous payments	(54,713)	-
<b>Net cash provided (used) by noncapital financing activities</b>	<b>1,373,176</b>	<b>1,206,757</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Change in restricted cash and investments	(38,452)	(3,064)
Transmission and storage fee receipts	36,894	1,158
Connection fee receipts	16,073	11,220
Principal and interest payments on long-term debt	(826,817)	(1,106,939)
Acquisition of capital assets	(2,036,316)	(1,874,942)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(2,848,618)</b>	<b>(2,972,567)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest received on investments	11,443	9,628
<b>Net cash provided (used) by investing activities</b>	<b>11,443</b>	<b>9,628</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>46,987</b>	<b>(10,093)</b>
<b>CASH:</b>		
Beginning of year	2,100,310	2,110,403
End of year	<u>\$ 2,147,297</u>	<u>\$ 2,100,310</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income	\$ 185,183	\$ 297,405
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization expense	1,617,404	1,350,881
Pension plan	(164,931)	-
Change in assets and liabilities:		
Accounts receivable	(109,401)	22,750
Materials and supplies	9,785	-
Prepaid expenses	(38,392)	(3,402)
Accounts payable and accrued liabilities	(18,444)	51,125
Accrued payroll	19,283	32,210
Customer deposits	1,637	(5,960)
Accrued vacation and sick leave	8,862	1,080
<b>Net cash provided (used) by operating activities</b>	<b>\$ 1,510,986</b>	<b>\$ 1,746,089</b>

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, 2015**

**Notes to Basic Financial Statements**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Description of the Reporting Entity**

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

Oversight responsibility, the ability to conduct independent financial affairs, issue debt instruments, approve budgets, and otherwise influence operations and account for fiscal matters is exercised by the District's Board of Directors. The District is a separate reporting entity for financial reporting purposes and the accompanying financial statements reflect the assets, liabilities, net 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, 2015**

**Notes to Basic Financial Statements, Continued**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued***

**B. Fund Accounting Classification and Basis of Accounting**

On the Statement of Net 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, 2015**

**Notes to Basic Financial Statements, Continued**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued***

**E. Deferred outflows/inflows of resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has only one item that qualifies for reporting in this category. It is the deferred charge on pension plan contributions on the statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has one item reported as a deferred inflow of resources. The deferred inflow of resources is the net difference between projected and actual earnings on pension plan investments and is reported on the statement of net position.

**F. Property Taxes**

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

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

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

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

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

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2015**

**Notes to Basic Financial Statements, Continued**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**G. 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 50% of their sick time up to 60 days, based upon retirement and time with the District.

**H. Bond Issuance Costs**

Debt issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred. Prepaid insurance costs are reported as an asset and recognized as an expense in a systematic and rational manner over the duration of the related debt.

**I. Implementation of GASB Statements 68 and 71 related to Pensions**

The GASB 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.

In addition, the GASB 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.

In implementing these Statements, the District recognizes a net pension liability, which represents the District's proportionate share of the excess of the total pension liability over the fiduciary net position of the Plan reflected in an actuarial report provided by the California Public Employees' Retirement System (CalPERS). The net pension liability is measured as of the District's prior Plan year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change in the liability. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

**Coastside County Water District  
Basic Financial Statements  
For the year ended June 30, 2015**

**Notes to Basic Financial Statements, Continued**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**I. Implementation of GASB Statements 68 and 71 related to Pensions, continued**

For purposes of measuring the net pension liability and deferred outflows/inflows or resources relating to pensions and pension expense, information about the fiduciary net position of the District's pension plan with CalPERS and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

**J. 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.

**K. Prior Period Adjustment**

Due to the District's adoption of GASB 65 and 68, net position was adjusted at June 30, 2015. The following is a reconciliation of the total net position as previously reported at June 30, 2014, to the restated net position.

Net Position at June 30, 2014	\$ 37,148,654
Adjustment:	
Adoption of GASB 65, debt issuance costs	(126,639)
Adoption of GASB 68, pensions	<u>(2,975,372)</u>
Total Adjustments	<u>(3,102,011)</u>
Net Position at July 1, 2014, as adjusted	<u><u>\$ 34,046,643</u></u>

**L. 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, 2015**

**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, 2015			Balance as of
	FDIC insured	Not Rated	Fair Value	June 30, 2014
Cash in bank	\$ 250,000	\$ 1,524,010	\$ 1,774,010	\$ 1,691,061
Petty Cash	-	430	430	430
Local Agency Investment Fund (LAIF)	-	1,020,736	1,020,736	1,018,246
<b>Total</b>	<b>\$ 250,000</b>	<b>\$ 2,545,176</b>	<b>\$ 2,795,176</b>	<b>\$ 2,709,737</b>
Financial Statement presentation:				
Cash and investments			\$ 2,147,297	\$ 2,100,310
Restricted cash and investments			647,879	609,427
<b>Total</b>			<b>\$ 2,795,176</b>	<b>\$ 2,709,737</b>

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

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

**B. Authorized Investments**

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

**Coastside County Water District  
Basic Financial Statements  
For the year ended June 30, 2015**

**Notes to Basic Financial Statements, Continued**

**3. 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, 2015**

**Notes to Basic Financial Statements, Continued**

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**2. CASH AND INVESTMENTS, Continued**

**E. Interest Rate and Credit Risk**

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

*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, 2015.

