

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

SPECIAL MEETING OF THE BOARD OF DIRECTORS

Tuesday, May 9, 2017 - 6:00 p.m.

AGENDA

1) ROLL CALL

2) PUBLIC COMMENT

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

3) CLOSED SESSION

**A. Conference with Legal Counsel - Anticipated Litigation
Significant Exposure to Litigation
Pursuant to California Government Code Section §54956.9(d)(2)
One Potential Case**

**B. Conference with Labor Negotiator
Pursuant to California Government Code Section §54957.6
Agency Designated Representatives: David Dickson, General Manager
and Mary Rogren, Assistant General Manager
Employee Organization: Teamsters Union, Local 856**

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

5) ADJOURNMENT

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

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

REGULAR MEETING OF THE BOARD OF DIRECTORS

Tuesday, May 9, 2017 - 7:00 p.m.

AGENDA

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

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

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

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

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

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

4) CONSENT CALENDAR

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

- A. Approval of disbursements for the month ending April 30, 2017:
Claims: \$1,066,634.89; Payroll: \$88,276.13 for a total of \$1,154,911.02 ([attachment](#))
➤ *April 2017 Monthly Financial Claims reviewed and approved by Director Coverdell*
- B. Acceptance of Financial Reports ([attachment](#))
- C. Approval of Minutes of April 11, 2017 Regular Board of Directors Meeting ([attachment](#))
- D. Monthly Water Transfer Report ([attachment](#))
- E. Installed Water Connection Capacity and Water Meters Report ([attachment](#))
- F. Total CCWD Production Report ([attachment](#))
- G. CCWD Monthly Sales by Category Report - April 2017 ([attachment](#))
- H. Monthly Emergency Main & Service Repairs Report and Water Line Flushing Report ([attachment](#))
- I. Monthly Rainfall Reports ([attachment](#))
- J. S.F.P.U.C. Hydrological Report for the month of March 2017 ([attachment](#))
- K. CCWD Priority Setting Workshop Report - March 16, 2017 ([attachment](#))

5) MEETINGS ATTENDED / DIRECTOR COMMENTS

6) GENERAL BUSINESS

- A. Fiscal Year 2017-2018 Budget Process Timeline ([attachment](#))
- B. Draft Fiscal Year 2017-2018 Operations Budget and Draft Fiscal Year 2017/18 to 2026/27 Capital Improvement Program ([attachment](#))
- C. Fiscal Year 2017/2018 to FY 2022/2023 Financing Plan and Proposed Water Rate Increase; Cost of Service Analysis ([attachment](#))
- D. Public Outreach Overview ([attachment](#))
- E. Hanson Bridgett Billing Rates - Proposed Restructuring and Increase ([attachment](#))
- F. Approval to retain Fedak & Brown LLP for Financial Auditing Services ([attachment](#))

7) MONTHLY INFORMATIONAL REPORTS

- A. Assistant General Manager's Report ([attachment](#))
- B. Superintendent of Operations Report ([attachment](#))

8) DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS

9) ADJOURNMENT

**COASTSIDE COUNTY WATER DISTRICT
CLAIMS FOR APRIL 2017**

CHECKS				
CHECK DATE	CHECK NO.	VENDOR	VOID CHECK	AMOUNT
04/07/2017	23902	COMCAST		\$194.02
04/07/2017	23903	FIRST NATIONAL BANK		\$7,618.35
04/07/2017	23904	HALF MOON BAY POSTMASTER		\$225.00
04/07/2017	23905	HASSETT HARDWARE		\$1,114.72
04/07/2017	23906	HUE & CRY, INC.		\$24.00
04/07/2017	23907	JAMES FORD, INC.		\$48.68
04/07/2017	23908	MASS MUTUAL FINANCIAL GROUP		\$1,724.65
04/07/2017	23909	REPUBLIC SERVICES		\$419.06
04/07/2017	23910	RICOH USA INC		\$503.07
04/07/2017	23911	TEAMSTERS LOCAL UNION #856		\$1,113.00
04/07/2017	23912	US TELEPACIFIC CORPORATION		\$1,839.98
04/07/2017	23913	VALIC		\$3,195.00
04/04/2017	23914	JENNIE ECKARDT		\$50.63
04/12/2017	23915	BAYSIDE EQUIPMENT COMPANY		\$8,999.96
04/17/2017	23916	HALF MOON BAY POSTMASTER		\$6,000.00
04/18/2017	23917	STOLOSKI & GONZALEZ, INC.		\$478,210.76
04/21/2017	23918	METER READINGS HOLDING, LLC		\$69,140.99
04/21/2017	23919	ADP, INC.		\$759.55
04/21/2017	23920	FRANK YAMELLO		\$235.00
04/21/2017	23921	ANDREINI BROS. INC.		\$10,599.51
04/21/2017	23922	AT&T		\$2,930.97
04/21/2017	23923	AZTEC GARDENS, INC.		\$190.00
04/21/2017	23924	BADGER METER, INC.		\$123.00
04/21/2017	23925	BALANCE HYDROLOGICS, INC		\$9,321.86
04/21/2017	23926	BARTKIEWICZ, KRONICK & SHANAHAN		\$960.00
04/21/2017	23927	BARBARA MASEK		\$2,000.00
04/21/2017	23928	BAY AREA WATER SUPPLY &		\$7,618.00
04/21/2017	23929	BAY ALARM COMPANY		\$559.59
04/21/2017	23930	BIG CREEK LUMBER		\$25.34
04/21/2017	23931	CALCON SYSTEMS, INC.		\$31,148.12
04/21/2017	23932	CANYON SPRINGS ENTERPRISES		\$146,185.84
04/21/2017	23933	CAROLYN STANFIELD		\$600.00
04/21/2017	23934	CHEMTRADE CHEMICALS US LLC		\$2,479.40
04/21/2017	23935	CINTAS FIRST AID & SAFETY		\$1,067.17
04/21/2017	23936	PETTY CASH		\$154.27
04/21/2017	23937	RECORDER'S OFFICE		\$21.00
04/21/2017	23938	DATAPROSE, LLC		\$1,789.31
04/21/2017	23939	ELECSYS INTERNATIONAL CORP		\$250.00
04/21/2017	23940	GARCIA AND ASSOCIATES		\$15,108.49
04/21/2017	23941	GRAINGER, INC.		\$186.33
04/21/2017	23942	GRANITEROCK		\$687.35
04/21/2017	23943	HACH CO., INC.		\$567.02
04/21/2017	23944	HMB BLDG. & GARDEN INC.		\$86.63
04/21/2017	23945	H.M.B.AUTO PARTS		\$55.63
04/21/2017	23946	HANSONBRIDGETT. LLP		\$8,839.50

04/21/2017	23947	U.S. HEALTHWORKS MEDICAL GROUP, P.C.	\$399.00
04/21/2017	23948	HF&H CONSULTANTS, LLC	\$9,152.24
04/21/2017	23949	HYDROSCIENCE ENGINEERS, INC.	\$2,745.00
04/21/2017	23950	IRON MOUNTAIN	\$476.15
04/21/2017	23951	IRVINE CONSULTING SERVICES, INC.	\$2,438.08
04/21/2017	23952	KANEKO AND KRAMMER CORP	\$960.00
04/21/2017	23953	GLENNA LOMBARDI	\$110.00
04/21/2017	23954	MASS MUTUAL FINANCIAL GROUP	\$1,724.65
04/21/2017	23955	METLIFE GROUP BENEFITS	\$1,710.20
04/21/2017	23956	MISSION UNIFORM SERVICES INC.	\$221.92
04/21/2017	23957	MONTEREY COUNTY LAB	\$3,685.00
04/21/2017	23958	NATIONAL METER & AUTOMATION	\$2,805.98
04/21/2017	23959	NORTHSTAR CHEMICAL	\$1,346.50
04/21/2017	23960	OCT WATER QUALITY ACADEMY	\$350.00
04/21/2017	23961	OFFICE DEPOT	\$217.98
04/21/2017	23962	OFFICIAL PAYMENTS CORPORATION	\$150.00
04/21/2017	23963	ONTRAC	\$606.90
04/21/2017	23964	PACIFIC GAS & ELECTRIC CO.	\$28,520.14
04/21/2017	23965	PACIFICA COMMUNITY TV	\$250.00
04/21/2017	23966	PAKPOUR CONSULTING GROUP	\$5,184.38
04/21/2017	23967	PAULO'S AUTO CARE	\$691.75
04/21/2017	23968	PITNEY BOWES	\$198.00
04/21/2017	23969	POLLARDWATER.COM	\$578.85
04/21/2017	23970	PUMP REPAIR SERVICE CO. INC.	\$2,325.33
04/21/2017	23971	RICOH USA, INC.	\$728.71
04/21/2017	23972	ROBERTS & BRUNE CO.	\$5,927.21
04/21/2017	23973	ROGUE WEB WORKS, LLC	\$308.00
04/21/2017	23974	SAN FRANCISCO WATER DEPT.	\$95,530.18
04/21/2017	23975	SAN MATEO CTY PUBLIC HEALTH LAB	\$724.00
04/21/2017	23976	SCHWAAB STAMPS INC.	\$160.47
04/21/2017	23977	SERVICE PRESS	\$4,309.44
04/21/2017	23978	JIM STEELE	\$2,400.00
04/21/2017	23979	TYLER TECHNOLOGIES, INC	\$6,457.25
04/21/2017	23980	VALIC	\$3,195.00
04/21/2017	23981	WATEREUSE	\$695.50
04/21/2017	23982	TIM CARROLL	\$115.03
04/21/2017	23983	CHALERM KAR LEELA	\$142.15
04/21/2017	23984	EDWARD CAMPINOTTI	\$52.20
04/21/2017	23985	MAIN ST./ARNOLD SENIOR HOUSING	\$35.00
04/21/2017	23986	RANDY RALSTON	\$26.18
04/21/2017	23987	ALAN SCHAFER	\$17.24
04/21/2017	23988	NANCY BRANDEN	\$130.00
04/21/2017	23989	DAN LIVAK	\$22.80
04/21/2017	23990	GIGI STOWE	\$100.00
04/21/2017	23991	OCEAN VIEW PLAZA	\$11.44
04/21/2017	23992	TOMMY DRISKELL	\$21.53
04/21/2017	23993	THE ESTATE OF LOIS JOSEPH	\$9.64
04/21/2017	23994	TOM DAROSA	\$72.12

CLAIMS FOR MONTH OF APRIL 2017

\$1,013,009.89

WIRE PAYMENTS

<u>MONTH</u>	<u>VENDOR</u>	<u>AMOUNT</u>
04/03/2017	DFT0000045 CalPERS FISCAL SERVICES DIVISION	\$25,069.57
04/05/2017	DFT0000046 PUB. EMP. RETIRE SYSTEM	\$12,375.78
04/19/2017	DFT0000047 PUB. EMP. RETIRE SYSTEM	\$12,395.98
4/30/2017	CREDIT CARD AND BANK FEES	<u>\$3,783.67</u>
	TOTAL WIRE PAYMENTS	<u>\$53,625.00</u>

TOTAL CLAIMS FOR THE MONTH OF APRIL 2017

\$1,066,634.89



Coastside County Water District

Monthly Budget Report Account Summary

For Fiscal: 2016-2017 Period Ending: 04/30/2017

	April Budget	April Activity	Variance Favorable (Unfavorable)	Percent Variance	YTD Budget	YTD Activity	Variance Favorable (Unfavorable)	Percent Variance	Total Budget	
Revenue										
RevType: 1 - Operating										
1-4120-00	Water Revenue	702,673.00	830,751.40	128,078.40	18.23 %	8,195,594.00	8,520,464.49	324,870.49	3.96 %	10,266,127.00
	Total RevType: 1 - Operating:	702,673.00	830,751.40	128,078.40	18.23 %	8,195,594.00	8,520,464.49	324,870.49	3.96 %	10,266,127.00
RevType: 2 - Non-Operating										
1-4170-00	Water Taken From Hydrants	4,165.00	3,897.72	-267.28	-6.42 %	41,650.00	53,937.81	12,287.81	29.50 %	50,000.00
1-4180-00	Late Notice - 10% Penalty	5,997.60	-550.72	-6,548.32	-109.18 %	59,976.00	54,516.65	-5,459.35	-9.10 %	72,000.00
1-4230-00	Service Connections	833.00	1,550.54	717.54	86.14 %	8,330.00	13,184.64	4,854.64	58.28 %	10,000.00
1-4920-00	Interest Earned	767.50	1,968.83	1,201.33	156.53 %	3,070.00	5,245.36	2,175.36	70.86 %	3,070.00
1-4930-00	Tax Apportionments/County Checks	200,000.00	247,647.53	47,647.53	23.82 %	580,000.00	723,896.37	143,896.37	24.81 %	600,000.00
1-4950-00	Miscellaneous Income	3,082.10	789.59	-2,292.51	-74.38 %	30,821.00	114,481.67	83,660.67	271.44 %	37,000.00
1-4955-00	Cell Site Lease Income	11,969.54	12,797.93	828.39	6.92 %	119,695.40	125,072.66	5,377.26	4.49 %	143,692.00
1-4965-00	ERAF Refund - County Taxes	0.00	0.00	0.00	0.00 %	200,000.00	325,313.79	125,313.79	62.66 %	200,000.00
	Total RevType: 2 - Non-Operating:	226,814.74	268,101.42	41,286.68	18.20 %	1,043,542.40	1,415,648.95	372,106.55	35.66 %	1,115,762.00
	Total Revenue:	929,487.74	1,098,852.82	169,365.08	18.22 %	9,239,136.40	9,936,113.44	696,977.04	7.54 %	11,381,889.00
Expense										
ExpType: 1 - Operating										
1-5130-00	Water Purchased	182,823.00	121,530.18	61,292.82	33.53 %	2,140,228.00	1,790,915.33	349,312.67	16.32 %	2,578,474.00
1-5230-00	Nunes T P Pump Expense	2,604.79	2,102.33	502.46	19.29 %	26,047.90	28,174.65	-2,126.75	-8.16 %	31,270.00
1-5231-00	CSP Pump Station Pump Expense	1,974.00	-16,201.06	18,175.06	920.72 %	313,618.00	208,294.03	105,323.97	33.58 %	325,420.00
1-5232-00	Other Trans. & Dist Pump Expense	1,262.00	1,523.69	-261.69	-20.74 %	14,171.00	17,740.32	-3,569.32	-25.19 %	18,020.00
1-5233-00	Pilarcitos Canyon Pump Expense	180.00	7,236.50	-7,056.50	-3,920.28 %	25,640.00	40,577.15	-14,937.15	-58.26 %	26,000.00
1-5234-00	Denniston T P Pump Expense	11,488.00	1,704.32	9,783.68	85.16 %	57,851.00	37,044.50	20,806.50	35.97 %	85,000.00
1-5242-00	CSP Pump Station Operations	874.65	679.93	194.72	22.26 %	8,746.50	7,930.71	815.79	9.33 %	10,500.00
1-5243-00	CSP Pump Station Maintenance	6,474.00	1,163.13	5,310.87	82.03 %	24,052.00	20,120.95	3,931.05	16.34 %	37,000.00
1-5245-00	Alves/Miramontes Maintenance	0.00	0.00	0.00	0.00 %	0.00	296.27	-296.27	0.00 %	0.00
1-5246-00	Nunes T P Operations - General	2,919.00	3,187.97	-268.97	-9.21 %	46,967.00	49,222.98	-2,255.98	-4.80 %	57,000.00
1-5247-00	Nunes T P Maintenance	3,958.00	4,523.00	-565.00	-14.27 %	72,580.00	60,459.09	12,120.91	16.70 %	80,500.00
1-5248-00	Denniston T P Operations-General	4,188.00	3,605.16	582.84	13.92 %	26,624.00	18,953.29	7,670.71	28.81 %	35,000.00
1-5249-00	Denniston T.P. Maintenance	2,750.00	2,536.95	213.05	7.75 %	47,500.00	54,813.00	-7,313.00	-15.40 %	53,000.00
1-5250-00	Laboratory Expenses	3,313.00	3,261.15	51.85	1.57 %	43,069.00	40,878.29	2,190.71	5.09 %	53,000.00
1-5260-00	Maintenance - General	10,970.61	5,695.82	5,274.79	48.08 %	109,706.10	130,820.79	-21,114.69	-19.25 %	131,700.00
1-5260-10	Maintenance - Main Line Breaks	8,330.00	0.00	8,330.00	100.00 %	83,300.00	22,235.44	61,064.56	73.31 %	100,000.00
1-5260-11	Maintenance - Paving	4,165.00	1,779.35	2,385.65	57.28 %	41,650.00	41,000.02	649.98	1.56 %	50,000.00
1-5261-00	Maintenance - Well Fields	909.00	2.49	906.51	99.73 %	48,182.00	10,980.86	37,201.14	77.21 %	50,000.00

Monthly Budget Report

For Fiscal: 2016-2017 Period Ending: 04/30/2017

	April Budget	April Activity	Variance Favorable (Unfavorable)	Percent Variance	YTD Budget	YTD Activity	Variance Favorable (Unfavorable)	Percent Variance	Total Budget	
1-5263-00	Uniforms	144.00	0.00	144.00	100.00 %	9,712.00	7,940.04	1,771.96	18.25 %	10,000.00
1-5318-00	Studies/Surveys/Consulting	12,495.00	15,437.36	-2,942.36	-23.55 %	124,950.00	93,442.26	31,507.74	25.22 %	150,000.00
1-5321-00	Water Resources	3,915.10	0.00	3,915.10	100.00 %	39,151.00	7,597.07	31,553.93	80.60 %	47,000.00
1-5322-00	Community Outreach	4,165.00	14,428.39	-10,263.39	-246.42 %	41,650.00	22,757.17	18,892.83	45.36 %	50,000.00
1-5381-00	Legal	4,998.00	6,872.10	-1,874.10	-37.50 %	49,980.00	63,507.83	-13,527.83	-27.07 %	60,000.00
1-5382-00	Engineering	1,166.20	9,674.88	-8,508.68	-729.61 %	11,662.00	20,033.26	-8,371.26	-71.78 %	14,000.00
1-5383-00	Financial Services	0.00	0.00	0.00	0.00 %	14,000.00	8,580.00	5,420.00	38.71 %	20,000.00
1-5384-00	Computer Services	10,437.49	10,274.29	163.20	1.56 %	104,374.90	93,134.94	11,239.96	10.77 %	125,300.00
1-5410-00	Salaries/Wages-Administration	84,677.00	68,449.02	16,227.98	19.16 %	931,446.00	742,606.60	188,839.40	20.27 %	1,100,800.00
1-5411-00	Salaries & Wages - Field	93,644.00	83,693.01	9,950.99	10.63 %	1,030,086.00	1,005,506.27	24,579.73	2.39 %	1,217,375.00
1-5420-00	Payroll Tax Expense	12,481.00	11,650.34	830.66	6.66 %	137,283.00	123,195.06	14,087.94	10.26 %	162,245.00
1-5435-00	Employee Medical Insurance	35,682.00	32,646.50	3,035.50	8.51 %	341,540.00	329,380.65	12,159.35	3.56 %	412,904.00
1-5436-00	Retiree Medical Insurance	5,205.00	2,617.54	2,587.46	49.71 %	49,566.00	39,220.96	10,345.04	20.87 %	59,976.00
1-5440-00	Employees Retirement Plan	41,026.00	39,047.91	1,978.09	4.82 %	426,205.00	375,755.17	50,449.83	11.84 %	508,256.00
1-5445-00	Supplemental Retirement 401a	0.00	0.00	0.00	0.00 %	0.00	0.00	0.00	0.00 %	33,000.00
1-5510-00	Motor Vehicle Expense	4,723.11	1,832.55	2,890.56	61.20 %	47,231.10	37,049.21	10,181.89	21.56 %	56,700.00
1-5620-00	Office & Billing Expenses	14,225.55	15,408.38	-1,182.83	-8.31 %	142,255.50	181,979.97	-39,724.47	-27.92 %	170,775.00
1-5625-00	Meetings / Training / Seminars	1,999.20	5,219.78	-3,220.58	-161.09 %	19,992.00	18,465.57	1,526.43	7.64 %	24,000.00
1-5630-00	Insurance	9,996.00	10,236.21	-240.21	-2.40 %	99,960.00	98,697.36	1,262.64	1.26 %	120,000.00
1-5687-00	Membership, Dues, Subscript.	6,164.20	8,463.50	-2,299.30	-37.30 %	61,642.00	59,863.27	1,778.73	2.89 %	74,000.00
1-5689-00	Labor Relations	499.80	0.00	499.80	100.00 %	4,998.00	0.00	4,998.00	100.00 %	6,000.00
1-5700-00	San Mateo County Fees	1,582.70	0.00	1,582.70	100.00 %	15,827.00	11,241.98	4,585.02	28.97 %	19,000.00
1-5705-00	State Fees	1,332.80	15,000.00	-13,667.20	-1,025.45 %	13,328.00	37,134.71	-23,806.71	-178.62 %	16,000.00
	Total ExpType: 1 - Operating:	599,742.20	495,282.67	104,459.53	17.42 %	6,846,772.00	5,957,547.02	889,224.98	12.99 %	8,179,215.00
	ExpType: 4 - Capital Related									
1-5712-00	Debt Service/Existing Bonds 2006B	0.00	0.00	0.00	0.00 %	486,426.00	486,359.58	66.42	0.01 %	486,426.00
1-5715-00	Debt Service/CIEDB 11-099	0.00	0.00	0.00	0.00 %	336,409.00	336,409.49	-0.49	0.00 %	336,409.00
1-5716-00	Debt Service/CIEDB 2016	0.00	0.00	0.00	0.00 %	145,203.00	145,202.41	0.59	0.00 %	145,203.00
	Total ExpType: 4 - Capital Related:	0.00	0.00	0.00	0.00 %	968,038.00	967,971.48	66.52	0.01 %	968,038.00
	Total Expense:	599,742.20	495,282.67	104,459.53	17.42 %	7,814,810.00	6,925,518.50	889,291.50	11.38 %	9,147,253.00
	Report Total:	329,745.54	603,570.15	273,824.61		1,424,326.40	3,010,594.94	1,586,268.54		2,234,636.00

**COASTSIDE COUNTY WATER DISTRICT
MONTHLY INVESTMENT REPORT
April 30, 2017**

<u>RESERVE BALANCES</u>	Current Year as of 4/30/17	Prior Year as of 4/30/16
CAPITAL AND OPERATING RESERVE	\$4,504,150.76	\$2,283,529.51
RATE STABILIZATION RESERVE	\$250,000.00	\$250,000.00
TOTAL DISTRICT RESERVES	\$4,754,150.76	\$2,533,529.51

ACCOUNT DETAIL

ACCOUNTS WITH FIRST NATIONAL BANK (FNB)		
CHECKING ACCOUNT	\$2,855,936.42	\$771,259.46
CSP T & S ACCOUNT	\$866,435.71	\$737,162.51
LOCAL AGENCY INVESTMENT FUND (LAIF) BALANCE	\$1,031,078.63	\$1,024,407.54
DISTRICT CASH ON HAND	\$700.00	\$700.00
TOTAL ACCOUNT BALANCES	\$4,754,150.76	\$2,533,529.51

This report is in conformity with CCWD's Investment Policy.

**COASTSIDE COUNTY WATER DISTRICT
APPROVED CAPITAL IMPROVEMENT PROJECTS
FISCAL YEAR 2016-2017**

4/30/2017

= still to be committed

Approved CIP Budget FY 16/17	Actual To Date FY16/17	Projected Year-End FY 16/17	Variance vs. Budget	% Completed	Project Status/ Comments
------------------------------------	------------------------------	-----------------------------------	------------------------	----------------	-----------------------------

Equipment Purchases & Replacement

06-03	SCADA/Telemetry/Electrical Controls Replacement	\$ 50,000	\$ 91,433	\$ 130,000	\$ (80,000)	183%	Calcon work directive 16-04 \$126K (Approved Jan 2017 board meeting)
17-02	Forklift for Nunes	\$ 30,000	\$ 14,661	\$ 14,661	\$ 15,339	49%	completed
99-03	Computer Systems	\$ 5,000	\$ 1,053	\$ 5,000	\$ -	21%	
99-04	Office Equipment/Furniture	\$ 3,000		\$ 3,000	\$ -	0%	

Facilities & Maintenance

08-08	PRV Valves Replacement Project	\$ 30,000	\$ 33,684	\$ 33,684	\$ (3,684)	112%	will spend in FY2016-17
09-09	Fire Hydrant Replacement	\$ 40,000	\$ 31,255	\$ 40,000	\$ -	78%	will spend in FY2016-17
09-23	District Digital Mapping	\$ 10,000			\$ 10,000	0%	accounted for in expense
14-14	Pilarcitos Canyon Road Improvements	\$ 65,000	\$ 82,781	\$ 82,781	\$ (17,781)	100%	completed
17-11	Pilarcitos PRV Station Valve Replacement	\$ 45,000		\$ 56,528	\$ (11,528)	0%	Bid approved at the February 2017 Board meeting
09-07	Advanced Metering Infrastructure	\$ 300,000	\$ 238,096	\$ 300,000	\$ -	79%	will spend in FY2016-17
99-01	Meter Change Program	\$ 300,000	\$ 198,189	\$ 300,000	\$ -	66%	will spend in FY2016-17

Pipeline Projects

06-01	Avenue Cabrillo Phase 3B Pipeline Replacement Project	\$ 650,000	\$ 691,644	\$ 691,644	\$ (41,644)	106%	completed
13-02	Replace 8" Pipeline Under Creek at Pilarcitos Avenue	\$ 100,000	\$ 8,869	\$ 150,000	\$ (50,000)	9%	Approved at January 2017 Board meeting; currently working on acquiring easements for Phase 1 before work can commence
14-26	Replace 2" Pipe in Downtown Half Moon Bay	\$ 500,000	\$ 28,074	\$ 50,000	\$ 450,000	6%	Engineering is near completion. Will go out for bid in April-May timeframe. Work will likely commence in summer - into FY2017-18.

Pump Stations / Tanks / Wells

06-04	Hazen's Tank Replacement	\$ 30,000			\$ 30,000	0%	on hold-evaluate after completion of Bridgeport Pipeline/Denniston PS project
06-03	El Granada Tank #3 Recoating Project	\$ 600,000	\$ 474,281	\$ 700,000	\$ (100,000)	79%	In process
13-11	EG Tank #1 & Tank #2 Emergency Generators	\$ 200,000	\$ 196,629	\$ 196,629	\$ 3,371	98%	Notice of Completion at February 2017 Board meeting
17-03	Pilarcitos Wells 3 and 3A Rehabilitation	\$ 90,000	\$ 108,309	\$ 108,309	\$ (18,309)	120%	Completed
17-05	Crystal Springs Pump Station Motor Controls	\$ 50,000		\$ 47,000	\$ 3,000	0%	Calcon work directives 17-01 and 17-02 approved at February 2017 Board meeting
17-06	Crystal Springs Pump Station Discharge Valve Replacement	\$ 30,000	\$ 560	\$ 30,000	\$ -	2%	will spend in FY2016-17 (Calcon)

Water Supply Development

10-02 & 12-04	Denniston Pump Station & Pipeline Project (formerly Bridgeport Drive Pipeline Replacement Project)	\$ 2,600,000	\$ 1,438,788	\$ 2,600,000	\$ -	55%	Project is in process (completion scheduled for late June 2017)
17-12	Recycled Water Project Development	\$ 100,000		\$ 100,000	\$ -	0%	no current commitments

Water Treatment Plants

17-01	Nunes Water Treatment Plant Treated Water Meter	\$ 50,000		\$ -	\$ 50,000	0%	Move to FY 2017-18
17-04	Denniston Dam Spillway	\$ 10,000		\$ 10,000	\$ -	0%	will spend in FY2016-17
17-07	Denniston WTP Site Improvements for Erosion Control	\$ 50,000		\$ 50,000	\$ -	0%	will spend in FY2016-17
17-08	Nunes Filter Surface Wash Repairs	\$ 50,000	\$ 25,126	\$ 50,000	\$ -	50%	Approved at January 2017 Board meeting
17-10	Nunes Backwash Pond Sand Replacement	\$ 65,000	\$ 28,194	\$ 29,000	\$ 36,000	43%	completed

COASTSIDE COUNTY WATER DISTRICT
 APPROVED CAPITAL IMPROVEMENT PROJECTS
 FISCAL YEAR 2016-2017

4/30/2017

= still to be committed

		Approved CIP Budget FY 16/17	Actual To Date FY16/17	Projected Year-End FY 16/17	Variance vs. Budget	% Completed	Project Status/ Comments
99-05	Denniston Maintenance Dredging	\$ 35,000	\$ 15,081	\$ 15,081	\$ 19,919	43%	Move to FY 2017-18
FY 16/17 TOTALS		\$ 6,088,000	\$ 3,706,706	\$ 5,793,317	\$ 294,683		

Previous CIP Projects - paid in FY 16/17

14-24	Denniston/San Vicente EIR & Permitting		\$ 47,932	\$ 47,932	\$ (47,932)		
99-02	2017 Customer Service Vehicle		\$ 30,482	\$ 30,482	\$ (30,482)		On FY2015/16 CIP
	Ventura / Washington Pipeline Replacement		\$ 5,775	\$ 5,775	\$ (5,775)		On FY2015/16 CIP
10-01	El Granada Pipeline Final Phase Replacement Project		\$ (1,026)	\$ (1,026)	\$ 1,026		Completed - Refund for Application Fee
PREVIOUS YEAR TOTALS		\$ -	\$ 83,164	\$ 83,163	\$ (83,163)		

UNSCHEDULED ITEMS (CAPITAL EXPENDITURES) FOR CURRENT FISCAL YEAR 16/17

	Mixers for El Granada Tanks #1 and #2		\$ 3,128	\$ 3,128	\$ (3,128)		Completed (\$3K is for installation; Mixers were purchased in 6/2016. Currently conducting study to determine next steps/additional \$\$\$ required.)
	Wavecrest Road Pipeline Extension - CCWD Portion		\$ 169	\$ 20,000	\$ (20,000)		CCWD portion of pipeline - to be completed after hotel pipeline is completed
07-03	Stone Dam/Pilarcitos Canyon Pipeline Project		\$ 33,204	\$ 33,204	\$ (33,204)		SFPUC Plan Review meeting occurred in Jan 2017; awaiting follow up from SFPUC to determine next steps
06-02	Highway One South Pipeline Replacement Project		\$ 557	\$ 557	\$ (557)		
99-02	2017 Ford F-150 Pickup		\$ 22,528	\$ 22,528	\$ (22,528)		Emergency replacement
17-15	Pilarcitos Canyon Emergency Road Repairs (2017)		\$ 93,725	\$ 100,000	\$ (100,000)		2-2017 Emergency - Storm Related Repairs
	Replace 4" Fire Check at District Office		\$ 11,400	\$ 11,400	\$ -		Completed
17-16	Crystal Springs Pump 3 - Column pipes/shafting replacement			\$ 75,000	\$ (75,000)		Urgent replacement - approved at February 2017 Board meeting - will complete in early May
	Well Refurbishments; Well #4 New pump and motor		\$ 15,181	\$ 15,181	\$ (15,181)		
13-08	Crystal Springs Pump 1 Motor Replacement			\$ 63,000	\$ (63,000)		Urgent replacement-approved at December 2016 (moved up from 2017/18)
	Administration Building - New Front Doors		\$ 8,610	\$ 8,610	\$ (8,610)		Completed February 2017
					\$ -		

NON-BUDGETED TOTALS \$ - \$ 188,502 \$ 352,608 \$ (341,208)

CIP TOTALS \$ 6,088,000 \$ 3,978,372 \$ 6,229,088 \$ (129,688)

**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
May-16	3,616			776		5,438				9,830
Jun-16	3,583		1,540			11,879				17,002
Jul-16	7,269		1,812	392		5,564				15,037
Aug-16	3,412			284	674	18,541				22,912
Sep-16	2,489			603	3,798	7,063				13,953
Oct-16	2,205			784	1,392	677				5,056
Nov-16	1,909		815	757	1,657	677			242	6,057
Dec-16	2,776		513	544	60	478				4,371
Jan-17	3,231			858					604	4,693
Feb-17	3,080			474	1,087					4,641
Mar-17	1,350		695	1,219	1,510					4,773
Apr-17	7,572			724	544					8,840
TOTAL	42,493	0	5,376	7,413	10,722	50,316	0	0	846	117,165

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

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

Month	Admin & Retainer	CIP	Studies & Projects	TOTAL	Reimbursable from Projects
May-16	2,508	12,863	7,014	22,385	7,014
Jun-16	1,280	4,960	2,191	8,431	2,191
Jul-16	480			480	0
Aug-16	480	14,917		15,397	0
Sep-16	480	8,597		9,077	0
Oct-16	480	17,965		18,445	0
Nov-16	480	12,365	254	13,098	254
Dec-16	480	3,392	2,424	6,296	2,424
Jan-17	480	5,662	4,069	10,210	4,069
Feb-17	1,494	11,649	806	13,949	806
Mar-17	480	7,552		8,032	
Apr-17	480	5,594		6,074	
TOTAL	9,602	105,515	16,757	131,875	16,758

Calcon T&M Projects Tracking
as of 4/30/17

Project No.	Name	Acct No.	Proposal Date	Approved Date	Project Budget	Project Total Billing (thru 6/30/16)	Project Billing FY2016-17	Project Budget Remaining
CAL-13-EMG	Emergency Callout							
CAL-14-EMG	Emergency Callout							
CAL-15-EMG	Emergency Callout						\$790.00	
CAL-17-EMG	Emergency Callout						\$3,435.77	
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
CAL-13-02	Nunes Control System Upgrades		9/30/13	10/8/13	\$46,141.00	\$55,363.60		-\$9,222.60
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
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 Calrifier 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	\$6,702.86	\$779.24
CAL-15-04	Phase II Control System Upgrade		6/23/2015	8/11/2015	\$195,000.00	\$164,904.50		\$30,095.50
CAL-15-05	Permanganate Water Flow					\$1,567.15		-\$1,567.15
CAL-16-04	Radio Network		12/9/2016	1/10/2017	\$126,246.11		\$91,358.18	\$34,887.93
CAL-16-05	El Granada Tank No. 3 Recoating		12/16/2016		\$6,904.50		\$405.00	\$6,499.50
CAL-17-01	Crystal Springs Leak Valve Control		2/8/2017	2/14/2017	\$8,701.29		\$560.00	\$8,141.29
CAL-17-02	Crystal Springs Requirements & Addtl Controls		2/8/2017	2/14/2017	\$38,839.50			\$38,839.50
SUBTOTAL					\$626,695.13	\$432,473.94	\$103,251.81	\$101,898.01

Other: Maintenance

Tanks	\$ 3,623.68
Crystal Springs Maintenance	\$ 1,470.39
Nunes Maintenance	\$ 10,808.73
Denniston Maintenance	\$ 29,676.85
Main Office	\$ 2,425.25

TOTAL FY2016/17

\$151,256.71

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE REGULAR BOARD OF DIRECTORS MEETING

Tuesday, April 11, 2017

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

Also present: David Dickson, General Manager; Mary Rogren, Assistant General Manager; Julie Sherman, Legal Counsel; Cathleen Brennan, Water Resources Analyst; and JoAnne Whelen, Administrative Assistant/Recording Secretary.

