

**COASTSIDE COUNTY WATER DISTRICT**

**766 MAIN STREET**

**HALF MOON BAY, CA 94019**

**SPECIAL MEETING OF THE BOARD OF DIRECTORS**

**Tuesday, November 8, 2011 - 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**

Pursuant to California Government Code Section §54956.9(b)

Anticipated Litigation - Significant Exposure to Litigation: One Case

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

**5) ADJOURNMENT**

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

**COASTSIDE COUNTY WATER DISTRICT**

**766 MAIN STREET**

**HALF MOON BAY, CA 94019**

**MEETING OF THE BOARD OF DIRECTORS**

**Tuesday, November 8, 2011 - 7:00 p.m.**

**AGENDA**

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

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

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

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

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

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

**4) CONSENT CALENDAR**

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

- A. Approval of disbursements for the month ending October 31, 2011: Claims: \$808,727.73; Payroll: \$ 74,284.04; for a total of \$883,011.77 ([attachment](#))
- B. Acceptance of Financial Reports ([attachment](#))
- C. Approval of Minutes of October 11, 2011 Board of Directors Meeting ([attachment](#))
- D. Installed Water Connection Capacity and Water Meters Report and Non-Priority Lottery Recipients Status Update Report ([attachment](#))
- E. Total CCWD Production Report ([attachment](#))
- F. CCWD Monthly Sales by Category Report ([attachment](#))
- G. October 2011 Leak Report ([attachment](#))
- H. Rainfall Reports ([attachment](#))
- I. Notice of Completion - Denniston Dredging Project ([attachment](#))

**5) MEETINGS ATTENDED / DIRECTOR COMMENTS**

**6) GENERAL BUSINESS**

- A. Approval of Coastside County Water District Basic Financial Statements and Independent Auditors Report for Fiscal Year Ended June 30, 2011 ([attachment](#))
- B. Extension of Time for Installation of Connections Purchased in 2010 Lottery ([attachment](#))

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

- I-Bank Loan
- E-mail Newsletter
- A. Operations Report ([attachment](#))
- B. Water Resources Report ([attachment](#))

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

**9) ADJOURNMENT**

# Accounts Payable

## Checks by Date - Summary By Check Number

User: gbrazil  
Printed: 10/28/2011 - 4:09 PM



Check Number	Vendor No	Vendor Name	Check Date	Void Checks	Check Amount
16657	ALL04	ALLIED WASTE SERVICES #9:	10/14/2011	0.00	323.91
16658	ALV01	ALVES PETROLEUM, INC.	10/14/2011	0.00	1,940.61
16659	ASS01	HEALTH BENEFITS AUTHORI	10/14/2011	0.00	21,544.66
16660	ASS08	ASSOC. CALIF. WATER AGEN	10/14/2011	0.00	10,051.00
16661	ATT02	AT&T	10/14/2011	0.00	1,340.43
16662	BFI02	BFI OF CALIFORNIA, INC.	10/14/2011	0.00	1,076.00
16663	CAL12	CALIFORNIA INFRASTRUCTU	10/14/2011	0.00	57,430.00
16664	COA15	COASTSIDE NET, INC	10/14/2011	0.00	59.95
16665	CUL01	CULLIGAN WATER COM OF N	10/14/2011	0.00	543.00
16666	HAR03	HARTFORD LIFE INSURANCE	10/14/2011	0.00	1,770.07
16667	ICM01	VANTAGEPOINT TRANSFER /	10/14/2011	0.00	75.00
16668	KAI01	KAISER FOUNDATION HEAL	10/14/2011	0.00	9,434.00
16669	OCE04	OCEAN SHORE CO.	10/14/2011	0.00	773.29
16670	PAC01	PACIFIC GAS & ELECTRIC CO	10/14/2011	0.00	9,467.20
16671	PAC02	PACIFICA CREDIT UNION	10/14/2011	0.00	450.00
16672	PUB01	PUB. EMP. RETIRE SYSTEM	10/14/2011	0.00	18,465.81
16673	SAN07	SM CTY ENVIRONMENTAL H	10/14/2011	0.00	1,643.00
16674	TUR04	SUSAN TURGEON	10/14/2011	0.00	213.60
16675	VAL01	VALIC	10/14/2011	0.00	1,500.00
16676	A1001	A-1 SEPTIC TANK SERVICE	10/26/2011	0.00	675.00
16677	ASS05	ACWA HEALTH BENEFITS AL	10/26/2011	0.00	60.18
16678	ADP01	ADP, INC.	10/26/2011	0.00	536.65
16679	ADV01	ADVANCED AUTOMATIC GA'	10/26/2011	0.00	127.58
16680	ALI01	ALIFANO TECHNOLOGIES LL	10/26/2011	0.00	1,545.81
16681	ANA01	ANALYTICAL ENVIRONMEN	10/26/2011	0.00	22,940.20
16682	AND05	DANA ANDERSON	10/26/2011	0.00	100.00
16683	AND10	ANDERSON PACIFIC ENGINE	10/26/2011	0.00	166,157.55
16684	AND01	ANDREINI BROS. INC.	10/26/2011	0.00	12,994.20
16685	ANG01	ANGELO'S MUFFLER	10/26/2011	0.00	298.75
16686	ATT03	AT&T LONG DISTANCE	10/26/2011	0.00	106.64
16687	AZT01	AZTEC GARDENS, INC.	10/26/2011	0.00	430.00
16688	BAL04	BALANCE HYDROLOGICS, IN	10/26/2011	0.00	3,299.54
16689	BAR01	BARTKIEWICZ, KRONICK & S	10/26/2011	0.00	48.76
16690	BAY05	BAY AREA WATER SUPPLY &	10/26/2011	0.00	6,166.25
16691	BFI02	BFI OF CALIFORNIA, INC.	10/26/2011	0.00	26.00
16692	BIG02	BIG ED'S CRANE SERVICE, IN	10/26/2011	0.00	858.00
16693	CAL08	CALCON SYSTEMS, INC.	10/26/2011	0.00	545.00
16694	CAL06	CALIFORNIA GENERATOR SE	10/26/2011	0.00	3,490.53
16695	CAL33	CALIFORNIA SPECIAL DISTRI	10/26/2011	0.00	4,581.00
16696	CAR02	CAROLYN STANFIELD	10/26/2011	0.00	485.00
16697	CAL07	CHEMICAL TRANSFER COMP	10/26/2011	0.00	1,216.52
16698	CIN01	CINTAS FIRST AID & SAFETY	10/26/2011	0.00	126.81
16699	COA19	COASTSIDE COUNTY WATER	10/26/2011	0.00	103.86
16700	COA03	COASTSIDE LUTHERAN CHUI	10/26/2011	0.00	713.50
16701	COA06	COASTSIDE TERMITE	10/26/2011	0.00	795.00

Check Number	Vendor No	Vendor Name	Check Date	Void Checks	Check Amount
16702	COM01	COMMUNICATION LEASING	10/26/2011	0.00	791.25
16703	CSG01	CSG SYSTEMS, INC	10/26/2011	0.00	2,050.71
16704	DEP07	DEPARTMENT OF PUBLIC HE	10/26/2011	0.00	13,347.93
16705	EKI01	EKI INC.	10/26/2011	0.00	36,582.22
16706	FIR06	FIRST NATIONAL BANK	10/26/2011	0.00	2,293.68
16707	FLI01	FLINT STRATEGIES	10/26/2011	0.00	750.00
16708	FLO02	FLOMAX	10/26/2011	0.00	5,952.04
16709	GOO01	ALLISON GOODE	10/26/2011	0.00	300.00
16710	GRA03	GRAINGER, INC.	10/26/2011	0.00	287.04
16711	HAL24	H.M.B.AUTO PARTS	10/26/2011	0.00	97.71
16712	HAC01	HACH CO., INC.	10/26/2011	0.00	259.88
16713	HAL04	HALF MOON BAY REVIEW	10/26/2011	0.00	1,377.00
16714	HAN01	HANSONBRIDGETT. LLP	10/26/2011	0.00	7,275.80
16715	HAL01	HMB BLDG. & GARDEN INC.	10/26/2011	0.00	425.85
16716	HOM01	HOME DEPOT	10/26/2011	0.00	534.07
16717	INT05	INTERSTATE GRADING & PA	10/26/2011	0.00	369.07
16718	IRO01	IRON MOUNTAIN	10/26/2011	0.00	381.56
16719	IRV01	IRVINE CONSULTING SERVIC	10/26/2011	0.00	1,700.00
16720	IRV02	IRVINE CONSULTING SERVIC	10/26/2011	0.00	200.00
16721	KEN03	KENNEDY/JENKS CONSULTA	10/26/2011	0.00	41,402.10
16722	LAB01	LAB SAFETY SUPPLY, INC.	10/26/2011	0.00	127.32
16723	LIV01	DANIEL LIVAK	10/26/2011	0.00	100.00
16724	LOM01	GLENNA LOMBARDI	10/26/2011	0.00	99.00
16725	MET06	METLIFE SBC	10/26/2011	0.00	1,392.95
16726	MIS01	MISSION UNIFORM SERVICES	10/26/2011	0.00	149.36
16727	MON07	MONTEREY COUNTY LAB	10/26/2011	0.00	1,016.00
16728	NOR05	NORTH COAST DIVERS, INC	10/26/2011	0.00	11,575.75
16729	OFF01	OFFICE DEPOT	10/26/2011	0.00	477.50
16730	ONL01	ONLINE RESOURCES	10/26/2011	0.00	150.00
16731	ONT01	ONTRAC	10/26/2011	0.00	227.29
16732	PAC06	PACIFIC COAST TELEVISION	10/26/2011	0.00	250.00
16733	PHI02	PHIL'S TIRE PROS	10/26/2011	0.00	30.00
16734	RIC02	RICOH AMERICAS CORP	10/26/2011	0.00	790.90
16735	RIC01	RICOH AMERICAS CORPORA	10/26/2011	0.00	643.09
16736	ROB01	ROBERTS & BRUNE CO.	10/26/2011	0.00	12,885.14
16737	ROG01	ROGUE WEB WORKS, LLC	10/26/2011	0.00	495.00
16738	SAN03	SAN FRANCISCO WATER DEP	10/26/2011	0.00	243,199.20
16739	SAN05	SAN MATEO CTY PUBLIC HE	10/26/2011	0.00	500.00
16740	SAN16	SAN MATEO CTY TAX COLLE	10/26/2011	0.00	1,172.28
16741	SCH02	TODD SCHECTER	10/26/2011	0.00	200.00
16742	STR02	STRAWFLOWER ELECTRONIC	10/26/2011	0.00	21.60
16743	TEA02	TEAMSTERS LOCAL UNION #	10/26/2011	0.00	786.00
16744	TET01	JAMES TETER	10/26/2011	0.00	21,573.57
16745	TWI01	STEVE TWITCHELL	10/26/2011	0.00	193.31
16746	UNI07	UNITED STATES POSTAL SER	10/26/2011	0.00	600.00
16747	UNI15	UNIVAR USA INC	10/26/2011	0.00	2,703.72
16748	VER02	VERIZON WIRELESS	10/26/2011	0.00	271.16
16749	WES11	WEST COAST AGGREGATES,	10/26/2011	0.00	324.55
16750	WHE01	VIRGINIA WHELEN	10/26/2011	0.00	195.00
16751	ADV02	FRANK YAMELLO	10/26/2011	0.00	231.00
16752	CSG01	CSG SYSTEMS, INC	10/27/2011	0.00	588.65
16753	HAR03	HARTFORD LIFE INSURANCE	10/27/2011	0.00	1,770.07
16754	ICM01	VANTAGEPOINT TRANSFER /	10/27/2011	0.00	75.00
16755	MAN02	DENNIS MANN	10/27/2011	0.00	100.00
16756	PAC02	PACIFICA CREDIT UNION	10/27/2011	0.00	450.00

Check Number	Vendor No	Vendor Name	Check Date	Void Checks	Check Amount
16757	PUB01	PUB. EMP. RETIRE SYSTEM	10/27/2011	0.00	18,619.88
16758	UB*00944	RAY W. HEKKERT	10/27/2011	0.00	6.72
16759	UB*00945	RAY W. HEKKERT	10/27/2011	0.00	142.77
16760	UB*00946	HUMPHERY LU, M.D.	10/27/2011	0.00	7.17
16761	UB*00947	LeROB,LLC/JAMES ANDERSO	10/27/2011	0.00	56.90
16762	UB*00948	CAROLINE FARLEY	10/27/2011	0.00	51.45
16763	UB*00949	MID-COAST TELEVISION	10/27/2011	0.00	70.66
16764	VAL01	VALIC	10/27/2011	0.00	1,500.00
Report Total:				0.00	808,727.73