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, 2015, these investments matured in an average of 232 days.

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2015**

**Notes to Basic Financial Statements, Continued**

**3. CAPITAL ASSETS**

Changes in capital assets and depreciation were as follows:

	July 1, 2014	Additions	Deletions	Transfer/ Adjustments	June 30, 2015
<b>Nondepreciable:</b>					
Construction in progress	\$ 5,339,190	\$ 105,219	\$ -	\$ (2,325,540)	\$ 3,118,869
<b>Utility Plant Nondepreciable:</b>					
Land	\$ 160,613	\$ -	\$ -	\$ -	\$ 160,613
Total Utility Plant nondepreciable assets	160,613	-	-	-	160,613
<b>Utility Plant Depreciable:</b>					
Source of supply	401,040	-	-	-	401,040
Transmission and distribution	16,965,966	343,560	-	4	17,309,530
Treatment plants and well field projects					
Acquired and constructed	11,224,776	227,589	-	1,422,828	12,875,193
Contributed	2,899,227	-	-	-	2,899,227
Pipelines and meters	10,938,292	198,040	-	659,157	11,795,489
Crystal Springs Project	21,751,383	-	-	243,550	21,994,933
Buildings and structures	591,613	135,470	(406,043)	-	321,040
Vehicles	788,531	19,059	-	-	807,590
Furniture and equipment	1,706,213	1,007,378	-	-	2,713,591
Total depreciable assets	67,267,041	1,931,096	(406,043)	2,325,539	71,117,633
Total utility plant at cost	67,427,654	1,931,096	(406,043)	2,325,539	71,278,246
<b>Less: accumulated depreciation</b>	(25,816,975)	(1,613,188)	365,442	-	(27,064,721)
Total utility plant (net)	41,610,679	317,908	(40,601)	2,325,539	44,213,525
Total capital assets	\$ 46,949,869	\$ 423,127	\$ (40,601)	\$ (1)	\$ 47,332,394

**Coastside County Water District  
Basic Financial Statements  
For the year ended June 30, 2015**

**Notes to Basic Financial Statements, Continued**

**4. LONG-TERM DEBT**

**A. Long-Term Debt Activity**

	Original Issue Amount	Balance July 1, 2014	Additions	Retirements	Balance June 30, 2015	Due Within One Year
2006B Water Revenue Bonds						
3.5-4.75%, due 10/01/32	7,295,000	6,040,000	-	(210,000)	5,830,000	215,000
Discount	(58,459)	(42,713)	-	2,248	(40,465)	(2,248)
Total Debt Issuances	<u>7,236,541</u>	<u>5,997,287</u>	-	<u>(207,752)</u>	<u>5,789,535</u>	<u>212,752</u>
CIEDB Enterprise Fund						
Installment Loan	6,756,500	6,458,573	-	(155,226)	6,303,347	159,557
Total	<u>\$ 13,993,041</u>	<u>\$ 12,455,860</u>	<u>\$ -</u>	<u>\$ (362,978)</u>	<u>\$ 12,092,882</u>	<u>\$ 372,309</u>
Amount due within one year		\$ 362,978			\$ 372,309	
Amount due after one year		<u>12,092,882</u>			<u>11,720,573</u>	
		<u>\$ 12,455,860</u>			<u>\$ 12,092,882</u>	

**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.

**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, 2015. 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, 2015, the District and CIEDB entered into The Replacement Agreement and reduced the interest rate to 2.54%. As at June 30, 2015, the outstanding balance of the loan was \$6,303,347.