- 2) **PLEDGE OF ALLEGIANCE**

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

- 4) **CONSENT CALENDAR**

- A. Approval of disbursements for the month ending March 31, 2017:
Claims: \$1,034,131.25; Payroll: \$88,604.75 for a total of \$1,122,736.00
- B. Acceptance of Financial Reports
- C. Approval of Minutes of March 14, 2017 Regular Board of Directors Meeting
- D. Approval of Minutes of March 16, 2017 Special Board of Directors Meeting
- E. Approval of Minutes of March 29, 2017 Special Board of Directors Meeting
- F. Monthly Water Transfer Report
- G. Installed Water Connection Capacity and Water Meters Report
- H. Total CCWD Production Report
- I. CCWD Monthly Sales by Category Report - March 2017
- J. Monthly Emergency Main & Service Repairs Report and Water Line Flushing Report
- K. Monthly Rainfall Reports
- L. S.F.P.U.C. Hydrological Report for the month of February 2017

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

ON MOTION BY Director Coverdell and seconded by Director Glassberg, the Board voted by roll call vote, to approve the Consent Calendar in its entirety:

Director Coverdell	Aye
Director Mickelsen	Aye
Director Glassberg	Aye
Vice-President Feldman	Aye
President Reynolds	Absent

Director Glassberg requested that some revisions be made to the District's Monthly Investment Report in the future, specifically showing a comparison to the previous year.

5) **MEETINGS ATTENDED / DIRECTOR COMMENTS**

There were no reports of meetings attended or Director comments.

6) **GENERAL BUSINESS**

A. **Quarterly Financial Review**

Ms. Rogren summarized the year to date revenue and expenses for the first nine months of Fiscal year 2016-2017, reviewing some of the key year to date revenue and expense highlights.

B. **Fiscal Year 2017-2018 Budget Process Timeline**

Ms. Rogren reviewed the proposed timeline schedule for upcoming budget meetings and outreach activities.

C. **Draft Fiscal Year 2017-2018 Operations Budget and Draft Fiscal Year 2017/2018 to 2026/2027 Capital Improvement Program**

Ms. Rogren acknowledged John Farnkoph, Senior Vice-President and Rick Simonson, Vice President with HF&F Consultants. She then once again presented the Draft Fiscal year 2017/2018 Operations Budget to the Board, reviewing in detail, the Budget Risks and Opportunities and the Draft Capital Improvement Program.

D. **Fiscal Year 2017/2018 to FY 2022/2023 Financing Plan and Proposed Water Rate Increase; Cost of Service Analysis**

Ms. Rogren examined the District's Financing Plan, Reserves, and Cost of Service Analysis. The District's financing model was utilized to evaluate the impacts of some alternatives to meet the District's reserve requirements and objectives.

E. Schedule a Public Hearing on Proposed Rate Increase and Authorize Issuance of a Notice of Public Hearing and Proposed Rate Increase

Ms. Rogren informed the Board that in order to comply with the requirements of Proposition 218, the recommended Board action would authorize issuance of a notice of a rate increase and schedule a public hearing for June 13, 2017.

Director Coverdell made a motion to approve the Notice of the Public Hearing and Proposed Rate Increase, but before the motion received a second, Vice-President Feldman suggested changing the wording on the Proposition 218 notice in the first paragraph to read "to consider a proposed increase of 0% on the Base Charge and up to 5% in the District's Water Consumption Quantity Charges as shown in the schedule below." Director Coverdell accepted the amendment to his motion.

ON MOTION BY Director Coverdell and seconded by Director Glassberg, the Board voted by roll call vote, to schedule a Public Hearing for Tuesday, June 13, 2017 on the proposed rate increase and authorize staff to issue a Notice of Public Hearing for the proposed rate increase based on the revised language referenced above proposed by Vice-President Feldman:

Director Coverdell	Aye
Director Mickelsen	Aye
Director Glassberg	Aye
Vice-President Feldman	Aye
President Reynolds	Absent

F. Professional Services Agreement with Analytical Environmental Services for Pilarcitos Canyon Pipeline Replacement Project Mitigated Negative Declaration

Mr. Dickson reviewed the background of this project, explaining that the District has been working with the San Francisco Public Utilities Commission over the past four to five years to come up with a plan to replace the pipeline that will work for both SFPUC and the District. Mr. Dickson explained the District's plan for the pipeline replacement and identified a number of requirements that must be met, including preparing an environmental review document under the California Environmental Quality Act (CEQA), which Analytical Environmental Services (AES) will be able to assist the District in accomplishing. Brief discussion about the process and time frame ensued.

ON MOTION BY Director Coverdell and seconded by Director Mickelsen, the Board voted by roll call vote, to authorize the General Manager to execute a Professional Services Agreement with Analytical Environmental Services (AES) for preparation of a Mitigated Negative Declaration and other permitting assistance for the Pilarcitos Canyon Pipeline Replacement Project for a cost not to exceed \$97,175:

Director Coverdell	Aye
Director Mickelsen	Aye
Director Glassberg	Aye
Vice-President Feldman	Aye
President Reynolds	Absent

G. Ordinance 2017-01 - Rescinding Resolution 2014-06 which implemented Stage 2 of the Water Shortage Contingency Plan and Ordinance 2016-01, which amended the mandatory water use restrictions and prohibitions under Stage 2

Ms. Brennan reviewed the background of this agenda item, advising that based on the significant improvement of the drought conditions across the state, and Governor Brown's Executive Order B-40-17, issued on April 7, 2017, staff is recommending that Resolution 2014-06 and Ordinance 2016-01 be rescinded by the adoption of Ordinance 2017-01.

ON MOTION BY Director Glassberg and seconded by Director Mickelsen, the Board voted by roll call vote, to adopt Ordinance 2017-01, rescinding Resolution No. 2014-06, which implemented Stage 2 of the Water Shortage Contingency Plan; and rescinding Ordinance 2016-01, which amended the mandatory water use restrictions and prohibitions under Stage 2:

Director Coverdell	Aye
Director Mickelsen	Aye
Director Glassberg	Aye
Vice-President Feldman	Aye
President Reynolds	Absent

7) GENERAL MANAGER'S REPORT AND MONTHLY INFORMATIONAL REPORTS

- SFPUC Final Water Supply Availability Estimate - Mr. Dickson advised that SFPUC has provided its final Water Supply Availability Estimate for the upcoming year, confirming that there is "no need to continue voluntary reductions in any part of the service area".

A. Superintendent of Operations Report - Mr. Dickson advised that Mr. Guistino was not present at the meeting, but he answered the Board's questions about the recent water leak at the Ritz Carlton Hotel.

8) DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS

Director Coverdell requested an update on the status on San Vicente water rights in the near future and Vice-President Feldman inquired about the availability of the report from the recent Strategic Planning Session, conducted on March 16, 2017.

9) **ADJOURNMENT** - The meeting was adjourned at 8:28 p.m.

Respectfully submitted,

David Dickson, General Manager
Secretary to the District

Robert Feldman, Vice-President
Board of Directors

STAFF REPORT

To: Coastside County Water District Board of Directors

From: David Dickson, General Manager

Agenda: May 9, 2017

Report

Date: May 1, 2017

Subject: Monthly Water Transfer Report - April 2017

Recommendation:

None. For Board information purposes only.

Background:

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

During the month of April, two (2) applications to transfer two (2) -- 5/8" (20 gpm) non-priority water service connections were approved. A spreadsheet reporting these transfers follows this report as well as the approval memorandums from Patrick Miyaki and the confirmation letters from Gina Brazil.

**NON PRIORITY WATER TRANSFERS APPROVED FOR THE 2017 CALENDAR YEAR
MONTH OF APRIL 2017**

DONATING APN	PROPERTY OWNER(S)	RECIPIENT APN	PROPERTY OWNER(S)	# OF CONNECTIONS	DATE
056-116-140	Charles & Trula Floyd	047-095-070	Xiaming Huang & Keving Peng	1 -- 5/8"	April 7, 2017
115-520-170	Charles J. Keenan III (c/o Joyce Yamigiwa)	056-135-240	Jeffrey & Jessica Cislina	1 -- 5/8"	April 25, 2017

Memorandum

TO: Gina Brazil
FROM: Patrick T. Miyaki
DATE: April 7, 2017
RE: **Application to Transfer One Uninstalled Non-Priority Water Service Connections from Charles & Trula Floyd to Xiaoming Huang and Kevin Peng**

Gina, I have reviewed the Application to transfer one 5/8-inch uninstalled non-priority water service connection from property owned by Charles & Trula Floyd (APN 056-116-140) to Xiaoming Huang and Kevin Peng (APN 047-095-070).

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

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

PTM:slh

cc: David Dickson, General Manager
Patrick T. Miyaki

April 7, 2017



Charles & Trula Floyd
551 Alsace Lorraine
Half Moon Bay, CA 94019

and

Xiaoming Huang & Kevin Peng
434 Moscow Street
San Francisco, CA 94112

RE: Approval - Request for Transfer of Water Service Connection Capacity

Dear Property Owners:

This is official confirmation that the Coastside County Water District has approved your request to transfer one (1) - 5/8" non-priority water service connection. The result of this transfer is as follows:

- **APN 056-116-140** continues to have the rights to two (2) -- 5/8" (20 gpm) uninstalled non-priority water service connections from the Coastside County Water District; and
- **APN 047-095-070** now has a one 5/8" (20 gpm) non-priority water service connection assigned to it from the Crystal Springs Project.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Gina Brazil".

Gina Brazil
Office Manager

cc: David Dickson, General Manager

Memorandum

TO: Gina Brazil

FROM: Patrick T. Miyaki

DATE: April 25, 2017

RE: **Application to Transfer One Uninstalled Non-Priority Water Service Connection from Charles J. Keenan III Trustee (c/o Joyce Yamigiwa) to Jeffrey and Jessica Cislini.**

Gina, I have reviewed the Application to transfer one 5/8-inch uninstalled non-priority water service connection from property owned by Charles J. Keenan III Trustee (c/o Joyce Yamigiwa) (APN 115-520-170) to Jeffrey and Jessica Cislini (APN 056-135-240).

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

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

PTM:slh

cc: David Dickson, General Manager
Patrick T. Miyaki



April 25, 2017

Charles Keenan, Trustee
c/o Joyce Yamigiwa
700 Emerson Street
Palo Alto, CA 94301

and

Jeffrey T. and Jessica C. Cislini
321 Granelli Avenue
Half Moon Bay, CA 94019

RE: Approval - Request for Transfer of Water Service Connection Capacity

Dear Property Owners:

This is official confirmation that the Coastside County Water District has approved your request to transfer one - 5/8" non-priority water service connections. The result of this transfer is as follows:

- APN 115-520-170 continues to have the rights to forty (40) -- 5/8" (20 gpm) non-priority water service connections from the Coastside County Water District; and
- APN 056-135-240 now has one (1) -- 5/8" (20 gpm) uninstalled non-priority water service connection assigned to it from the Crystal Springs Project.

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

Sincerely,

Gina Brazil
Office Manager

cc: David Dickson, General Manager

COASTSIDE COUNTY WATER DISTRICT
Installed Water Connection Capacity & Water Meters

FY 2017

Installed Water Connection Capacity	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
HMB Non-Priority													
0.5" capacity increase													0
5/8" meter	1	1			3					1			6
3/4" meter					1					2			3
1" meter				1									1
1 1/2" meter													0
2" meter													0
3" meter				1									1
HMB Priority													
0.5" capacity increase													0
5/8" meter				1	1								2
3/4" meter													0
1" meter													0
1 1/2" meter													0
2" meter													0
County Non-Priority													
0.5" capacity increase													0
5/8" meter		1	2	1		1							5
3/4" meter													0
1" meter													0
County Priority													
5/8" meter													0
3/4" meter													0
1" meter									1				1
Monthly Total	1	2	2	4	5	1	0	0	0	3	0	0	19

5/8" meter = 1 connection
 3/4" meter = 1.5 connections
 1" meter = 2.5 connections
 1.5" meter = 5 connections
 2" meter = 8 connections
 3" meter= 17.5 connections

Installed Water Meters	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Totals
HMB Non-Priority	1	1		20	4.5					4			30.5
HMB Priority				1	1								2
County Non-Priority		1	2	1		1							5
County Priority									1.5				1.5
Monthly Total	1	2	2	22	5.5	1	0	0	1.5	4	0	0	39

Fiscal Year 2017 Water Service Installations

FY 2017

APN	Name	Install Address	City/Community	Meter Size	Type	Date Installed	Notes
056-081-380	Nava, Kenneth & Yvonne	694 Terrace Ave	HMB	5/8"	dom	25-Jul-16	with 1" fire
047-218-150	Engdahl, Maxine	640 Ferdinand	EG	5/8"	dom	5-Aug	with 1" fire
064-321-120	Jones, Lani and Greg	371 Magnolia St	HMB	5/8"	dom	11-Aug	with 1" fire
048-013-090	Philomena LLC	114 Magellan Ave.	Miramar	5/8"	dom	27-Sep	with 1" fire
047-062-170	DaRosa, Tom	431 Sonora Ave.	EG	5/8"	dom	28-Sep	1" fire installed 10/6/16
047-221-070	Sanchez, Cesar	435 Avenue Del Oro	EG	5/8"	dom	3-Oct	with 1" fire
056-502-080	Oceanview Foundation	1001 Main Street	HMB	1"	irr	4-Oct	
056-502-080	Oceanview Foundation	1001 Main Street	HMB	3"	dom	4-Oct	
056-116-120	Gray, Kenneth	419 Correas Street	HMB	5/8"	dom	11-Oct	failed well
047-071-230	McKee, Patrick and Barbara	139 Madrona Ave.	EG	5/8"	dom	1-Nov	failed well
064-052-320	McGregor, Paul	220 Myrtle Street	HMB	5/8"	dom	8-Nov	with 1" fire
066-600-270	Carnoustie LLC	119 Carnoustie Dr	HMB	3/4"	dom	24-Oct	
048-121-160	Ralston, Randy	2805 Champs Elysee	HMB	5/8"	dom	15-Nov	with 1" fire
056-056-020	McGregor, Paul	456 Grand Blvd.	HMB	5/8"	dom	10-Nov	with 1" fire
056-141-710	Negrete, Sal	460-462 Oak Ave.	HMB	5/8"	second	7-Dec	
047-287-260	Machado, Doug	917 PalmaSt.	EG	5/8"	dom	14-Dec	with 1" fire
047-175-060	McCaffery, Tom	338 San Pedro	EG	1"	fire	23-Mar	remodel
047-082-010	Barbara's Fish Trap	281 Capistrano Rd	EG	1"	dom	28-Mar	increased capacity from original 5/8" meter
056-058-350	TDR Properties	345 Belleville Blvd	HMB	5/8"	dom	6-Apr	with 1" fire
066-600-300	Carnoustie LLC	125 Carnoustie Dr	HMB	3/4"	dom	3-Apr	with 2" fire
066-600-280	Carnoustie LLC	121 Carnoustie Dr	HMB	3/4"	dom	3-Apr	with 2" fire

TOTAL CCWD PRODUCTION (MG) ALL SOURCES- FY 2017

	CCWD Sources			SFPUC Sources		RAW WATER TOTAL	UNMETERED WATER	TREATED TOTAL
	DENNISTON WELLS	DENNISTON RESERVOIR	PILARCITOS WELLS	PILARCITOS LAKE	CRYSTAL SPRINGS RESERVOIR			
JUL	1.58	15.50	0.00	37.11	7.05	61.24	4.36	56.88
AUG	2.55	10.84	0.00	4.40	51.18	68.97	4.12	64.85
SEPT	2.28	10.35	0.00	0.00	45.04	57.67	3.37	54.30
OCT	0.49	1.71	0.00	0.00	57.09	59.29	1.76	57.53
NOV	0.01	1.13	10.91	0.00	26.92	38.97	2.15	36.82
DEC	0.00	13.01	13.18	0.00	17.59	43.78	2.05	41.73
JAN	0.00	2.32	18.25	0.00	14.98	35.55	2.24	33.31
FEB	0.00	0.00	23.75	4.01	6.36	34.12	3.72	30.41
MAR	0.43	5.18	25.41	13.01	1.80	45.83	3.33	42.50
APR	0.00	14.05	0.00	25.41	1.87	41.33	3.54	37.79
MAY								
JUN								
TOTAL	7.34	74.09	91.50	83.94	229.88	486.75	30.65	456.11
% MONTHLY TOTAL	0.00%	33.99%	0.00%	61.48%	4.52%	100.00%	0.09	91.44%
% ANNUAL TO DATE TOTAL	1.5%	15.2%	18.8%	17.2%	47.2%	100.0%	6.30%	93.7%
Local vs Imported-month	95.5%	4.52%	CCWD vs SFPUC- month		34.0%	66.0%		
Local vs Imported-annual	52.8%	47.2%	CCWD vs SFPUC- annual		35.5%	64.5%		
	Local Source	Imported Source						

12 Month Running Treated Total 579.08

TOTAL CCWD PRODUCTION (MG) ALL SOURCES- FY 2016

	DENNISTON WELLS	DENNISTON RESERVOIR	PILARCITOS WELLS	PILARCITOS RESERVOIR	CRYSTAL SPRINGS RESERVOIR	RAW WATER TOTAL	UNMETERED WATER	TREATED TOTAL
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	2.67	35.27
FEB	0.00	17.51	11.08	7.89	3.27	39.75	2.19	37.56
MAR	0.05	9.33	13.85	15.86	0.11	39.20	3.21	35.99
APR	0.00	18.08	13.24	10.30	1.96	43.58	3.26	40.32
MAY	0.00	24.01	2.70	33.79	4.03	64.53	3.92	60.62
JUN	1.45	18.80	0	39.29	7.69	67.23	4.87	62.36
TOTAL	1.50	112.08	67.52	107.13	323.15	611.37	35.60	575.77
% TOTAL	0.2%	18.3%	11.0%	17.5%	52.9%	100.0%	5.82%	94.2%

 denotes estimated due to faulty SFPUC meter

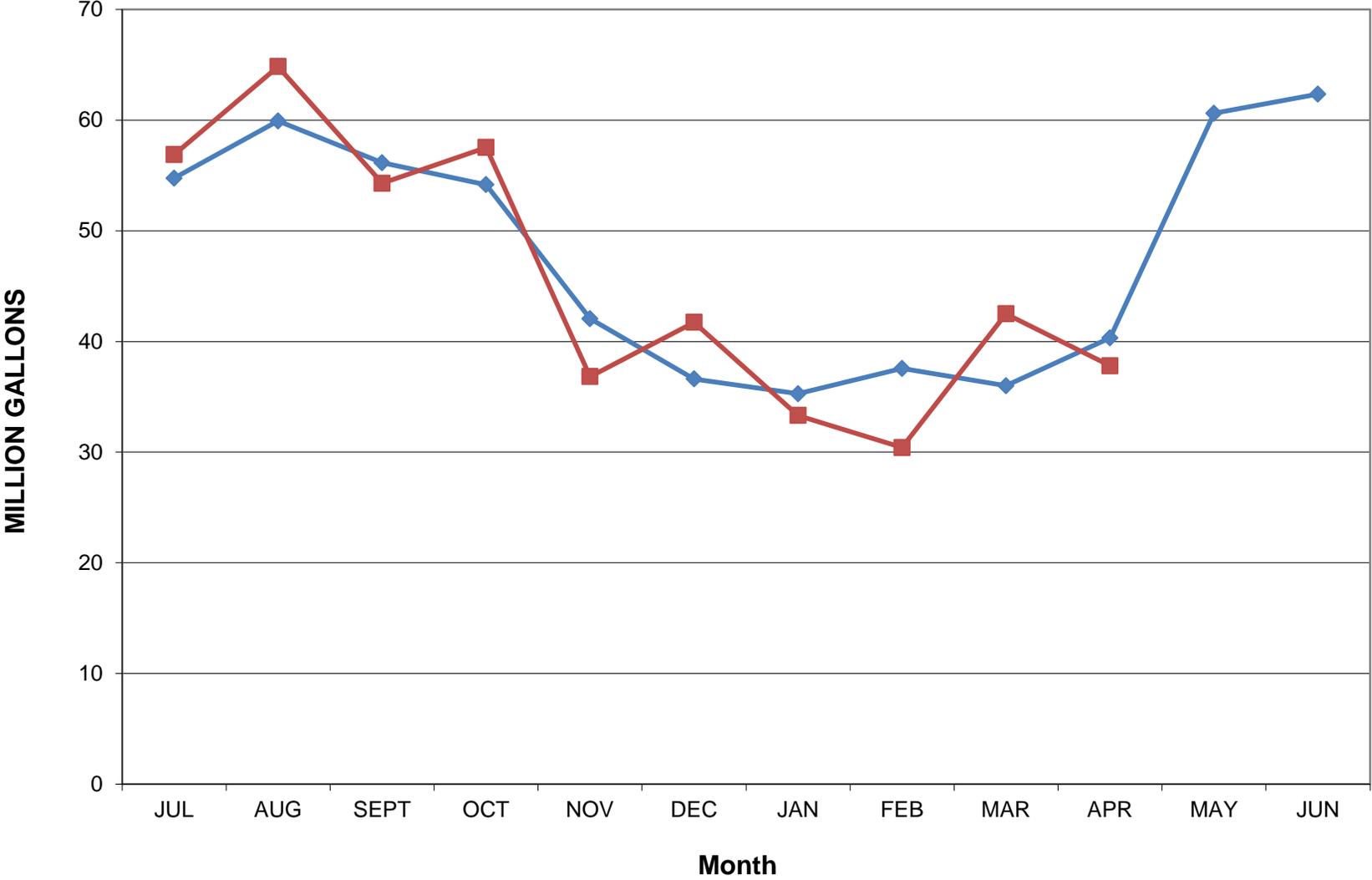
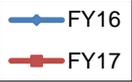
COASTSIDE COUNTY WATER DISTRICT

Predicted vs Actual Production - All Sources FY 17

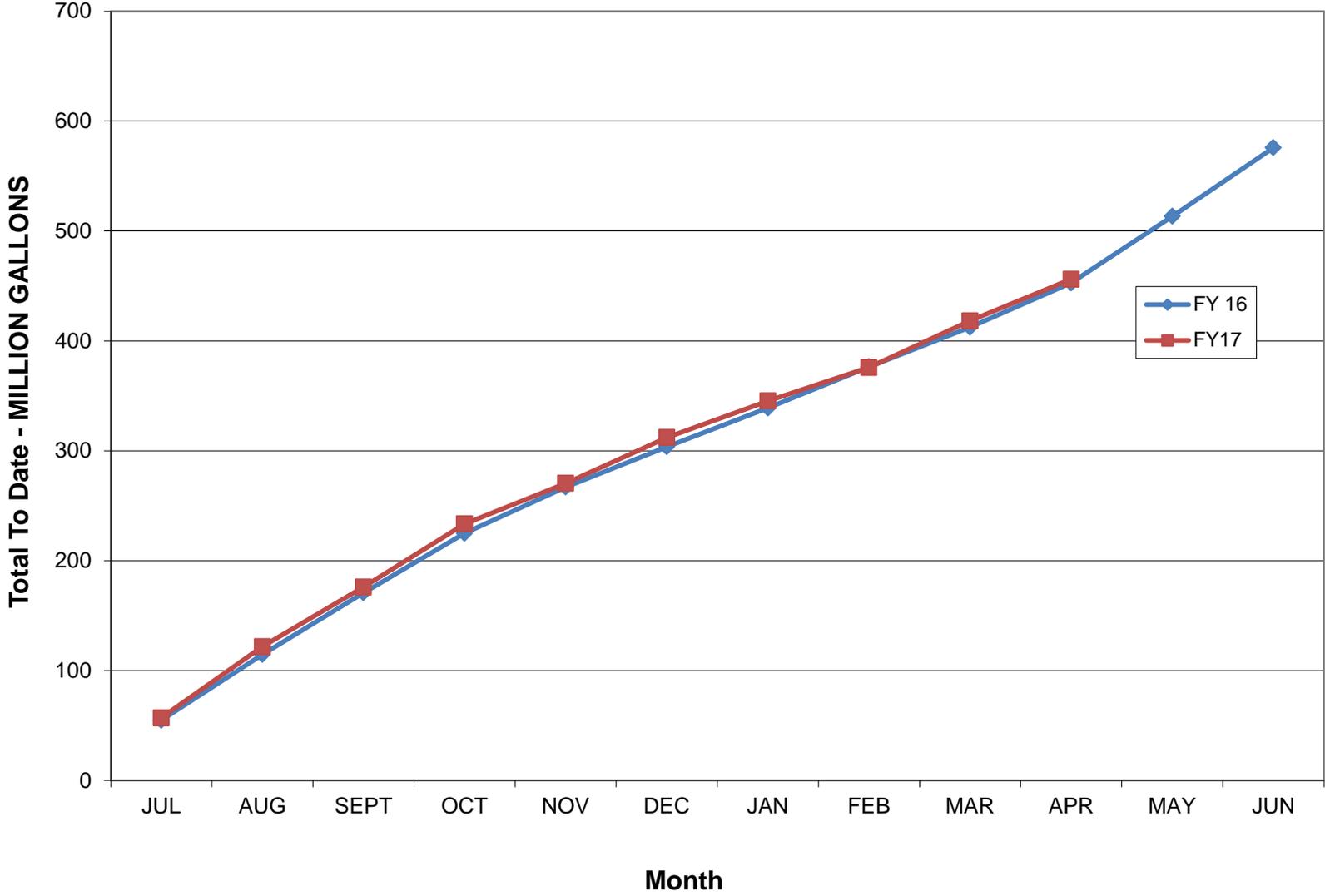
	Denniston Surface			Denniston Wells			Pilarcitos Wells			Pilarcitos Surface			SFWD CSP			SFWD Total	
	Actual MG	Predicted MG	pred-act	Actual MG	Predicted	pred-act	Actual MG	Predicted MG	pred-act	Actual MG	Predicted MG	pred-act	Actual MG	Predicted MG	pred-act	Actual MG	Predicted MG
Jul-16	15.50	0.00	-15.50	1.58	0.00	-1.58	0.00	0.00	0.00	37.11	0.00	-37.11	9.62	57.30	47.68	46.73	57.30
Aug-16	10.84	0.00	-10.84	2.55	0.00	-2.55	0.00	0.00	0.00	4.40	0.00	-4.40	51.18	61.04	9.86	55.58	61.04
Sep-16	10.35	0.00	-10.35	2.28	0.00	-2.28	0.00	0.00	0.00	0.00	0.00	0.00	45.04	67.77	22.73	45.04	67.77
Oct-16	1.71	0.00	-1.71	0.49	0.00	-0.49	0.00	0.00	0.00	0.00	0.00	0.00	57.09	66.27	9.19	57.09	66.27
Nov-16	1.13	0.00	-1.13	0.01	0.00	-0.01	10.91	4.94	-5.97	0.00	0.00	0.00	26.92	45.33	18.41	26.92	45.33
Dec-16	13.01	12.49	-0.52	0.00	0.00	0.00	13.18	16.46	3.28	0.00	16.64	16.64	17.59	0.00	-17.59	17.59	16.64
Jan-17	2.32	12.49	10.17	0.00	0.00	0.00	18.25	17.20	-1.05	0.00	8.98	8.98	14.98	0.00	-14.98	14.98	8.98
Feb-17	0.00	12.49	12.49	0.00	0.00	0.00	23.75	19.45	-4.30	4.01	8.98	4.96	6.36	0.00	-6.36	10.37	8.98
Mar-17	5.18	12.64	7.46	0.43	0.00	-0.43	25.41	19.45	-5.96	13.01	5.31	-7.70	1.80	0.00	-1.80	14.81	5.31
Apr-17	14.05	12.64	-1.41	0.00	2.85	2.85	0.00	0.00	0.00	25.41	30.37	4.96	1.87	0.00	-1.87	27.28	30.37
May-17			#VALUE!			#VALUE!			#VALUE!			#VALUE!			#VALUE!	0.00	34.11
Jun-17			#VALUE!			#VALUE!			#VALUE!			#VALUE!			#VALUE!	0.00	0.00
MG Totals	74.09	62.75	-11.34	7.34	2.85	-4.49	91.50	77.49	-14.01	83.94	70.27	-13.67	232.45	297.70	65.26	316.39	402.09