**COASTSIDE COUNTY WATER DISTRICT - PERIOD BUDGET ANALYSIS**  
**31-Oct-11**

ACCOUNT	DESCRIPTION	CURRENT ACTUAL	CURRENT BUDGET	B/(W) VARIANCE	B/(W) % VAR	YTD ACTUAL	YTD BUDGET	B/(W) VARIANCE	B/(W) % VAR
<b>OPERATING REVENUE</b>									
1-0-4120-00	Water Revenue -All Areas	644,490.37	715,803.00	(71,312.63)	-10.0%	2,309,529.19	2,788,914.00	(479,384.81)	-17.2%
<b>TOTAL OPERATING REVENUE</b>		<b>644,490.37</b>	<b>715,803.00</b>	<b>(71,312.63)</b>	<b>-10.0%</b>	<b>2,309,529.19</b>	<b>2,788,914.00</b>	<b>(479,384.81)</b>	<b>-17.2%</b>
<b>NON-OPERATING REVENUE</b>									
1-0-4170-00	Water Taken From Hydrants	1,141.16	2,084.00	(942.84)	-45.2%	7,424.93	8,336.00	(911.07)	-10.9%
1-0-4180-00	Late Notice -10% Penalty	5,144.68	4,167.00	977.68	23.5%	20,925.46	16,668.00	4,257.46	25.5%
1-0-4230-00	Service Connections	1,649.64	667.00	982.64	147.3%	3,636.31	2,668.00	968.31	36.3%
1-0-4920-00	Interest Earned	1,327.96	1,855.75	(527.79)	0.0%	3,091.70	3,711.50	(619.80)	-16.7%
1-0-4930-00	Tax Apportionments/Cnty Checks	260.11	3,250.00	(2,989.89)	-92.0%	15,741.37	28,000.00	(12,258.63)	-43.8%
1-0-4950-00	Miscellaneous Income	760.00	3,083.00	(2,323.00)	-75.3%	22,718.72	12,332.00	10,386.72	84.2%
1-0-4955-00	Cell Site Lease Income	9,825.30	9,491.00	334.30	3.5%	39,061.63	37,964.00	1,097.63	2.9%
1-0-4965-00	ERAF REFUND -County Taxes	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
<b>TOTAL NON-OPERATING REVENUE</b>		<b>20,108.85</b>	<b>24,597.75</b>	<b>(4,488.90)</b>	<b>-18.2%</b>	<b>112,600.12</b>	<b>109,679.50</b>	<b>2,920.62</b>	<b>2.7%</b>
<b>TOTAL REVENUES</b>		<b>664,599.22</b>	<b>740,400.75</b>	<b>(75,801.53)</b>	<b>-10.2%</b>	<b>2,422,129.31</b>	<b>2,898,593.50</b>	<b>(476,464.19)</b>	<b>-16.4%</b>
<b>OPERATING EXPENSES</b>									
1-1-5130-00	Water Purchased	243,199.20	205,135.00	(38,064.20)	-18.6%	698,768.62	870,328.00	171,559.38	19.7%
1-1-5230-00	Pump Exp, Nunes T P	2,214.36	1,892.00	(322.36)	-17.0%	6,839.37	7,115.00	275.63	3.9%
1-1-5231-00	Pump Exp, CSP Pump Station	4,902.10	26,202.00	21,299.90	81.3%	14,941.04	102,014.00	87,072.96	85.4%
1-1-5232-00	Pump Exp, Trans. & Dist.	899.30	1,280.00	380.70	29.7%	3,037.04	5,985.00	2,947.96	49.3%
1-1-5233-00	Pump Exp, Pilarcitos Can.	204.31	927.00	722.69	78.0%	614.64	1,223.00	608.36	49.7%
1-1-5234-00	Pump Exp. Denniston Proj.	573.10	495.00	(78.10)	-15.8%	1,330.41	1,980.00	649.59	32.8%
1-1-5235-00	Denniston T.P. Operations	92.46	250.00	157.54	63.0%	853.56	1,000.00	146.44	14.6%
1-1-5236-00	Denniston T.P. Maintenance	144.94	417.00	272.06	65.2%	252.61	1,668.00	1,415.39	84.9%
1-1-5240-00	Nunes T P Operations	5,526.43	6,540.00	1,013.57	15.5%	40,060.24	27,801.00	(12,259.24)	-44.1%
1-1-5241-00	Nunes T P Maintenance	889.14	3,167.00	2,277.86	71.9%	17,661.69	12,668.00	(4,993.69)	-39.4%
1-1-5242-00	CSP Pump Station Operations	578.30	708.00	129.70	18.3%	2,521.73	2,832.00	310.27	11.0%
1-1-5243-00	CSP Pump Station Maintenance	0.00	4,167.00	4,167.00	100.0%	12,866.76	16,668.00	3,801.24	22.8%
1-1-5250-00	Laboratory Services	1,743.29	2,917.00	1,173.71	40.2%	9,220.90	11,668.00	2,447.10	21.0%
1-1-5318-00	Studies/Surveys/Consulting	1,541.25	3,750.00	2,208.75	58.9%	12,415.00	15,000.00	2,585.00	17.2%
1-1-5321-00	Water Conservation	3,645.74	5,196.00	1,550.26	29.8%	28,813.23	20,784.00	(8,029.23)	-38.6%
1-1-5322-00	Community Outreach	760.00	2,184.00	1,424.00	65.2%	1,824.36	8,736.00	6,911.64	79.1%
1-1-5411-00	Salaries & Wages -Field	71,067.97	73,717.38	2,649.41	3.6%	279,066.09	331,728.21	52,662.12	15.9%
1-1-5412-00	Maintenance -General	8,416.88	16,042.00	7,625.12	47.5%	42,951.17	64,168.00	21,216.83	33.1%
1-1-5414-00	Motor Vehicle Expense	2,697.73	3,708.00	1,010.27	27.2%	26,930.66	14,832.00	(12,098.66)	-81.6%
1-1-5415-00	Maintenance -Well Fields	0.00	500.00	500.00	100.0%	0.00	2,000.00	2,000.00	100.0%

ACCOUNT	DESCRIPTION	CURRENT ACTUAL	CURRENT BUDGET	B/(W) VARIANCE	B/(W) % VAR	YTD ACTUAL	YTD BUDGET	B/(W) VARIANCE	B/(W) % VAR
1-1-5610-00	Salaries/Wages-Administration	47,801.11	49,608.00	1,806.89	3.6%	186,553.32	223,236.00	36,682.68	16.4%
1-1-5620-00	Office Supplies & Expense	8,991.11	9,948.00	956.89	9.6%	34,507.08	39,792.00	5,284.92	13.3%
1-1-5621-00	Computer Services	2,529.95	4,070.83	1,540.88	37.9%	10,750.05	16,283.32	5,533.27	34.0%
1-1-5625-00	Meetings / Training / Seminars	1,525.52	1,500.00	(25.52)	-1.7%	5,665.76	6,000.00	334.24	5.6%
1-1-5630-00	Insurance	13,243.35	12,500.00	(743.35)	0.0%	72,026.71	80,000.00	7,973.29	10.0%
1-1-5635-00	EE/Ret. Medical Insurance	32,725.79	36,551.00	3,825.21	10.5%	129,989.58	146,204.00	16,214.42	11.1%
1-1-5640-00	Employees Retirement Plan	34,882.40	35,586.70	704.30	2.0%	137,444.55	160,140.10	22,695.55	14.2%
1-1-5645-00	SIP 401K Plan	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
1-1-5681-00	Legal	4,329.60	5,000.00	670.40	13.4%	8,903.50	20,000.00	11,096.50	55.5%
1-1-5682-00	Engineering	480.00	1,167.00	687.00	58.9%	2,792.92	4,668.00	1,875.08	40.2%
1-1-5683-00	Financial Services	0.00	3,000.00	3,000.00	100.0%	4,447.50	10,500.00	6,052.50	57.6%
1-1-5684-00	Payroll Tax Expense	7,599.97	8,819.84	1,219.87	13.8%	32,200.50	39,689.28	7,488.78	18.9%
1-1-5687-00	Membership, Dues, Subscript.	10,353.25	17,529.16	7,175.91	40.9%	16,760.50	27,616.64	10,856.14	39.3%
1-1-5688-00	Election Expenses	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
1-1-5689-00	Labor Relations	0.00	500.00	500.00	100.0%	0.00	2,000.00	2,000.00	100.0%
1-1-5700-00	San Mateo County Fees	2,815.28	1,750.00	(1,065.28)	-60.9%	8,275.28	2,950.00	(5,325.28)	-180.5%
1-1-5705-00	State Fees	13,347.93	15,000.00	1,652.07	0.0%	13,347.93	15,000.00	1,652.07	0.0%
<b>TOTAL OPERATING EXPENSES</b>		<b>529,721.76</b>	<b>561,724.91</b>	<b>32,003.15</b>	<b>5.7%</b>	<b>1,864,634.30</b>	<b>2,314,277.55</b>	<b>449,643.25</b>	<b>19.4%</b>
<b>CAPITAL ACCOUNTS</b>									
1-1-5711-00	Debt Srvc/Existing Bonds 1998A	0.00	0.00	0.00	0.0%	254,610.00	254,610.00	0.00	0.0%
1-1-5712-00	Debt Srvc/Existing Bonds 2006B	0.00	0.00	0.00	0.0%	338,176.89	335,852.00	(2,324.89)	0.0%
1-1-5715-00	Debt Srvc/CIEDB 11-099 (I-BANK)	57,430.00	0.00	(57,430.00)	0.0%	57,430.00	0.00	(57,430.00)	
<b>TOTAL CAPITAL ACCOUNTS</b>		<b>57,430.00</b>	<b>0.00</b>	<b>57,430.00</b>	<b>0.0%</b>	<b>650,216.89</b>	<b>590,462.00</b>	<b>59,754.89</b>	<b>0.0%</b>
<b>TOTAL EXPENSES</b>		<b>587,151.76</b>	<b>561,724.91</b>	<b>(25,426.85)</b>	<b>-4.5%</b>	<b>2,514,851.19</b>	<b>2,904,739.55</b>	<b>389,888.36</b>	<b>13.4%</b>
<b>NET INCOME</b>		<b>77,447.46</b>	<b>178,675.84</b>	<b>101,228.38</b>	<b>56.7%</b>	<b>(92,721.88)</b>	<b>(6,146.05)</b>	<b>86,575.83</b>	<b>-1408.6%</b>

**COASTSIDE COUNTY WATER DISTRICT**  
**MONTHLY INVESTMENT REPORT**  
**October 2011**

**RESERVE BALANCES**

CAPITAL AND OPERATING RESERVE	\$1,555,064.05
RATE STABILIZATION RESERVE	\$250,000.00
<b>TOTAL DISTRICT RESERVES</b>	<b>\$1,805,064.05</b>

**ACCOUNT DETAIL**

ACCOUNTS WITH FIRST NATIONAL BANK (FNB)	
CHECKIING ACCOUNT	\$242,215.52
CSP T & S ACCOUNT	\$550,433.83
LOCAL AGENCY INVESTMENT FUND (LAIF) BALANCE	\$1,010,484.70
DISTRICT CASH ON HAND	\$1,930.00
<b>TOTAL ACCOUNT BALANCES</b>	<b>\$1,805,064.05</b>

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

COASTSIDE COUNTY WATER DISTRICT  
 APPROVED CAPITAL IMPROVEMENT PROJECTS  
 FISCAL YEAR 2011-2012

10/31/2011

		Approved CIP Budget FY 11/12	Actual To Date FY 11/12	Projected Year-End FY 11/12	Projected vs. Budget Variance	Project Status/ Comments
<b>PIPELINE PROJECTS</b>						
06-05	Avenue Cabrillo I (Permitting / Design)	\$ 100,000	60,489	\$ 100,000	\$ -	In design
<b>WATER TREATMENT PLANTS</b>						
99-05	Denniston Dredging	\$ 30,000	\$ 560	\$ 30,000	\$ -	Waiting for bids
10-04	Nunes Floc Drive Repair	\$ 50,000		\$ 50,000	\$ -	
08-05	Nunes Plant Painting	\$ 12,500		\$ 12,500	\$ -	On Hold
	Nunes Hydropneumatic Systems Improvement	\$ 40,000		\$ 46,000	\$ (6,000)	Planning
	Nunes DR5000 Analyzer	\$ 8,000		\$ 8,000	\$ -	Purchased
<b>FACILITIES &amp; MAINTENANCE</b>						
08-08	PRV Valves Replacement Program	\$ 20,000	\$ 26,696	\$ 25,000	\$ (5,000)	In Progress
99-01	Meter Change Program	\$ 30,000	\$ 5,148	\$ 30,000	\$ -	Ongoing
09-09	Fire Hydrant Replacment	\$ 20,000		\$ 20,000	\$ -	Ongoing
09-23	District Digital Mapping	\$ 75,000	\$ 6,545	\$ 75,000	\$ -	
<b>EQUIPMENT PURCHASE &amp; REPLACEMENT</b>						
99-03	Computer System	\$ 12,000		\$ 12,000	\$ -	
99-04	Office Equipment/Furniture	\$ 3,000	\$ 1,546	\$ 3,000	\$ -	
06-03	SCADA / Telemetry / Electrical Controls	\$ 750,000		\$ 750,000	\$ -	Planning
	Billing System Upgrade	\$ 70,000		\$ 70,000	\$ -	
<b>PUMP STATIONS / TANKS / WELLS</b>						
	Crystal Springs Check Valve Replacement	\$ 25,000		\$ 26,000	\$ (1,000)	In Progress
08-14	Alves Tank Recoating (Interior & Exterior)	\$ 100,000		\$ 100,000	\$ -	Planning
08-17	El Granada Tank #2 Recoat and Ladder	\$ 200,000	\$ 338	\$ 200,000	\$ -	Planning
	El Granada Tank #1 MCC Repairs & Spare Pump	\$ 40,000	\$ 1,694	\$ 40,000	\$ -	Complete
	El Granada Tank #2 Fence Replacement	\$ 25,000		\$ 22,000	\$ 3,000	On Hold
	El Granada Tank #3 Fence Replacement	\$ 25,000	\$ 15,830	\$ 20,000	\$ 5,000	In Progress
	Miramar Tank Fence Replacement	\$ 25,000		\$ 25,000	\$ -	Planning
	Half Moon Bay Tank #1 Interior/Exterior Recoating	\$ 300,000		\$ 260,000	\$ 40,000	In Progress
09-18	Pump Station Chlorine Analyzer Replacements (4)	\$ 10,000		\$ 10,000	\$ -	Complete
09-19	Pilarcitos Canyon Blending Station	\$ 100,000	\$ 30,932	\$ 100,000	\$ -	In Progress
<b>DENNISTON WTP (LONG-TERM) IMPROVEMENT</b>						
08-23	Denniston Pre/Post Treatment Construction	\$ 4,000,000	\$ 385,565	\$ 4,000,000	\$ -	In Progress

**WATER SUPPLY DEVELOPMENT**

COASTSIDE COUNTY WATER DISTRICT  
 APPROVED CAPITAL IMPROVEMENT PROJECTS  
 FISCAL YEAR 2011-2012

10/31/2011

	Approved CIP Budget FY 11/12	Actual To Date FY 11/12	Projected Year-End FY 11/12	Projected vs. Budget Variance	Project Status/ Comments
Denniston /San Vicente EIR	\$ 300,000	\$ 234,613,432	\$ 300,000	\$ -	Planning
San Vicente Design	\$ 300,000	\$ 5,926	\$ 250,000	\$ 50,000	Planning
<b>FY 11-12 TOTALS \$ 6,670,500 \$ 235,154,700 \$ 6,484,500 \$ 86,000</b>					

**Previous CIP Projects - paid in FY 11/12**

FY 10/11	Small Line Decomission Behind Main Street	\$ 1,499			Project Complete - Final Retention
FY 10/11	District Digital Mapping	\$ 35,030			
FY 09/10	New Pilarcitos Well	\$ 2,892	\$ 25,000		Analysis - work complete for this FY
	Denniston Booster Pump Station	\$ 6,126			
<b>PREVIOUS YEAR TOTALS</b>		<b>\$ 45,547</b>	<b>\$ 25,000</b>	<b>\$ -</b>	