**Coastside County Water District  
Basic Financial Statements  
For the year ended June 30, 2015**

**Notes to Basic Financial Statements, Continued**

**4. LONG-TERM DEBT, Continued**

**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
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	255,000	(2,248)	226,831	178,123	140,941	430,875	367,772
2021-2025	1,470,000	(11,240)	930,641	967,991	633,279	2,426,751	1,563,920
2026-2030	1,850,000	(11,240)	543,950	1,110,773	501,476	2,949,533	1,045,426
2031-2035	1,335,000	(6,745)	97,019	1,274,617	350,233	2,602,872	447,252
2036-2040	-	-	-	1,462,629	176,680	1,462,629	176,680
2041-2042	-	-	-	643,775	16,464	643,775	16,464
Total	<u>\$ 5,830,000</u>	<u>\$ (40,465)</u>	<u>\$ 2,811,973</u>	<u>\$ 6,303,347</u>	<u>\$ 2,426,270</u>	<u>\$ 12,092,882</u>	<u>\$ 5,238,243</u>
Due within one year	\$ 215,000	\$ (2,248)	\$ 267,494	\$ 159,557	\$ 158,079	\$ 372,309	\$ 425,573
Due after one year	5,615,000	(38,217)	2,544,479	6,143,790	2,268,191	11,720,573	4,812,670
Total	<u>\$ 5,830,000</u>	<u>\$ (40,465)</u>	<u>\$ 2,811,973</u>	<u>\$ 6,303,347</u>	<u>\$ 2,426,270</u>	<u>\$ 12,092,882</u>	<u>\$ 5,238,243</u>

**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.

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2015**

**Notes to Basic Financial Statements, Continued**

**5. CRYSTAL SPRINGS ASSESSMENT DISTRICT, Continued**

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, 2015, 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**

Net position at June 30, 2015 consisted of the following:

Description	Balance as at June 30, 2015
Net investment in capital assets	\$ 35,239,512
Restricted for:	
Crystal Springs Project	410,341
Rate Stabilization	250,000
Unrestricted (deficit)	(914,924)
Total unrestricted net position	<u>\$ 34,984,929</u>

**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.

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, 2015 there was no open claims for the District.

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2015**

**Notes to Basic Financial Statements, Continued**

**8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)**

**A. General Information about the Pension Plans**

**Plan Descriptions** - All qualified full-time employees are eligible to participate in the District's Miscellaneous First Tier Plan, Miscellaneous Second Tier Plan, or PEPRA (The Plans), agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**Benefits Provided** - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Miscellaneous Plan		
	First Tier	Second Tier	PEPRA
Hire date	Prior to August 14, 2010	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.5% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2% to 2.5%	1% to 2.5%	1% - 2.5%
Required employee contribution rates	8%	7%	6.5%

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2015**

**Notes to Basic Financial Statements, Continued**

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

**A. General Information about the Pension Plans, Continued**

*Contributions* - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is based on the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, the contributions recognized as part of pension expense for the Plan were as follows:

	Miscellaneous	
	First Tier	Second Tier
Contributions - employer	\$ 409,974	\$ 5,887
Contributions - employee (paid employer)	121,249	4,616

The District's average required contribution rate was 25.9% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were \$415,861 for the year ended June 30, 2015.

***Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions***

As of June 30, 2015, the District reported a net pension liability for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous First Tier	\$ 2,620,634
Miscellaneous Second Tier	266
Total Net Pension Liability	<u>\$ 2,620,900</u>

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2015**

**Notes to Basic Financial Statements, Continued**

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

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2014, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2014 was as follows:

	<u>Miscellaneous</u>	
	<u>First Tier</u>	<u>Second Tier</u>
Proportion - June 30, 2014	0.04212%	0.00000%

For the year ended June 30, 2015, the District recognized pension expense of \$108,248. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions paid to CalPERS subsequent to measurement date	\$ 415,861	\$ -
Differences between actual and expected economic experience	-	-
Changes in assumptions	-	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of the contributions	-	-
Net differences between projected and actual earnings on plan investments	-	(580,876)
Adjustments due to differences in proportions	-	(24,526)
Total	<u>\$ 415,861</u>	<u>\$ (605,402)</u>

\$415,861 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2015**

**Notes to Basic Financial Statements, Continued**

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2016	\$ (153,977)
2017	(153,977)
2018	(152,226)
2019	(145,222)
2020	-
Thereafter	-

**Actuarial Assumptions** -The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Assumptions	
Valuation date	June 30, 2013
Measurement date	June 30, 2014
Actuarial cost method	Entry-age normal cost method
Actuarial assumptions:	
Discount rate	7.5%
Inflation	2.75%
Salary increases	Varies by entry age and service
Investment Rate of Return	7.50% net pension plan investment and administrative expenses; includes inflation
Post-retirement benefit increase	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter.

The underlying mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study can be obtained at CalPERS' website under Forms and Publications.

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2015**

**Notes to Basic Financial Statements, Continued**

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

*Discount Rate* - The discount rate used to measure the total pension liability was 7.50 percent for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2015**

**Notes to Basic Financial Statements, Continued**

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

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 <sup>1</sup>	Real Return Year 11+ <sup>2</sup>
Global Equity	47%	5.25%	5.71%
Global Fixed Income	19%	0.99%	2.43%
Inflation Sensitive	6%	0.45%	3.36%
Private Equity	12%	6.83%	6.95%
Real Estate	11%	4.50%	5.13%
Infrastructure and Forestland	3%	4.50%	5.09%
Liquidity	2%	-0.55%	-1.05%

(1) An expected inflation of 2.5% used for this period.