	Actual non SFPUC	Predicted non SFPUC	Actual SFPUC	Predicted SFPUC	TOTAL Actual	TOTAL Predicted	TOTAL Pred-act
	172.93	143.09	316.39	367.98	489.32	511.07	21.75
% Total	35.34%	28.00%	64.66%	72.00%	95.74%		

Monthly Production FY 16 vs FY 17



Cumulative Production FY 16 vs.FY17



Plant Water Use*			Non Revenue Water					2017				MG	
	Denniston Plant	Nunes Plant	Total	Main Flushing	Main Breaks	Fire Dept	Miscellaneous	Denniston Holding Pond	Autoflush	Tank Level Difference	Total		
JAN	1.070	1.430	2.500	0.000	0.040	0.000	0.024	0.000	0.139	-0.553	2.150		
FEB	0.000	1.770	1.770	0.000	0.0003	0.000	2.000	0.000	0.024	-0.099	3.695		
MAR	0.370	1.800	2.170	0.000	0.403	0.000	0.090	0.157	0.024	0.487	3.331		
APR	1.420	1.590	3.010	0.000	0.131	0.000	0.000	0.285	0.024	0.086	3.536		
MAY											0.000		
JUN											0.000		
JUL											0.000		
AUG											0.000		
SEP											0.000		
OCT											0.000		
NOV											0.000		
DEC											0.000		
TOTAL	2.86	6.59	9.45	0.00	0.57	0.00	2.11	0.44	0.21	-0.08	12.71		

* water removed from system and not returned

Denniston Samples	3009.33 gal/day	Dec	denniston overflow	0.069
Nunes Samples	8750.33 gal/day	Jan	denniston pond discharge	
		May	autoflush malfunction	0.1728

Plant Water Use*			Unmetered Water					2016				MG	
	Denniston Plant	Nunes Plant	Total	Main Flushing	Detector Checks*	Main Breaks	Fire Dept	Miscellaneous	Denniston Holding Pond	Miscellaneous	Tank Level Difference	Total	
JAN	1.070	1.430	2.500	0.005	0.022	0.000	0.006	0.000	0.013	0.139	0.002	2.686	
FEB	1.220	1.130	2.350	0.001	0.012	0.010	0.000	0.000	0.011	0.139	-0.326	2.197	
MAR	0.850	1.610	2.460	0.000	0.011	0.010	0.030	0.013	0.270	0.139	0.274	3.206	
APR	1.740	1.400	3.140	0.000	0.008	0.030	0.000	0.000	0.000	0.139	0.149	3.466	
MAY	1.920	1.560	3.480	0.000	0.019	0.173	0.000	0.000	0.000	0.139	0.153	3.964	
JUN	1.740	1.790	3.530	0.872	0.010	0.309	0.000	0.000	0.000	0.139	0.006	4.867	
JUL	1.810	2.150	3.960	0.512	0.009	0.011	0.000	0.000	0.000	0.139	-0.273	4.358	
AUG	1.380	1.980	3.360	0.000	0.011	0.089	0.000	0.000	0.283	0.139	0.240	4.123	
SEP	1.240	1.420	2.660	0.000	0.127	0.005	0.000	0.000	0.303	0.139	0.140	3.374	
OCT	0.130	1.600	1.730	0.000	0.007	0.020	0.000	0.000	0.000	0.139	-0.131	1.764	
NOV	1.650	0.000	1.650	0.000	0.008	0.006	0.000	0.002	0.125	0.139	0.224	2.154	
DEC	0.000	1.610	1.610	0.000	0.025	0.000	0.000	0.000	0.289	0.139	-0.010	2.054	
TOTAL	14.75	17.68	32.43	1.39	0.27	0.66	0.04	0.02	1.29	1.67	0.45	38.21	

**Coastside County Water District Monthly Sales By Category (MG)
FY2017**

	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	MG to Date
RESIDENTIAL	19.638	39.197	19.950	34.540	16.008	28.428	17.071	24.825	12.670	27.256			239.58
COMMERCIAL	3.731	3.032	3.597	2.698	2.969	2.321	2.599	1.930	2.766	2.203			27.85
RESTAURANT	1.745	1.569	1.937	1.353	1.596	1.260	1.343	0.975	1.405	1.204			14.39
HOTELS/MOTELS	3.004	3.420	2.778	2.425	2.239	1.857	2.048	1.700	2.288	2.200			23.96
SCHOOLS	0.659	0.754	0.723	0.722	0.332	0.223	0.131	0.470	0.238	0.329			4.58
MULTI DWELL	2.572	2.697	2.403	2.659	2.161	2.671	2.377	2.503	2.403	2.717			25.16
BEACHES/PARKS	0.579	0.500	0.406	0.343	0.206	0.120	0.153	0.097	0.198	0.185			2.79
AGRICULTURE	5.160	5.131	4.784	7.124	5.950	4.090	4.353	4.155	5.704	6.320			52.77
RECREATIONAL	0.242	0.282	0.221	0.220	0.186	0.211	0.185	0.192	0.214	0.263			2.22
MARINE	0.498	0.524	0.638	0.391	0.501	0.565	0.464	0.418	0.462	0.427			4.89
IRRIGATION	1.538	3.239	2.703	2.395	0.471	0.406	0.377	0.199	0.304	0.489			12.12
RAW WATER	10.081	8.593	9.711	8.440	0.141	2.079	0.000	0.000	0.004	0.703			39.75
Detector Checks	0.009	0.011	0.013	0.007	0.008	0.025	0.022	0.019	0.062	0.021			0.20
Portable Meters	0.099	0.895	0.404	0.496	0.299	0.155	0.094	0.083	0.141	0.159			2.82
TOTAL - MG	49.55	69.85	50.27	63.81	33.07	44.41	31.22	37.57	28.86	44.48	0.00	0.00	453.08

Non Residential Usage	29.916	30.649	30.317	29.273	17.061	15.983	14.146	12.743	16.189	17.220	0.000	0.000	
Running 12 Month Total										565.53			
12 mo Residential										294.77			
12 mo Non Residential										270.77			
Total	#VALUE!	565.53	#VALUE!	#VALUE!									

FY 2016

	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	MG to Date
RESIDENTIAL	16.404	36.028	19.921	35.811	17.330	26.355	15.604	26.528	14.252	23.645	17.277	37.908	287.06
COMMERCIAL	5.667	3.049	3.291	2.591	2.874	2.085	2.685	2.306	2.777	1.976	3.822	2.684	35.81
RESTAURANT	1.461	1.871	1.921	1.486	1.462	1.132	1.530	1.254	1.523	1.034	1.946	1.354	17.98
HOTELS/MOTELS	2.439	3.397	3.086	2.502	2.528	1.985	2.440	2.164	2.352	2.035	3.535	2.573	31.04
SCHOOLS	0.530	0.619	0.782	0.830	0.536	0.261	0.194	0.297	0.309	0.221	0.791	0.688	6.06
MULTI DWELL	1.815	2.930	2.426	2.736	2.135	2.387	2.422	2.558	2.155	2.127	2.922	2.786	29.40
BEACHES/PARKS	0.413	0.498	0.673	0.352	0.287	0.158	0.162	0.153	0.178	0.141	0.356	0.429	3.80
AGRICULTURE	4.342	5.487	4.794	5.120	5.653	3.664	3.549	4.523	5.588	4.971	7.473	4.559	59.72
RECREATIONAL	0.173	0.263	0.209	0.206	0.158	0.153	0.161	0.166	0.154	0.153	0.245	0.220	2.26
MARINE	0.491	0.592	0.680	0.425	0.397	0.260	0.328	0.278	0.373	0.442	0.652	0.445	5.36
IRRIGATION	4.941	6.605	5.648	1.765	0.612	0.396	0.137	0.158	0.187	0.376	4.553	4.927	30.31
RAW WATER	3.736	6.878	6.416	5.393	5.210	1.716	1.513	1.471	1.147	0.902	2.631	7.195	44.21
Portable Meters	0.697	1.057	0.560	0.687	0.518	0.144	0.066	0.099	0.122	0.141	0.231	0.254	4.58
TOTAL - MG	43.11	69.27	50.41	59.90	39.70	40.69	30.79	41.96	31.12	38.16	46.43	66.02	557.58

Non Residential Usage	26.706	33.246	30.486	24.093	22.371	14.340	15.187	15.428	16.865	14.519	29.156	28.114	
Running 12 Month Total													
12 mo Residential	1.37	4.37	6.03	9.01	10.46	12.65	13.95	16.17	17.35	19.32	20.76	23.92	
12 mo Non Residential	2.23	5.00	7.54	9.54	11.41	12.60	13.87	15.15	16.56	17.77	20.20	22.54	
Total	3.59	9.37	13.57	18.56	21.87	25.26	27.82	31.32	33.91	37.09	40.96	46.46	

MONTH	Apr-17												
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Coastside County Water District Monthly Discharge Report
EMERGENCY MAIN AND SERVICE REPAIRS

1	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
											OT			
1	4/2/2017	4/2/17	111 Megellan Ave	M	6" CI	120,000	N	N	\$1,000.00	\$150.00	4	5	\$1,500	\$2,650.00
2	4/11/2017	4/11/17	440 Metzgar Street	S	3/4"	500	N	N	\$125.00	\$100.00	1	2.5	\$125	\$350.00
3	4/10/2017	4/11/2017	432 Pine Street	M	4" CI	10,000	N	N	\$750.00	\$400.00	3	5	\$750	\$1,900.00
4	4/21/2017	4/24/2017	Alcatraz Street	M	2" B	500	N	N	\$250.00	\$250.00	3	5	\$750	\$1,250.00
5														\$0.00
6														\$0.00
7														\$0.00
8														\$0.00
Totals						131,000			\$2,125.00	\$900.00	11	17.5	\$3,125	\$6,150.00

*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 = 192.5

MONTH												
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	Flow Rate (gal/min)	Duration of Discharge (minutes)	Total Volumes (gallons)			
1									Flushing Program			
2									Reservoir Cleaning			
3									Automatic Blowoffs	24000		
3									Dewatering Operations	285000		
4									Other (includes flow testing)			
DEWATERING OPERATIONS GREATER THAN 350,000 GALLONS (requires prenotification to CWRCB)										Number of planned or emergency discharges greater than 50,000 gallons		
	Date	Location	Volume	pH			Chlorine Residual after dechlor			Duration (min)	2	
				5 min	20 min	end	5 min	20 min	end			
1												
2												
ANNUAL REPRESENTATIVE MONITORING												
	Date	Location	Volume (gal)	pH	Chlorine Residual after dechlor (ppm)						PLANNED DISCHARGES GRAND TOTAL (MG)	
1											309,000	

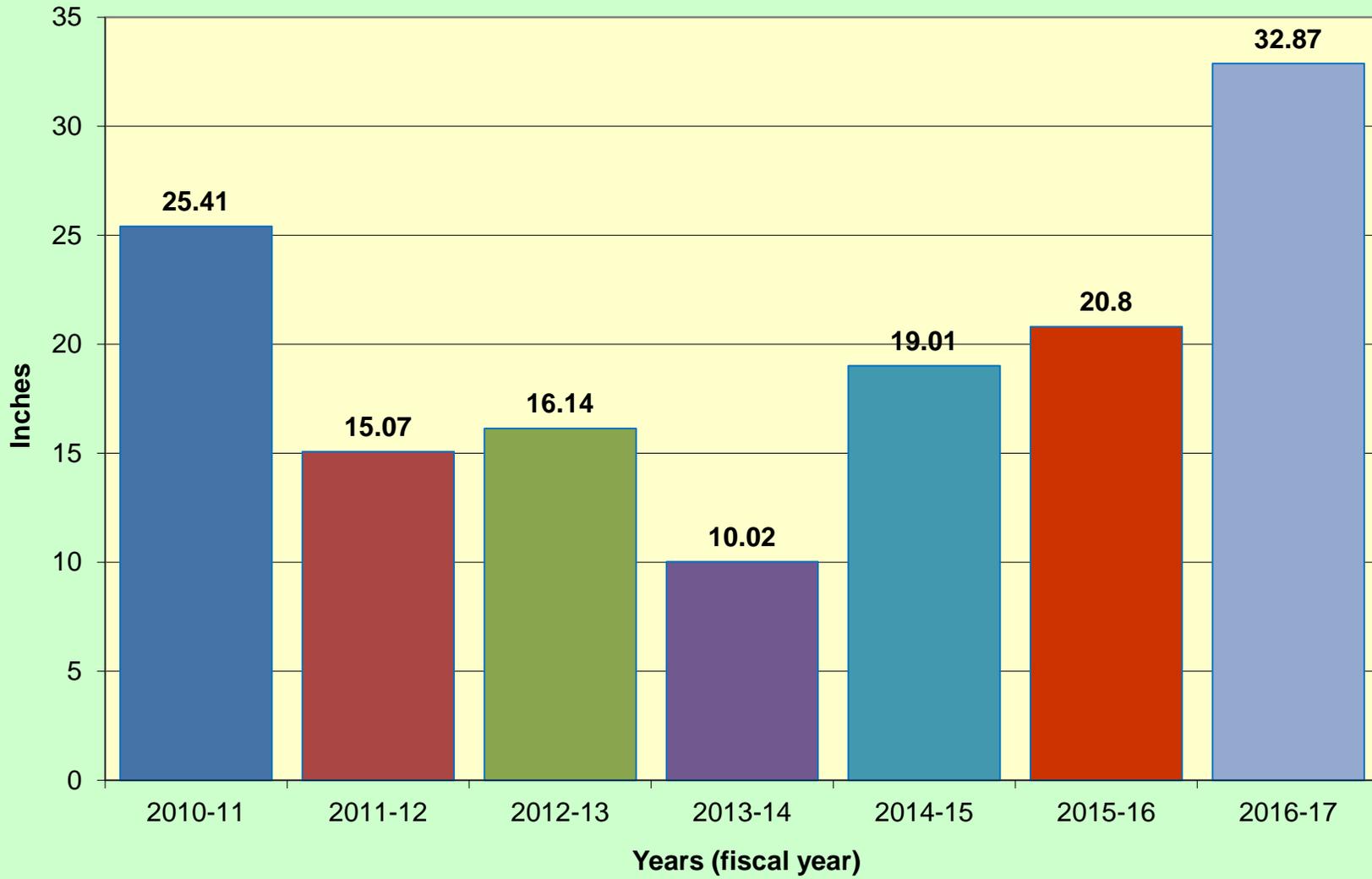
Coastside County Water District
 766 Main Street
 July 2016 - June 2017

District Office
 Rainfall in Inches

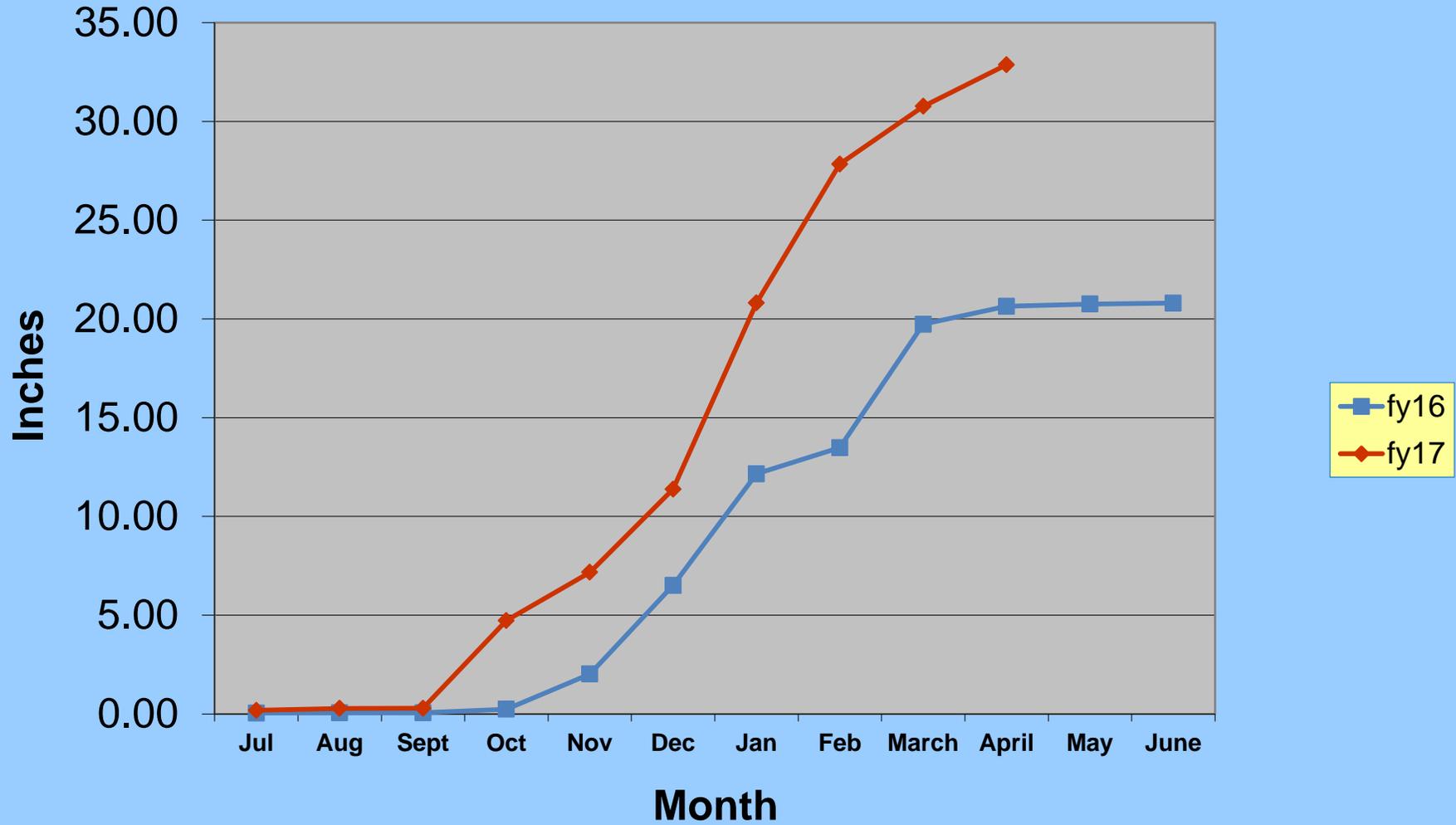
	2016						2017					
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
1	0	0	0.01	0	0.2	0.01	0.04	0.01	0.03	0.01		
2	0	0	0	0	0.01	0	0.15	0.14	0	0		
3	0	0	0	0.01	0	0	1.06	0.49	0.01	0.01		
4	0.01	0	0	0	0	0.01	0.41	0.1	0.47	0		
5	0.04	0.04	0	0.01	0.01	0	0.01	0.24	0.56	0		
6	0	0	0	0.01	0.02	0.01	0	0.48	0.15	0.75		
7	0.02	0	0	0	0	0.26	0.55	0.81	0.08	0.71		
8	0.06	0	0	0	0	0.27	0.92	0.39	0	0.15		
9	0.01	0.01	0	0	0.01	0.11	0.35	0.35	0.01	0.09		
10	0	0	0	0	0.01	1.06	1.09	0.32	0	0.05		
11	0	0	0	0	0.01	0.01	0.04	0.19	0.01	0.04		
12	0	0.01	0	0	0	0	0.35	0.15	0.01	0.07		
13	0	0	0	0	0.01	0.09	0	0.03	0	0.02		
14	0	0	0	0.56	0	0.08	0.01	0	0	0.02		
15	0.01	0.01	0	0.62	0.01	1.48	0.01	0	0.01	0.01		
16	0	0.01	0	0.96	0	0	0	0.34	0.03	0.01		
17	0	0.01	0	0.01	0.01	0	0	0.66	0	0.01		
18	0.01	0.01	0	0	0	0	0.92	0.44	0	0.01		
19	0	0	0	0	0.23	0	0.38	0.04	0	0		
20	0	0	0	0	0.31	0	1.28	0.75	0.3	0.01		
21	0	0	0	0.01	0	0	0.31	0.37	0.52	0		
22	0	0	0	0.01	0.25	0	0.8	0.16	0.2	0		
23	0.01	0	0	0.01	0.06	0.81	0.73	0.14	0.12	0		
24	0	0	0	0.07	0.01	0.01	0.01	0.2	0.09	0.02		
25	0	0	0	0	0	0	0.01	0.09	0.07	0		
26	0	0	0	0	0.84	0	0	0.06	0.09	0.12		
27	0	0	0	0.6	0.25	0	0	0.05	0.05	0		
28	0	0	0	0.38	0.15	0	0	0.03	0.04	0		
29	0	0	0	0.06	0	0	0		0.04	0		
30	0	0	0	1.08	0.04	0	0		0.02	0		
31	0.01	0		0.04		0	0		0.01			
Mon.Total	0.18	0.10	0.01	4.44	2.44	4.21	9.43	7.03	2.92	2.11	0.00	0.00
Year Total	0.18	0.28	0.29	4.73	7.17	11.38	20.81	27.84	30.76	32.87	32.87	32.87

Rain Totals

Fiscal Years 11 - 17



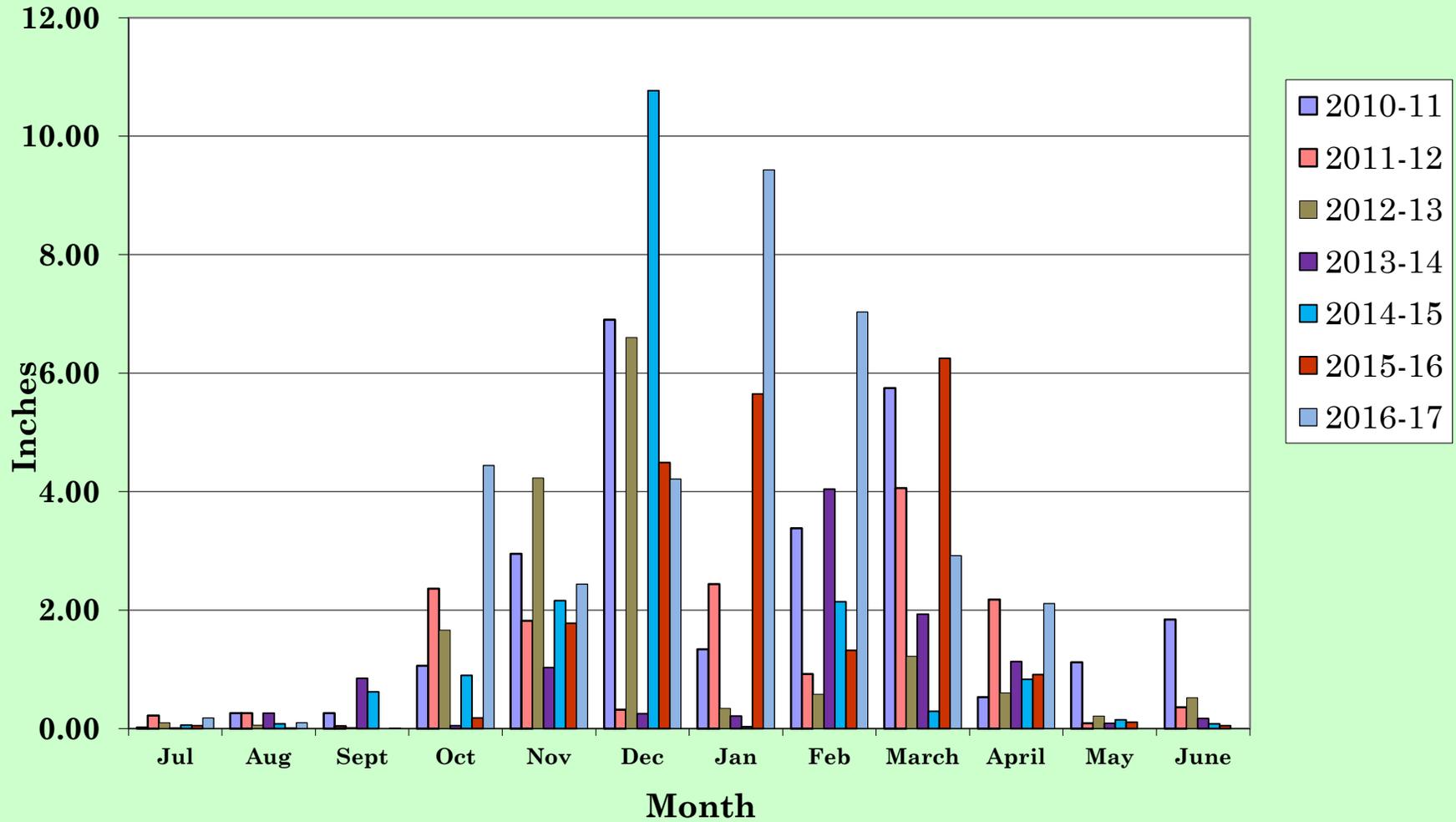
Rainfall Total Comparison Fiscal Years 16 and 17



Coastside County Water District

Rainfall by Month

Fiscal Years 11 - 17



MONTHLY CLIMATOLOGICAL SUMMARY for APR. 2017

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	54.1	70.3	3:30p	43.8	5:00a	11.1	0.1	0.01	0.9	11.0	10:30a	S
2	55.4	71.1	5:00p	48.2	12:00m	10.0	0.5	0.00	1.0	14.0	4:30p	W
3	50.9	62.1	2:00p	39.6	7:00a	14.1	0.0	0.01	1.4	15.0	5:00p	S
4	51.6	61.5	2:00p	41.5	4:00a	13.4	0.0	0.00	1.0	12.0	1:00p	WNW
5	55.7	71.3	1:30p	45.6	4:30a	9.7	0.4	0.00	0.5	10.0	2:30p	ENE
6	55.4	65.9	3:00p	48.3	8:00p	9.6	0.0	0.75	4.0	34.0	8:30p	SSW
7	56.5	63.8	3:30p	48.6	11:00p	8.5	0.0	0.71	3.8	20.0	12:30a	SSW
8	50.3	55.6	2:30p	43.1	12:00m	14.7	0.0	0.15	1.8	16.0	8:30a	W
9	48.1	56.7	4:00p	38.9	6:00a	16.9	0.0	0.09	1.5	13.0	2:30p	ESE
10	52.2	62.0	11:30a	41.0	3:30a	12.8	0.0	0.05	1.6	12.0	4:00p	W
11	56.2	64.7	12:30p	50.4	3:30a	8.8	0.0	0.04	2.0	16.0	5:30p	WSW
12	57.7	66.8	3:00p	53.1	9:00a	7.3	0.1	0.07	3.6	17.0	3:30p	SSW
13	54.3	59.9	1:30p	47.4	12:00m	10.7	0.0	0.02	3.0	16.0	12:30a	WSW
14	50.6	59.3	4:00p	40.4	7:30a	14.4	0.0	0.02	2.1	16.0	1:00p	WNW
15	54.1	69.2	2:30p	41.6	2:30a	11.2	0.3	0.01	1.8	13.0	1:00p	E
16	53.1	58.9	12:00p	46.6	2:30a	11.9	0.0	0.01	1.9	21.0	5:00p	SSW
17	56.3	61.6	3:30p	53.4	11:00p	8.7	0.0	0.01	0.5	9.0	11:00a	WSW
18	56.0	62.5	4:00p	50.4	12:00m	9.0	0.0	0.01	1.0	11.0	3:00p	W
19	56.5	67.4	3:00p	46.0	5:30a	8.6	0.2	0.00	1.5	10.0	12:30p	WSW
20	57.0	63.9	3:30p	48.2	12:00m	8.0	0.0	0.01	1.6	15.0	2:00p	WNW
21	58.3	72.6	4:00p	46.2	3:30a	7.9	1.3	0.00	1.8	15.0	11:30a	WNW
22	53.9	62.2	11:30a	43.0	7:00a	11.1	0.0	0.00	1.5	12.0	6:30p	W
23	56.6	61.7	3:00p	53.3	12:00m	8.4	0.0	0.00	2.2	13.0	1:00p	WNW
24	55.7	60.9	11:30a	52.8	12:00m	9.3	0.0	0.02	1.3	10.0	12:00p	W
25	55.8	60.8	3:00p	49.2	4:00a	9.2	0.0	0.00	1.5	12.0	12:00p	W
26	56.8	61.0	1:30p	53.6	11:30p	8.2	0.0	0.12	1.3	12.0	12:00m	WSW
27	55.7	60.9	1:30p	51.8	7:00a	9.3	0.0	0.00	3.1	20.0	6:30p	WNW
28	53.4	62.7	4:00p	42.8	7:00a	11.6	0.0	0.00	2.1	17.0	6:30p	WNW
29	57.8	73.7	10:30a	44.0	4:30a	8.2	1.0	0.00	1.9	16.0	3:00p	W
30	54.7	69.1	2:00p	43.4	6:30a	10.5	0.1	0.00	1.3	15.0	3:30p	W
	54.7	73.7	29	38.9	9	313.1	4.0	2.11	1.8	34.0	6	W

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

Max Rain: 0.75 ON 04/06/17

Days of Rain: 11 (>.01 in) 4 (>.1 in) 0 (>1 in)

Heat Base: 65.0 Cool Base: 65.0 Method: Integration

San Francisco Public Utilities Commission Hydrological Conditions Report For March 2017

J. Chester, C. Graham, & M. Tsang, April 14, 2017



SFPUC and National Forest Service snow surveyors measure snow depth and density at high elevation sites in the Cherry Watershed. At our highest elevation sites, we measured record snow depths and water content. At Summit Meadow (9300 ft, left), average snow depth was 178 inches, or nearly 15 feet. At Horse Meadow (8400 ft, right), average snow depth was 148 inches (12 feet).

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

Reservoir	Current Storage		Maximum Storage		Available Capacity		Percentage of Maximum Storage
	Acre-Feet	Millions of Gallons	Acre-Feet	Millions of Gallons	Acre-Feet	Millions of Gallons	
Tuolumne System							
Hetch Hetchy ¹	283,984		340,830		56,846		83.3%
Cherry ²	219,376		268,810		49,434		81.6%
Lake Eleanor ³	23,541		21,495		0		Full
Water Bank	570,000		570,000		0		Full
Tuolumne Storage	1,096,901		1,201,135		106,280		91.3%
Local Bay Area Storage							
Calaveras ⁴	34,068	11,101	96,824	31,550	62,756	20,449	35.2%
San Antonio	47,905	15,610	50,496	16,454	2,591	844	94.9%
Crystal Springs	51,804	16,880	58,377	19,022	6,573	2,142	88.7%
San Andreas	19,167	6,246	18,996	6,190	0	0	Full
Pilarcitos	2,519	821	2,995	976	476	155	84.1%
Total Local Storage	155,463	50,657	227,688	74,192	72,396	23,534	68.3%
Total System	1,252,364		1,428,823		178,676		87.7%

¹ Maximum Hetch Hetchy Reservoir storage with drum gates de-activated.