**NON-BUDGETED ITEMS (CAPITAL EXPENDITURES) FOR CURRENT FISCAL YEAR 11/12**

	Cahill Tank Repairs	\$ 11,500	\$ 15,000		In Progress
	CSP - Rebuild Actuator	\$ 21,912			Analysis
	Spectrophotometer - Replacement of Equipment at Nunes	\$ 3,795			
<b>NON-BUDGETED TOTALS</b>		<b>\$ 37,207</b>	<b>\$ 15,000</b>	<b>\$ -</b>	

<b>CIP TOTALS \$ 6,670,500 \$ 235,237,454 \$ 6,524,500 \$ 86,000</b>	
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**Legal Cost Tracking Report  
12 Months At-A-Glance**

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

Month	Admin (General Legal Fees)	Recycle Water Analysis	Water Supply Developmnt	Transfer Program	CIP	Denniston WTP Improvements Project	Personnel	Lawsuits	Infrastructure Project Review  (Reimbursable)	TOTAL
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<b>Nov-10</b>	3,066		1,336	288			1,551			6,241
<b>Dec-11</b>	2,358		419	1,427			3,104		52	7,361
<b>Jan-11</b>	3,450		419	983	341					5,193
<b>Feb-11</b>	4,834		157	221						5,212
<b>Mar-11</b>	1,342		1,492	1,467						4,302
<b>Apr-11</b>	2,687		2,037	80	106					4,909
<b>May-11</b>	4,299		1,436	491						6,227
<b>Jun-11</b>	3,192					2,059			878	6,129
<b>Jul-11</b>	5,102					637				5,739
<b>Aug-11</b>	1,383					1,913				3,297
<b>Sep-11</b>	1,569			346		372		1,967		4,255
<b>Oct-11</b>	4,330			319		2,627				7,276

<b>TOTAL</b>	<b>37,612</b>	<b>0</b>	<b>7,297</b>	<b>5,622</b>	<b>447</b>	<b>7,609</b>	<b>4,655</b>	<b>1,967</b>	<b>930</b>	<b>66,141</b>
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**Engineer Cost Tracking Report  
12 Months At-A-Glance**

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

<b>Month</b>	<b>Admin &amp; Retainer</b>	<b>Phase 3 EG Pipeline</b>	<b>CIP</b>	<b>Short Term WTP Imprv.</b>	<b>Studies &amp; Projects</b>	<b>TOTAL</b>	<b>Reimbursable from Projects</b>
<b>Nov-10</b>	565		4,688	1,135		<b>6,388</b>	
<b>Dec-11</b>	120			1,099		<b>1,219</b>	
<b>Jan-11</b>	480			709	797	<b>1,986</b>	
<b>Feb-11</b>	300			85		<b>385</b>	
<b>Mar-11</b>	480		254			<b>734</b>	
<b>Apr-11</b>	480		169			<b>649</b>	
<b>May-11</b>	480		338			<b>818</b>	
<b>Jun-11</b>	240		4,551			<b>4,791</b>	
<b>Jul-11</b>	480		18,131			<b>18,611</b>	
<b>Aug-11</b>	1,353		9,096			<b>10,449</b>	
<b>Sep-11</b>	480		15,802		1,437	<b>17,718</b>	
<b>Oct-11</b>	480		17,798		3,296		3,296
<b>TOTAL</b>	<b>5,937</b>	<b>0</b>	<b>70,826</b>	<b>3,027</b>	<b>5,529</b>	<b>63,746</b>	<b>3,296</b>

**COASTSIDE COUNTY WATER DISTRICT**

**766 MAIN STREET**

**HALF MOON BAY, CA 94019**

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

**Tuesday, October 11, 2010**

- 1) **ROLL CALL** - The Closed Session convened at 5:30 p.m. Present at roll call: President Bob Feldman, Vice-President Jerry Donovan, and Directors Ken Coverdell and Chris Mickelsen. Director Jim Larimer was absent. David Dickson, General Manager, joined the meeting at approximately 6:15 p.m. to participate in item 3A. Patrick Miyaki, Legal Counsel, joined for participation in discussion of item 3B at approximately 6:35 p.m.
  
- 2) **PUBLIC COMMENT** - There were no public comments.
  
- 3) **CLOSED SESSION**
  - A. **Public Employee Performance Evaluation**  
(Cal. Govt. Code §54957): Title: General Manager
  
  - B. **Conference with Legal Counsel**  
Pursuant to California Government Code Section §54956.9(b)  
Anticipated Litigation - Significant Exposure to Litigation: One Case
  
- 4) **RECONVENE TO OPEN SESSION** - The Closed Session concluded at 6:55 p.m., immediately prior to commencement of the regular meeting, at which time President Feldman announced that in regards to item 3B, Conference with Legal Counsel, Anticipated Litigation, there was no reportable action taken. He reported that regarding item 3A, Public Employee Performance Evaluation of the General Manager, although no reportable action transpired, he wanted to advise that the Board is in agreement that the General Manager has done an exceptional job over the past year and that he and staff have completed some very noteworthy accomplishments for the District and the community. He noted the Denniston Water Treatment Plant Upgrade Project, the implementation of a discount of an untreated water rate

with the San Francisco Public Utilities Commission, securing a \$6,756,000 loan from the California Infrastructure and Economic Development Bank for improvements at the Nunes Water Treatment Plant and the implementation of a successful Capital Improvement Program. He stated that the District appreciated all of Mr. Dickson's accomplishments and was looking forward to continued success under his management.

- 5) **ADJOURNMENT** - The special meeting was adjourned at 6:55 p.m.

**COASTSIDE COUNTY WATER DISTRICT**

**766 MAIN STREET**

**HALF MOON BAY, CA 94019**

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

**Tuesday, October 11, 2011**

- 1) **ROLL CALL** - President Bob Feldman called the meeting to order at 7:08 p.m. Present at roll call: Vice-President Jerry Donovan and Directors Ken Coverdell and Chris Mickelsen. Director Jim Larimer was absent.

Also present were: David Dickson, General Manager, Patrick Miyaki, Legal Counsel; Joe Guistino, Superintendent of Operations, Cathleen Brennan, Public Outreach/Program Development/Water Resources Analyst; JoAnne Whelen, Administrative Assistant/Recording Secretary; and Gina Brazil, Office Manager.

- 2) **PLEDGE OF ALLEGIANCE**

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

- 4) **CONSENT CALENDAR**

- A. Approval of disbursements for the month ending September 30, 2011:  
Claims: \$1,122,546.14; Payroll: \$ 102,739.30; for a total of \$1,225,285.44
- B. Acceptance of Financial Reports
- C. Approval of Minutes of September 13, 2011 Board of Directors Meeting
- D. Approval of Minutes of September 27, 2011 Special Board of Directors Meeting
- E. Monthly Water Transfer Report
- F. Installed Water Connection Capacity and Water Meters Report and Non-Priority Lottery Recipients Status Update Report
- G. Total CCWD Production Report

- H. CCWD Monthly Sales by Category Report
- I. September 2011 Leak Report
- J. Rainfall Reports
- K. San Francisco Public Utilities Commission Hydrological Conditions Report for September 2011
- L. Notice of Completion – El Granada Tank No. 3 Fencing Project

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

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

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

**5) MEETINGS ATTENDED / DIRECTOR COMMENTS**

Director Coverdell reported on the recent Bay Area Water Supply and Conservation Agency Board of Directors meeting.

**6) GENERAL BUSINESS**

**A. District Communications Plan**

Mr. Dickson explained that the inspiration for the development of a Communications Plan came from the District's last budget process, at which time there was an unprecedented number of customers who expressed concern about the District's proposed rate increase. He advised that staff has established a goal of improving customer communications and has been working with Kendall Flint of Flint Strategies to develop a Communications Plan for the District. Mr. Dickson presented the Communications Plan and outlined some of the key goals, target audiences, challenges, opportunities, key messages and strategies of the plan. He also elaborated on some of the proposed methods of

communication that staff is pursuing, including social media platforms Facebook, Twitter, and Constant Contact, e-mail, press releases, news articles and District fact sheets. He also reviewed the criteria that will be used to evaluate the progress towards achieving the goals of the Communications Plan.

President Feldman commended Mr. Dickson and staff for assessing the need for a Communications Plan and pursuing the development of the plan.

**B. Award of Contract for the Hazen's Tank Fence Project**

Mr. Guistino provided the background for this agenda item, explained the importance of adequately securing the District's property at this location and answered a few questions from the Board.

**ON MOTION BY Director Coverdell and seconded by Director Mickelsen, the Board voted as follows, by roll call vote, to authorize staff to contract with North American Fence & Railing, Inc. to replace the Hazen's Tank fence for the amount of \$16,371.00:**

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

**C. Quarterly Financial Review**

Mr. Dickson reviewed the financial summary for the first quarter of Fiscal Year 2011-2012, which indicated lower than budgeted expenses that offset a substantial shortfall in the year-to-date water sales revenue. He provided further details of the variance highlights in both the District's revenue and its expenses. Mr. Dickson and Mr. Guistino then answered a few questions from the Board.

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

**1. I-Bank Loan**

Mr. Dickson advised that the loan became effective October 10, 2011 and that the District can now begin submitting disbursement requests.

**2. Crystal Springs Intake Project**

Mr. Dickson presented a series of photographs and described the recent dive work at the Crystal Springs Pump Station. He also commended Joe Guistino, John Davis, and the District's field maintenance staff for their work in implementing this project.

**A. Operations Report**

Mr. Dickson presented photographs of the progress of the Denniston Dredging Project and the El Granada Tanks 1 and 3 Fence Replacement.

Mr. Guistino reported on the progress of the repairs and recoating of Half Moon Bay Tank 1.

**B. Water Resources Report**

Ms. Brennan informed the Board that the Coastside Lutheran Church had successfully converted their water intensive lawn into a water efficient landscape and was the first of the District's customers to receive a rebate under the "Lawn Be Gone" program.

Ms. Brennan also briefed the Board on the various Fact Sheets that staff is preparing as part of the District's Communications Plan. She reported that a general fact sheet on the District is being developed, as well as one on the budget and one on the Improvements to the Denniston Water Treatment Plant and that the Fact sheets will be an effective tool in communicating information about the District to the media, customers, and for use at public events.

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

There were no comments or requests from the Board members.

9) **ADJOURNMENT**

**ON MOTION BY Director Mickelsen and seconded by Vice-President Donovan, the Board voted as follows, to adjourn the October 11, 2011 meeting of the Coastside County Water District's Board of Directors:**

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

The meeting was adjourned at 8:03 p.m. The next regular meeting of the Board of Directors is scheduled for Tuesday, November 8, 2011.

Respectfully submitted,

---

David R. Dickson, General Manager  
Secretary of the Board

---

Robert C. Feldman, President  
Board of Directors



COASTSIDE COUNTY WATER DISTRICT

2010 NON-PRIORITY LOTTERY RECIPIENTS  
STATUS UPDATE

October 31, 2011

33.5 TOTAL SOLD CONNECTIONS (T&S FEES PAID)

<b>3.5</b>	INSTALLATION FEES NOT PAID
<b>20</b>	INSTALLATION FEES PAID/METER INSTALLED - FINALED
<b>3</b>	INSTALLATION FEES PAID/METER NOT INSTALLED - NEEDS TO INSTALL SERVICE LINE(s)
<b>6</b>	INSTALLATION FEES PAID/METER INSTALLED/OFF & LOCKED - NEEDS BACKFLOW TEST/DESTRUCTION CERTIFICATION - NOT FINALED
<b>1</b>	T&S FEES REFUNDED BACK TO CUSTOMER

**TOTAL CCWD PRODUCTION (MG) ALL SOURCES- FY 2012**

	PILARCITOS WELLS	PILARCITOS LAKE	DENNISTON WELLS	DENNISTON RESERVOIR	CRYSTAL SPRINGS RESERVOIR	RAW WATER TOTAL	UNMETERED WATER	TREATED TOTAL
<b>JUL</b>	0.00	62.65	0.00	0.00	1.03	63.68	-0.18	63.86
<b>AUG</b>	0.00	61.34	0.00	0.00	6.38	67.72	-0.03	67.75
<b>SEPT</b>	0.00	68.54	0.00	0.00	4.81	73.35	0.48	72.87
<b>OCT</b>	0.00	34.36*	0.00	0.00	23.48	57.84	0.09	57.75
<b>NOV</b>								
<b>DEC</b>								
<b>JAN</b>								
<b>FEB</b>								
<b>MAR</b>								
<b>APR</b>								
<b>MAY</b>								
<b>JUN</b>								
<b>TOTAL</b>	0.00	226.89	0.00	0.00	35.70	262.59	0.36	262.23
<b>% TOTAL</b>	0.0%	86.4%	0.0%	0.0%	13.6%	100.0%	0.14%	99.9%