(2) An expected inflation of 3.0% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Miscellaneous - First Tier	\$ 4,090,004	\$ 2,620,634	\$ 1,401,197
Miscellaneous - Second Tier	475	266	93
Net Pension Liability as of June 30, 2015	<u>\$ 4,090,479</u>	<u>\$ 2,620,900</u>	<u>\$ 1,401,290</u>

**Pension Plan Fiduciary Net Position** -Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**Payable to the Pension Plans** - At June 30, 2015, the District reported a payable of \$24,809 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

**Coastside County Water District  
Basic Financial Statements  
For the year ended June 30, 2015**

**Notes to Basic Financial Statements, Continued**

**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. Employees hired after November 1, 2008 are not eligible for post-employment health benefits.

*Eligibility:* Employees (and their dependents) are eligible to access retiree healthcare benefits if they retire from the District on or after age 55 (service retirement) with at least 15 years of service (service and disability retirement) and the employee must submit the retirement application within 120 days of separation and are eligible for a PERS pension. Membership of the plan consisted of the following at June 30, 2015:

Retirees and beneficiaries receiving benefits	7
Other participants fully eligible for benefits	5
Other participants not yet fully eligible for benefits (hired prior to 11/14/2006)	8
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)	3
<b>Total</b>	<b>26</b>

*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, 2015**

**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)	(66,134)
Increase in net OPEB obligation	\$ 179,866
Net OPEB obligation - beginning of year	\$ 456,029
Net OPEB obligation - end of year	\$ 635,895
* Annual required contribution is based on projected numbers from the actuarial report as of January 1, 2015 dated October 23, 2015.	

This is the third 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 2015 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2013	235,670	41%	295,623
6/30/2014	246,000	35%	456,029
6/30/2015	179,866	37%	635,895

***Plan Funded Status and Funding Progress***

As of January 1, 2015, the most recent actuarial valuation date, the plan was 0% funded. The Actuarial Accrued Liability (AAL) for benefits was \$2,607,448, and the actuarial value of assets was zero dollars, resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$2,607,448. The covered payroll (annual payroll of active employees covered by the plan) was \$1,465,568 and the ratio of UAAL to the covered payroll was 178%.

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2015**

**Notes to Basic Financial Statements, Continued**

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**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 2015 based upon June 30, 2014 amounts.

The actuarial cost method used for determining the benefit obligations is the projected unit credit actuarial cost method. The actuarial assumptions included a 4.5% 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 4% for medical costs and a 2.75% 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, 2015**

**Notes to Basic Financial Statements, Continued**

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**11. NEW ACCOUNTING PRONOUNCEMENTS**

The GASB has issued Statement No. 72, “*Fair Value Measurement and Application*”. The objective of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. These improvements are based in part on the concepts and definitions established in Concepts Statement No. 6, *Measurement of Elements of Financial Statements*, and other relevant literature. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2015.

The GASB has issued Statement No. 73, “Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68”. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, “Accounting and Financial Reporting for Pensions”, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, “Financial Reporting for Pension Plans”, and Statement 68 for pension plans and pensions that are within their respective scopes.

The requirements of this Statement that address accounting and financial reporting by employers and governmental non-employer contributing entities for pensions that are not within the scope of Statement 68 are effective for financial statements for fiscal years beginning after June 15, 2016, and the requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. The requirements of this Statement for pension plans that are within the scope of Statement 67 or for pensions that are within the scope of Statement 68 are effective for fiscal years beginning after June 15, 2015.

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2015**

**Notes to Basic Financial Statements, Continued**

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**11. NEW ACCOUNTING PRONOUNCEMENTS, *continued***

The GASB has issued Statement No. 74, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans”. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces Statements No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended, Statement 43, and Statement No. 50, Pension Disclosures. Effective Date: The provisions in Statement 74 are effective for fiscal years beginning after June 15, 2016.

The GASB has issued Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions”, as amended, and No. 57, “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans”, for OPEB. Statement No. 74, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans”, establishes new accounting and financial reporting requirements for OPEB plans. The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017.

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2015**

**Notes to Basic Financial Statements, Continued**

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**11. NEW ACCOUNTING PRONOUNCEMENTS, *continued***

The GASB has issued Statement No. 76, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments”. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments”. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively.