² Maximum Cherry Reservoir storage with flash-boards removed.

³ Maximum Lake Eleanor storage with flash-boards removed.

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

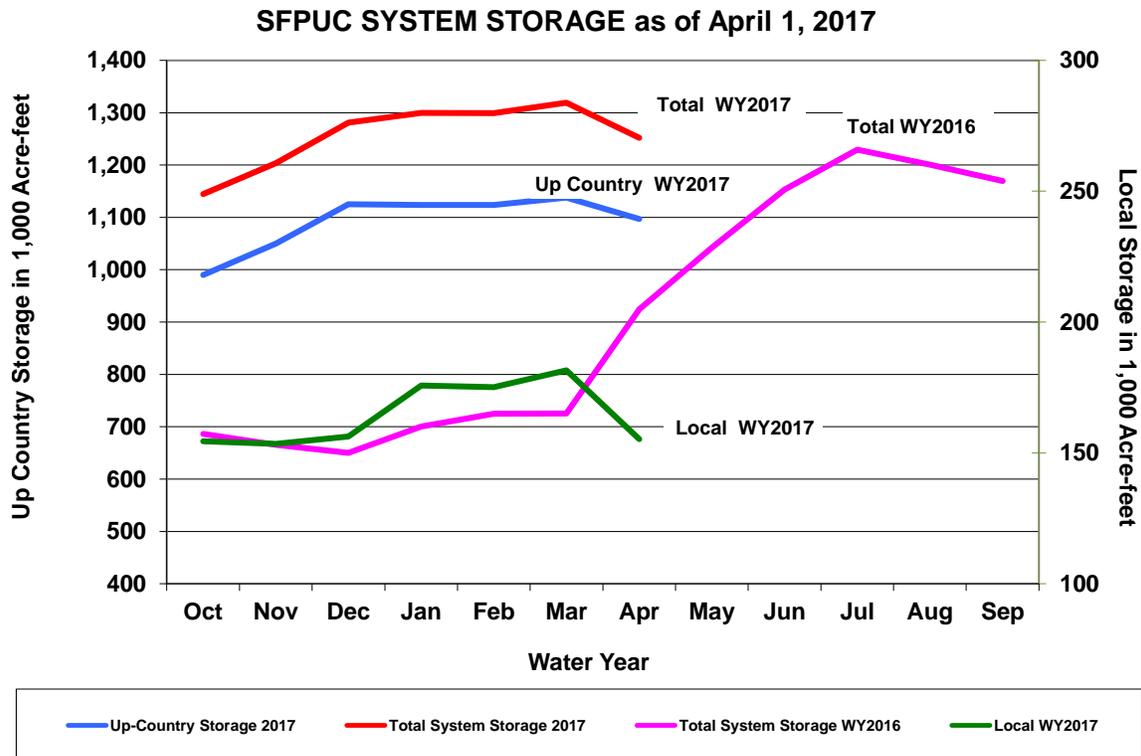


Figure 1: Monthly system storage for Water Year 2017

Hetch Hetchy System Precipitation Index ^{5/}

Current Month: The March 2017 six-station precipitation index was 4.55 inches, or 83.5% of the average index for the month.

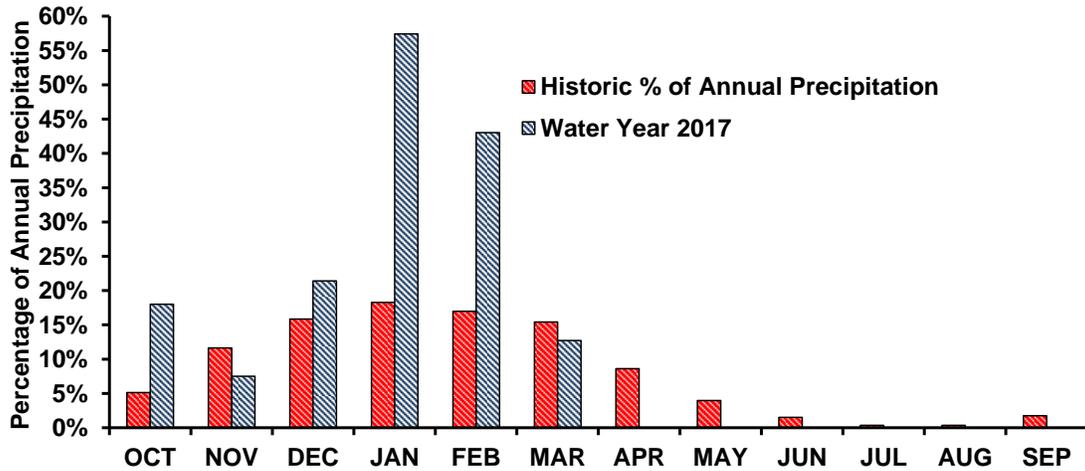


Figure 2: Monthly distribution of the Hetch Hetchy Six-station precipitation index as percent of the annual average precipitation.

Cumulative Precipitation to Date: The accumulated six-station precipitation index for water year 2017 is 57.99 inches, which is 162.9% of the average annual water year total, or 192.1% of average annual to date. Hetch Hetchy received 5.02 inches precipitation in March and a total of 56.48 inches for water year 2017. The cumulative Hetch Hetchy precipitation is shown in Figure 3 in red.

Precipitation at Hetch Hetchy - Water Year 2017

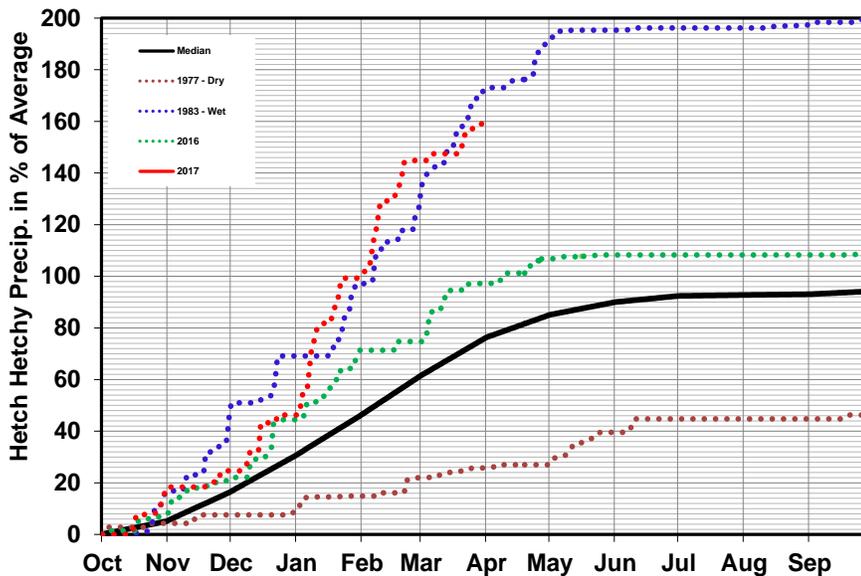


Figure 3: Water year 2017 cumulative precipitation measured at Hetch Hetchy Reservoir through March 31st, 2017. Precipitation at the Hetch Hetchy gauge for wet, dry, median, and WY 2016 are included for comparison purposes.

⁵The 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 March 31st, 2017 is summarized below in Table 2.

	March 2017				October 1, 2016 through March 31, 2017			
	Observed Flow	Median ⁶	Average ⁶	Percent of Average	Observed Flow	Median ⁶	Average ⁶	Percent of Average
Inflow to Hetch Hetchy Reservoir	85,410	39,024	41,622	205.2%	425,082	114,363	130,291	326.3%
Inflow to Cherry Reservoir and Lake Eleanor	79,994	38,030	42,251	189.3%	466,920	113,246	138,673	336.7%
Tuolumne River at La Grange	400,838	159,679	190,777	210.1%	2,279,695	482,263	600,584	379.6%
Water Available to the City	252,284	27,949	67,897	371.6%	1,635,346	109,924	223,858	730.5%

⁶Hydrologic Record: 1920 – 2015

Hetch Hetchy System Operations

Draft and releases from Hetch Hetchy Reservoir during the month of March totaled 110,898 acre-feet to meet instream release requirements and reservoir management goals. Precipitation to date and inflows are sufficient to keep Hetch Hetchy Reservoir in Year Type A through June. Hetch Hetchy minimum instream release requirements for March were 60 cfs, and will be 75 cfs for April. Hetch Hetchy inflows have remained high through April, requiring additional valve releases to maintain storage within our seasonal targets (300,000-310,000 acre-feet). April generation and additional releases will be set to balance inflows, with the aim of maintaining Hetch Hetchy Reservoir storage within the seasonal targets.

58,725 acre-feet of draft was made from Cherry Reservoir during the month of March to meet instream release requirements and reservoir management goals. No water was transferred via pumping from Lake Eleanor to Cherry Reservoir in March. The required minimum instream release from Cherry Reservoir is 5 cfs in March and April. Required minimum release from Lake Eleanor is 10 cfs from March 1 to April 14, and 20 cfs from April 14 through September 15. Cherry storage will be maintained below 248,000 acre-feet via power generation through April. Excessive spill at Lake Eleanor will be managed by maintaining storage less than 23,000 acre-feet through valve releases prior to storm events.

Regional System Treatment Plant Production

The Harry Tracy Water Treatment Plant average production rate for March was 49 MGD. The Sunol Valley Water Treatment Plant average production for the month was 83 MGD.

Local System Water Delivery

The average March delivery rate was 162 MGD which is a 10% increase above the February delivery rate of 147 MGD.

Local Precipitation

March weather was seasonal with average rainfall across the local watersheds. The March rainfall summary is presented in Table 3.

Reservoir	Month Total (inches)	Percentage of Average for the Month	Water Year to Date ⁷ (inches)	Percentage of Average for the Year-to-Date ⁷
Pilarcitos	5.70	104 %	57.49	168 %
Lower Crystal Springs	4.14	108 %	36.26	153 %
Calaveras	2.16	66 %	24.04	129 %

⁷ WY 2017: Oct. 2016 through Sep. 2017.

Snowmelt and Water Supply

Continued storm events, mitigated by relatively warm weather, have resulted in a small net increase in snowpack conditions. Due to the warm weather, most of the snow accumulation has been at higher elevations, where we are seeing record snow depths and water content. Snow accumulation and precipitation have fallen below 1983 levels. Reservoir inflows have correspondingly been above average, maintaining reservoir storages at or above our seasonal targets for all of March. Increased releases from all reservoirs to manage storage levels resulted in full Water Bank from early January through the present.

With high current storage and a large snowpack, inflows will fill all reservoirs to operational storage targets by June/July and maintain full Water Bank through next fall. To manage reservoir storage levels, we anticipate powerdraft in excess of municipal load through the end of runoff. In addition, we expect valve releases and spill at Hetch Hetchy Reservoir in the order of 600 to 900 TAF during the runoff season. At Cherry Lake, valve releases combined with full powerdraft at Holm PH will manage inflows.

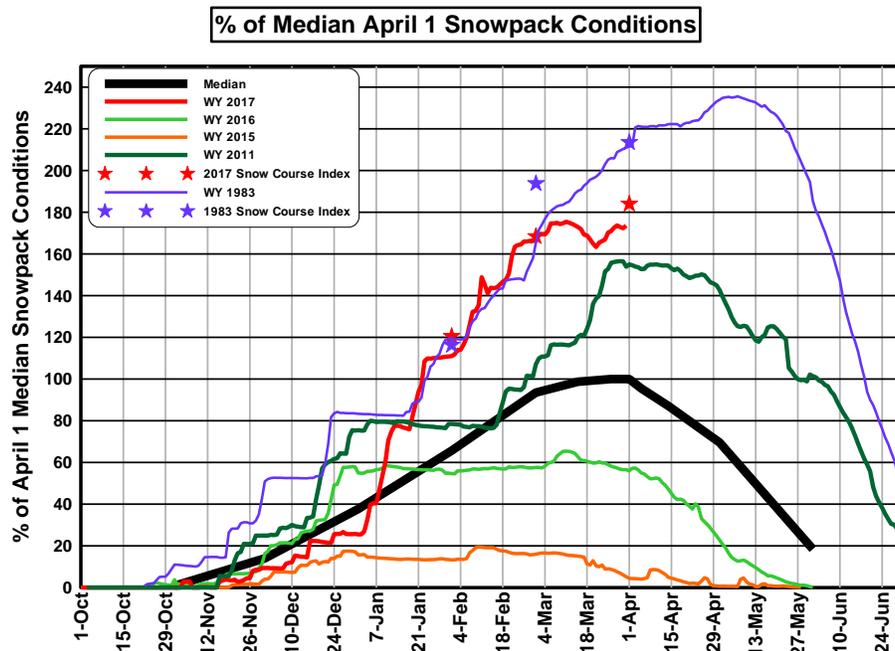


Figure 4: Snowpack conditions as of April 1. Current conditions are well above average to date, and above average seasonal maximum. Snow conditions are above peak 2011 accumulation, the most recent above average year. Snow surveys (red stars) agree with snow pillows (red line), indicating deep and widespread snow accumulation. 1983, the wettest year on record, is included for comparison.

Unimpaired Flow at La Grange & Water Available to the City

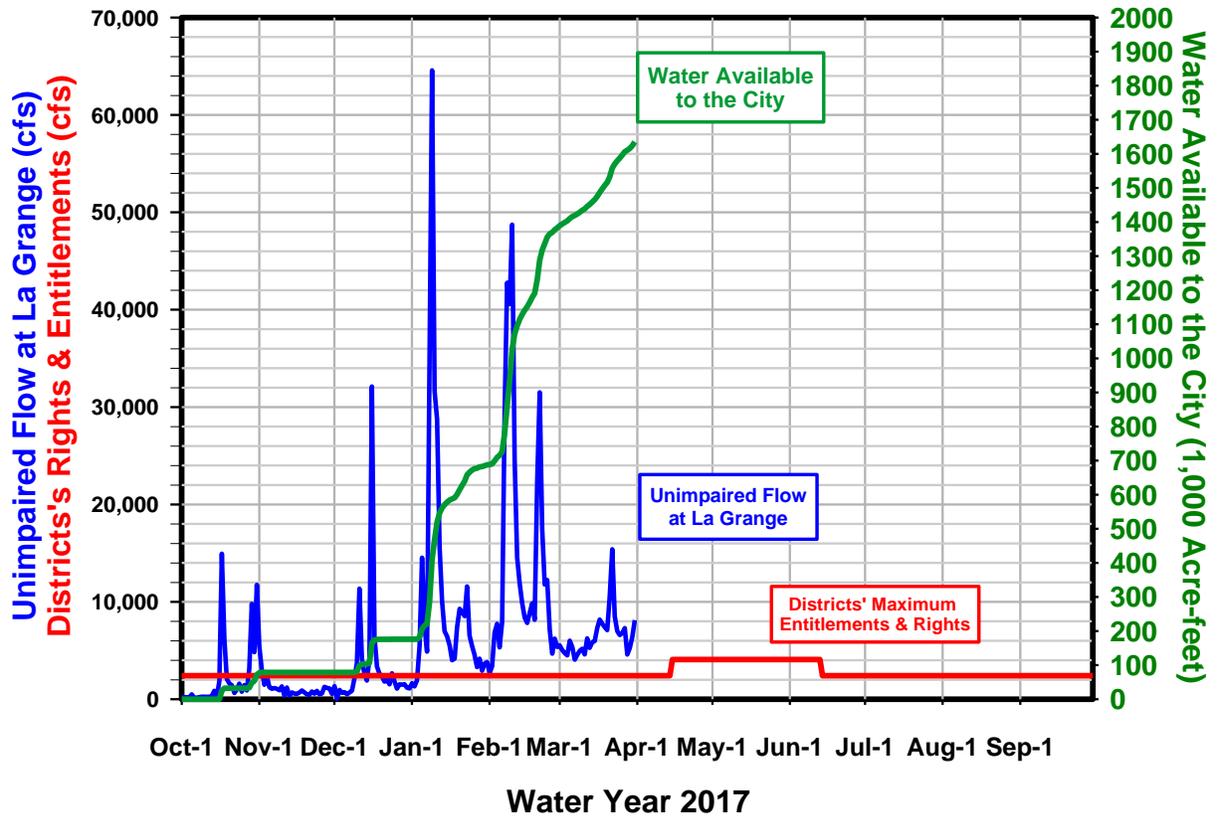


Figure 5: Calculated unimpaired flow at La Grange and the allocation of flows between the Districts and the City. 1,383,062 acre-feet of water has become available to the City during water year 2017. Inflows have exceeded the District Entitlement since early January.



**Coastside County Water District
Priority Setting Workshop
Held March 16, 2017**

April 2017

**Management
Partners**



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Priority Setting Workshop Report

Workshop Overview

The Coastside County Water District held a workshop with the Board of Directors, General Manager and staff on Thursday, March 16, 2017 at the Coastside Senior Housing Complex at 925 Main Street, Half Moon Bay from 9:00 a.m. until 2:00 p.m. The purpose of the workshop was to determine the District's top priorities for the next two to five years.

Workshop Objectives

- Strengthen the collaborative relationship;
- Identify strengths, weaknesses, opportunities and threats;
- Adopt priorities for the next two years; and
- Identify resources needed to achieve top priorities.

Participants

The list below shows the workshop participants.

- Board President Glenn Reynolds
- Board Vice President Bob Feldman
- Boardmember Ken Coverdell
- Boardmember Arnie Glassberg
- Boardmember Chris Mickelsen
- General Manager David Dickson
- Assistant General Manager Mary Rogren
- General Counsel Patrick Miyaki
- Cathleen Brennan, Water Resources Analyst
- JoAnne Whelen, Administrative Assistant

The workshop was facilitated by Greg Larson and Patricia Black, both with Management Partners.

Workshop Agenda

- Welcome and Call to Order
- Public Comment
- Introduce Workshop and Review Meeting Objectives, Overview of the Day and Ground Rules
- Review Recent Victories
- Discuss Mission and Values
- Review Strengths, Weaknesses, Observations and Threats (SWOT)
- Review Priorities
- Participate in Priority Setting Exercise and Discussion
- Clarify Top Priorities and Resources Needed
- Discuss Workload Management and Next Steps
- Adjournment

Ground Rules

The facilitator suggested several ground rules to help the group work together and achieve the workshop objectives.

- Seek consensus
- Listen
- Participate
- Focus on the issues
- Be realistic about what is possible

Workshop Preparation

Prior to the workshop, Management Partners and District staff reviewed the current priorities and direction from the Board of Directors. Interviews were also conducted with members of the District's leadership team and the Board of Directors to inform the workshop agenda, identify future priorities as well as the strengths, weaknesses, opportunities and threats facing the organization, and determine potential changes to the District's mission and values statement.

Review of Recent Victories

Greg Larson shared the recent victories mentioned during interviews, which were organized by the number of mentions received. These are shown in Table 1 below.

During the discussion, workshop participants observed that the victories represented the past nine years of work and reflect the ability of a stable board to implement long-term projects. They also stated that prior clear direction from the Board and consistent, high-quality staff work supported the District’s ability to succeed and be trusted by the community.

Table 1. Recent Victories Mentioned During Interviews

Mentions by Interview Participants	Recent Victory
All Participants	<ul style="list-style-type: none"> • Infrastructure improvements • Strong financial position and management
Majority of Participants	<ul style="list-style-type: none"> • Workforce and staffing • Strong water supply • Respected and trusted by the community
One or Two Participants	<ul style="list-style-type: none"> • Surpassed drought conservation targets

Discussion on Mission and Values Statement

Patricia Black provided a brief overview of the importance of mission statements and values for an organization. She then reviewed the interview feedback received regarding the current mission and values statement and shared potential changes to the statement for the Board’s consideration which is shown in Table 2 below. A robust discussion followed.

Table 2. Current and Draft Mission and Values Statements

Mission and Values Statement	
Current	<p>Our mission is to develop and provide our customers with high quality water and service at the lowest possible price, in accordance with the following values:</p> <ul style="list-style-type: none"> • Reliability and sustainability of system facilities • Timeliness of District policies, procedures, actions and decisions • Fifty-year outlook when replacing infrastructure • Legality of all District actions and behaviors • Culture of openness, fairness and inclusiveness

Mission and Values Statement	
Proposed	<p>Our mission is to develop and provide our customers with high quality water and services, in accordance with the following values:</p> <ul style="list-style-type: none">• Cost efficiency and effectiveness• Reliability and long-term performance of the system• Proactive policies and timely actions• Environmental sustainability• Transparency, open communications and public engagement

Discussion Summary

Comments

- Add the word integrity, which implies we act with honesty toward each other and the community.
- Environmental sustainability is subjective and may easily be misinterpreted.
- “Lowest possible price” may not highlight what we want to showcase about the quality of the services we provide; perhaps “best possible price” conveys this in a better way.
- The language in the current statement is clear and direct; it communicates to our community in a way that is easy to understand.
- Including a straight-forward, long-term timeframe helps to inform the public about the length of time it takes to complete infrastructure projects.
- The current mission statement effectively states what we do and how we do it.

Board Direction

The Board of Directors decided to keep the current mission and values statement with no changes.

Review of Strengths, Weaknesses, Opportunities and Threats Facing the Organization

After discussing the mission and values statement, Greg shared the strengths, weaknesses, opportunities and threats mentioned during interviews (shown in Tables 3, 4, 5 and 6 below). Each section was organized by the number of mentions received. Board members then offered their thoughts on the information provided and discussed additional strengths, weaknesses, opportunities and threats facing the organization.

Table 3. Organizational Strengths Mentioned During Interviews

Mentions by Interview Participants	Strength
Majority of Participants	<ul style="list-style-type: none"> • Board of Directors • Staff • Working relationship between the Board and staff • Financial management and stability • Diverse array of water sources • Community support and trust due to transparency and openness
One or Two Participants	<ul style="list-style-type: none"> • Special district status • Able to get the basics done

Strengths Discussion Summary

Comments

- No additional strengths were discussed

Table 4. Organizational Weaknesses Mentioned During Interviews

Mentions by Interview Participants	Weakness
Majority of Participants	<ul style="list-style-type: none"> • Need updated strategy, vision and long-term plan
One or Two Participants	<ul style="list-style-type: none"> • Long length of time to acquire water rights • Staffing (turnover, succession planning and new leadership) • Agricultural interests not directly involved • Aging infrastructure • Insufficient local water • Challenging to engage the public • Water recycling is expensive and contentious

Weaknesses Discussion Summary

Comments

- The District should address the need to manage all water resources, including groundwater

Table 5. Organizational Opportunities Mentioned During Interviews

Mentions by Interview Participants	Opportunities
All Participants	<ul style="list-style-type: none"> • Water reclamation and recycling
Majority of Participants	<ul style="list-style-type: none"> • Increased local water supply and harvesting
One or Two Participants	<ul style="list-style-type: none"> • Montara interconnection • Decreased dependence on San Francisco water supply • Groundwater basin management • Conservation • More outreach and education • Multi-agency coordination • Consolidation of district offices and facilities • Rate structure improvements • Plant and infrastructure upgrades • Continued systems modernization • New visionary leader

Opportunities Discussion Summary

Comments

- The District needs to educate residents on water rates, including how federal, state, regional and local regulations impact District water rates.

Table 6. Organizational Threats Mentioned During Interviews

Mentions by Interview Participants	Threats
Majority of Participants	<ul style="list-style-type: none"> • Challenges and difficulties with other local agencies • Natural disasters (earthquakes, floods, loss of power, landslides, intrusion) • Changes in federal and state regulations • San Francisco water rates and dependence
One or Two Participants	<ul style="list-style-type: none"> • Regulators (federal, state, CEQA) • Aging infrastructure • Water conservation and pricing needs

Threats Discussion Summary

Comments

- Changes in federal regulations and leadership, specifically within the Environmental Protection Agency (EPA), are likely to affect the District in unknown and unforeseeable ways.
- Funding from the federal government will likely decrease.
- State regulations are likely to exceed federal regulations.
- The stable regulation process that has been in place is likely to change; this will have financial and regulatory impacts.
- Public outreach will need to increase to maintain good relationships with the community as changes occur.
- Physical and cyber-security infrastructure risks could negatively impact our ability to provide services.

Review of the Priorities as Mentioned During Interviews

After reviewing the strengths, weaknesses, opportunities and threats, Greg shared the priorities from interviews. These are shown in Table 7 below. Each section was organized by the number of mentions received.

Table 7. Priorities Mentioned During Interviews

Mentions	Priorities
All Participants	<ul style="list-style-type: none"> • Make decisions regarding reclamation and recycling <ul style="list-style-type: none"> ○ Vision ○ Financial ○ Agreements ○ Subsidies • Hire new General Manager <ul style="list-style-type: none"> ○ Start process as soon as possible ○ Overlap ○ Succession planning • Improve local sources planning and utilization <ul style="list-style-type: none"> ○ Vincente ○ Denniston ○ Well-water
Majority of Participants	<ul style="list-style-type: none"> • Better coordination of water supply with local coastal plans • Increase public communications, education and outreach • Address remaining rate issues (fixed/low income and drought) • Initiate groundwater basin management research and planning • Continue infrastructure investments and system improvements • Improve relations with other agencies
One or Two Participants	<ul style="list-style-type: none"> • Further strengthen regulatory agency relationships • Increase emergency preparedness activities • Pursue a Montara emergency connection agreement • Continue conservation efforts

Discussion Summary

Comments

- The District needs to clarify the difference between conservation, water efficiency and responsible water use.
- The District needs to encourage proper management of resources by educating the public about water allocation and availability.
- Rates are important to the public and transparency in setting rates is imperative to maintaining trust.
- Some of the rate issues related to low-income community members are being considered at the state level.

Discussion and Clarification of Priorities

Next, the Board of Directors reviewed and amended their priorities for the next two to five years. Each priority was reviewed and those that were completed or no longer relevant were removed from the list. The Board of Directors and staff then participated in a dot voting exercise to determine what priorities staff should focus on during the next few years. Board members then further refined the priorities. The results of this process can be seen in Attachment A.

Discussion Summary

Key Takeaways

- Board members recognized that a 10-year Water Use Plan will guide much of the work for the other top priorities; they would like staff to focus on this as the top priority, although it did not receive the most votes.
- The 10-year Water Use Plan final document should provide a big picture understanding of resources, allocation, systems and issues facing the Coastside County Water District and act as a roadmap to navigate these challenges.
- The Board of Directors requests that staff begin the Water Use Plan discussion within the next three months and present a general outline of the document at a board meeting by July 2017.
- During the July Board Meeting, the Board would like to discuss the following aspects of the project
 - Level of community engagement
 - Role of sub-committees
 - Details of the plan
 - Timeline of deliverables

Next Steps

Participants ended the workshop by reviewing next steps and completing an evaluation form. Attachment B provides the evaluation and all written comments.

Attachment A – Coastside County Water District Board of Directors Priorities Ranking

**Coastside County Water District
Board of Directors Priorities**

Dot Voting Exercise Ranking

Board of Director Priority	Votes from Board	Votes from Staff	Total Votes
Make decisions regarding reclamation and recycling	4	3	7
Adopt a 10-year water-use plan and vision	3	3	6
Better coordination of water supply with local coastal plans	3	3	6
Hire new General Manager	3	2	5
Improve local sources utilization	3	2	5
Promote water efficiency and responsible use	2	1	3
Increase public education, communications and outreach	2	0	2
Increase emergency preparedness efforts	1	0	1
Pursue Montara emergency connection agreement	1	0	1
Initiate groundwater basin management planning	1	0	1
Continue infrastructure and system improvements	1	0	1
Improve relations with other agencies	0	1	1
Further strengthen regulatory agency relationships	0	0	0

Follow-up Clarification Exercise for Priorities

Clarified Language for Priority ¹	Original Language for Priority	Notes	Votes from Board
Adopt a 10-year water-use plan and vision		<ul style="list-style-type: none"> • Improve communications with community • Address recycled water, local supply, groundwater, and agricultural assistance • Include groundwater basin management planning 	3
Develop and adopt policies and procedures regarding water recycling and reclamation	Make decisions regarding reclamation and recycling	<ul style="list-style-type: none"> • Perform cost and feasibility analysis • Determine implementation plan • Discuss recycling and reclamation with other agencies • Provide staff direction • Establish goals and objectives 	4
Coordinate water supply with local agency Local Coastal Plans (LCPs)		<ul style="list-style-type: none"> • Address connections management issues • Engage with the City of Half Moon Bay and San Mateo County • Partner with other agencies regarding water rights (including the County of San Mateo) 	3
Improve local sources utilization			3
Address organization-wide succession planning	Hire new General Manager		3
Promote water efficiency and responsible use		<ul style="list-style-type: none"> • Implement monthly billing • Educate the public regarding state versus local regulations and rate impacts 	2
Increase public education, communications and outreach			0
Increase emergency preparedness efforts			0
Pursue Montara emergency connection agreement			0
Initiate groundwater basin management planning			0
Continue infrastructure and system improvements			0

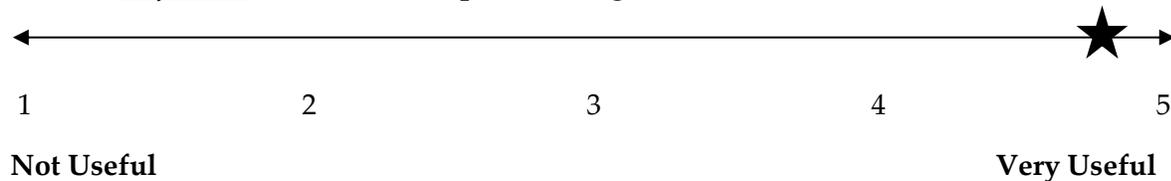
Clarified Language for Priority ¹	Original Language for Priority	Notes	Votes from Board
Improve relations with other agencies			0
Further strengthen regulatory agency relationships			0
Continue infrastructure and system improvements			0

¹Priorities highlighted in yellow represent the top six priorities as identified by the Board of Directors for staff to focus on during the next few years

Attachment B – Workshop Evaluation

At the end of the workshop participants were asked to complete a workshop evaluation form. The following responses are a compilation of answers from 10 of the workshop participants.

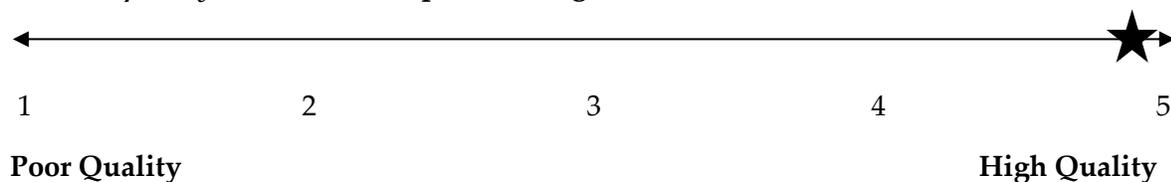
Overall *usefulness* of the workshop (4.8 average)



Workshop participant ratings for the overall usefulness of the workshop

Rating	1	2	3	4	5
Number of Responses	0	0	1	0	9

Overall *quality* of the workshop (4.9 average)



Workshop participant ratings for the overall quality of the workshop

Rating	1	2	3	4	5
Number of Responses	0	0	0	1	9

The best thing about this workshop was...