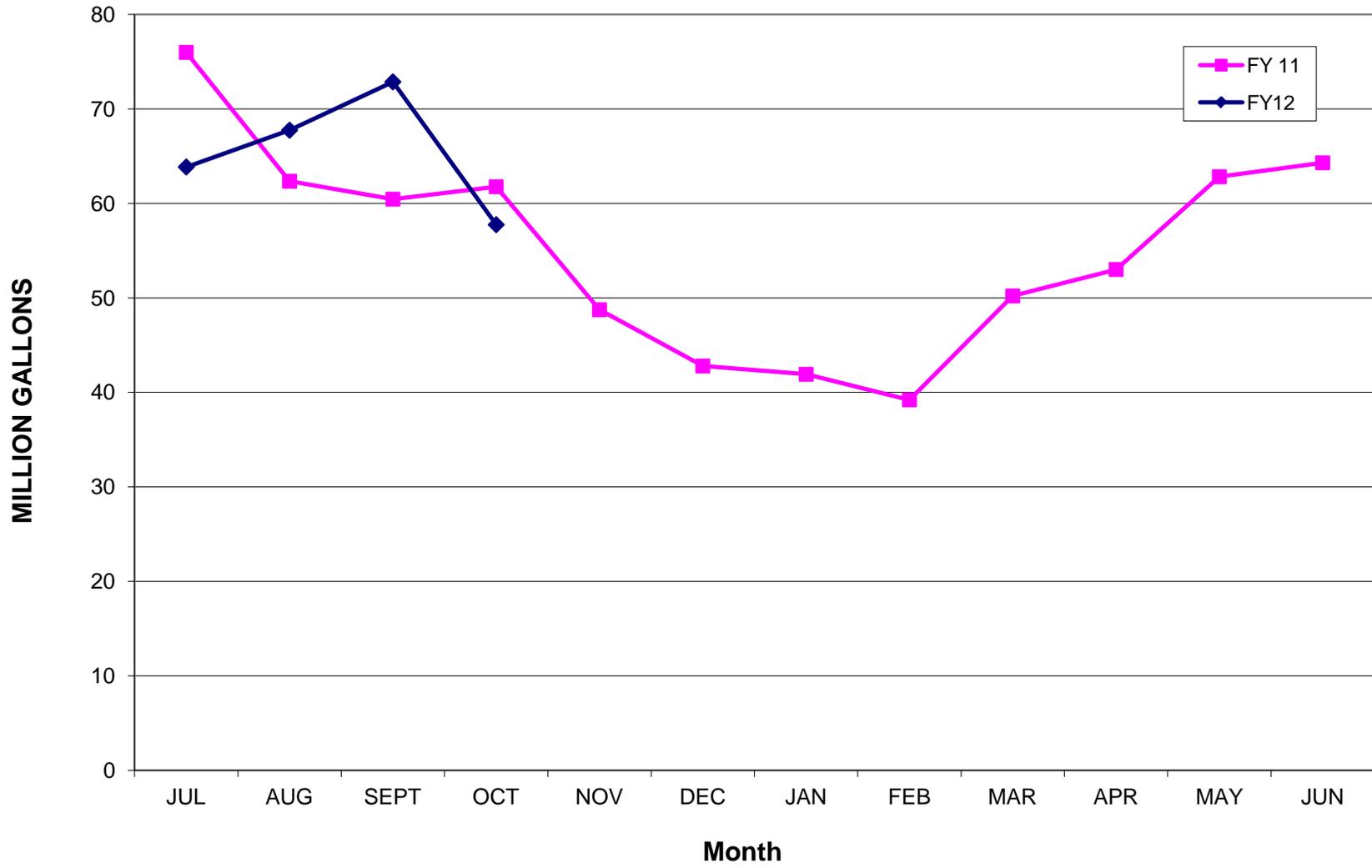
\*Adjusted (estimated for meter failure)

**12 Month Running Treated Total 665.25**

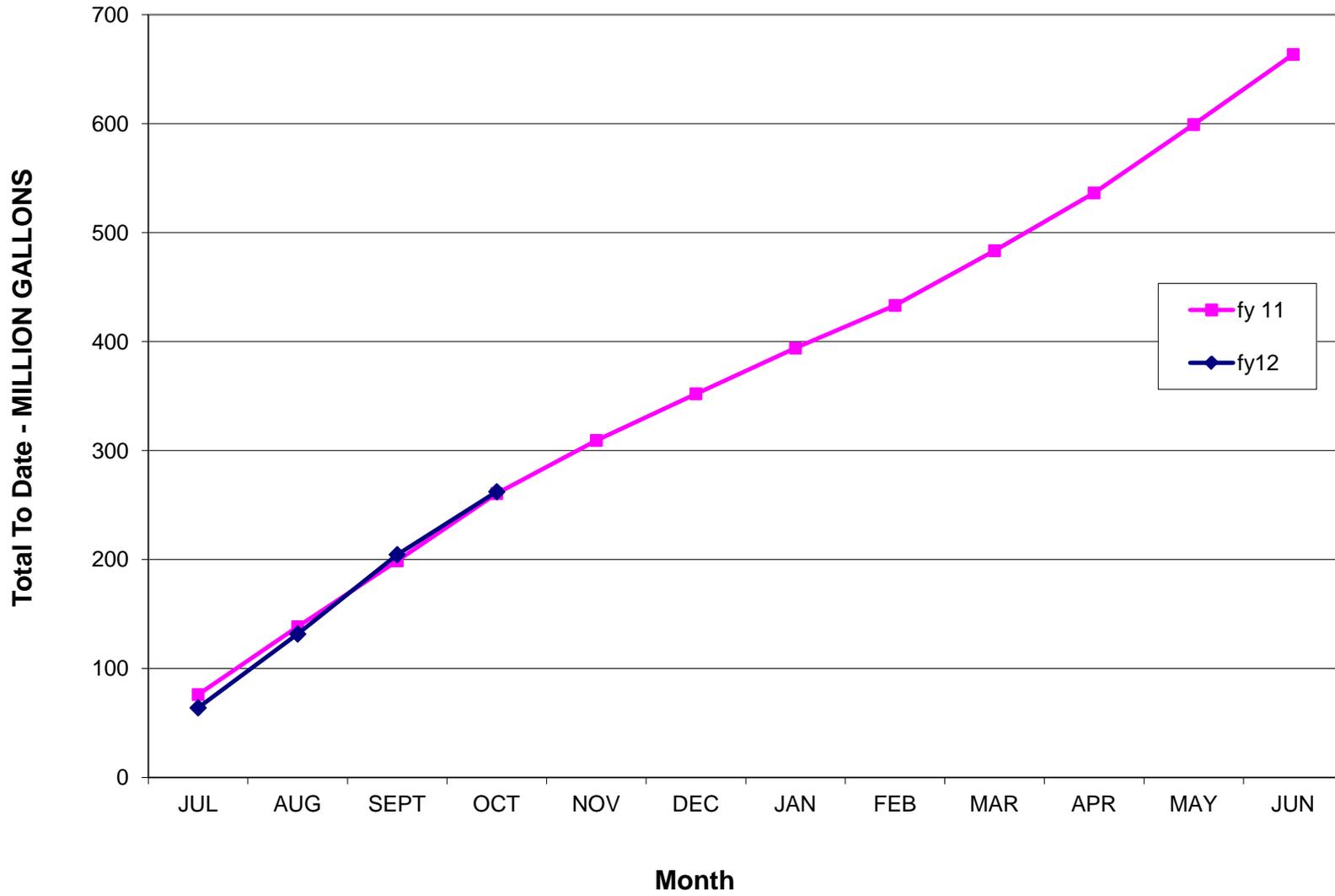
**TOTAL CCWD PRODUCTION (MG) ALL SOURCES- FY 2011**

	PILARCITOS WELLS	PILARCITOS LAKE	DENNISTON WELLS	DENNISTON RESERVOIR	CRYSTAL SPRINGS RESERVOIR	RAW WATER TOTAL	UNMETERED WATER	TREATED TOTAL
<b>JUL</b>	0.00	57.55	1.04	2.07	15.12	75.78	-0.21	75.99
<b>AUG</b>	0.00	41.40	0.80	3.03	18.17	63.40	1.06	62.35
<b>SEPT</b>	0.00	22.17	1.36	3.63	34.64	61.80	1.34	60.46
<b>OCT</b>	0.00	38.13	0.00	0.00	23.69	61.82	0.05	61.77
<b>NOV</b>	8.08	41.38	0.00	0.00	0.00	49.46	0.71	48.75
<b>DEC</b>	7.69	35.52	0.00	0.00	0.00	43.21	0.42	42.79
<b>JAN</b>	13.73	28.22	0.00	0.00	0.00	41.95	0.03	41.92
<b>FEB</b>	10.77	29.74	0.00	0.00	0.00	40.51	1.30	39.21
<b>MAR</b>	14.10	36.44	0.00	0.00	0.00	50.54	0.34	50.21
<b>APR</b>	0.00	44.15	0.00	0.00	8.71	52.86	-0.15	53.01
<b>MAY</b>	0.00	58.57	0.00	0.00	4.39	62.96	0.13	62.83
<b>JUN</b>	0.00	59.29	0.00	0.00	5.69	64.98	0.68	64.31
<b>TOTAL</b>	<b>54.37</b>	<b>492.56</b>	<b>3.20</b>	<b>8.73</b>	<b>110.41</b>	<b>669.28</b>	<b>5.70</b>	<b>663.58</b>
<b>% TOTAL</b>	8.1%	73.6%	0.5%	1.3%	16.5%	100.0%	0.85%	99.1%

Monthly Production FY 11 vs. FY 12



Cumulative Production FY 11 vs. FY12



**Coastside County Water District Monthly Sales By Category (MG)  
FY 2012**

	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	MG to Date
RESIDENTIAL	25.339	44.609	24.355	44.659									138.96
COMMERCIAL	6.146	1.226	6.238	1.328									14.94
RESTAURANT	2.834	0.188	2.789	0.269									6.08
HOTELS/MOTELS	3.510	1.828	3.463	2.167									10.97
SCHOOLS	1.668	1.609	1.859	2.000									7.14
MULTI DWELL	2.786	2.732	3.041	2.958									11.52
BEACHES/PARKS	0.748	0.040	0.742	0.034									1.56
FLORAL	4.642	3.490	6.211	8.033									22.38
RECREATIONAL	0.052	0.193	0.037	0.221									0.50
MARINE	1.050	0.000	1.174	0.000									2.22
IRRIGATION	3.577	7.522	6.419	4.132									21.65
Portable Meters	0.000	0.539	0.000	0.821									1.36
<b>TOTAL - MG</b>	<b>52.35</b>	<b>63.98</b>	<b>56.33</b>	<b>66.62</b>	<b>0.00</b>	<b>239.28</b>							

**FY 2011**

	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	MG to Date
RESIDENTIAL	27.995	53.667	25.593	47.825	22.275	29.933	19.546	33.603	19.271	31.178	20.372	41.734	372.99
COMMERCIAL	6.625	1.341	6.030	1.516	5.531	1.014	5.232	1.036	5.187	1.096	5.083	1.406	41.10
RESTAURANT	3.245	0.282	2.994	0.294	2.646	0.192	2.598	0.220	2.653	0.176	2.473	0.218	17.99
HOTELS/MOTELS	3.691	2.239	3.483	2.085	2.621	1.274	2.717	1.637	2.314	1.533	2.736	2.279	28.61
SCHOOLS	1.334	1.347	1.378	1.132	0.373	0.432	0.364	1.076	0.461	0.565	1.927	2.605	12.99
MULTI DWELL	3.136	2.895	3.050	3.116	2.361	2.290	2.735	2.811	2.358	2.503	2.499	3.139	32.89
BEACHES/PARKS	0.902	0.113	0.889	0.083	0.462	0.009	0.218	0.156	0.259	0.004	0.356	0.055	3.51
FLORAL	7.238	7.186	7.566	5.095	4.724	4.320	2.099	5.764	4.952	7.064	5.896	6.361	68.27
RECREATIONAL	0.040	0.232	0.032	0.207	0.020	0.147	0.028	0.204	0.022	0.171	0.035	0.255	1.39
MARINE	0.987	0.000	1.055	0.000	0.871	0.000	1.197	0.000	0.898	0.000	0.892	0.000	5.90
IRRIGATION	12.096	9.452	8.749	9.672	0.159	0.703	0.103	0.427	0.132	1.350	8.402	8.477	59.72
Portable Meters	0.000	0.408	0.000	0.382	0.000	0.175	0.000	0.159	0.000	0.135	0.000	0.202	1.46
<b>TOTAL - MG</b>	<b>67.29</b>	<b>79.16</b>	<b>60.82</b>	<b>71.41</b>	<b>42.04</b>	<b>40.49</b>	<b>36.84</b>	<b>47.09</b>	<b>38.51</b>	<b>45.78</b>	<b>50.67</b>	<b>66.73</b>	<b>646.83</b>

**Coastside County Water District Monthly Leak Report**

Date	Location	Pipe size/Type	Estimated Water Loss (Gallons)*	Repair Material	Material Cost	Employee hours		Manpower and Equipment Costs	Total Costs	Notes	
						Men	Hours				
10/25/2011	Grandview x Bancroft	2" black plastic	2,500	2" Smith Blair Cmp 3 ton rock 1/4 ton cut back	\$44.00	3	4	\$600 \$400	\$1,000	\$1,109.00	staff \$50/hr backhoe \$50/hr service truck \$50/hr pickup truck \$25/hr supervisor truck \$25/hr supervisor time \$75/hr
					\$45.00						
					\$20.00						
					<b>Sub-total</b> \$109.00						
10/28/2011	1300 Block Columbus Ave. EG	2" Galv.	400	2"x12" full circle rock	\$106.01	2	2	\$200 \$100	\$300	\$416.01	
					\$10.00						
					<b>Sub-total</b> \$116.01						
					<b>Total</b> 2,900						
			<b>Total</b> 2,900		<b>Total</b> \$225.01			<b>Total</b> \$1,300	<b>Total</b> \$1,525.01		

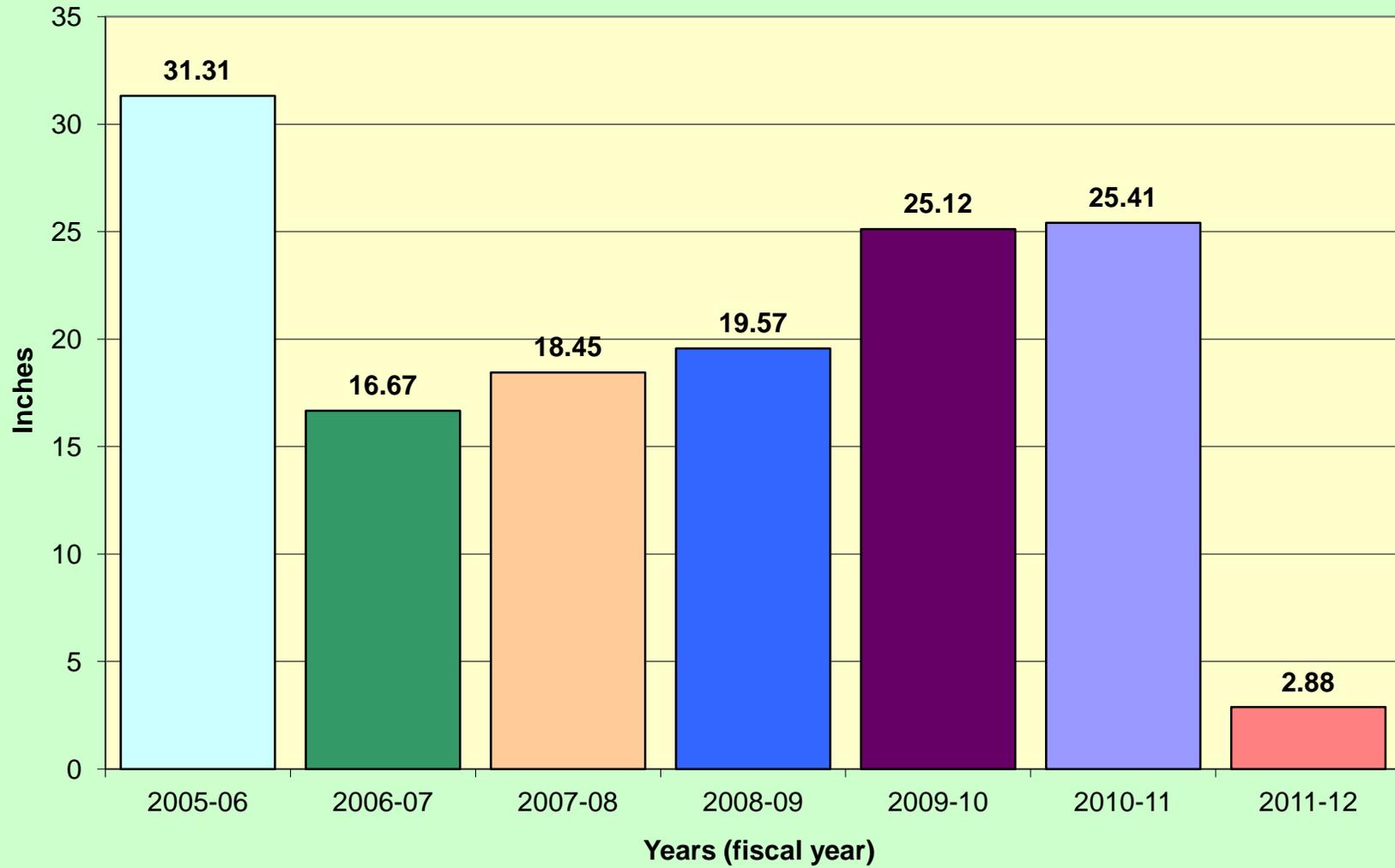
\*includes 1,000 gallons for mains to daylight plus 1,000 gallons to flush mains or 100 gallons to flush services