The GASB has issued Statement No. 77, “Tax Abatement Disclosures”. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government’s current-year revenues were sufficient to pay for current-year services (known as inter-period equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government’s financial resources come from and how it uses them, and (4) a government’s financial position and economic condition and how they have changed over time. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Coastside County Water District**  
**Required Supplementary Information - Schedule of Contributions**  
**Miscellaneous First Tier Plan**  
Last 10 Fiscal Years\*

	<u>2014</u>
Actuarially determined contribution	\$ 383,606
Contributions in relation to the actuarially determined contributions	<u>(383,606)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	\$ 1,506,650
Contribution as a percentage of covered-employee payroll	25.46%

**Notes to Schedule**

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

\* - Fiscal year 2015 was the first year of implementation, therefore only the first two years were available.

**Coastside County Water District**  
**Required Supplementary Information - Schedule of Contributions**  
**Miscellaneous Second Tier Plan**  
 Last 10 Fiscal Years\*

	<u>2014</u>
Actuarially determined contribution	\$ 5,408
Contributions in relation to the actuarially determined contributions	<u>(5,408)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	\$ 55,879
Contribution as a percentage of covered-employee payroll	9.68%

**Notes to Schedule**

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

\* - Fiscal year 2015 was the first year of implementation, therefore only the first two years were available.

**Coastside County Water District**  
**Required Supplementary Information - Schedule of the District's Proportionate**  
**Share of the Net Pension Liability**  
**Miscellaneous First Tier Plan**  
Last 10 Fiscal Years\*

	<b>2014</b>
Plan's Proportion of the Net Pension Liability/(Asset)	0.04212%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 2,620,634
Plan's Covered-Employee Payroll	\$ 1,506,650
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	173.94%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	76.34%
Plan's Proportionate Share of Aggregate Employer Contribution	\$ 228,646

**Notes to Schedule**

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

\* - Fiscal year 2015 was the first year of implementation, therefore only the first year was available.

**Coastside County Water District**  
**Required Supplementary Information - Schedule of the District's Proportionate**  
**Share of the Net Pension Liability**  
**Miscellaneous Second Tier Plan**  
Last 10 Fiscal Years\*

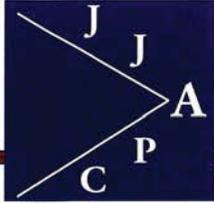
	<b>2014</b>
Plan's Proportion of the Net Pension Liability/(Asset)	0.00000%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 266
Plan's Covered-Employee Payroll	\$ 55,879
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	0.48%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	83.07%
Plan's Proportionate Share of Aggregate Employer Contribution	\$ 35

**Notes to Schedule**

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

\* - Fiscal year 2015 was the first year of implementation, therefore only the first year was available.

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**JJACPA, Inc.**

A Professional Accounting Services Corp.

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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**

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, 2015, 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 January 29, 2016.

**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' 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.

January 29, 2016

*JJACPA, Inc.*

JJACPA, Inc.  
Dublin, CA

## **STAFF REPORT**

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

**From:** David Dickson, General Manager

**Agenda:** February 9, 2016

Report

Date: February 4, 2016

**Subject:** Fiscal Year 2016-2017 Budget Process Timeline

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### **Recommendation:**

None. Information only.

### **Background:**

The attached Budget Process Timeline lays out the proposed schedule for presentation and consideration of the Fiscal Year 2016-2017 Budget and the Fiscal Year 16/17 - 25/26 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 a meeting of the District Facilities Committee during the week of either February 15, 2016 or February 22, 2016.

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

### **Fiscal Impact:**

None.

**Coastside County Water District  
BUDGET (CIP and O&M) PROCESS TIMELINE  
Fiscal Year 2016/2017**

Description	Date
Staff Internal Budget Review – Distribute O&M Budget Worksheets and Update CIP budget spreadsheet	January 2016
Present Budget Timeline for Board approval	February 9, 2016 Regular Board Meeting
Staff Internal Budget Review – Worksheets Due/Review CIP Budget	February 5, 2016
Facility Committee Meeting – Introduction to CIP Budget Process/Timeline	Week of February 15 <sup>th</sup> or February 22 <sup>nd</sup>
Finance Committee Meeting – Introduction to CIP and O&M Budget Process/Timeline	Week of February 29 <sup>th</sup> or March 7 <sup>th</sup>
Present “Draft” CIP and O&M Budget to Board of Directors at Board Meeting	March 8, 2016 Regular Board Meeting
Customer Outreach – Website Draft Budget and Finance Plan FY 2017	March 2016 (TBD)
Customer Outreach – E-Newsletter Message: Budget Work Session – Budget and Finance Plan	March 2016 (TBD)
Budget Work Session with Board of Directors	March or April 2016 (TBD)
Finance Committee Meeting	April 2016 (TDB)
Present “Draft” CIP and O&M Budget to Board of Directors at Board Meeting)	April 12, 2016 Regular Board Meeting
Present & Discuss “Draft” CIP and O&M Budgets at Workshop- Approve Notice of Rate Increase (Prop 218)	May 10, 2016 Regular Board Meeting
Mail Notice of Rate Increase (Prop 218) – Minimum 45-Day Notice Before Public Hearing	May 2016 (TBD)
Customer Outreach – E-Newsletter Message: Understanding Budget and Proposed Rate Increase	May/June 2016 (TBD)
Present & Discuss “Draft” CIP and O&M Budgets	June 14, 2016 Regular Board Meeting
Rate Increase Hearing - Approve CIP and O&M Budgets – Approve Rate Increase	Special Board Meeting June 30 <sup>th</sup>