- Long over-due
- The time to better focus the resources of the Coastside County Water District
- The flexibility to modify content based on Board direction
- Good structure to move us through the process
- Big picture items discussed by the Board
- Having the workshop
- Clear steps to initiate and approve our actual priorities
- The organization and presentation by facilitators

- Input and dialogue between participants
- Deliverable of discussion
- A member of the public participated
- Having the opportunity for Board members to have an open discussion and interchange on issues they think are important
- Easy to follow format that was very well thought out
- Experience of Greg and Patricia very obvious – they are a great team
- Excellent understanding of the District and water issues
- The interviews before the workshop seemed to really help focus the time in the meeting
- Good use of time
- Great facilitation of Board discussion
- Open conversation of difficult issues with Board that are not generally addressed during normal Board meetings (setting priorities for the future discussion)
- The strengths, weaknesses, opportunities and threats (SWOT) analysis
- The dot-voting exercise

Some things that could have been better...

- Better room ventilation
- A slightly larger conference room would have been more comfortable
- As staff, I would have liked to see the mission statement modified

Other Comments

- Great job (and I hate being “over-facilitated” – which you did not do)
- Well-done
- I believe that the process and both facilitators were excellent and provided clear direction with great synthesis
- I think the overall format was more efficient than other facilitations I’ve attended
- Excellent mentoring and cataloguing of the discussion and the topic summarizing was very helpful
- Glad we did it and that we achieved much of what was established in the prior strategic plan session of 2009
- I think the workshop achieved its objectives
- Structured interview process was a great way to engage the participants
- The forum allowed the Board to discuss important topics in an in-depth way
- Thank you

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, Assistant General Manager

Agenda: May 9, 2017

Report

Date: May 5, 2017

Subject: Fiscal Year 2017-2018 Budget Process Timeline

Recommendation:

None. Information only.

Background:

The attached Budget Process Timeline lays out the proposed schedule for presentation and consideration of the Fiscal Year 2017-2018 Budget and the Fiscal Year 17/18 - 26/27 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.

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 2017-2018**

Description	Date
Staff Internal Budget Review – Distribute O&M Budget Worksheets and Update CIP budget spreadsheet	January 2017
Facilities Committee Meeting – Introduction to CIP Budget Process/Timeline	January 4, 2017
Finance Committee Meeting - Introduction to Budget Process/Timeline	January 9, 2017
Present Budget Timeline for Board approval	January 10, 2017 Regular Board Meeting
Staff Internal Budget Review – Worksheets Due/Review CIP Budget	January 31, 2017
Finance Committee Meeting – Review Draft O&M Budget and CIP	February 8, 2017
Facilities Committee Meeting – Review Draft CIP Budget	February 9, 2017
Present “Draft” O&M Budget and CIP to Board of Directors at Board Meeting	February 14, 2017 Regular Board Meeting
Present “Draft” O&M Budget and CIP to Board of Directors at Board Meeting	March 14, 2017 Regular Board Meeting
Customer Outreach – Website – Posted on News and Public Notices Draft Budget and Finance Plan FY 2018	March 21, 2017
Customer Outreach – E-Newsletter – Shared with Facebook and Twitter Message: Public Meeting Schedule for Budget –Links to Operations Budget and CIP – Value of Water – Image of Infrastructure	March 27, 2017
Budget Work Session with Board of Directors	March 29, 2017 3:00 PM
Present “Draft” O&M Budget and CIP to Board of Directors at Board Meeting – Approve Notice of Rate Increase (Prop 218)	April 11, 2017 Regular Board Meeting
Mail Notice of Rate Increase (Prop 218) – Minimum 45-Day Notice Before Public Hearing and post Notice on Bulletin Board.	April 19, 2017
Prop 218 Notice published in the Half Moon Bay Review	April 26, 2017 & May 3, 2017

March 27, 2017

Customer Outreach – E-Newsletter Message: Understanding Budget and Proposed Rate Increase	May 5,2017
Present & Discuss “Draft” CIP and O&M Budget and Finance Plan	May 9, 2017 Regular Board Meeting
Rate Increase Hearing - Approve O&M Budget and CIP – Approve Rate Increase	June 13, 2017 Regular Board Meeting

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, Assistant General Manager

Agenda: May 9, 2017

Report

Date: May 5, 2017

Subject: Draft Fiscal Year 2017-2018 Operations Budget and Draft Fiscal Year 2017/18 to 2026/27 Capital Improvement Program.

Recommendation:

No Board action required at this time.

Background:

Staff presents for the Board's review the attached draft Fiscal Year 2017-2018 Operations Budget and draft Fiscal Year 2017/18 to 2026/27 Capital Improvement Program (CIP). Staff will make a presentation reviewing budget details.

Highlights:

Budget to Budget Comparison

(There have been no changes to the FY2017/18 budget since the April 11 Board Meeting.)

- FY2017/18 Budget assumes water sales at current levels of 560 MG, up from the 550 MG planned in the FY2016/17 Budget. As the rate adjustment is still to be determined, no rate adjustment has been included in the draft budget.
- FY2017/18 water purchases from SFPUC are \$471,000 less than the FY2016/17 budget due to an increased use of local sources. SFPUC is currently projecting 0% rate increase for FY2018.
- Total FY2017/18 Operating Expenses are \$540 above the FY2016/17 budget.
- The FY2017/18 budget also includes an additional \$179,000 for debt service for a new (2016) IBank loan.

CIP

- \$30,180,000 total 10 year CIP (FY2018 dollars)
- \$16,520,000 total 5 year CIP (average of \$3,304,000 per year)

Changes since the April 11, 2017 Board Meeting include:

- Added \$20,000 to the FY 2017/18 CIP for placement of (2) valves near the Ritz Carlton that will enable the District to isolate leaks and avoid shutting down service to the hotel;
- Increased the cost of backhoe from \$130,000 to \$200,000;

STAFF REPORT

Agenda: May 9, 2017

Subject: Draft FY2017-2018 Operating Budget and CIP Review

Page Two

- Moved up replacement of District sampling stations to the next (2) fiscal years vs. (8) years. (Total investment \$40,000;)
- Moved up purchase of spare 350 HP motor for Crystal Springs Pump Station (\$60,000) from FY2021/22 to FY 2017/18.

Please note that due to the volume of paper, the individual detailed sheets for the Operations Budget and Draft 10 Year CIP are not included in this agenda packet. The individual detailed sheets are available in electronic form on the District's website at www.coastsidewater.org or hard copies may be obtained at the District's office.

Operations & Maintenance Budget - FY 2017-2018

		Proposed Budget FY 17/18	Approved FY 16/17 Budget	FY17/18 Budget		Proj Year End Actual FY 16/17	FY 17/18 Budget		YTD Actual FY 16/17 as of February 28, 2017
Account Number	Description			Vs. FY 16/17 Budget	Budget Vs. FY 16/17 Budget		Vs. FY 16/17 Actual	Budget Vs. FY 16/17 Actual	
				\$ Change	% Change		\$ Change	% Change	
OPERATING REVENUE									
4120	Water Sales (1)	\$10,400,000	\$10,266,127	\$133,873	1.3%	\$10,400,000	\$0	0.0%	\$7,065,610
Total Operating Revenue		\$10,400,000	\$10,266,127	\$133,873	1.3%	\$10,400,000	\$0	0.0%	\$7,065,610
NON-OPERATING REVENUE									
4170	Hydrant Sales	\$50,000	\$50,000	\$0	0.0%	\$55,000	-\$5,000	-9.1%	\$46,440
4180	Late Penalty	\$60,000	\$72,000	-\$12,000	-16.7%	\$60,000	\$0	0.0%	\$47,086
4230	Service Connections	\$10,000	\$10,000	\$0	0.0%	\$12,000	-\$2,000	-16.7%	\$10,254
4920	Interest Earned	\$6,174	\$3,070	\$3,104	101.1%	\$3,500	\$2,674	76.4%	\$3,276
4930	Property Taxes	\$700,000	\$600,000	\$100,000	16.7%	\$700,000	\$0	0.0%	\$474,918
4950	Miscellaneous	\$37,000	\$37,000	\$0	0.0%	\$105,000	-\$68,000	-64.8%	\$102,515
4955	Cell Site Lease Income	\$154,000	\$143,692	\$10,308	7.2%	\$150,000	\$4,000	2.7%	\$101,923
4965	ERAF Refund	\$250,000	\$200,000	\$50,000	25.0%	\$325,314	-\$75,314	-23.2%	\$325,314
Total Non-Operating Revenue		\$1,267,174	\$1,115,762	\$151,412	13.6%	\$1,410,814	-\$143,640	-10.2%	\$1,111,726
TOTAL REVENUES		\$11,667,174	\$11,381,889	\$285,285	2.5%	\$11,810,814	-\$143,640	-1.2%	\$8,177,336
OPERATING EXPENSES									
5130	Water Purchased	\$2,106,991	\$2,578,474	-\$471,483	-18.3%	\$2,260,000	-\$153,009	-6.8%	\$1,565,078
5230	Electrical Exp. Nunes WTP	\$40,280	\$31,270	\$9,010	28.8%	\$38,000	\$2,280	6.0%	\$22,953
5231	Electrical Expenses, CSP	\$318,000	\$325,420	-\$7,420	-2.3%	\$300,000	\$18,000	6.0%	\$223,509
5232	Electrical Expenses/Trans. & Dist.	\$25,440	\$18,020	\$7,420	41.2%	\$24,000	\$1,440	6.0%	\$14,721
5233	Elec Exp/Pilarcitos Cyn	\$32,309	\$26,000	\$6,309	24.3%	\$25,000	\$7,309	29.2%	\$22,443
5234	Electrical Exp., Denn	\$92,220	\$85,000	\$7,220	8.5%	\$90,000	\$2,220	2.5%	\$37,274
5242	CSP - Operation	\$10,500	\$10,500	\$0	0.0%	\$10,500	\$0	0.0%	\$6,571
5243	CSP - Maintenance	\$37,000	\$37,000	\$0	0.0%	\$37,000	\$0	0.0%	\$18,795
5246	Nunes WTP Oper	\$72,000	\$57,000	\$15,000	26.3%	\$70,000	\$2,000	2.9%	\$38,971
5247	Nunes WTP Maint	\$122,500	\$80,500	\$42,000	52.2%	\$85,000	\$37,500	44.1%	\$52,092
5248	Denn. WTP Oper.	\$34,500	\$35,000	-\$500	-1.4%	\$29,000	\$5,500	19.0%	\$11,865
5249	Denn WTP Maint	\$60,000	\$53,000	\$7,000	13.2%	\$70,000	-\$10,000	-14.3%	\$50,798
5250	Laboratory Expenses	\$53,000	\$53,000	\$0	0.0%	\$53,000	\$0	0.0%	\$29,047
5260	Maintenance Expenses	\$291,700	\$281,700	\$10,000	3.5%	\$281,700	\$10,000	3.5%	\$166,008
5261	Maintenance, Wells	\$40,000	\$50,000	-\$10,000	-20.0%	\$40,000	\$0	0.0%	\$10,978
5263	Uniforms	\$10,000	\$10,000	\$0	0.0%	\$10,000	\$0	0.0%	\$7,940
5318	Studies/Surveys/Consulting	\$160,000	\$150,000	\$10,000	6.7%	\$150,000	\$10,000	6.7%	\$56,777
5321	Water Resources	\$37,000	\$47,000	-\$10,000	-21.3%	\$25,000	\$12,000	48.0%	\$6,867
5322	Community Outreach	\$54,700	\$50,000	\$4,700	9.4%	\$50,000	\$4,700	9.4%	\$6,009
5381	Legal	\$110,000	\$60,000	\$50,000	83.3%	\$100,000	\$10,000	10.0%	\$52,591
5382	Engineering	\$100,000	\$14,000	\$86,000	614.3%	\$54,000	\$46,000	85.2%	\$9,694
5383	Financial Services	\$20,000	\$20,000	\$0	0.0%	\$18,000	\$2,000	11.1%	\$8,580
5384	Computer Services	\$144,800	\$125,300	\$19,500	15.6%	\$100,000	\$44,800	44.8%	\$73,560
5410	Salaries, Admin.	\$1,150,980	\$1,100,800	\$50,180	4.6%	\$960,000	\$190,980	19.9%	\$605,629
5411	Salaries - Field	\$1,266,081	\$1,217,375	\$48,706	4.0%	\$1,217,375	\$48,706	4.0%	\$838,135

Operations & Maintenance Budget - FY 2017-2018

Account Number	Description	Proposed Budget FY 17/18	FY17/18 Budget			Proj Year End	FY 17/18 Budget			YTD Actual FY 16/17 as of February 28, 2017
			Approved FY 16/17 Budget	Vs. FY 16/17 Budget \$ Change	Budget Vs. FY 16/17 Budget % Change		Vs. FY 16/17 Actual	Budget Vs. FY 16/17 Actual	Actual FY 16/17 \$ Change % Change	
5420	Payroll Taxes	\$170,555	\$162,245	\$8,310	5.1%	\$150,000	\$20,555	13.7%	\$99,889	
5435	Employee Medical Insurance	\$447,056	\$412,904	\$34,152	8.3%	\$412,904	\$34,152	8.3%	\$264,088	
5436	Retiree Medical Insurance	\$47,215	\$59,976	-\$12,761	-21.3%	\$59,976	-\$12,761	-21.3%	\$35,364	
5440	Employee Retirement	\$544,380	\$508,257	\$36,123	7.1%	\$485,000	\$59,380	12.2%	\$297,659	
5445	SIP 401a Plan	\$35,000	\$33,000	\$2,000	6.1%	\$33,000	\$2,000	6.1%	\$0	
5510	Motor Vehicle Exp.	\$50,700	\$56,700	-\$6,000	-10.6%	\$50,000	\$700	1.4%	\$32,598	
5620	Office & Billing Expenses	\$225,500	\$170,775	\$54,725	32.0%	\$225,000	\$500	0.2%	\$151,731	
5625	Meetings/Training/Seminars	\$24,000	\$24,000	\$0	0.0%	\$24,000	\$0	0.0%	\$10,176	
5630	Insurance	\$120,000	\$120,000	\$0	0.0%	\$115,000	\$5,000	4.3%	\$81,856	
5687	Memberships & Subscriptions	\$75,350	\$74,000	\$1,350	1.8%	\$74,000	\$1,350	1.8%	\$48,026	
5688	Election Expense	\$0	\$0	\$0		\$0	\$0		\$0	
5689	Union Expenses	\$6,000	\$6,000	\$0	0.0%	\$6,000	\$0	0.0%	\$0	
5700	County Fees	\$20,000	\$19,000	\$1,000	5.3%	\$19,000	\$1,000	5.3%	\$11,242	
5705	State Fees	\$24,000	\$16,000	\$8,000	50.0%	\$24,000	\$0	0.0%	\$20,773	
Total Operating Expenses		\$8,179,756	\$8,179,216	\$540	0.0%	\$7,775,455	\$404,301	5.2%	\$4,990,287	
CAPITAL ACCOUNTS										
5712	Existing Bonds - 2006B	\$486,776	\$486,426	\$350	0.1%	\$486,395	\$381	0.1%	\$359,439	
5715	Existing Bond-CIEDB 11-099	\$336,269	\$336,409	-\$140	0.0%	\$336,409	-\$140	0.0%	\$336,409	
5716	CIEDB 16-111	\$324,652	\$145,203	\$179,449		\$145,203	\$179,449		\$145,203	
Total Capital Accounts		\$1,147,697	\$968,038	\$179,659	18.6%	\$968,007	\$179,690	18.6%	\$841,051	
TOTAL REVENUE LESS TOTAL EXPENSE		\$2,339,722	\$2,234,635	\$105,087	4.7%	\$3,067,352	-\$727,630	-23.7%	\$2,345,998	
5713	Cont. to CIP & Reserves	\$2,339,722								

Notes: (1) This draft budget does not reflect a rate adjustment

Project #	Project Name	Comments	FY 17/18	FY18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY26/27	FY 17/18 to FY 26/27 Total
Equipment Purchase & Replacement													
06-03	SCADA/Telemetry/Electric Controls Replacement (<i>Backup Communications @ Cahill, PRV controls</i>)	\$50K added for each year	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 500,000
08-10	Backhoe	cost increase (from \$80K)			\$ 200,000								\$ 200,000
08-12	New Service Truck	cost increase (from \$200K)	\$ 250,000										\$ 250,000
15-04	Vactor Truck/Trailer	moved from FY18/19						\$ 500,000					\$ 500,000
99-02	Vehicle Replacement	added vehicle replacements	\$ 90,000	\$ 90,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 420,000
99-03	Computer Systems		\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 50,000
99-04	Office Equipment/Furniture		\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 30,000

Equipment Purchase & Replacement Totals			\$ 398,000	\$ 148,000	\$ 288,000	\$ 88,000	\$ 88,000	\$ 588,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 1,950,000
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Facilities & Maintenance

08-08	PRV Valves Replacement Project		\$ 30,000	\$ 30,000	\$ 30,000								\$ 90,000
09-07	Advanced Metering Infrastructure	moved up installation from FY18/19; added \$250K for contract installation in FY17/18; removed \$50K in FY19/20 and \$20K/yr from FY18/19 forward; net 5 year change = + \$160K	\$ 850,000										\$ 850,000
09-09	Fire Hydrant Replacement		\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 400,000
15-03	District Administration/Operations Center										\$ 3,000,000		\$ 3,000,000
16-07	Sample Station Replacement Project	moved up installation -- will complete over two years; previously budgeted at \$5K per year for 8 years	\$ 20,000	\$ 20,000									\$ 40,000
17-15	Pilarcitos Canyon Emergency Road Repairs	Permit for Feb 2017 storm repairs requires additional restoration work	\$ 100,000										\$ 100,000
99-01	Meter Change Program	moved up \$300K from FY 18/19	\$ 600,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 780,000

Facilities and Maintenance Totals			\$ 1,640,000	\$ 110,000	\$ 90,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 3,060,000	\$ 60,000	\$ 5,260,000
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Pipeline Projects

06-02	Highway 1 South Pipeline Replacement Project	moved up from FY 19/20; reduced cost \$800K	\$ 80,000	\$ 500,000									\$ 580,000
07-03	Pilarcitos Canyon Pipeline Replacement	moved up from FY 23/24 (interest from SFPUC) -- reduced cost \$400K	\$ 150,000	\$ 600,000									\$ 750,000
07-04	Bell Moon Pipeline Replacement Project							\$ 60,000	\$ 250,000				\$ 310,000
13-02	Replace 8 Inch Pipeline Under Creek at Pilarcitos Ave					\$ 400,000							\$ 400,000
14-01	Replace 12" Welded Steel Line on Hwy 92 with 8"		\$ 300,000			\$ 1,000,000	\$ 1,000,000	\$ 1,000,000					\$ 3,300,000
14-26	Replace 2" Pipe in Downtown Half Moon Bay	shifted from FY 16/17 - will go out to bid in April 2017 - plan is to complete in summer, 2017 (funds will be available from 2016/17 budget)	\$ 500,000										\$ 500,000
14-27	Grandview 2 Inch Replacement							\$ 450,000					\$ 450,000
14-28	Replace 2 Inch Hilltop Market to Spanishtown							\$ 240,000					\$ 240,000
14-29	Replace 2 Inch GS Purissima Way				\$ 125,000								\$ 125,000
14-30	Replace Miscellaneous 2 Inch GS El Granada				\$ 60,000								\$ 60,000
14-31	Ferdinand Avenue - Replace 4" WS Ferdinand Ave. to Columbus			\$ 225,000									\$ 225,000
14-32	Casa Del Mar - Replace Cast Iron Mains					\$ 1,000,000	\$ 1,000,000						\$ 2,000,000
14-33	Miramar Cast Iron Pipeline Replacement								\$ 500,000	\$ 1,000,000			\$ 1,500,000
16-09	Slipline 10 Inch Pipeline in Magellan at Hwy 1			\$ 100,000									\$ 100,000
18-01	Pine Willow Oak - 2400 feet	new				\$ 500,000							\$ 500,000
18-12	Installation of (2) Valves - Ritz Carlton	new - given April 2017 leak; valves will allow isolation of leaks in order to avoid shutting off service to the hotel	\$ 20,000										\$ 20,000
NN-00	Pipeline Replacement							\$ 1,050,000	\$ 750,000	\$ 500,000	\$ 1,500,000	\$ 1,500,000	\$ 3,800,000

Pipeline Projects Totals			\$ 1,050,000	\$ 1,425,000	\$ 185,000	\$ 1,000,000	\$ 2,900,000	\$ 2,000,000	\$ 1,800,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 14,860,000
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Pump Stations/Tanks/Wells

06-04	Hazen's Tank Replacement	moved from FY 16/17	\$ 30,000										\$ 30,000
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Project #	Project Name	Comments	FY 17/18	FY18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY26/27	FY 17/18 to FY 26/27 Total
08-14	Alves Tank Recoating, Interior & Exterior	increased cost from \$600K	\$ 100,000	\$ 1,500,000									\$ 1,600,000
08-16	Cahill Tank Exterior Recoat	moved from FY 18/19 to FY 19/20			\$ 75,000								\$ 75,000
09-18	New Pilarcitos Well			\$ 150,000									\$ 150,000
11-02	CSPS Stainless Steel Inlet Valves	moved from FY 19/20 to FY 20/21			\$ 100,000								\$ 100,000
11-05	Half Moon Bay Tank #2 Interior & Exterior Recoat	moved from FY 17/18; increased cost from \$200K			\$ 20,000	\$ 400,000							\$ 420,000
11-06	Half Moon Bay Tank #3 Interior & Exterior Recoat	moved from FY 19/30; increased cost from \$200K					\$ 20,000	\$ 400,000					\$ 420,000
13-08	Crystal Springs Spare 350 HP Motor	cost increase of \$10K	\$ 60,000										\$ 60,000
16-08	New Denniston Well #2	moved from FY 17/18		\$ 100,000									\$ 100,000
18-02	CSP Air Relief Valves	new	\$ 40,000										\$ 40,000
18-03	CSP Spare 500 Pump Rehabilitation	new	\$ 30,000										\$ 30,000
18-04	CSP Fire System	new		\$ 40,000									\$ 40,000
18-05	Denniston Tank THM Control (Mixer & Blower)	new	\$ 80,000										\$ 80,000
18-06	CSP -- (3) Butterfly Valves	new		\$ 45,000									\$ 45,000
18-07	EG #2 Tank Chlorination System (Residual control system)	new	\$ 50,000										\$ 50,000
18-08	CSP Communications	new	\$ 50,000										\$ 50,000

Pump Stations/Tanks/Wells Totals \$ 440,000 \$ 1,835,000 \$ 195,000 \$ 400,000 \$ 20,000 \$ 400,000 \$ - \$ - \$ - \$ - \$ 3,290,000

Water Supply Development

12-12	San Vicente Diversion and Pipeline	moved out 1 year			\$ 300,000	\$ 1,000,000	\$ 1,000,000						\$ 2,300,000
13-04	Denniston Reservoir Restoration				\$ 1,000,000								\$ 1,000,000
17-12	Recycled Water Project Development		\$ 100,000										\$ 100,000

Water Supply Development Totals \$ 100,000 \$ - \$ 1,300,000 \$ 1,000,000 \$ 1,000,000 \$ - \$ - \$ - \$ - \$ 3,400,000

Water Treatment Plants

08-07	Nunes Filter Valve Replacement	cost increase (was \$30K/yr)		\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000					\$ 225,000
13-05	Denniston WTP Emergency Power	moved from FY 18/19							\$ 500,000				\$ 500,000
17-01	Nunes Water Treatment Plant Treated Water Meter	moved from FY 16/17			\$ 100,000								\$ 100,000
17-04	Denniston Dam Spillway Repairs		\$ 90,000										\$ 90,000
18-09	Denniston Heater	new	\$ 15,000										\$ 15,000
18-10	Nunes Treatment Plant Improvements - Study (Filter 5, Filter Coating, etc.)	new	\$ 100,000										\$ 100,000
18-11	Nunes Bulk Caustic Tank	new	\$ 40,000										\$ 40,000
99-05	Denniston Maintenance Dredging		\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 350,000

Water Treatment Plants Totals \$ 280,000 \$ 80,000 \$ 180,000 \$ 80,000 \$ 80,000 \$ 80,000 \$ 535,000 \$ 35,000 \$ 35,000 \$ 35,000 \$ 1,420,000

GRAND TOTAL \$ 3,908,000 \$ 3,598,000 \$ 2,238,000 \$ 2,628,000 \$ 4,148,000 \$ 3,128,000 \$ 2,483,000 \$ 1,683,000 \$ 4,683,000 \$ 1,683,000 \$ 30,180,000

MEMO - Prior CIP Difference \$ 1,968,000 \$ 3,293,000 \$ 3,898,000 \$ 2,188,000 \$ 2,588,000 \$ 2,308,000 \$ 2,718,000 \$ 1,620,000 \$ 4,615,000
 \$ 1,940,000 \$ 305,000 \$ (1,660,000) \$ 440,000 \$ 1,560,000 \$ 820,000 \$ (235,000) \$ 63,000 \$ 68,000

5 year change \$ 2,585,000 **5 year average** \$ 3,304,000

Alves/other tank cost increases \$ 1,220,000
 Moved up Pilarcitos Canyon \$ 750,000
 Moved HMB 2" replacement from 16/17 \$ 500,000
 AMI installation (net change) \$ 160,000
 Hwy 1 S cost decrease \$ (800,000)
 New projects/other \$ 755,000
\$ 2,585,000

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, Assistant General Manager

Agenda: May 9, 2017

Report

Date: May 5, 2017

Subject: FY2017/18 to FY 2021/2022 Financing Plan and Proposed Water Rate Increase; Cost of Service Analysis

Recommendation:

No Board action required at this time.

Background:

Financing Plan

The District utilizes a multi-year financing model (recently updated by the District's Rate Consultants, HF&H Consultants and considered to be an industry standard approach) to evaluate the impact of its rate increases on the financial reserves of the District. In a presentation to the Board, staff will review the model (Exhibit A) and HF&H's attached report, "Water Rate Update FY2017/18" (Exhibit B) which summarizes the series of rate increases needed to fund District operating expenses and capital improvement program and to build and maintain an adequate level of reserves.

As discussed in last year's financing plan discussions and as recommended by HF&H, ideally, the District should target a Cash Reserve Balance at the beginning of the fiscal year to include:

- 25% of Operating Expenses (for ongoing cashflow requirements; equal to 1 ½ billing cycles; *(approximately \$2.1M)*); *plus*
- 100% of annual Debt Service payments (*\$1.1 Million*); *plus*
- 100% of the year's "Pay as you go" Capital Improvement Projects (*averages \$3.3M per year over next five years*)

For a total of nearly \$6.5M in targeted cash reserves.

Although the District's projected cash reserves at the end of FY2016/17 (at \$4.6M) will still be \$1.9M short of the ideal target of \$6.5M, cash reserves will have increased approximately \$2M over the prior year-end cash balance primarily due to 1) financing a significant portion of its capital improvements with debt financing vs. from revenue during the year; 2) implementing a 10% rate increase on

7/1/2016; and 3) incurring operating expense savings, particularly given increased use of local water sources vs. SFPUC.

Given the increase in cash reserves during FY 2016/17, and based on the draft FY2017/18 Operations Budget and draft FY2017/18 to FY2026/27 CIP, staff recommends a moderate increase of 5% on the consumption quantity charge and 0% on the base charge, resulting in an overall increase in revenue of 3.9%. The rate increase will result in a small dip in cash reserves in FY 2017/18 (given timing of capital spending between FY 2016/17 and FY2017/18) but should keep the District on course to continue to increase its cash reserve balances over the next five years.

Cost-of-Service Analysis

In developing the Fiscal Year 2015/2016 budget, the District retained HF&H Consultants to evaluate the District's rate structure and to develop cost-of-service-based rates which would comply with the substantive requirements of Proposition 218 as interpreted by the courts, including the April 2015 Appellate Court decision in Capistrano Taxpayers Association, Inc. v. City of San Juan Capistrano. Following recommendations in the HF&H analysis, detailed in a report dated May 8, 2015 and presented to the Board at its May 12, 2015 meeting, the District implemented significant changes to its rate structure that resulted in a realignment of the tier breakpoints to reflect service cost allocations. The revised rate structure went into effect July 1, 2015.

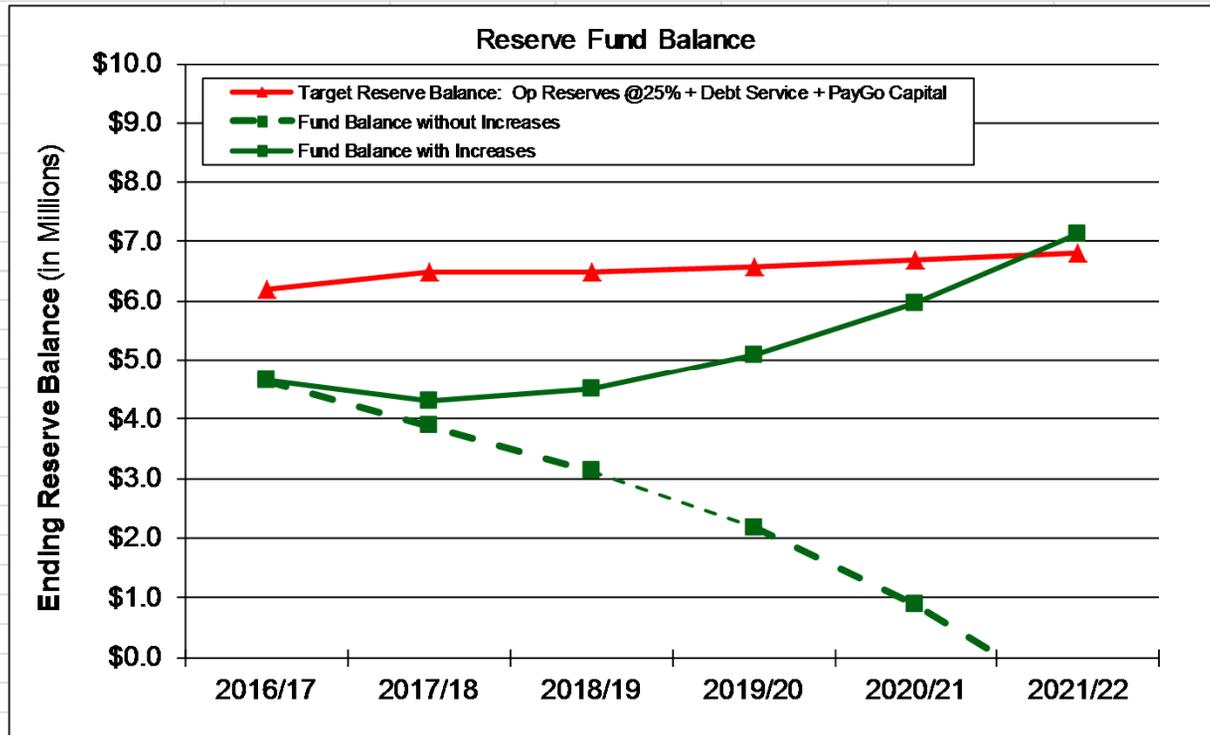
The District retained HF&H in 2016 in preparing the FY 2016/17 cost-of-service analysis and rate proposal, and again in 2017 in preparing the FY 2017/18 cost of service analysis and rate proposal. HF&H determined that the methodology and cost of service allocations used in the FY 2015/16 budget are still applicable. Therefore, staff proposes to apply the FY 2017/18 proposed 5% rate increase uniformly across the District's consumption quantity charges given:

- Budgeted FY 2017/18 operating expenses differ by only 2% from the expenses used as the basis for the FY 2015/16 cost-of-service analysis.
- The decline in water sales accounting since FY 2015/16 for the majority of the overall rate increase results from increased conservation across all District customer classes.
- Allocation of FY 2017/2018 capital cost funding resulting from the uniform rate increase would be consistent with the FY 2015/2016 cost-of-service analysis because the allocation factors have not changed significantly.