<b>Total Person Hours</b> 64	<b>Total Water Loss (MG)</b> 0.0029
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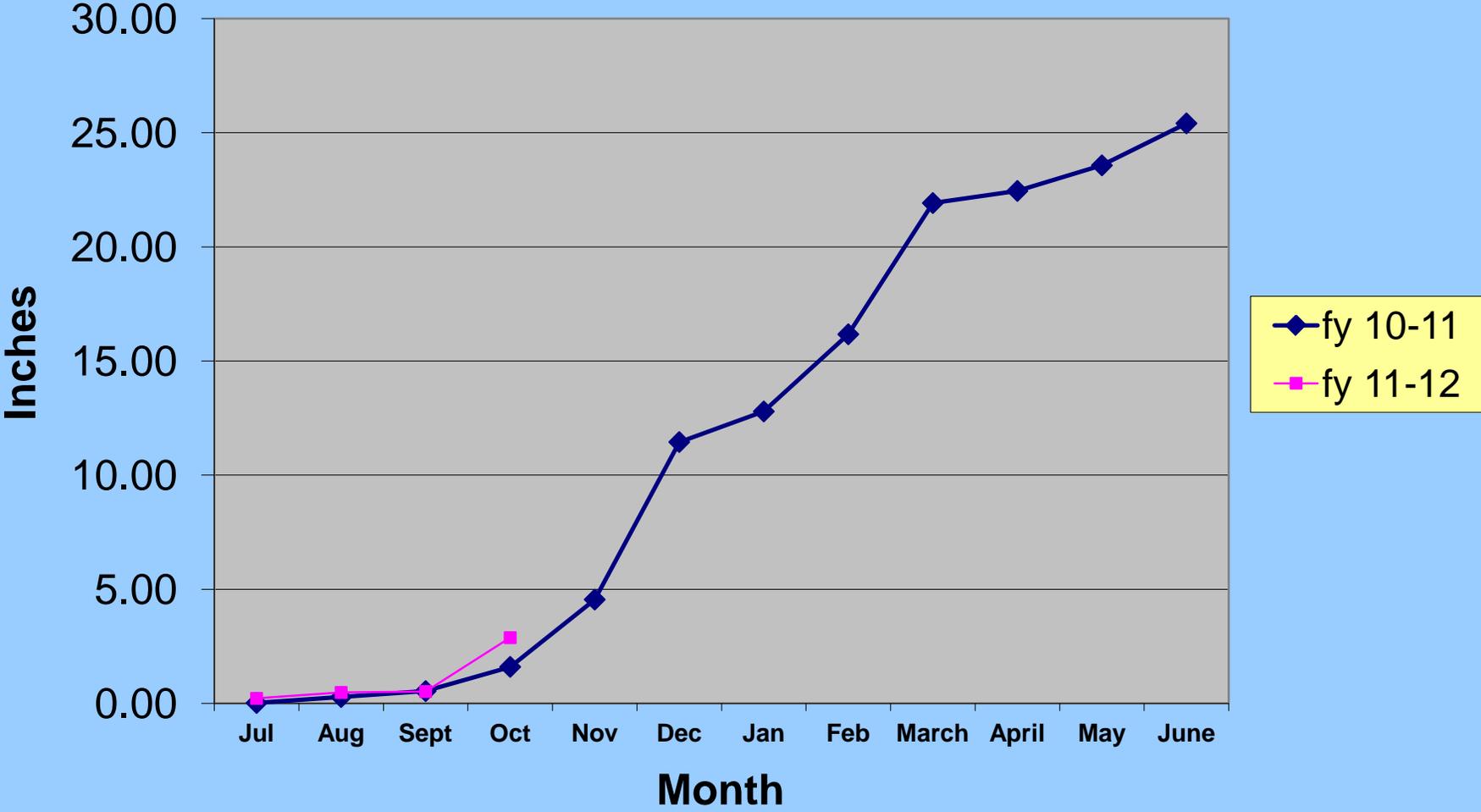


# Rain Totals

## October 2011



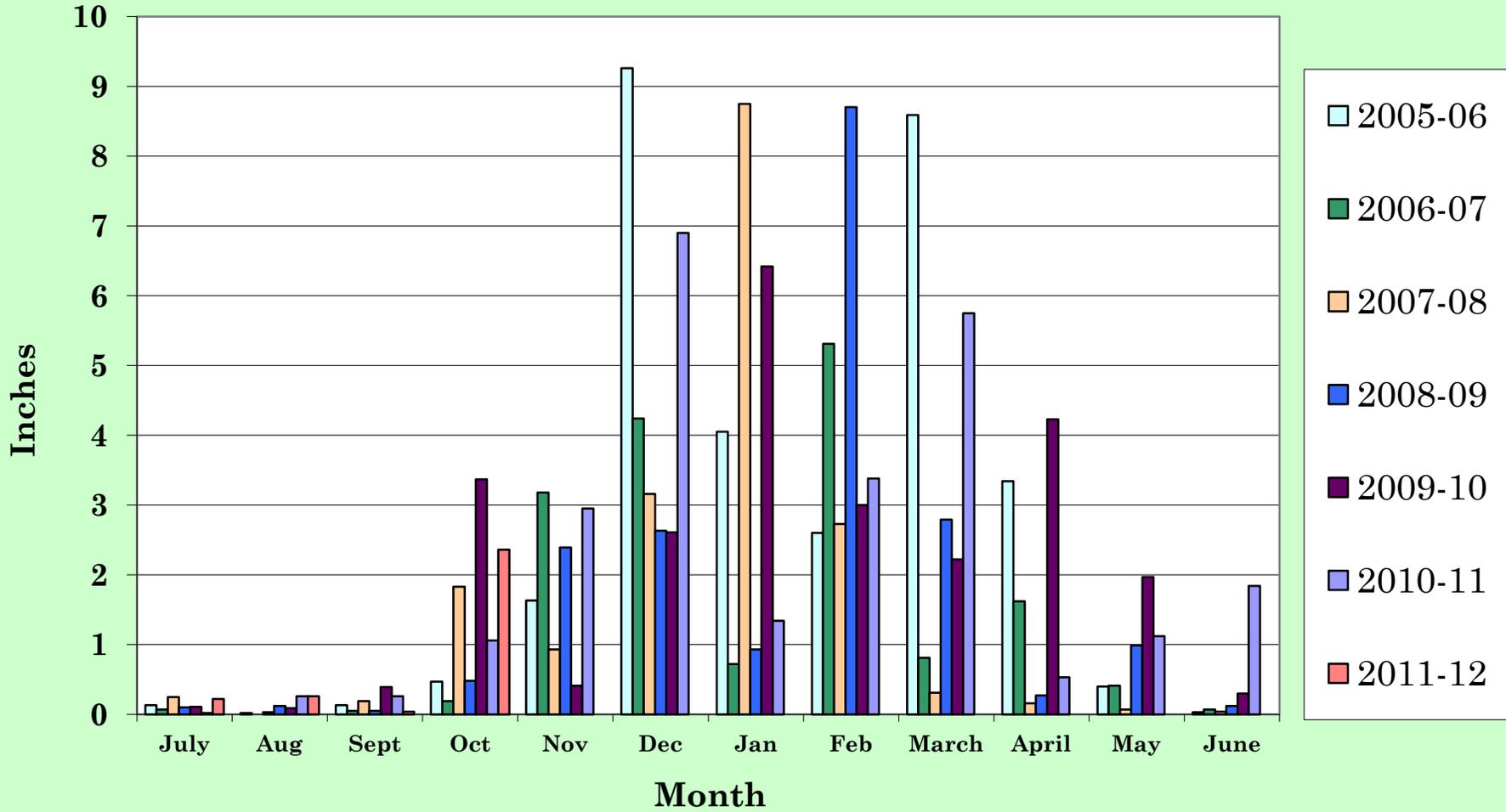
# Rainfall Totals FY 2012



# Coastside County Water District

## Rainfall by Month

July '05 thru Jun '12



MONTHLY CLIMATOLOGICAL SUMMARY for OCT. 2011

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

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	65.6	73.3	11:00a	59.1	6:30a	1.6	2.2	0.00	1.3	11.0	10:00a	SSW
2	61.1	70.1	2:30p	50.6	12:00m	4.5	0.6	0.00	0.7	8.0	10:00a	SSW
3	59.3	69.0	12:00p	50.4	12:30a	5.9	0.2	0.34	1.3	10.0	11:00a	SSW
4	62.4	71.2	2:30p	58.1	3:30a	3.3	0.7	0.57	2.4	21.0	12:00m	SW
5	59.5	67.3	2:00p	50.9	12:00m	5.6	0.1	0.56	1.7	27.0	1:30a	SSW
6	56.6	67.8	11:30a	48.5	11:30p	8.4	0.0	0.19	1.3	12.0	4:00p	N
7	55.7	64.6	12:00p	46.8	4:30a	9.3	0.0	0.01	1.0	10.0	2:00p	N
8	57.4	66.3	12:00p	50.4	7:00a	7.6	0.0	0.00	1.1	13.0	4:00p	WNW
9	59.8	67.5	12:30p	54.6	5:30a	5.2	0.0	0.01	0.8	9.0	9:00a	SW
10	63.2	67.5	12:00p	59.3	1:30a	2.0	0.2	0.54	0.3	8.0	11:00a	SW
11	64.0	71.8	12:30p	56.3	12:00m	2.1	1.1	0.09	0.4	8.0	2:30p	WNW
12	65.0	77.9	1:00p	55.5	2:00a	2.8	2.8	0.01	1.3	11.0	9:30a	W
13	67.2	84.5	2:00p	55.6	4:30a	2.6	4.9	0.00	1.5	14.0	11:00a	N
14	68.2	79.6	2:00p	60.1	12:00m	0.9	4.1	0.00	0.4	8.0	1:30a	NNW
15	64.5	72.5	1:30p	58.3	2:00a	1.8	1.2	0.00	1.3	14.0	3:00p	S
16	64.8	73.7	12:00p	56.1	11:00p	2.1	1.9	0.00	0.6	9.0	11:30a	SW
17	61.3	71.2	2:30p	55.3	5:30a	4.5	0.8	0.00	0.6	10.0	10:30a	SW
18	59.9	64.9	12:30p	55.9	5:00a	5.1	0.0	0.03	0.4	6.0	3:00p	SSW
19	61.5	66.9	12:30p	58.9	11:00p	3.6	0.1	0.00	0.7	8.0	9:30a	SSW
20	60.3	64.6	10:30a	58.0	11:00p	4.7	0.0	0.00	0.5	7.0	9:30a	NW
21	59.0	65.6	4:00p	52.1	12:00m	6.0	0.0	0.00	0.6	10.0	2:00a	SW
22	63.0	81.1	2:30p	51.0	4:30a	5.3	3.3	0.01	1.1	12.0	12:30p	SW
23	64.8	77.2	11:00a	54.9	12:00m	3.3	3.1	0.00	0.8	13.0	8:30a	NW
24	59.9	68.2	11:00a	50.6	6:30a	5.4	0.4	0.00	1.3	12.0	11:00a	S
25	58.3	63.4	3:30p	52.9	11:30p	6.7	0.0	0.00	0.8	8.0	11:30a	SW
26	54.5	67.9	12:00p	44.5	12:00m	10.6	0.1	0.00	1.2	11.0	10:00a	NE
27	52.7	63.7	4:00p	43.1	3:00a	12.4	0.0	0.00	0.9	8.0	12:00m	N
28	57.3	73.2	1:30p	48.4	12:00m	8.5	0.9	0.00	1.3	11.0	9:30a	N
29	56.6	75.6	2:00p	45.0	4:00a	9.6	1.1	0.00	0.9	14.0	10:00a	N
30	55.3	64.3	4:00p	47.3	3:00a	9.7	0.0	0.00	0.3	6.0	2:00p	S
31	55.8	65.6	1:00p	48.9	12:00m	9.2	0.0	0.00	0.4	7.0	2:30p	S
-----												
	60.5	84.5	13	43.1	27	170.3	29.8	2.36	0.9	27.0	5	SSW

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

Max Rain: 0.57 ON 10/04/11

Days of Rain: 7 (>.01 in) 5 (>.1 in) 0 (>1 in)

Heat Base: 65.0 Cool Base: 65.0 Method: Integration



**STAFF REPORT**

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

**From:** Dave Dickson, General Manager

**Agenda:** November 8, 2011

**Date:** October 25, 2011

**Subject:** Notice of Completion - Denniston Reservoir Maintenance Dredging Project for Year 2011

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**Recommendation:**

That the Board of Directors take the following actions:

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

**Background**

Coastside County Water District entered into a contract with Andreini Bros., Inc. on October 6, 2011 for the Denniston Reservoir Maintenance Dredging Project.