**DRAFT**

## **STAFF REPORT**

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

**From: David Dickson, General Manager**

**Agenda: February 9, 2016**

**Report Date: February 2, 2016**

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

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### **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 succession by naming the Vice-President, followed by Board members in order of seniority. Staff notifies LAFCo of the appointments by forwarding a copy of the approved minutes.

## ***STAFF REPORT***

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

**From:** David Dickson, General Manager

**Agenda:** February 9, 2016

Report

**Date:** February 4, 2016

**Subject:** Recycled Water Update

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**Recommendation:**

None. Discussion only.

**Background:**

This item is included in the agenda to allow Recycled Water Committee members (Directors Coverdell and Reynolds) and staff to update the Board on discussions at the February 8 SAM-CCWD Recycled Water Committee meeting. The Board may also wish to discuss recycled water and to provide further direction.

## **STAFF REPORT**

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

**From:** David Dickson, General Manager

**Agenda:** February 9, 2016

Report

Date: February 4, 2016

**Subject:** General Manager's Report

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### **Recommendation:**

None. Information only.

### **Background:**

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

**El Granada Pipeline Replacement Final Phase Project Update:** Following the contractor's submittal of contract documents, insurance certificates and bonds, we issued a Notice to Proceed for the EGPRFPP on January 26. The notice starts the 120-calendar-day clock for completion of the project, requiring Stoloski and Gonzales to finish all work by May 25. We conducted a preconstruction meeting with Stoloski and EKI, our construction managers, on February 4, reviewing contract requirements, tentative schedule, etc.. Based on projected availability of the horizontal directional drilling rig, Stoloski expects to begin work about the third week of March. Installing the pipe under the creek will take approximately two weeks, and the project should be complete by the end of April.

## ***STAFF REPORT***

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

**From:** Mary Rogren, Assistant General Manager

**Agenda:** February 9, 2016

### **Report**

**Date:** February 5, 2016

**Subject:** Assistant General Manager's Report

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### **Recommendation:**

None. Information Only.

### **Background:**

Highlights for the month of January include:

**Tyler Technologies Software Implementation – Phase I Completed:** During the month of January, 2016, the District successfully moved over to its new Financial/ Accounts Payable software. The second phase of the software implementation is scheduled to be completed by May 1, 2016 and will include the changeover to our new Utility Billing software. We anticipate that our new Utility Billing system will not only offer improvements in our internal processing capabilities (eventually allowing us to go to monthly billing), but will also provide enhancements for our customers including a more user-friendly online bill payment system.

**AMI (Advanced Metering Infrastructure):** Over the past few months, staff has been evaluating options for implementing AMI (Advanced Metering Infrastructure), and we will be discussing these options when we meet with the Facilities Committee in late February to review the CIP. AMI would offer the District the ability to move to monthly billing as well as to better monitor leaks and to provide our customers with timely feedback on their water usage. The CIP currently includes \$1.5M in Fiscal Year 2019-20 and \$1.5M in Fiscal Year 2020-21, however Staff will be recommending moving up our investment beginning in Fiscal Year 2016-17.

AMI implementation involves three areas: 1) replacement of our aging meters, likely to ultrasonic meters with no moving parts; 2) implementation of an AMI infrastructure, either a fixed network with radio/cellular combination read capabilities or cellular endpoints; and 3) implementation of analytics based software/services to manage the data internally and to potentially provide a customer interface.

**STAFF REPORT**

**Agenda: February 5, 2016**

**Subject: Assistant General Manager's Report**

**Page Two**

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District staff has met with numerous vendors with expertise in all three areas, and has narrowed down vendors based upon the following criteria: 1) cost; 2) vendor expertise and experience; 3) long-term sustainability/operability given limited District resources; 4) other infrastructure requirements (e.g. meter box and lid replacement;) and 5) ease of implementation and ongoing maintenance. In addition, we would prefer not to be tied to a single vendor long-term, or at least have the ability to change vendors in future years. In selecting a software/data analytics provider, we would like to ensure that our data is easily accessible and that we "own" the data.

District staff is currently piloting meters and endpoint solutions in order to acquire more intelligence on our various options. We will share our findings at a future Board meeting.