In addition, HF&H noted that “the District can hold its base charges where they currently are and remain compliant with Proposition 218 because the resulting charge is proportionate to the cost of providing service. By not increasing the base service charge and only increasing the quantity charge, cost recovery from the fixed charges shifts slightly to the variable charges without disproportionate effect on customer bills because all customers are treated equally.”

EXHIBIT A

Coastside County Water District							
Water Rate Analysis							
Table 1. Summary		Approved Budget	Projections				
		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
			▲ ▼	▲ ▼	▲ ▼	▲ ▼	▲ ▼
	Base Charge Revenue Changes		%	5%	5%	5%	5%
			▲ ▼	▲ ▼	▲ ▼	▲ ▼	▲ ▼
	Quantity Charge Revenue Changes		5%	5%	5%	5%	5%



Note: model uses average CIP of \$3.3M per year



COASTSIDE COUNTY WATER DISTRICT

WATER RATE UPDATE – FY 2017-18

April 11, 2017
Final Report



HF&H Consultants, LLC

COASTSIDE COUNTY WATER DISTRICT

766 Main Street
Half Moon Bay, CA 94019



WATER RATE UPDATE – FY 2017-18

April 11, 2017

HF&H CONSULTANTS, LLC

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April 11, 2017

Mr. David Dickson
General Manager
Coastside County Water District
766 Main Street
Half Moon Bay, California 94019

Subject: Water Rate Update - FY 2017-18

Dear Mr. Dickson:

HF&H is pleased to submit this water rate update of the Coastside County Water District's (District) FY 2017-18 rates. The report summarizes the analysis that was conducted to develop the proposed rates.

The District has demonstrated leadership in improving rate payer equity during a time when costs are increasing in compliance with regulatory mandates. It has been a privilege to assist the District with this step forward.

Very truly yours,

HF&H CONSULTANTS, LLC

John W. Farnkopf, P.E., Senior Vice President
Richard J. Simonson., Vice President

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ACRONYMS

FY	Fiscal Year
CCF or HCF	Hundred cubic feet of metered water sold; 748 gallons; a cube of water 4.6 feet on edge
EMU	Equivalent metered unit
GPD	Gallons per Day
GPCD	Gallons per Capita per Day
O&M	Operations and Maintenance
PAYGo	Pay-As-You-Go, in reference to funding capital improvements from cash rather than from borrowed sources of revenue
SFPUC	San Francisco Public Utilities Commission
SWRCB	State Water Resources Control Board

ACKNOWLEDGEMENTS

District Board

Glenn Reynolds, President
Bob Feldman, Vice President
Arnie Glassberg, Board Director
Ken Coverdell, Board Director
Chris Mickelsen, Board Director

District Staff

Dave Dickson, General Manager
Mary Rogren, Assistant General Manager

HF&H Consultants

John Farnkopf, Sr. Vice President
Rick Simonson, Vice President

LIMITATIONS

This document was prepared solely for Coastside County Water District in accordance with the contract between the District and HF&H and is not intended for use by any other party for any other purpose.

In preparing this analysis, we relied on information and instructions from the District, which we consider to be accurate and reliable and did not independently verify.

Rounding differences caused by stored values in electronic format may exist.

This document addresses relevant laws, regulations, and court decisions but should not be relied upon as legal advice. Questions concerning the interpretation of legal authorities referenced in this document should be referred to a qualified attorney.

SECTION 1. EXECUTIVE SUMMARY

In preparing this water rate update, expenses, revenues, and reserves were projected for a five-year financial planning period from FY 2017-18 through FY 2021-22, with the understanding that the Board will consider and potentially act on proposed rate increases for only the first year of the financial planning period, FY 2017-18. Based on these projections, annual rate increases (effective July 1 of each year through 2021) were derived to meet the funding requirements.

The following findings and recommendations were made.

1.1 Findings and Recommendations

- 1. Projected FY 2017-18 Operating Shortfall.** The revenue from existing rates is insufficient to cover the District’s projected operating and capital needs. Without a rate increase, the \$773,018 projected operating deficit would reduce the District’s operating and capital reserve fund balance to \$3,867,498. In other words, an approximate 7.4% increase in revenue is required to avoid reducing the District’s fund balance.

Figure 1-1. FY 2017-18 Projected Operating Deficit

FY 2017-18	
Revenue Requirement	\$12,609,223
Non-Operating Revenue	(\$1,377,174)
Net Revenue Requirement	\$11,232,048
Revenue from Current Rates	\$10,459,030
Surplus/(Deficit)	(\$773,018) -7.4%
District Fund Balance	
Beginning Balance	\$4,640,516
Surplus/(Deficit)	(\$773,018)
EOY Fund Balance	\$3,867,498
<i>Target EOY Fund Balance</i>	<i>\$6,475,328</i>

- 2. Recent Rate Increases.** As a result of increasing capital costs and decreasing revenue from decreasing water sales (the result of successful conservation efforts during the recent drought), the District needed to increase rates by double-digit figures in recent years, 24% in July 2015 and 10% in July 2016.

- 3. Proposed Rates (effective 7/1/2017).** Given the recent high rate increases and much improved local and imported water supply conditions, which has stabilized water demand (i.e., it is no longer decreasing), the District’s fund balance has increased. The increased fund balance can accommodate increasing rates something less than the 7.4% projected deficit. Working with District staff, we developed a financial plan that results in no increase in the base service charge and a 5% increase in the quantity charges, as shown in **Figure 1-2**.

Figure 1-2. Current and Proposed Rates (effective 7/1/2017)

Base Service Charge						
Meter Size	Bi-Monthly Billing			Monthly Billing		
	Current	Proposed		Current	Proposed	
		No Increase			No Increase	
5/8"	\$52.20	\$52.20		\$26.10	\$26.10	
5/8" for 2 dwelling units	\$104.39	\$104.39		\$52.20	\$52.20	
3/4"	\$78.45	\$78.45		\$39.23	\$39.23	
3/4 inch for 2 dwelling units	\$156.89	\$156.89		\$78.45	\$78.45	
1"	\$130.76	\$130.76		\$65.38	\$65.38	
1.5"	\$252.52	\$252.52		\$126.26	\$126.26	
2"	\$418.48	\$418.48		\$209.24	\$209.24	
3"	\$915.50	\$915.50		\$457.75	\$457.75	
4"	\$3,139.22	\$3,139.22		\$1,569.61	\$1,569.61	

Quantity Charge						
Residential	HCF	Bi-Monthly Billing		HCF	Monthly Billing	
		Current	Proposed		Current	Proposed
			5% Increase			5% Increase
Tier 1	1 to 4	\$9.19	\$9.65	1 to 2	\$9.19	\$9.65
Tier 2	5 to 16	\$10.26	\$10.77	3 to 8	\$10.26	\$10.77
Tier 3	17 to 30	\$13.23	\$13.89	9 to 15	\$13.23	\$13.89
Tier 4	Over 30	\$17.53	\$18.41	Over 15	\$17.53	\$18.41
Non-Residential	per HCF	\$11.31	\$11.88	per HCF	\$11.31	\$11.88

- 3. Residential Bill Impact (effective 7/1/2017).** Increases in residential bills vary depending on the customer’s meter size and the amount of water use. The average residential customer has a 5/8” meter and uses 10 HCF during a bi-monthly period. The bill for using 10 HCF will increase \$4.90 for the bi-monthly period (or \$2.45 per month). If a customer uses less than 10 HCF, the bill impact will be less than \$2.45 per month and more if they use more than 10 HCF in a bi-monthly period.
- 4. Five-Year Financial Planning.** The proposed rates are part of a five-year projection, but the District is considering, and potentially acting on, only the rates to be effective July 1, 2017. **Figure 1-3** summarizes the projected rate

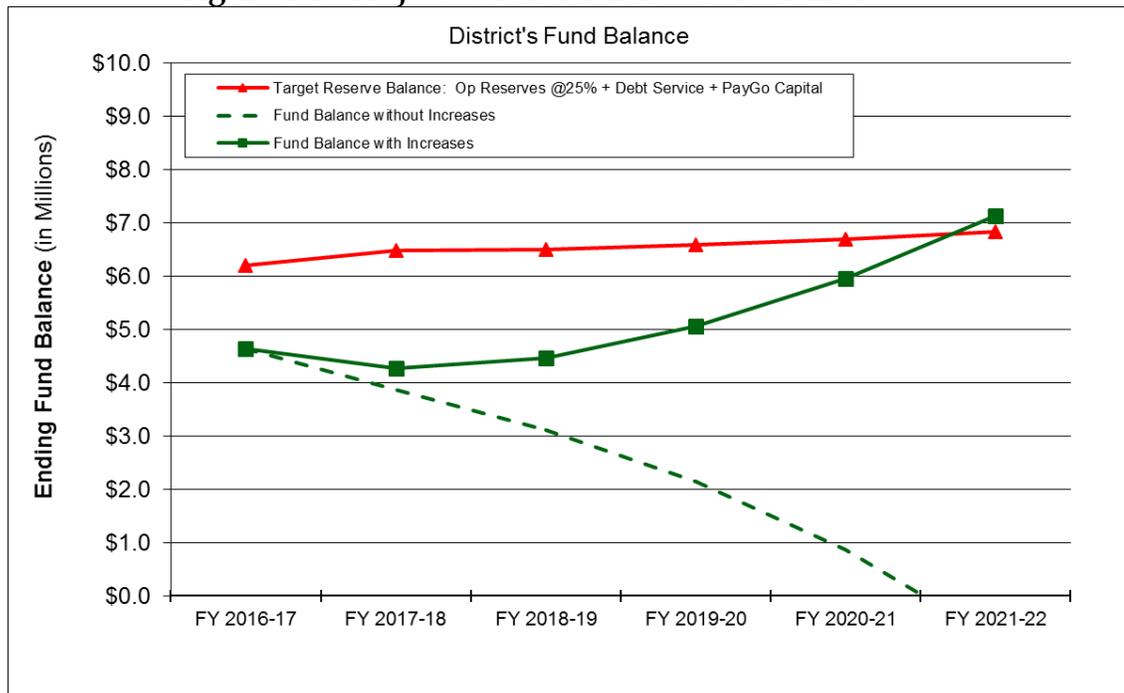
increases for the base and quantity charge over the full five-year planning period.

Figure 1-3. Annual Projected Rate and Revenue Increases

Date of Increase	Base Charge Increase	Quantity Charge Increase	Total Revenue Increase
July 1, 2017	0.0%	5.0%	3.9%
July 1, 2018	5.0%	5.0%	5.0%
July 1, 2019	5.0%	5.0%	5.0%
July 1, 2020	5.0%	5.0%	5.0%
July 1, 2021	5.0%	5.0%	5.0%

- Reserve Fund Balance (Figure 1-4).** With the recommended rate increases, in **Figure 1-3**, the District’s reserve fund balance (solid green line) will achieve the District’s reserve target (discussed in detail in **Section 2.2**) by FY 2021-22.

Figure 1-4. Projected Fund Balance at Year End



SECTION 2. REVENUE REQUIREMENT PROJECTIONS

To determine whether additional rate revenue is required, projected operating expenses, and capital expenses are compared with projected revenue from current rates. Annual surpluses and deficits are then applied to the reserve funds. Rates are then increased so that the expenses are covered and reserves are maintained.

2.1 Operating and Capital Expense Projections

The District's FY 2017-18 budget served as the basis for determining the operating and capital expense projections. The FY 2017-18 budgeted operating and maintenance (O&M) expenses were projected through FY 2020-21 using appropriate escalation factors. Capital expenses are projected based on the District's current capital improvement program. The operating and capital expense projections are noteworthy in the following respects:

Operating Expenses

O&M Expenses – General operating and maintenance expenses to operate the water system (i.e., salaries and benefits, utility costs, administrative support, etc.) are generally projected to increase during the planning period at the rate of inflation.

SFPUC water purchases – The cost to purchase water from the SFPUC is projected to decrease slightly in FY 2017-18 and FY 2018-19 as the District plans to increase the local water supply (i.e., Pilarcitos Well and Denniston project) which will reduce the need for water purchases from the SFPUC. In addition, the SFPUC wholesale cost of water is not expected to increase until July 1, 2019 based on recent financial analysis by the SFPUC.

Capital Expenses

Capital projects – The District's capital expenses are summarized by category in Figure 2-1. The District's annual budgeted capital expenditures range from \$2.1 million to \$4.2 million during the modeling period. On average, the District expects to spend approximately \$3.283 million annually on these projects. The District plans to fund these capital improvements on a pay-as-you-go (PAYGo) basis without issuing debt.

Debt service – Debt service is flat (approximately \$1.1 million per year) during the planning period as the District does not plan on issuing new debt to fund the capital projects.

Figure 2-1. Capital Improvement Project Summary

Category	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Equipment Purchase & Replacement	398,000	148,000	218,000	88,000	88,000
Facilities & Maintenance	1,525,000	95,000	95,000	65,000	65,000
Pipeline Projects	1,130,000	1,425,000	185,000	1,000,000	2,900,000
Pump Stations/Tanks/Wells	330,000	1,960,000	120,000	400,000	80,000
Water Supply Development	100,000	-	1,300,000	1,000,000	1,000,000
Water Treatment Plants	280,000	80,000	180,000	80,000	80,000
Total	\$3,763,000	\$3,708,000	\$2,098,000	\$2,633,000	\$4,213,000

2.2. Reserve Funds

In addition to covering annual expenses, base and quantity charges need to generate sufficient revenue to maintain adequate operating and capital reserves. It is the District’s practice to maintain a single operating and capital reserve fund. For purposes of rate making, we have subdivided the reserves into operating, capital, and debt service components. In this way, it is possible to set target balances for each component based on the components’ functions:

- Operating Reserve** – the Operating Reserve provides working capital for month-to-month operating expenditures. With sufficient working capital, the District can operate without cash flow constraints. At a minimum, we recommend an operating reserve that is based on how frequently customers are billed. This frequency establishes the lag between when the District incurs expenses and when it receives revenue from billings. The District currently bills nearly all of its customer’s bi-monthly. In most cases, a rule of thumb used by the California PUC is sufficient for determining the minimum working capital that is needed. The rule states that the allowance for working capital should equal 1.50 times the billing frequency. In the District’s case, this equals three months or 90 days, which is roughly 25% of annual operating revenue. As such, during this five-year planning period, the District’s target operating reserve ranges from \$2.0 to \$2.4 million, as operating costs increase each year.
- Capital Reserve** – the Capital Reserve provides working capital for the District’s capital improvement program. The fund balance needs to be sufficient to at least pay contractors without delays caused by cash flow limitations and can fund larger construction projects on a pay-as-you-go basis from rate revenue only¹, thereby eliminating financing costs. The fund balance can also be larger to provide a measure of self-insurance for emergencies. In the District’s case, we have recommended a capital reserve target of \$3,283,000, which is equal to the District’s average annual capital expenditures based on the PAYGo projects

¹ Projects funded from rate revenue are sometimes referred to as “pay-as-you-go” or “PAYGo” projects. By contrast, debt-funded projects are “pay-as-you-use” projects.

projected over the coming five years (as shown in **Figure 2-1**). This target also provides a buffer from debt service payments, which are highest in July.

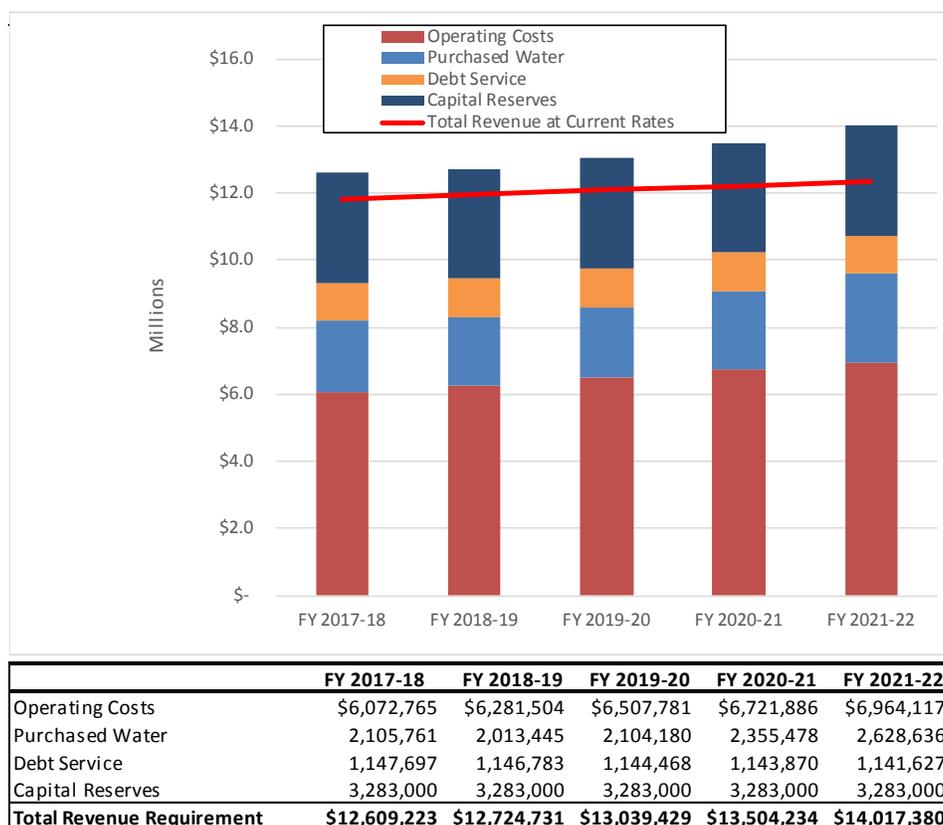
The target capital reserve does not include a margin for emergency contingencies. The District may want to consider an emergency contingency once the current capital reserve target is met, which is projected to occur in FY 2021-22.

- **Debt Service Reserve** – The purpose of a debt service reserve is to provide funding to avoid defaulting on the loan if the District failed to make a loan payment. We recommend maintaining a full year’s loan repayment. As such, the District’s target debt service reserve is \$1.1 million.

2.3 Total Revenue Requirements

The major expenses described above that comprise the revenue requirements are summarized and graphed in **Figure 2-2**. As shown in the graph, current revenues at current rates (solid red line)² are not sufficient to cover the projected revenue requirements.

Figure 2-2. Projected Revenue Requirements and Revenue at Current Rates



² Includes projected annual 1% rebound in water consumption by current customers (beginning FY 2018/19)

2.4 Revenue Increases

The top portion of **Figure 2-3** summarizes the projected revenue requirements (from **Figure 2-2**), revenue from current rates, annual surpluses and deficits, and the fund balance, all before rate increases.

The bottom portion of **Figure 2-3** shows the projected revenue increases to offset future deficits so that the District’s fund balance is maintained at an adequate level and reaches the target balance by the end of the five-year planning period. The revenue increases that are projected would become effective July 1 of each year. This coming year’s rate increase, which is the only rate increase which the District Board is considering, if adopted, will become effective July 1, 2017 and will increase revenue 3.9%. The magnitude of this increase compares favorably to recent increases, an average increase of 24% on July 1, 2015 and a 10% increase on July 1, 2016.

Figure 2-3. Revenue Increases

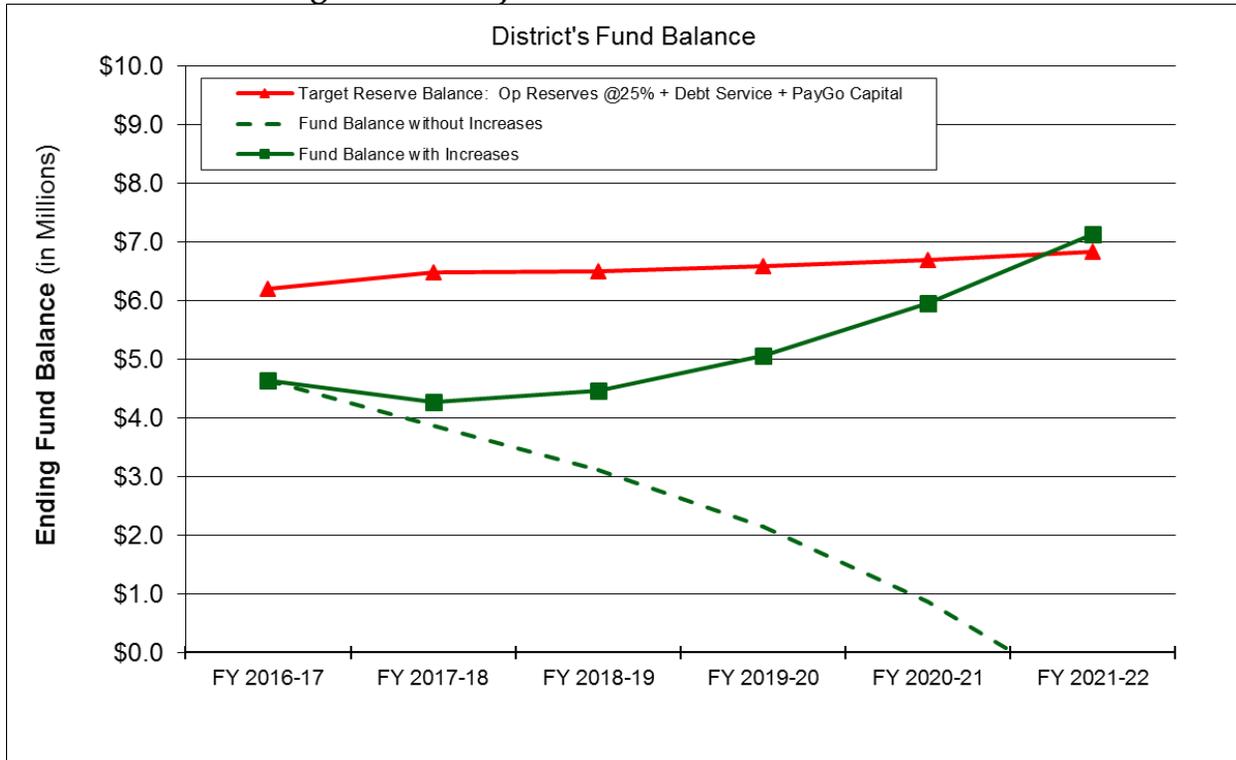
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Revenue Requirement	\$12,609,223	\$12,724,731	\$13,039,429	\$13,504,234	\$14,017,380
Non-Operating Revenue	<u>(\$1,377,174)</u>	<u>(\$1,420,690)</u>	<u>(\$1,465,620)</u>	<u>(\$1,512,014)</u>	<u>(\$1,559,922)</u>
Net Revenue Requirement	\$11,232,048	\$11,304,042	\$11,573,809	\$11,992,220	\$12,457,459
Revenue from Current Rates [1]	\$10,459,030	\$10,540,353	\$10,622,489	\$10,705,447	\$10,789,234
Surplus/(Deficit) <u>without</u> Rate Increase	(\$773,018)	(\$763,689)	(\$951,320)	(\$1,286,773)	(\$1,668,225)
EOY Fund Balance (before increase)	\$3,867,498	\$3,103,809	\$2,152,490	\$865,716	(\$802,509)
Revenue Increase	3.9%	5.0%	5.0%	5.0%	5.0%
Revenue from Increases	\$406,614	\$958,232	\$1,546,108	\$2,172,416	\$2,839,458
Surplus/(Deficit) <u>with</u> Rate Increase <i>Transfer to/(from) Reserves</i>	(\$366,404)	\$194,543	\$594,788	\$885,643	\$1,171,232
EOY Fund Balance (after increase)	\$4,274,112	\$4,468,656	\$5,063,444	\$5,949,086	\$7,120,319
<i>Target EOY Fund Balance</i>	<i>\$6,204,618</i>	<i>\$6,475,328</i>	<i>\$6,503,520</i>	<i>\$6,580,458</i>	<i>\$6,696,211</i>

[1] Includes projected annual 1% rebound in water consumption by current customers (beginning FY 2018/19)

Figure 2-4 shows the combined fund balance for the Operating, Capital, and Debt Service Reserves compared with the target balance. The line labeled “Total Target Balance” (diamond symbols) is the sum of the target balances for the Operating, Capital, and Debt Service Reserves. The dashed green line shows what the fund balance would be without rate increases. The fund balance drops quickly and would be negative by FY 2021-22.

Figure 2-4 shows the fund balance (solid green line with square symbols) compared with the target balance. **Figure 2-4** indicates that the fund balance achieves the target balance by FY 2021-22, with the projected revenue increases.

Figure 2-4. Projected Fund Balance at Year End



SECTION 3. RATE MODIFICATIONS AND BILL IMPACTS

3.1 Current Rates

The District’s rate payers pay the sum of two charges for water service on a bi-monthly or monthly basis: a base service charge based on the size of the service connection plus a quantity charge based on metered water use during the billing period. The current rates are summarized in **Figure 3-1**.

Figure 3-1. Current Base Service and Quantity Charges

Base Service Charge				
Meter Size	<u>Bi-Monthly</u>		<u>Monthly</u>	
5/8"	\$52.20		\$26.10	
5/8" for 2 dwelling units	\$104.39		\$52.20	
3/4"	\$78.45		\$39.23	
3/4 inch for 2 dwelling units	\$156.89		\$78.45	
1"	\$130.76		\$65.38	
1.5"	\$252.52		\$126.26	
2"	\$418.48		\$209.24	
3"	\$915.50		\$457.75	
4"	\$3,139.22		\$1,569.61	
Quantity Charge				
	<u>Bi-Monthly</u>		<u>Monthly</u>	
	<u>HCF</u>	<u>\$/HCF</u>	<u>HCF</u>	<u>\$/HCF</u>
Residential				
Tier 1	1 to 4	\$9.19	1 to 2	\$9.19
Tier 2	5 to 16	\$10.26	3 to 8	\$10.26
Tier 3	17 to 30	\$13.23	9 to 15	\$13.23
Tier 4	Over 30	\$17.53	Over 15	\$17.53
Non-Residential	per HCF	\$11.31	per HCF	\$11.31

The base service charges are the same regardless of customer class. In other words, the base service charge for a meter of a given size is the same for all meters of that size regardless of which class of customer is served. The residential quantity charges are tiered and the non-residential quantity charge is a uniform, un-tiered rate.

Residential customers pay tiered consumption charges, also referred to as “increasing block rates.” The current residential increasing block rates comprise four tiers. Residential customers pay rates for successive ranges of consumption (tier or block). The rate in each tier increases as consumption increases in proportion to the increasing cost of serving higher levels of demand, which place burdens on the capacity of the

infrastructure as well as on the sources of supply. The total quantity charge is the sum of the consumption in each tier multiplied times the corresponding rate in each tier.

3.2 Rate Structure Modifications

In 2015, HF&H assisted the District in updating its rate structure by performing a cost-of-service analysis to ensure that its rates allocated costs to each customer class in proportion to each class' demand on the District's facilities. Within the residential class, the quantity charges were restructured to conform to the cost of providing service across the tiers.

This realignment should remain accurate for several years unless there are significant changes in the relative demands among customer classes or residential tiers, or changes in significant costs.

A review of the District's actual water use by customer class over the past couple years does not indicate a significant change; therefore, we do not recommend modifying the rate structure at this time.

The percentage increases that are recommended this year shall be applied equally, across-the-board to all meter sizes for the base service charges and applied equally, across-the-board to the quantity charges.

3.3 Proposed FY 2017-18 Rates (effective July 1, 2017)

As shown in **Figure 2-4**, to maintain the District's current reserve balance, revenues need to increase 7.3%, effective July 1, 2017. Though the District's reserve balance is not currently at the recommended target level, there are reserves available to increase revenues by 3.9% in FY 2017-18, instead of 7.3%.

The 3.9% increase in revenue can be achieved with a 5% increase in both residential and non-residential quantity charges and no increase in the base charges. Holding the base service charge at the current level benefits all customers regardless of class. The District can hold its base charges where they currently are and remain compliant with Proposition 218 because the resulting charge is proportionate to the cost of providing service. By not increasing the base service charge and only increasing the quantity charge, cost recovery from the fixed charges shifts slightly to the variable charges without disproportionate effect on customer bills because all customers are treated equally. The resulting bi-monthly and monthly rates for FY 2017-18, effective July 1, 2017, are shown in **Figure 3-2**.

Figure 3-2. Current and Proposed Rates (eff. 7/1/2017)

Base Service Charge						
<u>Meter Size</u>	<u>Bi-Monthly Billing</u>			<u>Monthly Billing</u>		
	<u>Current</u>	<u>Proposed</u>	No Increase	<u>Current</u>	<u>Proposed</u>	No Increase
5/8"	\$52.20	\$52.20		\$26.10	\$26.10	
5/8" for 2 dwelling units	\$104.39	\$104.39		\$52.20	\$52.20	
3/4"	\$78.45	\$78.45		\$39.23	\$39.23	
3/4 inch for 2 dwelling units	\$156.89	\$156.89		\$78.45	\$78.45	
1"	\$130.76	\$130.76		\$65.38	\$65.38	
1.5"	\$252.52	\$252.52		\$126.26	\$126.26	
2"	\$418.48	\$418.48		\$209.24	\$209.24	
3"	\$915.50	\$915.50		\$457.75	\$457.75	
4"	\$3,139.22	\$3,139.22		\$1,569.61	\$1,569.61	

Quantity Charge						
<u>Residential</u>	<u>HCF</u>	<u>Bi-Monthly Billing</u>		<u>Monthly Billing</u>		
		<u>Current</u>	<u>Proposed</u>	<u>HCF</u>	<u>Current</u>	<u>Proposed</u>
			5% Increase			5% Increase
Tier 1	1 to 4	\$9.19	\$9.65	1 to 2	\$9.19	\$9.65
Tier 2	5 to 16	\$10.26	\$10.77	3 to 8	\$10.26	\$10.77
Tier 3	17 to 30	\$13.23	\$13.89	9 to 15	\$13.23	\$13.89
Tier 4	Over 30	\$17.53	\$18.41	Over 15	\$17.53	\$18.41
Non-Residential	per HCF	\$11.31	\$11.88	per HCF	\$11.31	\$11.88

3.4 Residential Bill Comparison

Figure 3-3 compares the residential customer bills for the current and proposed rates across a range of consumption. The bills include both the base service charge (assuming a 5/8" meter)³ and the quantity charges. An average residential customer uses 10 HCF during a bi-monthly period. Comparing the current bill and proposed bill for using 10 HCF, shows the average bill will increase \$4.90 for the bi-monthly period (or \$2.45 per month).