The work consisted of dredging Denniston Reservoir of 400 cubic yards around the Denniston Water Treatment Plant intakes and removal of tules along the dam face in the Denniston Reservoir. The site of the work is located in the unincorporated community of El Granada, San Mateo County, at 150 Denniston Creek Road. (APN 037-320-140).

The project was completed on October 14, 2011. The project was constructed according to District specifications.

**Fiscal Impact:** None.

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO

Name  
Street  
Address  
City &  
State

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

SPACE ABOVE THIS LINE FOR RECORDER'S USE

RECORD WITHOUT FEE Govt. Code § 6103 & 27383

### NOTICE OF COMPLETION

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

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

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

3. On the October 14, 2011 there was completed upon the hereinafter described real property a work of improvement as a whole named Denniston Reservoir Maintenance Dredging Project for Year 2011. The work consisted of dredging Denniston Reservoir of 400 cubic yards around the Denniston Water Treatment Plant intakes and removal of tules along the dam face in the Denniston Reservoir.

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

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

*The work is located within property owned by the District at 150 Denniston Creek Road, El Granada, California (Assessor Parcel Number 037-320-140).*

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

COASTSIDE COUNTY WATER DISTRICT

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

**VERIFICATION**

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

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

Executed on November 8, 2011, at Half Moon Bay, California  
(Date) (Place where signed)

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

## ***STAFF REPORT***

**To:** Board of Directors  
**From:** David Dickson, General Manager  
**Agenda:** November 8, 2011

Report

Date: November 4, 2011

**Subject:** Coastside County Water District Basic Financial Statements and Independent Auditors Report for the Fiscal Year Ended June 30, 2011

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### **Recommendation:**

Approve the Basic Financial Statements for Fiscal Year Ended June 30, 2011.

### **Background:**

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

JJACPA, Inc. has completed their work on the Basic Financial Statements for the Year Ended June 30, 2011. The Auditor's letter attests that the financial statements fairly represent the financial position of the District. No exceptions or concerns were noted.

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

### **Fiscal Impact:**

No fiscal impact.

**COASTSIDE COUNTY WATER DISTRICT**

**BASIC FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY SCHEDULES**

**JUNE 30, 2011**

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2011**

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**Coastside County Water District  
Basic Financial Statements  
For the year ended June 30, 2011**

**Elected Officials and Administrative Personnel**

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**BOARD OF DIRECTORS**

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

**MANAGEMENT**

David Dickson – General Manager

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying basic financial statements of the Coastside County Water District (District) as of and for the year ended June 30, 2011. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. The prior year summarized comparative information has been derived from the District's June 30, 2010, financial statements in which an unqualified opinion was expressed on those financial statements.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2011, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2011 on our consideration of the District's internal control over financial reporting and on out tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

October 15, 2011

JJACPA, Inc.

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2011**

**Management's Discussion and Analysis**

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This section of Coastside County Water District's basic financial statements presents management's discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2011. Since this management's discussion and analysis is designed to focus on current activities, resulting change and current known facts, please read it in conjunction with the District's basic financial statements (pages 12 - 14) and the footnotes (pages 15 - 26).

**Financial Highlights**

At June 30, 2011, the District's net assets increased \$100,376 to \$36,085,058 from \$35,984,682 in 2010. Operating revenues increased by \$559,346 primarily due to a water rate increase, which became effective July 1, 2010. Operating expenses (with depreciation included) increased by \$299,277 as a result of increases to transmission and distribution and administrative and general expenses offset by reductions to source of supply expenses. Depreciation expense increased by \$30,431 due to the initiation of depreciation on completed construction projects.

**Using This Report**

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

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

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2011**

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

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

	Net Assets		Increase (Decrease)	Percent Change
	2011	2010		
<b>As of June 30, 2011 and 2010</b>				
<b>Assets:</b>				
Current assets	\$ 4,158,554	\$ 5,284,967	\$ (1,126,413)	(21.3)%
Non-current assets	39,994,432	38,961,783	1,032,649	2.7%
<b>Total assets</b>	<b>44,152,986</b>	<b>44,246,750</b>	<b>(93,764)</b>	<b>(0.2)%</b>
<b>Liabilities:</b>				
Current liabilities	579,845	426,697	153,148	35.9%
Non-current liabilities	7,488,083	7,835,371	(347,288)	(4.4)%
<b>Total liabilities</b>	<b>8,067,928</b>	<b>8,262,068</b>	<b>(194,140)</b>	<b>(2.3)%</b>
<b>Net assets:</b>				
Investment in capital assets, net of related debt	32,207,607	31,880,324	327,283	1.0%
Restricted/Unrestricted Net Assets:				
Restricted for Crystal Springs Project	373,447	251,571	121,876	48.4%
Restricted for capital improvements	1,135,209	2,078,928	(943,719)	(45.4)%
Unrestricted	2,368,795	1,773,859	594,936	33.5%
<b>Total net assets</b>	<b>\$ 36,085,058</b>	<b>\$ 35,984,682</b>	<b>\$ 100,376</b>	<b>0.3%</b>

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

As can be seen from the table above, net assets at June 30, 2011, increased to \$36,085,058 from \$35,984,682 in 2010. The increase in net assets was primarily due to recent capital improvement projects completion and increases to operating revenues due to a recent rate increase.

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2011**

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

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

Operating results are summarized as follows:

	<b>Operating Results</b>			
	<b>For the years ended June 30, 2011 and 2010</b>			
	<u>2011</u>	<u>2010</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
<b>Operating revenues</b>	\$ 6,019,304	\$ 5,459,958	\$ 559,346	10.2%
<b>Operating expenses</b>	<u>7,156,747</u>	<u>6,857,470</u>	<u>299,277</u>	<u>4.4%</u>
<b>Operating income</b>	(1,137,443)	(1,397,512)	260,069	(18.6)%
<b>Non-operating revenues</b>	1,585,884	1,304,121	281,763	21.6%
<b>Non-operating expenses</b>	<u>(419,078)</u>	<u>(429,038)</u>	<u>9,960</u>	<u>(2.3)%</u>
<b>Net income before contributions</b>	29,363	(522,429)	551,792	(105.6)%
Capital contributions	<u>71,013</u>	<u>327,283</u>	<u>(256,270)</u>	<u>(78.3)%</u>
<b>Change in net assets</b>	100,376	(195,146)	295,522	(151.4)%
<b>Net assets:</b>				
Beginning of year	<u>35,984,682</u>	<u>36,179,828</u>	<u>(195,146)</u>	<u>(0.5)%</u>
End of year	<u>\$ 36,085,058</u>	<u>\$ 35,984,682</u>	<u>\$ 100,376</u>	<u>0.3%</u>

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

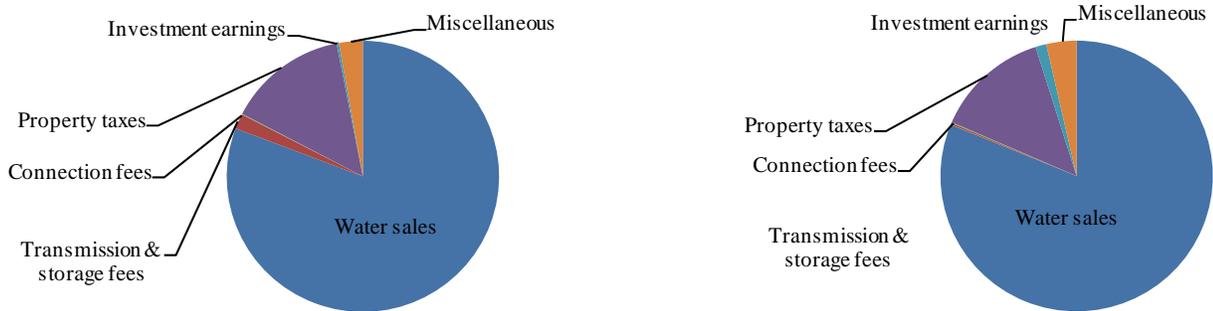
**Coastside County Water District  
Basic Financial Statements  
For the year ended June 30, 2011**

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

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

The following is a graphic illustration of revenues by source:

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



<b>FY 2010-2011</b>			<b>FY 2009-2010</b>		<b>Increase (Decrease)</b>
\$ 6,019,304	79.1%	<b>Water sales</b>	\$ 5,459,958	80.7%	\$ 559,346
468,924	6.2%	<b>Transmission &amp; storage fees</b>	121,453	1.8%	347,471
7,427	0.1%	<b>Connection fees</b>	4,988	0.1%	2,439
913,518	12.0%	<b>Property taxes</b>	967,140	14.3%	(53,622)
11,323	0.1%	<b>Investment earnings</b>	17,967	0.3%	(6,644)
184,692	2.4%	<b>Miscellaneous</b>	192,573	2.8%	(7,881)
<u>\$ 7,605,188</u>	<u>100.0%</u>	<b>Totals</b>	<u>\$ 6,764,079</u>	<u>100.0%</u>	<u>\$ 841,109</u>

Water sales increased \$559,346 due to a rate increase for fiscal year 2010-2011, approved by the Board of Directors. Property taxes decreased by \$53,622 primarily due to San Mateo County’s method of calculating and distributing funds. Investment earnings decreased by \$6,644, the result of declining interest rates, lower reserve balances and a recessionary economy.

**Coastside County Water District  
Basic Financial Statements  
For the year ended June 30, 2011**

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

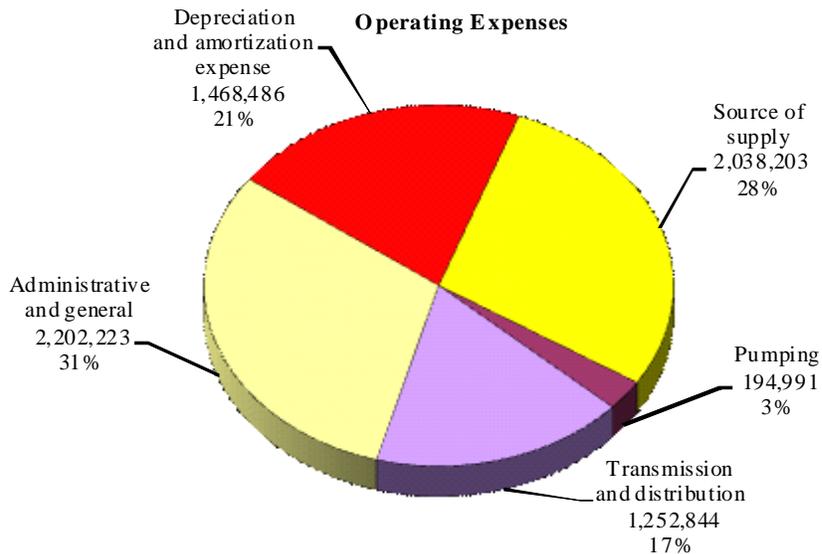
**Financial Analysis of the District as a Whole, Continued**

Operating expenses increased by \$299,277 as detailed below:

<b>Operating Expenses</b>				
<b>For the years ended June 30, 2011 and 2010</b>				
	<u>2011</u>	<u>2010</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
<b>Operating expenses:</b>				
Source of supply	\$ 2,038,203	\$ 1,684,907	\$ 353,296	21.0%
Pumping	194,991	325,118	(130,127)	(40.0)%
Transmission and distribution	1,252,844	1,211,885	40,959	3.4%
Administrative and general	2,202,223	2,197,505	4,718	0.2%
Depreciation and amortization expense	1,468,486	1,438,055	30,431	2.1%
<b>Total</b>	<u>\$ 7,156,747</u>	<u>\$ 6,857,470</u>	<u>\$ 299,277</u>	<u>4.4%</u>

Source of supply increased \$353,296 due to higher wholesale water rates from the San Francisco Public Utilities Commission. Pumping expenses decreased \$130,127 primarily due to being offline a majority of the Fiscal Year 2010-2011. Transmission and Distribution Increased due to increased cost of chemicals. Depreciation and amortization increased by \$30,431 due to initiation of depreciation on completed projects.

The following is a graphic illustration of operating expenses:



**Coastside County Water District  
Basic Financial Statements  
For the year ended June 30, 2011**

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

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

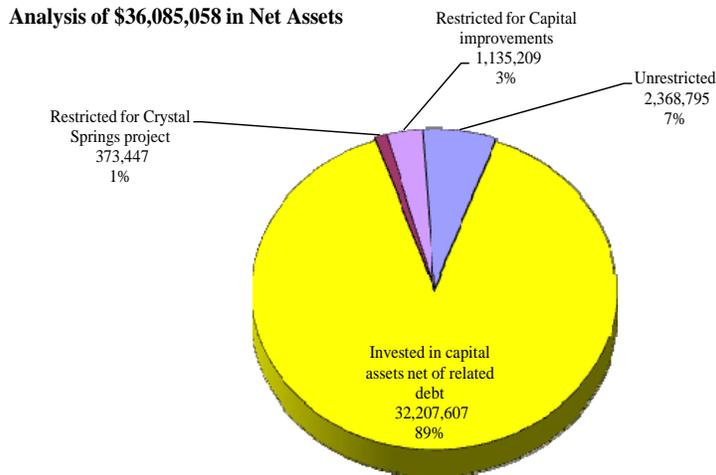
Net assets increased by \$100,376 as detailed below:

**Analysis of Net Assets  
As of June 30, 2011 and 2010**

	<u>2011</u>	<u>2010</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
<b>Net assets:</b>				
Invested in capital assets net of related debt	\$ 32,207,607	\$ 31,880,324	\$ 327,283	1.0%
Restricted				
Crystal Springs Project	373,447	251,571	121,876	0.0%
Capital improvements	1,135,209	2,078,928	(943,719)	(45.4)%
Unrestricted	<u>2,368,795</u>	<u>1,773,859</u>	<u>594,936</u>	<u>33.5%</u>
<b>Total</b>	<u>\$ 36,085,058</u>	<u>\$ 35,984,682</u>	<u>\$ 100,376</u>	<u>0.3%</u>

The change in net assets is a \$100,376 increase due primarily to operating revenues increasing as a result of a recent rate increase.

The following is a graphic illustration of net assets:



**Coastside County Water District  
Basic Financial Statements  
For the year ended June 30, 2011**

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

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**Cash Flows**

Cash flows were reduced by \$1,133,780, primarily the result of acquisitions of capital assets.

**Long-term Debt**

No new debt was issued for the year, with amounts decreasing by \$402,752 as a result of annual principal payments and amortization of bond discounts.