## **MONTHLY REPORT**

**To:** David Dickson, General Manager  
**From:** Joe Guistino, Superintendent of Operations  
**Agenda:** February 9, 2016

**Report**  
**Date:** February 2, 2016

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### **Monthly Highlights**

Well Activity – Production from the Pilarcitos Well field is in excess of 250 gallons per minute (gpm) and for the first time in many years exceeds the production from other sources. We will be bringing on an additional well in March which will contribute an additional 75 gpm (3.25 Million Gallons (MG)/month).

Denniston Water Treatment Plant (WTP) – We were finally able to see Denniston WTP shut itself down on high turbidity (50 nephelometric turbidity units (ntu)) after the mid-month rainstorm muddied up Denniston Creek. The plant ran for 22 days in January.

### **Source of Supply**

Crystal Springs and Denniston Reservoirs and Pilarcitos Wells 1, 4A and 5 were the source of supply in January, supplying 35.39 MG of water. Seventy one percent of January's production was from District-owned local sources (31% from Denniston and 40% from Pilarcitos wells). Pilarcitos well flows were increased to 250 gpm. This is the first time in over 10 years that District sources provided more water than that supplied by San Francisco Public Utility Commission (SFPUC).

### **System Improvements**

#### Well Activity

Pilarcitos Wells 3 and 3A were camera inspected in January. Once we receive the results we will decide on which well would respond best to rehabilitation. Successful rehabilitation will allow an additional 75 gpm during the November 1 to March 31 pumping period.

#### Pump Station Instrument Pressure Management

A failure of a pressure relief valve at the El Granada Tank 1 Pump Station last summer resulted in the failure of the station's chlorine residual analyzer. We have modified this and the other pump stations with new pressure reducing valves (PRVs), pressure gauges and pressure relief ports to prevent this from happening again.

### Denniston Dam Small Spillway

A modified pull board was installed with handles to allow for easier and safer manipulation of the Denniston Pump Station (PS) sump and reservoir levels.

### **Other Activities Update:**

#### Nunes Backwash Pump 1

This pump has been failing to come on when called. An electrical/mechanical contractor was called to look into this and they found that the Motor Control Panel (MCC) that controls this unit is worn and at least one component undersized for its application. They will be replacing components in the control panel in February.

#### Denniston WTP

Denniston WTP ran for 22 days in January. High rains on the week of the 17<sup>th</sup> resulted in raw water turbidities greater than 50 ntu which shut the plant down. Turbidities returned to normal on the week of January 24<sup>th</sup> and the plant was restarted on the 26<sup>th</sup>. The plant shut down briefly on January 15 due to a failure of raw water pump P1. This is the second such failure this month and the second that day. We will be having a pump specialist look into the issue when they are out to look at the Nunes backwash pump (see above).

#### Nunes Filter Valve Replacements

Treatment Staff have started on a filter valve replacement project. One of the surface wash valves for filter 3 recently failed which required the operator to climb up to the valve to continue the backwash series. This is the second such failure of a Nunes WTP surface wash valve this year. Staff intends to replace all of these valves since they are near the end of their useful life and future failures will require operators to climb the pipe gallery to operate the failed valves.

#### Leaking fire service

A leak investigation at 172 Columbia in Princeton revealed a leaking 4" fire service which was located in a cold storage building on the property. The property owner was sent a notification to move the fire service away from the cold storage building and install it at the edge of the property with a proper double check detector check assembly. .

### **Regulatory Agency Interaction**

#### California Water Resources Control Board (CWRCB)

We sent the annual National Pollution Discharge Elimination Survey (NPDES) Self Monitoring Report to the CWRCB.

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

#### Meetings Attended

6 January – Mutual confined space training development meeting with Coastside Fire Protection District

6 January – Cunha School Gymnasium clarification meeting

7 January – El Granada PS Emergency Generator meeting with F&L Inc.

- 8 January – Coastside Emergency Action Planning (CEAP) meeting
- 12 January – EG Tank 3 potential coating inspector interview and coating sample meeting.
- 20 January – Joint Power Insurance Administration (JPIA) annual tour of District
- 21 January – Annual Seacrest first grade tour of Nunes WTP
- 21 January – Meter information meeting with National Meter and Automation
- 22 January – Capital Improvement Program (CIP) development meeting
- 26 January – WSO report review meeting
- 26 January – Stone Dam Pipeline strategy meeting

#### Tailgate safety sessions in October

- 4 January – How to Conduct a Safety Tailboard
- 11 January – PPE – A Workplace Fashion Statement
- 19 January – Understanding Safety Data Sheets
- 25 January – Keeping Chemical Deliveries Safe

#### CINTAS Safety Committee and Training

The recent withdrawal of Sanitary Authority Midcoast (SAM) from the Safety Committee with CINTAS resulted in no committee meeting or training in January. Coastside County Water District (CCWD) and Montara Water & Sanitary District (MW&SD) will enter into a contract with Preventive Solutions in the ensuing months.