³ 96% of residential customers have a 5/8" meter

Figure 3-3. Residential Bill Comparison

Tier	Bi-Monthly Water Use		Bi-Monthly Bills (5/8" Service)		\$ Difference
	HCF	Gal/Day	Current	Proposed 7/1/2017	
Tier 1	0	0	\$52.20	\$52.20	\$0.00
	1	12	\$61.39	\$61.85	\$0.46
	2	25	\$70.58	\$71.50	\$0.92
	3	37	\$79.77	\$81.15	\$1.38
	4	50	\$88.96	\$90.80	\$1.84
Tier 2	5	62	\$99.22	\$101.57	\$2.35
	6	75	\$109.48	\$112.34	\$2.86
	7	87	\$119.74	\$123.11	\$3.37
	8	100	\$130.00	\$133.88	\$3.88
	9	112	\$140.26	\$144.65	\$4.39
	10	125	\$150.52	\$155.42	\$4.90
	11	137	\$160.78	\$166.19	\$5.41
	12	150	\$171.04	\$176.96	\$5.92
	13	162	\$181.30	\$187.73	\$6.43
	14	175	\$191.56	\$198.50	\$6.94
	15	187	\$201.82	\$209.27	\$7.45
	16	199	\$212.08	\$220.04	\$7.96
	Tier 3	17	212	\$225.31	\$233.93
18		224	\$238.54	\$247.82	\$9.28
19		237	\$251.77	\$261.71	\$9.94
20		249	\$265.00	\$275.60	\$10.60
21		262	\$278.23	\$289.49	\$11.26
22		274	\$291.46	\$303.38	\$11.92
23		287	\$304.69	\$317.27	\$12.58
24		299	\$317.92	\$331.16	\$13.24
25		312	\$331.15	\$345.05	\$13.90
26		324	\$344.38	\$358.94	\$14.56
27		337	\$357.61	\$372.83	\$15.22
28		349	\$370.84	\$386.72	\$15.88
29		362	\$384.07	\$400.61	\$16.54
30		374	\$397.30	\$414.50	\$17.20
Tier 4	31	386	\$414.83	\$432.91	\$18.08
	32	399	\$432.36	\$451.32	\$18.96
	33	411	\$449.89	\$469.73	\$19.84
	34	424	\$467.42	\$488.14	\$20.72
	35	436	\$484.95	\$506.55	\$21.60
	36	449	\$502.48	\$524.96	\$22.48
	37	461	\$520.01	\$543.37	\$23.36
	38	474	\$537.54	\$561.78	\$24.24
	39	486	\$555.07	\$580.19	\$25.12
	40	499	\$572.60	\$598.60	\$26.00



HF&H Consultants, LLC
201 N. Civic Drive, Suite 230
Walnut Creek, CA 94596

STAFF REPORT

To: Board of Directors
From: Cathleen Brennan, Water Resources Analyst
Agenda: May 9, 2017
Report Date: May 4, 2017
Subject: Public Outreach Overview

Background

In discussion at the February 14, 2017 Board of Directors meeting, the Board questioned whether the District is doing an adequate job of communicating positive accomplishments to our customers in a way that balances the occasional visibility of problems like main breaks. Directors suggested that staff consider a “web site positive media campaign” as an approach to educating customers. While we work to implement this idea, staff feels it would be beneficial to review current outreach efforts.

As part of the District’s core business practices it performs public outreach to meet the needs of customers and to comply with regulations. In 2011, the District hired Flint Strategies to develop a communications plan with strategies to improve outreach efforts. Based on that communications plan and other feedback, the District implemented the strategies identified in the table below.

Strategies Implemented	Tasks
Reorganize the District’s website to highlight key information.	<ul style="list-style-type: none">• Updated website to meet Grand Jury recommendations.• Made key information (payments and your water) more visible on website.• Updated images.
Engage customers via social media and electronic mail (newsletters).	<ul style="list-style-type: none">• Use Constant Contact to create and distribute newsletters to customers that opt in for our newsletter.• Created District Facebook page.• Created District Twitter account.• Created District LinkedIn account.
Establish a speaker program featuring the General Manager and other staff.	Upon request, offer speakers to provide presentation on the District’s operations. <ul style="list-style-type: none">• Rotary Club of Half Moon Bay• Coastside Democrats• American Association of University Women• Radio Station KHMB
Continue school education programs.	<ul style="list-style-type: none">• Participate in BAWSCA’s school assembly education programs.• Provide tours of Nunes WTP.
Make better use of local media to disseminate information.	General Manager routinely works with local newspaper to answer questions regarding District business.
Develop outreach efforts that focus on District infrastructure and staff.	Developed Fact Sheets for the District. Emphasize the messaging of safe, high quality and reliable water service. <ul style="list-style-type: none">• Budget Brochure (once)• CIP Project Fact Sheets• Plan Review Fact Sheet• General District Fact Sheet• Water Restriction Fact Sheets

Current Outreach Practices

There are numerous outreach methods available for staff to choose from when providing information to customers. Staff attempts to match the best method for the type of information being presented. When choosing the best method to use for outreach, staff must consider the audience, message, cost, time constraints, effectiveness, and regulatory constraints. The following is a list of outreach methods that are currently used or have been used by the District.

- 💧 Mailings
 - Direct Mailing by U.S. Postal Service
 - Every Door Direct Mail by U. S. Postal Service
 - Annual Consumer Confidence Report
 - Message on billing statements mailed to customers
 - Stuffer/Insert in billing statements mailed to customers
- 💧 Half Moon Bay Review
 - Newspaper Advertisements
 - Magazine Advertisements
 - Legal Notices
 - Press Releases
- 💧 Electronic Newsletter
- 💧 Website
- 💧 Social Media
 - Facebook
 - Twitter
- 💧 Bulletin Board | Banners
- 💧 Give-away items | Information Display in Lobby
- 💧 Events
 - Pumpkin Festival
 - Dream Machines
 - Water Day
- 💧 Grocery Cart Ads (special for drought outreach)
- 💧 Board Meetings
- 💧 Staff
 - Tours of Nunes WTP
 - Speakers/Presentations
 - Customer Service

In addition, staff uses past experiences and feedback from customers to help determine which outreach method will be most effective.

Memorandum

TO: Board of Directors (cc: David Dickson and Mary Rogren)

FROM: Patrick T. Miyaki

DATE: April 18, 2017

RE: **Hanson Bridgett Billing Rates – Proposed Restructuring and Increase**

Hanson Bridgett has had a long standing relationship with the District that dates back to 1966, and I have had the privilege of serving as the District's General Counsel since 2008. We very much appreciate the opportunity to serve the District.

In 2008, when our firm renewed its relationship with the District, we entered into an Agreement that specifies that our legal services will be provided at the respective hourly rates of the individuals providing the services, with a discount of not less than 10% from our standard billing rates. The Agreement established the billing rate for me and Allison Schutte (and Ray McDevitt, who has since retired). The Agreement provides for an annual increase in those billing rates based on the Consumer Price Index (CPI), and the annual CPI increase has been implemented each year (except not for 2017). However, the billing rates otherwise have not been reviewed since 2008.

The current system of using an individual attorney's standard billing rate and applying a discount has resulted in significant differences in billing rates among the attorneys who provide legal services to the District. In addition, by not reviewing the rates on a periodic basis (which I take full responsibility for), some attorney's rates have not been adjusted to account for promotions and increased experience. For example, several associates who worked on District matters in 2008 have advanced to senior counsel and partner. Furthermore, the discount applied to our standard rates has grown significantly over the last 9 years. For example, my standard rate is \$575, and my current rate for the District is \$302.

I propose that we restructure the billing rate structure based on the level of attorney providing the legal services and the categories of legal services provided, with a higher rate structure for attorneys providing specialized legal services. I also propose a three year rate schedule as follows:

General Services	Year 1	Year 2	Year 3
Partner	\$325	\$335	\$350
Senior Counsel	\$295	\$305	\$320
Associates	\$260	\$270	\$285

Litigation Services	Year 1	Year 2	Year 3
Partner	\$395	\$405	\$420
Senior Counsel	\$365	\$375	\$390
Associates	\$330	\$340	\$355

Employee Benefits	Year 1	Year 2	Year 3
Partner	\$425	\$435	\$450
Senior Counsel	\$395	\$405	\$420
Associates	\$360	\$370	\$385

The rates above are discounted from our standard rates by 20%-45%.

As the District's General Counsel, my rate would be the same general services rate regardless of what type of matter I work on. We also do not charge for travel time to attend Board meetings.

We provide our legal services to the District in an efficient and cost-effective manner, and we work closely with the District's General Manager and staff to coordinate our legal services in a way that provides the most value to the District.

There are a variety of ways to address billing rates for legal services, and I would be happy to discuss alternative approaches with the Board. The approach proposed is one that many of our public agency clients have implemented, and we think is a good approach for the District.

I will be ready to discuss this with the Board at the May 9 Board meeting. In the meantime, please do not hesitate to contact me if you have any questions or if you want to discuss this proposal.

Thank You.

PTM:ld

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, Assistant General Manager

Agenda: May 9, 2017

Report

Date: May 5, 2017

Subject: Approval to Retain Fedak & Brown LLP for Financial Auditing Services

Recommendation:

Authorize staff to retain the services of Fedak & Brown LLP to audit the District's financial records for the Fiscal Years ending June 30, 2017 through 2019, at the following costs:

FY ending June 30, 2017: \$15,225

FY ending June 30, 2018: \$15,680

FY ending June 30, 2019: \$16,150

Background:

The District has retained JJACPA, Inc. for our annual audits since 2009, and the District has been very pleased with their services. Best practice guidelines for special districts, however, call for replacing audit firms every five years. Consequently, staff recommends replacing JJACPA for the upcoming audit for Fiscal Year ending June 30, 2017.

Staff received three proposals for audit services. After careful consideration and review of the proposals, staff recommends retaining Fedak & Brown LLP for auditing services for the next three years, with an option for two more years.

Fedak and Brown LLP has over 35 years of experience, and specializes in providing accounting, audit, and consulting services to special districts throughout California. (A list of many of their special district clients is included on page (4) of the attached proposal.) Their offices are located in Southern California, however they have numerous clients in San Francisco Bay Area, and will be able to conduct onsite field work as well as participate in our Board meetings in person, as required.

STAFF REPORT

Agenda: May 9, 2017

Subject: Audit Services

Page 2

Note that we checked references, including Scotts Valley Water District, Purissima Hills Water District, and Westborough Water District, and all were very impressed with Fedak & Brown's professionalism, thoroughness and ease of accessibility to their staff.

Fiscal Impact: The Fiscal Year 2016/17 Operations & Maintenance Budget includes \$18,000 for Auditing Services.

Technical Proposal for Professional Auditing Services



Coastside County Water District

Prepared by:

Fedak & Brown LLP

Certified Public Accountants
Cypress, California & Riverside, California
(657) 214-2307 (951) 977-9888



Contact Person:

Christopher J. Brown, CPA, CGMA, Partner
chris@fedakbrownllp.com

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- 6. Resume of Key Personnel**
- 7. Our Specific Approach to your Audit**
- 8. Cost Proposal**



Charles Z. Fedak, CPA, MBA
Christopher J. Brown, CPA, CGMA
Jonathan P. Abadesco, CPA

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April 24, 2017

Ms. Mary E. Rogren, Assistant General Manager
Coastside County Water District
766 Main Street
Half Moon Bay, California 94019

Re: Request for Proposal for Professional Auditing Services

Dear Ms. Rogren

We appreciate the opportunity to submit our proposal to provide audit services for the Coastside County Water District (District) for the fiscal years ending June 30, 2017 through 2019 and for the optional fiscal years ending June 30, 2020 and June 30, 2021.

In response to your inquiry of Fedak & Brown LLP (Firm), we have prepared a proposal that reflects our understanding of the District's audit service requirements and that demonstrates our capability and commitment to serve. Our intention is to establish that our Firm is the preferred professional services firm for the District.

We understand that you expect a timely audit service conducted in a professional manner in accordance with audit service standards specific to governmental entities such as yours. We are committed to meet all the requirements you have indicated, and we will issue the reports and meet the timing requirements you have requested. We believe we are uniquely qualified to provide the quality and scope of service that the District desires.

Focused on the Special District Industry

Our client service team members are specialists in the governmental special district sector. This means they each focus a substantial portion of their time serving special district governmental clients. We know and understand your organization and the climate within which you work.

Our Firm audits approximately 60 governmental special districts in the State of California; as a result, this enables our Firm to continuously be immersed in the governmental, financial, and operational issues related to special districts.

Organized to Serve

Our service approach ensures that the District will receive the highest quality, personalized service when and where you need it. By tailoring our approach, we guarantee that the District will receive timely and attentive service that forms the hallmark of our approach to serving clients. **Our governmental audit and consulting practice accounts for approximately 85% of our Firm's annual services.** Therefore, we have made a substantial commitment and investment to serve our governmental clients.

Ms. Mary E. Rogren, Assistant General Manager
Coastside County Water District
April 24, 2017
Page 2

Organized to Serve, continued

While our governmental experience is substantial, it is not the only factor that sets us apart from other firms; moreover, it is the commitment to utilize our resources and experience for the benefit of our clients. **Simply put, the District will become one of our most important clients, and accordingly, will receive the priority service the District requires.**

Our approach to the engagement will be to establish a delivery system for providing a truly exceptional level of service. Each element of that system including staffing, audit approach, communication, and coordination will be examined and refined to fit the needs of the District. The hardest to quantify may be the relationship aspect of working with one professional service firm versus another. Because of the service delivery approach we are recommending and our history of working with many special district governmental units like the District's, we are confident that our Firm knows how to address the unique needs of the District.

Our staff members assigned to the District are experienced governmental professionals that have managed numerous audit and attest engagements. Each of our staff has extensive experience that allows for a new outlook with innovative suggestions to improve quality and efficiency. We believe that our references will show that we are the best selection for the District. The choice of an audit firm should be based upon several factors including, but not limited to, staff retention, training programs, proactively addressing governmental industry changes, and adherence to a strict quality control program.

We have assisted many of our clients in the completion of their Comprehensive Annual Financial Report (CAFR) and submit it to the Government Finance Officers Association (GFOA) and California Society of Municipal Finance Officers (CSMFO) for the Annual Awards programs.

We are confident that we will provide the District with consistent staffing over the contract period as the continuity of staff is as important to us as it is to the District. We will be committed to the District and believe that our audit engagement team is the best selection for the District.

Our proposal represents our irrevocable offer for a period of 90 days from the date of this letter to provide audit services to the District for the fiscal years ending June 30, 2017 through 2019 and for the optional fiscal years ending June 30, 2020 and June 30, 2021. You may contact Christopher J. Brown or Charles Z. Fedak if you have any questions or need additional information. Chris and Chuck will be your primary contacts during the proposal evaluation period. They may be reached at (951) 977-9888 or (657) 214-2307, or by e-mail at Chris@fedakbrownllp.com or Chuck@fedakbrownllp.com, respectively.

We look forward to hearing from you soon.

Cordially,



FEDAK & BROWN LLP
CERTIFIED PUBLIC ACCOUNTANTS

Executive Summary – Audit Engagement

Audit Engagements

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to audits contained in the Government Auditing Standards (2011 Revision) issued by the Comptroller General of the United States. The audit engagements will be comprised of the following elements:

- 1. Audit of the Basic Financial Statements of the District;**
- 2. Preparation of the Annual State Controller’s Report for the District in accordance with the State Controller’s Minimum Audit Requirements for California Special Districts;**
- 3. Preparation of Management Reports for the District; and**
- 4. Provide guidance and technical assistance to the District in implementing Governmental Accounting Standards issued, including Annual Accounting Update Session (as required)**

Previous Audits Engagements

The Government Auditing Standards (2011 Revision) Chapter 5, *Standards for Attestation Engagements*, Section 5.06 establishes that auditors should evaluate whether the audited entity must take appropriate corrective action to address findings and recommendations from previous engagements that could have a material effect on the subject matter, or an assertion about the subject matter, of the examination engagement.

Reporting Deficiencies in Internal Control, Fraud, Noncompliance with Provisions of Laws, Regulations, Contracts, and Grant Agreements, and Abuse

The Government Auditing Standards (2011 Revision), Chapter 5, *Standards for Attestation Engagements*, Section 5.20 establishes that during the performance of Generally Accepted Governmental Auditing Standards (GAGAS) examination engagements, auditors should report, based upon the work performed, (1) significant deficiencies and material weaknesses in internal control; (2) instances of fraud and noncompliance with provisions of laws or regulations that have a material effect on the subject matter or an assertion about the subject matter and any other instances that warrant attention of those charge with governance; (3) noncompliance with provisions of contracts or grant agreements that has a material effect on the subject matter or an assertion about the subject matter of the examination engagement; and (4) abuse that has a material effect on the subject matter of the examination engagement.

Also, Government Auditing Standards requires an additional reporting standard that auditors must follow. It requires the auditor to communicate his/her responsibility in a financial statement audit, including responsibilities for testing and reporting on internal controls and compliance with laws and regulations.

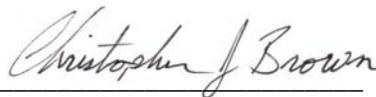
Commitment to the Highest Professional Standards

Our Firm is committed to the highest professional standards and our client service teams are fully versed in current professional guidance. Our Firm’s extensive experience translates into a service approach that includes providing clients the educational tools to properly implement new accounting pronouncements. We encourage our clients to reach out with questions they may have. Our client service teams were integral to the implementation of Governmental Accounting Standards Board (GASB) No. 68 and 71 for Districts and Agencies throughout the State of California. Our client service approach includes review and assistance with current and pending GASB pronouncements.

Firm Provided Affirmations

- A. Fedak & Brown LLP affirms that the Firm and all key professional staff are properly registered and licensed or supervised by certified public accountants in good standing duly authorized to practice in the State of California.
- B. Fedak & Brown LLP affirms that the Firm is independent of the District, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial and compliance audits contained in the *Government Auditing Standards (2011 Revision)*, issued by the Comptroller General of the United States.
- C. Fedak & Brown LLP affirms that the Firm currently maintains errors and omissions insurance coverage in the aggregate amount of one million dollars and general liability coverage of two million dollars. The Firm will provide the required insurance coverage and Accord insurance form to the District upon acceptance of the audit engagement.
- D. Fedak & Brown LLP affirms that it has the necessary experience to conduct high-quality audits of local government and enterprise special districts in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial and compliance audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States and the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).
- E. Fedak & Brown LLP affirms that it will meet your timing requirements to begin and complete the audit of the District.
- F. Fedak & Brown LLP affirms that it will staff the audit of the District with experienced personnel and not use this audit as training grounds for new staff and that no person designated as “key” to the project shall be removed or replaced without the prior written consent of the District.
- G. Fedak & Brown LLP affirms that it has never been the subject of any lawsuits, claims of fraud, malpractice and/or disciplinary action by any State or Federal District in relation to the Firm’s governmental practice in its entire existence.
- H. Fedak & Brown LLP affirms that it has not been censured or disciplined from the State Board of Accountancy.
- I. Fedak & Brown LLP affirms that it will allow the District or their designee access to pertinent District audit work papers, financial reports, and management letters.
- J. Fedak & Brown LLP affirms that it has never filed bankruptcy, there is no pending litigation against the Firm, there are no planned office closings, there are no impending mergers, and there are no potential labor disputes that may impede us the ability to complete the audit for the District.

Signature of Authorized Official: _____



Name: Christopher J. Brown, CPA, CGMA

Title: Partner

Firm: Fedak & Brown LLP

Date: April 24, 2017

Firm Qualifications and Experience

Identification of Proposer and Geographic Location to the District

Fedak & Brown LLP, Certified Public Accountants, is celebrating over 35 years of client service.

Our Firm is a full-service firm licensed to practice in the State of California providing accounting, audit, and consulting services for governmental and commercial enterprises, as well as extensive tax planning for domestic and international entities throughout the State of California. Our Governmental Services personnel are trained professionals with extensive experience in governmental accounting, auditing, and consulting services. Our main office has been located in Cypress, California, since 1981. In 2012, our firm opened a second office in Riverside, California.

Your main contact will be Mr. Christopher J. Brown. Our contact information can be located on our letterhead. All of the work for the District will be staffed directly out of our Cypress and Riverside offices and will not be subcontracted to any other firm.

Professional Education

It is a requirement of the State Board of Accountancy for all public accounting firms who are involved in governmental auditing to allocate a specific portion of continuing education in governmental accounting and auditing every two years. Fedak & Brown LLP has met this requirement for all staff involved with governmental accounting and auditing. Our Firm's strict adherence to these continuing professional education standards ensures the highest quality of staff assigned to the District's audit over the term of our agreement. Our Firm also requires that all personnel at all organizational levels adhere to the independence rules, regulations, interpretations, and rulings of the AICPA, California State Society of CPAs, State Board of Accountancy, State Statute, and in some cases, the Securities and Exchange Commission and other regulatory agencies. Fedak & Brown LLP has never been the object of any disciplinary action in its entire existence.

Knowledge and Understanding of Local Environment

The engagement team members strive to be experts within the governmental sphere. We keep ourselves apprised of current issues affecting the District's operating environment.

Firm Qualifications and Experience, continued

“We Are Committed to the Governmental Special District Industry!”

The following is a listing of some of our Governmental Special District Clients that our Audit Teams have served by County!

Kern County

*Bear Valley Community Services District
Rosamond Community Services District
Stallion Springs Community Services District*

Los Angeles County

*Castaic Lake Water Agency
Crescenta Valley Water District
La Puente Valley County Water District
Long Beach Airport
Long Beach Water Department
Palmdale Water District
Palos Verdes Library District
San Gabriel Valley Municipal Water District
Sanitation Districts of LA County
Southern California Library Cooperative
Valley County Water District
Water Replenishment District*

Orange County

*Buena Park Library District
Capistrano Bay Community Services District
East Orange County Water District
El Toro Water District
Irvine Ranch Water District
Mesa Consolidated Water District
Nature Reserve of Orange County
Rossmoor/Los Alamitos Area Sewer District
Santiago County Water District
Southern California Coastal Water Resource Authority
Yorba Linda Water District*

Riverside County

*Beaumont-Cherry Valley Water District
Cabazon Water District
Coachella Valley Mosquito and Vector Control
Idyllwild Fire Protection District
Jurupa Community Services District
Lake Elsinore & San Jacinto Watersheds Auth
Lake Hemet Municipal Water District
Northwest Mosquito and Vector Control
Santa Ana Watershed Project Authority
Western Municipal Water District
Western Riverside County Regional Wastewater*

Santa Barbara County

*Goleta Water District
Montecito Water District
Santa Maria Public Airport Authority
SantaYnez Community Services District
Summerland Sanitary District*

San Bernardino County

*Baldy Mesa Water District
Big Bear City Community Services District
Big River Community Services District
Chino Basin Water Conservation District
Chino Basin Watermaster
Hi-Desert Water District
Inland Empire Utilities Agency
Joshua Basin Water District
Mojave Water Agency
Monte Vista Water District
Phelan Pinon Hills Community Services District
Pomona Valley Protective Agency
San Bernardino Valley Water Conservation District
Victor Valley Wastewater Reclamation Authority
Victor Valley Water District
Victorville Water District
Water Facilities Authority - JPA
West Valley Mosquito and Vector Control District
West Valley Water District*

San Diego County

*Leucadia Wastewater District
Public Agency Self-Insurance System
Rincon Del Diablo Water District
Vallecitos Water District*

Ventura County

*Oxnard Harbor District
Pleasant Valley Recreation and Park District
Saticoy Sanitary District
Triunfo Sanitation District
Ventura County Regional Energy Alliance
Ventura County Resource Conservation District
Ventura Regional Sanitation District*

Northern California/ Bay Area

*Avila Beach Community Services District
Butte County Mosquito and Vector Control District
North Coast County Water District
North Marin Water District
Novato Sanitary District
Oakdale Irrigation District
Purissima Hills Water District
San Lorenzo Valley Water District
Santa Clara County Open Space Authority
Saratoga Cemetery District
Scotts Valley Water District
Soquel Creek Water District
Westborough Water District*

Firm Qualifications and Experience, continued

Quality Control

The Board of Directors of the District can measure the quality of the opinions expressed by Fedak & Brown LLP by evaluating the level of professional standards maintained by our Firm as discussed in this proposal. The Board of Directors can also measure the performance and quality control of our Firm by evaluating our participation in the profession's peer review process as well as evaluating our Firm's professional standards and quality of work ethic in discussions with our Firm's current client base in the special district industry.

Fedak & Brown LLP is pleased to announce the successful completion of our most recent independent quality review of our accounting and auditing practice, which included a review of specific governmental audit engagements. Our Firm's governmental audit engagements were reviewed as they related to governmental agencies and other special districts in the field of governmental auditing. After a thorough study of our procedures and work practices, the reviewers concluded that our Firm complies with the stringent quality control standards established by the American Institute of Certified Public Accountants (AICPA). Our Firm has received an unmodified opinion in every independent quality review that it has participated in since its inception of the program by the profession.

A team of independent CPAs, who were appointed by the California Society of Certified Public Accountants, conducted the review. Using guidelines established by the AICPA, the reviewers determined that our Firm has an effective quality control system and that our accounting and auditing work conforms to professional standards. Our Firm has not had any clients who have been the subject of any desk reviews. ***Our Firm has never been the subject of any disciplinary action by any State or Federal Agency in its entire existence.***

Our continued participation in required periodic quality reviews, our voluntary membership in the AICPA and California Society of CPAs, as well as our continuing professional education supports our commitment to quality and our high standards for client service.

Fedak & Brown LLP is an equal opportunity employer and certifies that our Firm is in compliance with the Civil Rights Act of 1964, the State Fair Employment Practice Act, and all other applicable federal and state laws and regulations relating to equal opportunity employment, including Executive Order No. 11246 of September 24, 1965. Our Firm is committed to affirmative action in hiring practices.

Firm Qualifications and Experience, continued

Marcia J. Hein, CPA

5922 Cromborough Drive

Windsor, CO 80550

Phone: (970) 775-7332 e-mail: marcia@mjh-cpa.com

System Review Report

March 8, 2016

To the Partners

Fedak & Brown LLP (fka Charles Z. Fedak & Co.)

and the Peer Review Committee of the California Society of CPAs

I have reviewed the system of quality control for the accounting and auditing practice of Fedak & Brown LLP (fka Charles Z. Fedak & Co.) (the firm) in effect for the year ended September 30, 2015. My peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of my peer review, I considered reviews by regulatory entities, if applicable, in determining the nature and extent of my procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. My responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on my review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards*.

In my opinion, the system of quality control for the accounting and auditing practice of Fedak & Brown LLP (fka Charles Z. Fedak & Co.) in effect for the year ended September 30, 2015, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Fedak & Brown LLP (fka Charles Z. Fedak & Co.) has received a peer review rating of *pass*.

Marcia J. Hein, CPA

Marcia J. Hein, CPA

Firm Qualifications and Experience, continued

Experience and Technical Competence

We have prepared a listing of some of our governmental audit clients on the previous page. We believe this listing exemplifies that we have significant experience in conducting high-quality audits of local governments and enterprise special districts. Our governmental audit team has significant experience in auditing special district governmental agencies and our team members may have conducted some of these audits over the past year.

References

Presented below are five client references of officials of California Special Districts and/or agencies who currently conduct enterprise type activities. Please do not hesitate to contact these references regarding our Firm and the high level of service we provide.

1. Mr. Carlos Corrales, Controller
Castaic Lake Water Agency
27234 Bouquet Canyon Road
Santa Clarita, CA 91350
Wholesale & Retail Water Agency
Annual Audit – CAFR
661.297.1600 x 237
2. Mr. Darryl Barrow, General Manager
Westborough Water District
2263 Westborough Boulevard
South San Francisco, CA 94080
Retail Water & Wastewater District
Annual Audit – Financial Statement
650.589.1435
3. Mr. Patrick Walter, General Manager
Purissima Hills Water District
26375 Fremont Road
Los Altos Hills, CA 94022
Retail Water District
Annual Audit – Financial Statement
650.948.1217
4. Ms. Stephanie Hill, Director of Finance
and Business Services
San Lorenzo Valley Water District
13060 Highway 9
Boulder Creek, CA 95006
Water/Wastewater District
Annual Audit – CAFR
831.430.4620
5. Ms. Kathy Chang, Finance Manager
Scotts Valley Water District
2 Civic Center Drive
Scotts Valley, CA 95066
Retail Water District
Annual Audit – CAFR
831.600.1904

Project Organization

Project Organization

Our Firm's philosophy is to take a team approach with our clients in conducting our audit engagements. A properly developed, mutually agreeable timeline results in the most efficient engagement. We want you to not only think of us as your auditor, but as a resource to be used whenever the need occurs. Also, it is our Firm's philosophy to have our partners, audit managers and audit supervisors involved in the day-to-day audit details of our clients.

You will have an Engagement Partner as well as a Technical Review Partner, a governmental audit manager and a governmental audit supervisor assigned to the District's audit; in addition, one or more staff accountants (governmental auditing staff only) will be assigned to the audit. All team members work in the field while the audit fieldwork is in process. Each team member has the following responsibilities:

The engagement partner is responsible for all services provided to the District. The engagement partner's responsibilities consist of the overall planning, supervision and review of the audit test work, and preparation of the audit report.

The governmental audit supervisor is responsible for coordinating the audit test work, which includes the on-site supervision of staff, and preparation of the audit report.

Once audit test work is completed, the supervisor will work with the staff to complete the reports for the District for all recipients. The supervisor will be your contact throughout the engagement year.

The governmental audit staff accountant will be in the field conducting the audit test work. The staff accountant is responsible for testing internal controls and substantive testing procedures and will interact with your staff at your staff's convenience.

Prior to discussions with your staff, the staff accountant will be sure that all facts have been evaluated to minimize utilizing your staff's time for audit assistance purposes.

Partner Participation

The partner in charge of the audit will be available to attend meetings of the District's Management and the Boards of Directors to discuss and report on the audit process and the deliverables associated with the audit. We will provide the District with accounting advice regarding subjects that could affect the report, particularly those that will directly impact its recipients.