**Economic Factors and Potential Future Results**

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

**Contacting the District**

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

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

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

David R Dickson, General Manager  
Gina Brazil, Office Manager

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## **BASIC FINANCIAL STATEMENTS**

# Coastside County Water District

## Statement of Net Assets

June 30, 2011

(with comparative totals for June 30, 2010)

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and investments	\$ 2,384,660	\$ 3,518,440
Restricted cash and investments	703,613	878,331
Accounts receivable:		
Customer water	678,381	484,225
Taxes	15,219	20,799
Interest	1,789	3,669
Prepaid expenses	16,730	16,325
Materials and supplies inventory	147,140	135,754
Unamortized bond issuance costs	211,022	227,424
<b>Total current assets</b>	<u>4,158,554</u>	<u>5,284,967</u>
<b>Noncurrent assets:</b>		
Capital assets:		
Construction in progress	4,537,452	4,754,994
Utility plant	57,130,112	54,444,734
Less accumulated depreciation	(21,673,132)	(20,237,945)
<b>Total noncurrent assets</b>	<u>39,994,432</u>	<u>38,961,783</u>
<b>Total assets</b>	<u>\$ 44,152,986</u>	<u>44,246,750</u>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 335,516	\$ 237,983
Accrued payroll	83,409	57,221
Customer deposits	73,013	43,937
Due to Crystal Springs Assessment District	87,907	87,556
<b>Total current liabilities</b>	<u>579,845</u>	<u>426,697</u>
<b>Noncurrent liabilities:</b>		
Due within one year	417,752	402,752
Due after one year	6,887,792	7,305,544
Net OPEB obligation	104,925	54,261
Accrued vacation and sick leave	77,614	72,814
<b>Total noncurrent liabilities</b>	<u>7,488,083</u>	<u>7,835,371</u>
<b>Total liabilities</b>	<u>8,067,928</u>	<u>8,262,068</u>
<b>NET ASSETS</b>		
Invested in capital assets net of related debt	32,207,607	31,880,324
Restricted for Crystal Springs Project	373,447	251,571
Restricted for capital improvements	1,135,209	2,078,928
Unrestricted	2,368,795	1,773,859
<b>Total net assets</b>	<u>36,085,058</u>	<u>35,984,682</u>
<b>Total liabilities and net assets</b>	<u>\$ 44,152,986</u>	<u>44,246,750</u>

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

**Coastside County Water District**  
**Statement of Revenues, Expenses, and Changes in Net Assets**  
**For the year ended June 30, 2011**

(with comparative totals for the year ended June 30, 2010)

	<u>2011</u>	<u>2010</u>
<b>OPERATING REVENUES:</b>		
Water sales	\$ 6,019,304	\$ 5,459,958
<b>OPERATING EXPENSES:</b>		
Source of supply	2,038,203	1,684,907
Pumping	194,991	325,118
Transmission and distribution	1,252,844	1,211,885
Administrative and general	2,202,223	2,197,505
Depreciation and amortization	1,468,486	1,438,055
<b>Total operating expenses</b>	<u>7,156,747</u>	<u>6,857,470</u>
<b>Operating loss</b>	<u>(1,137,443)</u>	<u>(1,397,512)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Property taxes	913,518	967,140
Investment earnings	11,323	17,269
Transmission and storage fees	468,924	121,453
Connection fees	7,427	4,988
Miscellaneous income	184,692	192,573
Collection fees	(10,805)	(7,531)
Net OPEB expense	(50,664)	(54,261)
Interest expense	(357,609)	(367,246)
<b>Total nonoperating revenues (expenses)</b>	<u>1,166,806</u>	<u>874,385</u>
<b>Income (loss) before contributions</b>	<u>29,363</u>	<u>(523,127)</u>
Capital contributions	71,013	327,283
<b>Net Income (Loss)</b>	100,376	(195,844)
<b>CHANGE IN NET ASSETS:</b>		
Beginning of year	35,984,682	36,180,526
End of year	<u>\$ 36,085,058</u>	<u>\$ 35,984,682</u>

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

# Coastside County Water District

## Statement of Cash Flows

For the year ended June 30, 2011

(with comparative amounts for the year ended June 30, 2010)

	<u>2011</u>	<u>2010</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	\$ 5,830,728	\$ 5,466,740
Payments to suppliers	(4,267,267)	(4,092,948)
Payments to employees	(1,275,188)	(1,470,265)
<b>Net cash provided (used) by operating activities</b>	<u>288,273</u>	<u>(96,473)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Property taxes net of collection fees	902,713	959,609
Miscellaneous receipts	184,692	192,573
<b>Net cash provided (used) by noncapital financing activities</b>	<u>1,087,405</u>	<u>1,152,182</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Change in restricted cash and investments	174,718	1,555,922
Capital contributions	71,013	327,283
Transmission and storage fee receipts	468,924	121,453
Connection fee receipts	7,427	4,988
Redemption of Crystal Springs Project Bond	351	937
Principal and interest payments on long-term debt	(764,857)	(757,246)
Acquisition of capital assets	(2,482,487)	(1,935,750)
<b>Net cash provided (used) by capital and related financing activities</b>	<u>(2,524,911)</u>	<u>(682,413)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest received on investments	15,453	24,230
<b>Net cash provided (used) by investing activities</b>	<u>15,453</u>	<u>24,230</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(1,133,780)	397,526
<b>CASH:</b>		
Beginning of year	<u>3,518,440</u>	<u>3,120,914</u>
End of year	<u>\$ 2,384,660</u>	<u>\$ 3,518,440</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating (loss)	\$ (1,137,443)	\$ (1,397,512)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization expense	1,468,486	1,438,055
Change in assets and liabilities:		
Accounts receivable	(188,576)	6,782
Materials and supplies	(11,386)	(17,597)
Prepaid expenses	(405)	(836)
Accounts payable and accrued liabilities	97,533	(141,669)
Accrued payroll	26,188	35,685
Customer deposits	29,076	(15,313)
Accrued vacation and sick leave	4,800	(4,068)
<b>Net cash provided (used) by operating activities</b>	<u>\$ 288,273</u>	<u>\$ (96,473)</u>

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

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2011**

**Notes to Basic Financial Statements**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Description of the Reporting Entity**

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

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

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

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

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2011**

**Notes to Basic Financial Statements, Continued**

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

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

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

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

**C. Cash and Investments**

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

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

**D. Capital Assets**

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

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

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

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

**Coastside County Water District  
Basic Financial Statements  
For the year ended June 30, 2011**

**Notes to Basic Financial Statements, Continued**

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

**E. Property Taxes**

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

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

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

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

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

**F. Accrued Vacation and Sick Leave**

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

**G. Unamortized Bond Issuance Costs**

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

**H. Comparative Data**

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

**I. Reclassifications**

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

**Coastside County Water District  
Basic Financial Statements  
For the year ended June 30, 2011**

**Notes to Basic Financial Statements, Continued**

**2. CASH AND INVESTMENTS**

**A. Composition**

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

	June 30, 2011			June 30, 2010
	FDIC insured	Not Rated	Fair Value	
Cash in bank	\$ 250,000	\$ 1,334,191	\$ 1,584,191	\$ 1,083,860
Petty Cash	-	430	430	430
Local Agency Investment Fund (LAIF)	-	1,503,652	1,503,652	266,305
Money Market Funds	-	-	-	646,176
<b>Total</b>	<b>\$ 250,000</b>	<b>\$ 2,838,273</b>	<b>\$ 3,088,273</b>	<b>\$ 1,996,771</b>
Financial Statement presentation:				
Cash and investments			\$ 2,384,660	\$ 3,120,914
Restricted cash and investments			703,613	2,434,253
<b>Total</b>			<b>\$ 3,088,273</b>	<b>\$ 5,555,167</b>

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

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

**B. Authorized Investments**

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

**Coastside County Water District  
Basic Financial Statements  
For the year ended June 30, 2011**

**Notes to Basic Financial Statements, Continued**

**2. CASH AND INVESTMENTS, Continued**

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

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

**C. Fair Value of Investments**

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

**D. Investments Authorized by Debt Agreements**

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

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

**Coastside County Water District  
Basic Financial Statements  
For the year ended June 30, 2011**

**Notes to Basic Financial Statements, Continued**

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**2. CASH AND INVESTMENTS, Continued**

**E. Interest Rate and Credit Risk**

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

The District is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The District reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are maintained on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2011, these investments matured in an average of 237 days.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's only investments are in the California Local Agency Investment Fund and in Money Market accounts which are not rated at June 30, 2011.

**F. Reassessment Redemption Fund**

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

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2011**

**Notes to Basic Financial Statements, Continued**

**3. CAPITAL ASSETS**

Changes in capital assets and depreciation were as follows:

	July 1, 2010	Additions	Deletions	June 30, 2011
<b><u>Capital Assets</u></b>				
<b><u>Nondepreciable:</u></b>				
Construction in progress	\$ 4,754,994	\$ 2,534,036	\$ (2,751,578)	\$ 4,537,452
<b><u>Utility Plant Nondepreciable:</u></b>				
Land	\$ 160,612	-	-	\$ 160,612
Total Utility Plant nondepreciable assets	160,612	-	-	160,612
<b><u>Utility Plant Depreciable:</u></b>				
Source of supply	401,039	-	-	401,039
Transmission and distribution	16,965,966	-	-	16,965,966
Treatment plants and well field projects				
Acquired and constructed	849,981	2,204,856	-	3,054,837
Contributed	2,899,227	-	-	2,899,227
Pipelines and meters	9,083,932	244,553	-	9,328,485
Crystal Springs Project	21,526,507	105,321	-	21,631,828
Buildings and structures	591,613	-	-	591,613
Vehicles	665,306	17,166	(14,652)	667,820
Furniture and equipment	1,300,551	130,097	(1,963)	1,428,685
Total depreciable assets	54,284,122	2,701,993	(16,615)	56,969,500
Total utility plant at cost	54,444,734	2,701,993	(16,615)	57,130,112
<b>Less: accumulated depreciation</b>	<b>(20,237,945)</b>	<b>(1,449,839)</b>	<b>14,652</b>	<b>(21,673,132)</b>
Total utility plant (net)	34,206,789	1,252,154	(1,963)	35,456,980
Total capital assets	\$ 38,961,783	\$ 3,786,190	\$ (2,753,541)	\$ 39,994,432

Construction in progress at June 30, 2011, consisted primarily of pipeline replacement costs.

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2011**

**Notes to Basic Financial Statements, Continued**

**4. LONG-TERM DEBT**

**A. Long-Term Debt Activity**

	Original Issue Amount	Balance July 1, 2010	Retirements	Balance June 30, 2011	Due Within One Year
1998A ABAG Water and Wastewater Revenue Refunding Bonds, 3.75-5.3%, due 10/01/2013	\$ 2,855,000	\$ 965,000	\$ (225,000)	\$ 740,000	\$ 235,000
2006B Water Revenue Bonds 3.5-4.75%, due 10/01/32	7,295,000	6,795,000	(180,000)	6,615,000	185,000
Discount	(58,459)	(51,704)	2,248	(49,456)	(2,248)
Totals	<u>\$ 10,091,541</u>	<u>7,708,296</u>	<u>\$ (402,752)</u>	<u>7,305,544</u>	<u>\$ 417,752</u>
Amount due within one year		<u>(402,752)</u>		<u>(417,752)</u>	
Total Long-term Debt		<u>\$ 7,305,544</u>		<u>\$ 6,887,792</u>	

**B. 1998A ABAG Water and Wastewater Revenue Refunding Bonds**

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

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

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

**C. 2006B Water Revenue Bonds**

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

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2011**

**Notes to Basic Financial Statements, Continued**

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

**D. Repayment Schedule**

Future annual repayment requirements are as follows:

Year Ending June 30,	Enterprise activities					
	1998A ABAG Water and Wastewater Revenue Refunding Bonds		2006B Water Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 235,000	\$ 32,993	\$ 185,000	\$ 298,281	\$ 420,000	\$ 331,274
2013	245,000	20,272	190,000	291,296	435,000	311,568
2014	260,000	6,890	200,000	283,859	460,000	290,749
2015	-	-	210,000	275,889	210,000	275,889
2016	-	-	215,000	267,494	215,000	267,494
2017-2021	-	-	1,225,000	1,186,699	1,225,000	1,186,699
2022-2026	-	-	1,540,000	859,487	1,540,000	859,487
2027-2031	-	-	1,940,000	454,590	1,940,000	454,590
2032-2033	-	-	910,000	43,701	910,000	43,701
Total	<u>\$ 740,000</u>	<u>\$ 60,155</u>	<u>\$ 6,615,000</u>	<u>\$ 3,961,296</u>	<u>\$ 7,355,000</u>	<u>\$ 4,021,451</u>
Due within one year	\$ 235,000	\$ 32,993	\$ 185,000	\$ 298,281	\$ 420,000	\$ 331,274
Due after one year	505,000	27,162	6,430,000	3,663,015	6,935,000	3,690,177
Total	<u>\$ 740,000</u>	<u>\$ 60,155</u>	<u>\$ 6,615,000</u>	<u>\$ 3,961,296</u>	<u>\$ 7,355,000</u>	<u>\$ 4,021,451</u>
Discounts						
2012	\$ -	\$ -	\$ (2,248)	\$ -	\$ (2,248)	\$ -
2013	-	-	(2,248)	-	(2,248)	-
2014	-	-	(2,248)	-	(2,248)	-
2015	-	-	(2,248)	-	(2,248)	-
2016	-	-	(2,248)	-	(2,248)	-
2017-2021	-	-	(11,240)	-	(11,240)	-
2022-2026	-	-	(11,240)	-	(11,240)	-
2027-2031	-	-	(11,240)	-	(11,240)	-
2032-2033	-	-	(4,496)	-	(4,496)	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (49,456)</u>	<u>\$ -</u>	<u>\$ (49,456)</u>	<u>\$ -</u>

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2011**

**Notes to Basic Financial Statements, Continued**

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**5. CRYSTAL SPRINGS ASSESSMENT DISTRICT**

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

At June 30, 2010, the Assessment District had fully repaid the balance of its Limited Obligation Refunding Bonds, issued in 1999. Property owners were solely responsible for repayment of these Bonds. Security for the bonds was provided by a lien against each property to which a CSP water service connection is assigned. The County of San Mateo acted as the agent for the Assessment District, collecting assessments and forwarding bond payments to the Assessment District. The Assessment District was responsible for submitting monies collected by the County to a paying agent, which in turn paid the bond holders. In the event of non-payment of an assessment by a property owner, the District was responsible only for initiating foreclosure action on the property encumbered by the CSP assessment.