#### Safety

The Coastside Fire Protection District presently lacks adequate training to assist in confined space rescue if needed. On 6 January, myself and treatment staff met with Paul Cole of the Coastside Fire Protection District and Nick Gottuso of San Mateo Office of Emergency Services at Nunes to assess possible sites for future confined space rescue training. We identified Half Moon Bay Tank 1, the sedimentation basin and the return washwater basin as viable sites. We will be discussing the logistics and scheduling in the near future.

#### Training

No special training in January.

#### **Projects**

##### Supervisory Control and Data Acquisition (SCADA) Project

Calcon was having difficulty with communication to and from the Miramar Tank through leased phone lines. They set up a radio communication for this site, which now works well.

##### Stone Dam Pipeline Replacement Project

We have finished our conceptual design as to what will provide adequate flow through this pipeline and will be scheduling a meeting in February with the SFPUC project review committee.

### El Granada Pipeline Final Phase

The contractor has been given a notice to proceed on 26 January. Our preconstruction meetings are scheduled for the first week of February.

### Denniston Treated Water Pump Station and Pipeline Project

We held discussions over the phone and email in January as to logistics of booster pump operation while the pumping station is being built.

### El Granada Tank 3 Rehab Project

I met with a potential coating inspection company we hired to do a surface coating analysis to incorporate into our bid documents. We plan on going out to bid for both the project and coating inspection in February.

### El Granada Pump Station 1 and 2 Emergency Generator Project

The occurrence of an extended power outage in the El Granada Highlands could potentially leave the residents served by El Granada Pump Stations out of. We incorporated emergency generators for El Granada Pump Stations 1 and 2 in the 2015 CIP to remedy this weak link in our service capability. I met with Josh Kimbrell and Jeff Tarantino of Freyer & Laureta Engineers to assist us in this project. They have submitted plans and bid specs which are presently under review. We expect to go out to bid in February.

### PRV Replacement Project

We are in the process of planning the replacement of the Valencia Street PRV in March.

**STAFF REPORT**

**To:** Board of Directors  
**From:** Cathleen Brennan, Water Resources Analyst  
**Agenda:** February 9, 2016  
**Report Date:** February 4, 2016  
**Subject:** Water Resources

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**Informational Report:**

**Department of Water Resources (DWR) Snow Survey and Water Savings Update  
Update on 2015 Urban Water Management Plan (UWMP)  
Extended Emergency Water Conservation Regulations**

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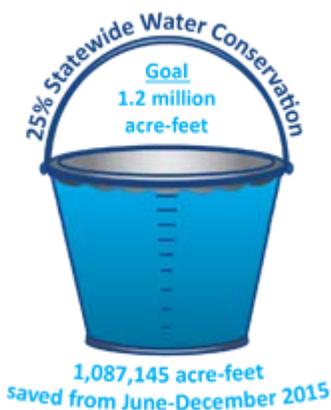
**DWR Snow Survey and Water Savings Update**

Snowpack and water content are both improved this year! As of February 2<sup>nd</sup>, the statewide water content in the Sierra Nevada is 114 percent of normal.

I have seen estimates of the Tuolumne River Watershed at 125 percent of normal for February 1<sup>st</sup>. The photo to the right came from the Yosemite National Park’s Facebook page.



**Tuolumne River Watershed 2/1/2016**



The infographic shows that Californians have almost reached the statewide cumulative goal of 1.2 million acre-feet of water saved by the end of February.

## **Update on 2015 UWMP**

The Urban Water Management Planning Act requires water agencies to include their Water Shortage Contingency Plan in their Urban Water Management Plan submittal to the state. Since the state has been delayed in finalizing the required tables, content and guidance for the 2015 UWMP, I have been working on updating the District's Water Shortage Contingency Plan. The Board of Directors will need to adopt the updated Water Shortage Contingency Plan.

## **Extended Emergency Water Conservation Regulations**

The Emergency Water Conservation Regulations have been extended through October 2016. Water managers and regulators are very concerned about the low water levels of the state's surface water and groundwater storage.

Some regions of California have seen a significant improvement in their water supply conditions over the past few months, while other regions have not seen their groundwater levels improve significantly. Even with improved water storage and snowpack, it can take a couple of normal to above normal water years for the impacted ecosystems to recover. Because water shortage and drought conditions still exist in different regions across the state, the State Water Resources Control Board believes that it is in the best interest of the state to extend the Emergency Water Conservation Regulations, with a few minor amendments and lower expectations on the cumulative savings statewide.

The SWRCB will evaluate water supply conditions and water demand across the urban, environmental and agricultural sectors again in April.