Resume of Key Personnel

CHARLES Z. FEDAK, CPA, MBA TECHNICAL REVIEW PARTNER

Education:	Bachelor of Science – Business Administration: Accountancy – California State University, Long Beach 1973 Master of Business Administration – California State University, Long Beach 1984
License:	Certified Public Accountant - 1983
Continuing Education	Total hours were 136 hours in last two years of which 32 were in governmental accounting and auditing subjects. Mr. Fedak has the Governmental Auditing Standards requirement for governmental CPE.
Memberships	California Society of Certified Public Accountants American Institute of Certified Public Accountants National Association of Corporate Directors
Experience	<p>Charles Z. Fedak is a CPA in the State of California and has been in public accounting for forty-two plus years, having worked seven years at the national firm level before starting his own practice in January of 1981. Mr. Fedak holds a Bachelors of Science Degree in Accounting and a Masters in Business Administration from California State University, Long Beach. He has extensive experience in the audits of governmental entities including cities, towns, and special districts, while working at the national firm level as well as in our own Firm.</p> <p>Mr. Fedak’s public accounting experience includes tenure with Big Four CPA Firms, Ernst & Young (“EY”) and KPMG. He is also involved in auditing of governmental and non-profit entities as well as medium to large manufacturing, construction and service oriented corporations. He has thorough knowledge of Generally Accepted Accounting Principles, Governmental Accounting, and Auditing Standards as well as the Single Audit Act. His work experience also includes tax planning and preparation at the corporate, individual, estate and trust levels.</p> <p>Member of Board of Directors – Molina Healthcare, Inc. (MOH) New York Stock Exchange since 2002</p> <ul style="list-style-type: none">➤ Chairman, Compensation Committee – MOH; 2002 – 2006➤ Chairman, Audit Committee – MOH; 2004 – Present <p>Mr. Fedak has also participated in various tours and educational trips sponsored by the Metropolitan Water District, including the southern section of the Colorado River and the northern portion of the California Delta as they both relate to the State Water Project.</p>

Resume of Key Personnel, continued

CHRISTOPHER J. BROWN, CPA, CGMA ENGAGEMENT PARTNER

Education:	Bachelor of Arts - Business Administration: Finance – California State University, San Bernardino 1995 Accountancy – California State University, San Bernardino 1999
License:	Certified Public Accountant – 2002
Continuing Education	Total hours were 90 hours in last two years of which 24 were in governmental accounting and auditing subjects. Mr. Brown has the Governmental Auditing Standards requirement for governmental CPE.
Memberships	California Society of Certified Public Accountants American Institute of Certified Public Accountants Government Finance Officers Association California Society of Municipal Finance Officers Association
Experience	<p>Christopher J. Brown is a CPA in the State of California and has over seventeen years of experience in public accounting and auditing governmental entities having worked at a national firm. Mr. Brown holds a Bachelor’s Degree from California State University, San Bernardino. He has extensive experience in the areas of governmental financial and compliance reporting.</p> <p>Mr. Brown’s public accounting experience includes tenure with CPA firm RSM. He is also involved in auditing of governmental and non-profit entities as well as medium to large manufacturing, construction and service oriented corporations. Has thorough knowledge in Generally Accepted Accounting Principles, Governmental Accounting, and Auditing Standards as well as the Single Audit Act.</p> <p>Mr. Brown has provided significant audit and accounting services to various governmental entities. In these accounting engagements, he has been involved in the strategic planning processes, design and implementation of policies and procedures. He has also been involved in the implementation of performance management budgeting and planning processes.</p> <p>He is currently involved on the following major governmental engagements:</p> <ul style="list-style-type: none">➤ Castaic Lake Water Agency➤ Mojave Water Agency➤ Monte Vista Water District➤ Cabazon Water District➤ Crescenta Valley Water District➤ Hi-Desert Water District➤ Joshua Basin Water District➤ Victor Valley Wastewater Reclamation Authority➤ Santa Maria Public Airport District➤ Phelan Pinon Hills Community Services District➤ Purissima Hills Water District➤ Scotts Valley Water District➤ Solano Irrigation District

Resume of Key Personnel, continued

JONATHAN P. ABADESCO, CPA AUDIT MANAGER

Education:	Bachelor of Science in Accountancy – Miriam College Foundation, Inc., Philippines 1999
License:	Certified Public Accountant – 2012
Continuing Education	Total hours were 186 hours in last three years of which 62 were in governmental accounting and auditing subjects. Mr. Abadesco has the Governmental Auditing Standards requirement for governmental CPE.
Memberships	California Society of Certified Public Accountants American Institute of Certified Public Accountants
Experience	<p>Jonathan P. Abadesco is a CPA in the State of California and has over twelve years of experience in public accounting and auditing governmental entities having worked at a national firm. He has served as CFO/Controller for a not-for-profit organization.</p> <p>Mr. Abadesco’s public accounting experience includes tenure with CPA Firm, Ernst & Young and PricewaterhouseCoopers. He is involved in performing financial, compliance and performance audits of governmental and non-profit entities, as well as medium to large global organizations. Has thorough knowledge in Generally Accepted Accounting Principles, Governmental Accounting, and Auditing Standards as well as the Single Audit Act.</p> <p>While working with his previous CPA firm, Mr. Abadesco was instrumental in preparing the agreed upon procedures that was utilized by the U.S. Department of Energy. Also, Mr. Abadesco has provided significant audit, accounting and consulting services to various governmental entities engaged in transportation including Los Angeles County Metropolitan Transportation Authority, Metro Gold Line Foothill Extension Construction Authority, Los Angeles Department of Transportation and Metropolitan Atlanta Rapid Transportation Authority.</p> <p>He is currently involved on the following governmental special districts engagements:</p> <ul style="list-style-type: none">➤ Castaic Lake Water Agency➤ Victor Valley Wastewater Reclamation Authority➤ Hi-Desert Water District➤ Scotts Valley Water District➤ Soquel Creek Water District➤ San Lorenzo Valley Water District➤ Monte Vista Water District➤ Lake Hemet Municipal Water District➤ Joshua Basin Water District➤ Oakdale Irrigation District

Resume of Key Personnel, continued

ANDY BECK, CPA AUDIT SUPERVISOR

Education:	Bachelor of Arts in Economics – University of California, Irvine 2001
License:	Certified Public Accountant – 2008
Continuing Education	Total hours were 90 hours in last two years of which 24 were in governmental accounting and auditing subjects. Mr. Beck has the Governmental Auditing Standards requirement for governmental CPE.
Memberships	California Society of Certified Public Accountants
Experience	<p>Over eleven years of experience in public accounting and auditing governmental entities, not-for-profit organizations, and employee benefit plans. Mr. Beck is involved in 40%-45% of the Special District clients served by our Firm.</p> <p>Mr. Beck has provided significant audit, accounting and consulting services to various governmental entities. In these attest engagements, he has been involved in the strategic planning processes, design and implementation of policies and procedures.</p> <p>He has been involved on the following governmental special districts engagements:</p> <ul style="list-style-type: none">➤ Santa Clarita Valley Water District➤ Cabazon Water District➤ Southern California Coastal Water Research Project➤ Scotts Valley Water District➤ Soquel Creek Water District➤ San Lorenzo Valley Water District➤ Buena Park Library District➤ Victor Valley Wastewater Reclamation Authority➤ Santa Maria Public Airport District

Resume of Key Personnel, continued

JEFF PALMER AUDIT SUPERVISOR

Education:	Bachelor of Science – Business Administration: Accountancy & Finance – California State University, Long Beach 2005
License:	In Process
Continuing Education	Total hours were 74 hours in last three years of which 56 were in governmental accounting and auditing subjects. Mr. Palmer meets the Governmental Auditing Standards requirement for governmental CPE.
Memberships	California Society of Certified Public Accountants American Institute of Certified Public Accountants
Experience	<p>Over eleven years of experience in public accounting and auditing of governmental, private, and non-profit entities. Relevant governmental experience includes: cities, special districts, airports, transportation agencies, and public financing authorities. He has extensive experience in conducting financial audits under GAO Yellow Book standards and compliance audits in accordance with OMB Circular A-133. He has assisted clients in publishing their Comprehensive Annual Financial Reports in compliance with GASB Statement No. 34.</p> <p>Mr. Palmer has provided significant audit, accounting, and consulting services to various governmental entities. In these accounting and auditing engagements, he has been involved in the strategic planning processes, design and implementation of policies and procedures, performance management budgeting and planning processes, financial reviews, and cash management practices. In these consulting engagements, he has provided services including franchise tax compliance reviews, excise tax compliance and reporting reviews, and enterprise utility tax-exempt purchasing reviews.</p> <p>He has been involved on the following governmental special districts engagements:</p> <ul style="list-style-type: none">➤ Castaic Lake Water Agency➤ Mojave Water Agency➤ Crescenta Valley Water District➤ Monte Vista Water District➤ Indian Wells Valley Water District➤ North Marin Water District➤ Purissima Hills Water District➤ Westborough Water District➤ Victor Valley Wastewater Reclamation Authority➤ Santa Maria Public Airport District➤ Phelan Pinon Hills Community Services District

Our Specific Approach to your Audit

Specific Audit Approach

Our Firm's audit approach is tailored to each client in the following manner:

- We understand the significant work requirements of our clients. We work with our clients' schedules when scheduling segments of the audit or requesting documentation in order to minimize disruption during the audit process.
- We strive to utilize support already prepared by our clients in order to avoid duplication or unnecessary requests for audit supporting schedules.
- Our Firm is fully computerized in-house and utilizes portable computers on all audit engagements. We have implemented a paperless audit process that utilizes CCH ProSystems fx Engagement ® Audit Software and Practitioners Publishing Company software packages. These platforms provide for greater efficiency within the audit process. In addition, we fully embrace the utilization of data extraction capabilities within a client's reporting system to further increase efficiency and reduce demands on client staff time.
- Our staff is trained and familiar with government accounting and audit concepts, so you will see the difference in working with our professional staff.
- We audit various large and small governmental organizations, allowing us to consult with our clients on implementing various best-practices in their organizations.
- We believe that regular communication is the most important part of the audit process; as a result, we ask that if you ever have any questions about any financial, accounting, or audit issues, please contact us anytime throughout the year.

Interim Audit Planning and Testwork

Planning is necessary to ensure a quality audit, efficient use of professional staff and timely delivery of reports. Adequate planning of the audit is essential to minimize disruption of the ongoing daily operations of the District and their recipients. We have developed a comprehensive, efficient planning process. We will begin the planning of the audit upon notification of award of the contract.

Tasks to be accomplished during the planning phase include:

- Conducting an Audit Entrance Conference with the District's Board of Directors and management to discuss the scope and timing of the audit test work, the availability of the District's accounting staff, prior audit problems encountered, the extent of interim audit test work to be performed, the establishment of a liaison for the audit, and the arrangements for workspace and other needs to conduct the audit test work.
- Reviewing the Board minutes, agreements/contracts, and applicable strategy for the audit period.
- Interviewing finance staff regarding internal controls.
- Discussing the status of prior year's audit findings, if any.
- Review of the District's internal control structure and communication of recommendations to the District's management team concerning District policies and procedures.
- Tests of controls of audit areas to determine the effectiveness of the District's internal control structure.
- Evaluation of any unusual items noted from our analytical procedures.
- Reviewing of important contracts, debt issues, leases and joint power agreements.
- Providing the District with suggestions regarding the closing of the District's books after year end. Our assistance and communication in the closing of the District's books is expected to minimize the number of audit adjustments required after the close of District's books.

Our Specific Approach to your Audit, continued

Interim Audit Planning and Testwork, continued

After we obtain an understanding of the District's internal controls, evaluate their design and implementation and perform our interim test work we will determine the nature, scope, and timing for our final audit test work.

Final Audit Test Work

After the final closing of the District's books and preparation of final trial balances and audit supporting schedule by District personnel, we will commence performing our *final audit testwork*.

Our final examination will include analysis of critical audit areas which we deem necessary, including:

- Analysis of cash and investment balances to online bank and brokerage websites.
- Analysis of bank reconciliations.
- Analysis of accounts receivable, delinquent balances and relative ratios.
- Analysis of unbilled receivables.
- Analysis of allocations of interest income.
- Analysis of capital assets: construction-in-progress, significant additions/disposals, and related depreciation.
- Analysis of deferred outflows of resources balances and related amortization.
- Analysis of accounts payable.
- Performance of a search for unrecorded liabilities.
- Analysis and proper valuation of the liabilities for compensated absences.
- Analysis of long term debt balances.
- Analysis of the annual roll-forward of net pension liability balances.
- Analysis of unearned revenue.
- Analysis of deferred inflows of resources balances and related amortization.
- Analysis of the proper establishment of reserves and designations.
- Analysis of significant grant agreements, awards and contracts.
- Analysis of significant events after year end (through the completion of our audit).
- Analysis of attorney letters for significant legal matters affecting the District's financial position.

The abovementioned analysis and inquiries are only a sample of the tests performed during the examination and is not meant to be all inclusive.

Audit Completion

At the completion of the audit each year, we will meet with the District's management team to review our audit findings. We will communicate all deficiencies in controls which may assist the District in strengthening the internal control structure. Comments and recommendations relating to the accounting system will also be discussed. Finally, we will discuss all findings noted during the engagement. After discussion, the final report will be submitted to the District.

Identification and Communication of Internal Control Matters

The objective of our audit is to form an opinion on the District. Our objective is not to identify deficiencies in internal controls; however, when control deficiencies are identified in the course of our audit and if they constitute significant deficiencies or material weaknesses, we will communicate in writing those deficiencies to those charged with governance and the District's management.

Our Specific Approach to your Audit, continued

Audit Documentation

We will document matters pertaining to our audit planning and audit test work. The audit documentation will clearly demonstrate procedures performed, evidence obtained, and conclusions reached.

Communication with Management and the Board of Directors

In addition to our written reports, we believe an oral presentation to the District's management, and the Board of Directors, to be a minimum service provided by our Firm and would be pleased to schedule a mutually convenient time for such a presentation at the conclusion of the engagement or any time during the progression of the audit.

Other Assistance

Providing management assistance requires more than having talented people on staff; it requires a proactive approach. First, we assign experienced senior level professionals to our engagements. Our client base of governmental entities and commercial companies demands broad business and industry experience, as well as technical expertise. Those talented professionals have to be exposed to clients and develop an in-depth understanding of particular situations.

Second, we actively look for opportunities to provide assistance. We try to initiate rather than respond. For instance, if we believe a situation is developing, we will approach the client, offer to investigate and provide recommendations. If a formal project to address the problem is required, we will define the approach, execute the assignment and follow through with implementation assistance.

Timing of Our Procedures

We understand that the District is looking for value in the professional relationship they have with their auditors. Value comes from the knowledge, experience, and dedication that our Firm employs. We stress employs because all of the knowledge and expertise shown on paper will reap no benefit to you unless it is applied. This application equates to time well spent. We have developed an audit plan that we feel will accomplish the objectives of the District and will meet your special needs.

In order to accomplish our audit objectives and meet your deadlines for delivery, the sequence and timing of our procedures are critical. Per the District's schedule requirements, interim fieldwork will begin in April through June of each year (the District's preference of dates), concluding no later than July 15th (TBD) of each year. Final fieldwork will begin in August through September of each year (the District's preference of dates), concluding no later than October 15th of each year.

Delivery of the final reports to the District will be no later than November 15th of each fiscal year or earlier per the District's requirements.

Our Specific Approach to your Audit, continued

In the table that follows, we provide a summary of our planned activities and their timing:

Timing	Activity
Between April to June (TBD)	Conduct audit entrance conference. Commence interim audit fieldwork; Conduct interviews with key Finance personnel. Complete controls test work. Communication with District's management about fieldwork status and any potential findings or issues.
Between August to September (TBD)	Conduct final audit fieldwork.
By October 15 th (TBD)	Conduct exit conference with the District management. Provide the draft audit reports and draft management letters to District's management prior to final report.
By October 31 st (TBD)	Deliver Final Draft Reports to the District and present the final draft reports to the Finance Committee.
By November 15 th (TBD)	Deliver Final Reports to the District and present the final reports to the Board.

TBD – To Be Determined with the client, if necessary

Proposed Hours and Segmentation of the Audit

See our Cost Proposal for further information of the segmentation of the proposed audit process by hours and staffing.

Cost Proposal for Professional Auditing Services



Coastside County Water District

Prepared by:

Fedak & Brown LLP

Certified Public Accountants
Riverside, California & Cypress, California
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April 24, 2017

Ms. Mary E. Rogren, Assistant General Manager
Coastside County Water District
766 Main Street
Half Moon Bay, California 94019

Re: Request for Proposal for Professional Auditing Services

Dear Ms. Rogren:

Based on our understanding of the Coastside County Water District (District) requirements, our fee for audit services at our discounted rates for the fiscal year ending June 30, 2017 will be **\$13,225**. This fee is based on our understanding of the District's audit requirements.

Assuming there is no substantial change in the District's activities and operations, our fee for audit services for the fiscal year ending June 30, 2018 and 2019, and for the optional fiscal years ending June 30, 2020 and 2021 will be **\$13,615**, **\$14,020**, **14,445** and **\$14,875**, respectively.

Our estimate for out-of-pocket expenses is a separate estimate and may not be utilized in total to the amount estimated. Again, these fees are based on the estimated costs to complete the audit. The components of this audit services fee proposal and out-of-pocket costs for the fiscal years ending June 30, 2017 through 2019, and optional fiscal years ending June 30, 2020 and 2021, are itemized in the attached Exhibits.

Our not-to-exceed fee proposal is contingent upon our understanding of your requirements and the assistance we require as noted in our original audit technical proposal.

Additional services not included in this proposal will be based on our discounted billing rates based on the level of experience required. We would execute a separate contract for these services, if they are requested by the District.

I am authorized to make representations for Fedak & Brown LLP and am duly authorized to sign a contract with the District.

Christopher J. Brown, CPA CGMA

April 24, 2017

Date

Exhibit I – Proposed Hours and Our Fees

Proposed Hours and Our Fees

We anticipate that, for the fiscal years ending June 30, 2017 through 2019, and optional fiscal years 2020 and 2021, the audit of the District will require approximately 150 audit hours. These hours, by major area, are summarized as follows:

Audit Steps	Partner	Manager	Supervisor	Staff	Total
Planning	4	4	6	6	20
Controls Testwork	4	5	12	24	45
Substantive Testwork	4	6	16	24	50
Reporting	8	10	11	6	35
	20	25	45	60	150

As shown above, we expect approximately 30% of engagement hours to come from the Partners and Managers assigned to the engagements.

Working on the premise that we will be provided with all the documents listed per our audit requirements (will be provided prior to commencement of fieldwork), we expect to perform the audit of the District at fees as stated in the attached Schedule of Professional Fees on Page 3 for the fiscal years ending June 30, 2017 through 2019, and optional fiscal years 2020 and 2021, respectively.

Our fees are based on the product of the time spent on the engagement and the billing rates of the individuals assigned, plus out-of-pocket costs (such as report reproductions, typing, postage, travel, copies, telephone, etc.). We will obtain the assistance of District's personnel to the extent possible and otherwise endeavor to keep these charges to a minimum. We will submit progress billings monthly to your office as our work progresses, which will be due and payable thirty days from the date of the invoice.

Based upon the present size and scope of the activities of the District, we expect to perform the services enumerated above at our standard hourly rates. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to the audit.

In accordance with your request for proposal and the Office of Management and Budget Circular A-128, we will maintain our work papers for a minimum of seven years and make them available to the District, state agencies, the General Accounting Office, and other parties upon the direction of the District. We have provided a breakdown of our current hourly rates, which would apply to this engagement on the attached Schedule of Professional Fees by Hours on Pages 4 through 5 of this cost proposal.

We want the Board to understand that we will provide any assistance and answer any questions that the District's staff or members of the Boards may have when they arise for the entire duration of our contract. We find it important to stay abreast of the District's activities and issues during the entire engagement.

We would like to thank you and the Board for the opportunity to submit a proposal for the auditing services of the District. Because of our experience in special districts and agencies, we will provide you with accounting updates (GASB) to assist in your operations as well as meet the audit needs of the organization. We will also continually make recommendations on these and other matters that come to our attention. We are proud of the professional services we provide and encourage you to make inquiries to any of our clients about their satisfaction with our services and the quality of our staff.

Exhibit II – Schedule of Professional Fees

Coastside County Water District

Engagement Fees By Fiscal Year	Audit Service Fees*	Not-to-Exceed Estimate of Out of Pocket Costs**	Total Audit Fee	Additional Items	Total Engagement
Fiscal Year 2017	\$ 13,225	1,500	14,725	500	15,225
Fiscal Year 2018	13,615	1,550	15,165	515	15,680
Fiscal Year 2019	14,020	1,600	15,620	530	16,150
Total Three Year Contract Price	\$ 40,860	4,650	45,510	1,545	47,055
Optional Years					
Fiscal Year 2020	\$ 14,445	1,650	16,095	540	16,635
Fiscal Year 2021	\$ 14,875	1,700	16,575	555	17,130

* Professional audit services fees – labor only.

** Estimate of out-of-pocket costs consist of: travel, mileage, postage and printing costs. Out-of-pocket costs may not be fully utilized.

Exhibit III – Schedule of Professional Fees by Hours

Coastside County Water District Fiscal Year 2017

Breakdown of Fees by Hours

	Hours	Hourly Rates	Total
Fiscal Year 2017 Audit of:			
District's Basic Financial Statements			
Partner - Engagement & Technical	20	\$ 120	\$ 2,400
Manager	25	100	2,500
Supervisor	45	85	3,825
Staff	60	75	4,500
Total Financial Statement Audit for 2017	150		13,225
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)			1,500
Total Maximum for 2017			14,725
Additional Items Asked to be Priced by the District			
Preparation of the District's Annual State Controller's Report	5	100	500
Total Maximum with Additional Items for 2017	155		\$ 15,225

Coastside County Water District Fiscal Year 2018

Breakdown of Fees by Hours

	Hours	Hourly Rates	Total
Fiscal Year 2018 Audit of:			
District's Basic Financial Statements			
Partner - Engagement & Technical	20	\$ 123	\$ 2,460
Manager	25	103	2,575
Supervisor	45	88	3,960
Staff	60	77	4,620
Total Financial Statement Audit for 2018	150		13,615
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)			1,550
Total Maximum for 2018			15,165
Additional Items Asked to be Priced by the District			
Preparation of the District's Annual State Controller's Report	5	103	515
Total Maximum with Additional Items for 2018	155		\$ 15,680

Coastside County Water District Fiscal Year 2019

Breakdown of Fees by Hours

	Hours	Hourly Rates	Total
Fiscal Year 2019 Audit of:			
District's Basic Financial Statements			
Partner - Engagement & Technical	20	\$ 126	\$ 2,520
Manager	25	106	2,650
Supervisor	45	90	4,050
Staff	60	80	4,800
Total Financial Statement Audit for 2019	150		14,020
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)			1,600
Total Maximum for 2019			15,620
Additional Items Asked to be Priced by the District			
Preparation of the District's Annual State Controller's Report	5	106	530
Total Maximum with Additional Items for 2019	155		\$ 16,150

Exhibit III – Schedule of Professional Fees by Hours

Coastside County Water District OPTIONAL YEAR 1 - Fiscal Year 2020

Breakdown of Fees by Hours

	Hours	Hourly Rates	Total
Fiscal Year 2020 Audit of:			
District's Basic Financial Statements			
Partner - Engagement & Technical	20	\$ 129	\$ 2,580
Manager	25	108	2,700
Supervisor	45	93	4,185
Staff	60	83	4,980
Total Financial Statement Audit for 2020	150		14,445
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)			1,650
Total Maximum for 2020			16,095
Additional Items Asked to be Priced by the District			
Preparation of the District's Annual State Controller's Report	5	108	540
Total Maximum with Additional Items for 2020	155		\$ 16,635

Coastside County Water District OPTIONAL YEAR 2 - Fiscal Year 2021

Breakdown of Fees by Hours

	Hours	Hourly Rates	Total
Fiscal Year 2021 Audit of:			
District's Basic Financial Statements			
Partner - Engagement & Technical	20	\$ 131	\$ 2,620
Manager	25	111	2,775
Supervisor	45	96	4,320
Staff	60	86	5,160
Total Financial Statement Audit for 2021	150		14,875
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)			1,700
Total Maximum for 2021			16,575
Additional Items Asked to be Priced by the District			
Preparation of the District's Annual State Controller's Report	5	111	555
Total Maximum with Additional Items for 2021	155		\$ 17,130

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, Assistant General Manager

Agenda: May 9, 2017

Report

Date: May 4, 2017

Subject: Assistant General Manager's Report

Recommendation:

No Board action required.

Automated Metering Infrastructure (AMI) Implementation

In January, 2017, we began the roll-out of AMI at the District, and to date, we have accomplished the following:

- Installed and activated (6) Data Collection Units ("DCUs") around the District. (DCUs collect meter readings via radio signal from each meter and transmit the meter data to the Aclara cloud-based network.)
 - We have (3) DCUs still to be installed: (1) on El Granada Tank #3 after the recoating project is completed; (1) on Highway 92; and (1) extra - location TBD depending on need.
- Installed/programmed over 500+ Badger ultrasonic meters and Aclara Meter Transmission Units (MTUs) --- *eliminating the need for manual meter reads.*
- Implemented Aclara's NCC cloud-based software to receive hourly reads from meters 6 times per day. Aclara's software allows the District to monitor daily for "constant" flow (e.g. possible leaks); abnormal flow; and backflow.
- Implemented Aclara - Tyler (the District's billing system) connection. Meter reads can seamlessly be sent from Aclara to Tyler for billing purposes.

To date, even with a relatively limited number of installations, we have already investigated a number of leaks and backflow issues. And, although our initial roll-out and testing did not come without experiencing some glitches, we are poised to begin a wider installation of meters and MTUs.

Next steps include selecting a data analytics software vendor. Although Aclara's software allows for some diagnostics, we would like to implement a "user friendly" interface for use by our Customer Service staff to enable them to proactively identify leaks and to provide customers with meaningful usage data.

MONTHLY REPORT

To: David Dickson, General Manager
From: Joe Guistino, Superintendent of Operations
Agenda: May 9, 2017

Report
Date: May 4, 2017

Monthly Highlights

Denniston Pump Station and Bridgeport Transmission Main Project – The transmission main is in service and will easily allow pumping in excess of 525 gpm.

El Granada Tank 3 Rehabilitation and Coating Project – Progress is slow due to lack of coordination between the general contractor and their subs. Meeting to resolve outstanding issues scheduled for 9 May.

Source of Supply

Denniston and Pilarcitos Reservoirs were the source of supply in April, supplying approximately 39 MG of water. Denniston Water Treatment Plant (WTP) ran for 27 days and supplied 36% of water in April. It was shut down for 3 days due to high influent turbidity.

System Improvements

District Yard

We are now keeping a supply of cut back (cold patch) in the yard to allow for easier access for temporary patches after off hour main break repairs.

Field Lights

The operators are now equipped with personal safety lights for use during night time repairs.

Backhoe Improvements

The failing seat on the backhoe was replaced during its last service.

New Engineering Specifications

A consulting firm is bringing our engineering specs up to current standards, which will allow for improved clarity when communicating District requirements to contractors when installing new system components.

New Sample Stations

A representative of Steel Source gave a yard presentation of a new sample station design that would be a significant improvement over our existing stations. The new

station is ergonomically designed, protects the sample stream while sampling and provides shelving for bottles and instrumentation during the sampling process. We will be procuring a quantity of these stations in the next fiscal year.

Safety Data Sheets (SDS)

The SDS binders have been updated at the treatment plants.

Other Activities Update:

Meter Replacement Program

There were 53 meters replaced with Badger e-meters in April for the automated metering infrastructure (AMI) program. Of the 53, 48 were Sensus meters, 4 were Rockwell meters and 1 was a replacement Badger meter due to a scratched lens.

Pilarcitos Canyon Storm Repair Mitigation

As you may recall from last month, we are required by the Regional Water Quality Control Board (RWQCB) to design and implement a permanent solution in regards to the emergency repairs to the Pilarcitos Creek stream banks from the storm damage sustained in February. We have retained Questa Engineering for the design and they did submit a satisfactory first draft, which is in review at this time.

El Granada Treefalls

This year's storms also caused a couple of trees to fall in a eucalyptus grove on our property behind El Granada Tank 2. The first treefall resulted in a 2 day power loss to the residents on El Granada Blvd above the El Granada Tank 2. The second treefall had occurred a short time later in the same grove but missed the power lines by only a few feet. It remains for us to remove the fallen trees. I will be petitioning the County of San Mateo for a permit to remove some of the trees in this grove in the new fiscal year.

Interagency Cooperation

A major leak occurred on the Sewer Authority Midcoast (SAM) force main as it crosses over Arroyo de en Medio in April. They made temporary emergency repairs and are considering horizontal directional drilling (HDD) as a permanent fix. We have provided them with a copy of the as-built drawings for the El Granada Pipeline jack and bore at that site.

Crystal Springs Pump 3 Repairs

In February I reported that the shaft casing for Crystal Springs Pump 3 (CSP3) was leaking and needed to be replaced. A contractor replaced the shaft and casing in April. We hired a diver to provide proper alignment with the shaft and casing at the bottom of the caisson. The job went smoothly and the unit will be put in service in May.

Power Outage

There was a power outage on 10 April which shut down the Nunes WTP. A crew responded and got the plant running again. The clearwell sample pump had failed during the power surge and was replaced by the spare unit we always keep handy.

Regulatory Agency Interaction

California Water Resources Control Board (CWRCB)

Sent in the completed annual report on the week of 17 April.

In April, I had to help to clear up some confusion with mislabeled samples and apparent water quality violations. The laboratory had mislabeled the sample results. They cleared up the confusion to the satisfaction of the CWRCB.

Safety/Training/Inspections/Personnel/Meetings

Meetings Attended

4 April - Debriefing on Pilarcitos Roads Project with the Resource Conservation District (RCD) and Randtron

10-13 April - Attended Cal/Nev Section American Water Works Association (AWWA) Spring Conference

19 April - Met with SRT engineer Tim Monahan on Arroyo de en Medio water line locations.

24 April - Met with Pacific Ridge developer on future housing plans

25 April - Webinar on Ferrate use in water treatment for preoxidation and disinfection

26 April - Operations & Maintenance (O&M) staff meeting

26 April - Biweekly status update meeting for Bridgeport Transmission Main and Denniston Pump Station Project

Tailgate safety sessions in April

3 April - Night Work: Reduced Visibility Increases Hazards

18 April - Keep Trouble Out and Let Help in with Access Control Part I

24 April - Keep Trouble Out and Let Help in with Access Control Part II

Safety Committee and Training

Safety Training in April was on Fire Safety. Davis, Donovan, Winch, Jahns, Whelen, Sulzinger, Schmidt, Damrosch and Duffy were in attendance.

Cal/Nev AWWA Fall Conference

I attended the Cal/Nev Section AWWA Fall Conference in Anaheim, California on the week of 10 April. I chaired the Awards Committee Meeting, moderated the annual Section Top Ops Competition, presided over the Awards Presentation, networked with my peers, putting the word out at CCWD will be seeking a

Superintendent in the Fall, and attended talks and discussions on various topics related to drinking water and the operation of drinking water facilities and programs.

Temporary Maintenance Worker

Local resident Ryan Stoll started his employment as Temporary Maintenance Worker on 24 April.

Webinar

On 25 April, Treatment Supervisor Donovan, Senior Operator Schmidt and I watched a webinar titled Integrating Ferrate into US Water Treatment Practice. This is an up and coming product that may allow us to discontinue pre permanganate application at Denniston WTP as well as allowing pre oxidant dosing at Nunes to improve the coagulation process and control growths of algae in the sedimentation basin. Use of permanganate aggravates brown water events in the distribution system if flushing isn't done on a frequent basis.

Projects

El Granada Tank 3 Rehabilitation and Coating Project

The project has been running slow due to lack of coordination and communication between the general contractor and the subs. The project should be complete by mid to late June. We are scheduled to meet with the general contractor on 9 May to discuss their poor progress and liquidated damages.

Denniston Pump Station and Bridgeport Transmission Main Project

The Bridgeport/Coral Reef Transmission main is installed and in service. We had a shutdown on 12 April to tie in the PRV at the end of Bridgeport and the main was put in service on the week of 17 April after disinfection and bacteriological testing. We were able to bring the treated water pump up to 525 gpm with plenty of room to go higher. Pressures in Clipper Ridge were in excess of 130 psi at this flow rate and so it was brought back down to 400 gpm until the PRVs are put in service and Clipper Ridge isolated at pressures around 90 psi. PRVs will be put in service on the week of 8 May.

The pump station is progressing according to schedule. The job was shut down for a few hours when a red legged frog decided to jump in the construction zone on 12 April. The biologist safely returned to frog to more suitable environs.

Stone Dam Pipeline

Environmental consultant AES has been hired to provide us with a biological and wetlands survey of the proposed pipe locations to determine if they will be an issue in the progress of this project. We expect their report by the end of May.