Since the District has never assumed any legal or moral liability to pay any of the Assessment District's bonded indebtedness, the District's financial statements do not include the Assessment District bonds or related balances. However, as the Assessment District's agent, the District uses the cash discussed in Note 2 A to make the required payments on the Assessment District Bonds or projects within the Assessment District with any remaining funds. At June 30, 2011, a final accounting for the District had not been performed and therefore residual balances remain on the District books for certain accounts.

**6. NET ASSETS**

Net assets are set aside for the Crystal Springs project of \$373,447 and capital improvements of \$1,135,209.

**7. RISK MANAGEMENT AND SELF-INSURANCE**

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

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

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2011**

**Notes to Basic Financial Statements, Continued**

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**7. RISK MANAGEMENT AND SELF-INSURANCE, Continued**

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

There were no open claims or incurred but not reported at June 30, 2010, and June 30, 2011, for the District.

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

**A. Plan Description**

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

**B. Funding Policy**

All full-time District employees are eligible to participate in the Plan. District employees are required to contribute 7% of their salary (7% of monthly salary over \$133.33 if the member participates in Social Security), and the District is required to contribute an actuarially determined rate. Beginning July 1, 2000, the District began paying the 7% employee contribution. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2010-11 was 20.834% of annual payroll. The contribution requirements of the plan members are established by state statute.

**C. Annual Pension Cost**

For 2011, the District's annual pension cost of \$301,262 for CALPERS was equal to the District's required and actual contribution. The required contribution was determined as part of the June 30, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% of investment rate of return (net of administrative expenses), and (b) 3.55% to 14.45% projected annual salary increases that vary by age, duration of service and type of employment with 3.25% payroll growth. Both (a) and (b) included an inflation component of 3% and annual production growth of 0.25%.

**Coastside County Water District  
Basic Financial Statements  
For the year ended June 30, 2011**

**Notes to Basic Financial Statements, Continued**

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

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

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2009	\$ 290,060	100%	-
June 30, 2010	325,874	100%	-
June 30, 2011	301,262	100%	-

**9. OTHER POST-EMPLOYMENT BENEFITS**

*Plan Description*

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

*Eligibility:* Employees (and their dependents) are eligible to access retiree healthcare benefits if they retire from the District on or after age 55 (service retirement) with at least 15 years of service (service and disability retirement) and the employee must submit the retirement application within 120 days of separation and are eligible for a PERS pension. Membership of the plan consisted of the following at June 30, 2011:

Retirees and beneficiaries receiving benefits	11
Other participants fully eligible for benefits	-
Other participants not yet fully eligible for benefits	17
<b>Total</b>	<b>28</b>

**Coastside County Water District**  
**Basic Financial Statements**  
**For the year ended June 30, 2011**

**Notes to Basic Financial Statements, Continued**

**9. OTHER POST EMPLOYMENT BENEFITS, Continued**

*Funding Policy*

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

*Annual OPEB Cost and Net OPEB Obligation*

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

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

Annual required contribution	\$ 141,800
Interest on net OPEB obligation	0
Adjustment to annual required contribution	0
Annual OPEB cost (expense)	141,800
Contributions made (Premiums paid)	(91,136)
Increase in net OPEB obligation	50,664
Net OPEB obligation-beginning of year	54,261
Net OPEB obligation-end of year	\$ 104,925

This is the second year that the District is following the reporting requirements of GASB 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pension Plans*. The District has elected to implement GASB 45 prospectively and therefore shows no OPEB obligation at transition. The District's annual OPEB cost (expense) is equal to the ARC, and the net OPEB obligation for 2011 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2009	N/A	N/A	N/A
6/30/2010	\$ 136,500	40%	\$ 54,261
6/30/2011	141,800	74%	104,925

**Coastside County Water District  
Basic Financial Statements  
For the year ended June 30, 2011**

**Notes to Basic Financial Statements, Continued**

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**9. OTHER POST EMPLOYMENT BENEFITS, Continued**

*Plan Funded Status and Funding Progress*

As of January 1, 2010, the most recent actuarial valuation date, the plan was zero percent funded. The Actuarial Accrued Liability (AAL) for benefits was \$1,730,200, and the actuarial value of assets was zero dollars, resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$1,730,200. The covered payroll (annual payroll of active employees covered by the plan) was \$1,362,500 and the ratio of UAAL to the covered payroll was 126.99 percent.

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

*Actuarial Methods and Assumptions*

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

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

**10. COMMITMENTS AND CONTINGENCIES**

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

**Coastside County Water District  
Basic Financial Statements  
For the year ended June 30, 2011**

**Notes to Basic Financial Statements, Continued**

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**11. SUBSEQUENT EVENTS**

The Coastside County Water District was approved for an I-Bank Loan for the District's Denniston Creek Water Treatment Plan Improvements Project. The amount of the loan is \$6,756,500 and has a 30 year term with an interest rate of 2.79% (plus a 0.3% annual fee).

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

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

We have audited the basic financial statements of the Coastside County Water District (District) as of and for the year ended June 30, 2011 and have issued our report thereon dated October 15, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

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

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

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

## Compliance and Other Matters

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

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

October 15, 2011

JJACPA, INC.

**COASTSIDE COUNTY WATER DISTRICT**

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

**JUNE 30, 2011**

November 3, 2011

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

We have audited the basic financial statements of the Coastside County Water District as of and for the year ended June 30, 2011, and have issued our report thereon dated October 15, 2011. Professional standards require that we advise you of the following matters relating to our audit.

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

As communicated in our engagement letter dated April 18, 2011, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

## **Other Information in Documents Containing Audited Financial Statements**

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

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

## **Planned Scope and Timing of the Audit**

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

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Coastside County Water District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during June 30, 2011. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

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

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

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

### *Financial Statement Disclosures*

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

### **Significant Difficulties Encountered during the Audit**

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

### **Uncorrected and Corrected Misstatements**

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

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

### **Disagreements with Management**

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

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in a separate letter dated November 1, 2011.

### **Management's Consultations with Other Accountants**

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

### **Other Significant Findings or Issues**

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

## **Communication of Internal Control Related Matters**

In planning and performing our audit of the financial statements of the Coastside County Water District as of and for the year ended June 30, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered Coastside County Water District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of Coastside County Water District's internal control.

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

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

This communication is intended solely for the information and use of the Board of Directors and management of the Coastside County Water District, others within the organization and Federal and State agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

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

## **STAFF REPORT**

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

**From:** David Dickson, General Manager

**Agenda:** November 8, 2011

Report

Date: November 4, 2011

**Subject:** Extension of Time for Installation of Connections Purchased in 2010 Lottery

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### **Recommendation:**

- 1) Approve an extension of the deadline for completing installation of connections purchased by well owners in the 2010 lottery.
- 2) Establish June 30, 2012 as the extended installation deadline for all purchasers.

### **Background:**

In September 2010, the District offered 36 non-priority water service connections for sale to owners of developed residential properties served by wells. Thirty-three customers accepted the District's offer, paid the required Transmission and Storage fees, and executed purchase agreements. Terms of the sale and purchase, established by the District's Resolution No. 2010-06 (July 13, 2010), required that purchasers complete installation of the water service within one year of executing the purchase agreement. Paragraph 7 of the Policy for Sale and Purchase of Non-Priority Water Service Connections, specifies that any connections not installed within one year would revert to the District:

7. Non-priority water service connections purchased under this policy must be installed within 12 months from the date the water service connection purchase agreement is executed by both the property owner and the District. If the property owner does not install the water service connection within this time period, the property owner loses the right to install that water service connection and the District will return to the property owner the Transmission and Storage Fee paid for the water service connection. The District, however, will retain the Administrative Fee paid by the property owner.

With the one-year anniversaries of the purchase agreements approaching, 20 of 33 purchasers have paid all fees and completed their installations, transitioning from well water to CCWD service (see attached summary). One purchaser requested a refund of the fees. Twelve purchasers (one with 1.5 connections) have not completed installation.

The difficulty and cost of completing the service connection installation can vary significantly, depending on the individual customer's specific circumstances. Even with a service lateral and a meter installed, the customer must still extend plumbing to the residence, then destroy the well or take further steps to isolate the well from the potable water system before District service can be turned on.

Recognizing the challenges some purchasers may face in completing their installations, staff believes that extending the installation deadline would be reasonable and consistent with the goals of the connection sale program. We recommend that the Board establish a uniform deadline of June 30, 2012 for all purchasers. The District would reclaim any connection not completely installed by the deadline and would refund the Transmission and Storage fee to the purchaser.

**Fiscal Impact:**

Potential unbudgeted expenditure of up to \$163,000 for Transmission and Storage fee refunds.

COASTSIDE COUNTY WATER DISTRICT

2010 NON-PRIORITY LOTTERY RECIPIENTS  
STATUS UPDATE

October 31, 2011

33.5 TOTAL SOLD CONNECTIONS (T&S FEES PAID)

<b>3.5</b>	INSTALLATION FEES NOT PAID
<b>20</b>	INSTALLATION FEES PAID/METER INSTALLED - FINALED
<b>3</b>	INSTALLATION FEES PAID/METER NOT INSTALLED - NEEDS TO INSTALL SERVICE LINE(s)
<b>6</b>	INSTALLATION FEES PAID/METER INSTALLED/OFF & LOCKED - NEEDS BACKFLOW TEST/DESTRUCTION CERTIFICATION - NOT FINALED
<b>1</b>	T&S FEES REFUNDED BACK TO CUSTOMER

## ***STAFF REPORT***

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

**From:** David Dickson, General Manager

**Agenda:** November 8, 2011

Report

Date: November 4, 2011

**Subject:** General Manager's Report

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### **Recommendation:**

None. Information only.

### **Background:**

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

**1. I-Bank Loan**

We submitted our first disbursement request to I-Bank on October 18 for \$244,142, covering construction and engineering expenses for September. We plan to include all of the eligible past expenses for the Denniston project (design, legal, etc.) in the December request.

**2. Email Newsletter**

We distributed the District's first email newsletter to approximately 3,100 recipients (including Board members) on November 1, announcing the availability of the Denniston/San Vicente Water Supply Project EIR Notice of Preparation/Initial Study for public review and comment.

## **MONTHLY REPORT**

**To:** David Dickson, General Manager  
**From:** Joe Guistino, Superintendent of Operations  
**Agenda:** November 8, 2011

**Report**  
**Date:** November 2, 2011

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### **Monthly Highlights**

#### Denniston Water Treatment Plant Improvement Project

Completed excavating the west settling pond for the new clarifiers and drying beds. Contractors started placing base rock.

### **Source of Supply**

Pilarcitos Reservoir and Crystal Springs Reservoirs were the major source of supply for the month of October. We are presently on Pilarcitos reservoir water source.

### **Systems Improvement**

#### Beautification

- Weed and brush abatement on Denniston Reservoir, Nunes WTP, and tank sites.
- Painting of Nunes hypochlorite generator and salt storage rooms.
- General clean-up around Nunes lab, construction zone, parking lot and storage areas.
- Denniston road was graded to remove ruts and imperfections due to the Denniston construction and dredging projects.
- Staff installed a gutter on the Nunes WTP workshop.
- Treatment staff started work on a secondary containment pad for backup sodium hypochlorite storage at Nunes.

#### SFPUC Pilarcitos Reservoir and Stone Dam Tour

Dave Dickson, Steve Twitchell, and John Davis were given a tour by SFPUC staff of the new Pilarcitos reservoir siphon system. This system will make available up to 15 feet of reservoir storage that had not been available to the District in the past.

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

#### Princeton Overlay

San Mateo County overlaid the roads throughout El Granada and Princeton. The District replaced 12 meter boxes and moved several water services prior to the overlay.

## **Judith Court**

The new 4" ductile iron pipeline was installed, disinfected and passed the bacteriological testing. The District will reconnect the services and place the new line into service on November 8<sup>th</sup>.

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

### **Meetings Attended**

6 Oct - O&M Staff Meeting

11 Oct - Board Meeting

11 Oct - Unaccounted for water meeting with Brazil, Dickson, Jo Whelen and Brennan

17-19 Oct - Cal/NV Section AWWA Fall Conference

20 Oct - 4 Nov - Joe Guistino vacation leave

### **Safety Meetings and Training**

There was no Safety Committee Meeting in October.

-CINTAS Safety Training in October was CPR and AED training. The training was held at the District center. All District staff's CPR certification was current and up to date and therefore did not need this refresher training. Staff from SAM and Montara was in attendance.

-John Davis and Sean Donovan attended Fred Prior Basic Excel class in San Jose on October 24<sup>th</sup> and 25<sup>th</sup>.

-Steve Twitchell held laboratory training with Michael Del La Paz from Hach on the Hach DR3900 spectrophotometer at Nunes. Davis, Bruce, Damrosch, Whelen, Patterson, Winch, and Duffy were in attendance.

### **Tailgate safety sessions in September**

- Asbestos Safety
- Fire Safety Part 1: Fire Prevention Comes First
- Fire Safety Part 2: Surviving a Fire
- The Safe Use of Compressed Air
- Jackhammer Safety

### **Treatment Operator Training**

-Logan Duffy continues to receive treatment operator training at the Nunes WTP under the guidance of Steve Twitchell and Sean Donovan. He will be taking his Water Treatment Operator Grade 2 exam in November.

### **AWWA Award**

I was the recipient of the Section Chair's Award at the Cal/NV Section AWWA Fall Conference. This award is presented to individuals whom the section chair has deemed to provide a significant contribution to AWWA for the past year. This is the second chair's award received in the last 5 years. I would like to express my sincere gratitude to the General Manager and the Board of Directors for allowing me to take the time to participate in the section and to my staff for keeping operations running so well in my absence.

## **Regulatory Agency Interaction**

California Department of Public Health (DPH)

Sent in the Monthly DPH report for September 2011.

## **Projects**

### **Half Moon Bay Tank #1 Recoating Project**

Mechanical and safety submittals were returned to the contractor for revisions.

### **Nunes WTP Flowmeter Calibrations.**

All the flowmeters throughout the Nunes WTP were calibrated by an outside contractor. This consisted of calibrating the plant influent, filter, washwater recovery, backwash, and surface wash flowmeters. Certifications of calibrations were received. The calibrations of these flowmeters have been set up to be done annually.

### **Hazens Tank Fence Replacement**

The notice to proceed was issued to North American Fence & Railing on October 31st. This is a 6' standard 2" square galvanized fabric fence with standard 3 stranded barbed wire. It greatly improves the appearance and security at this location.

### **Denniston Dredging-year 3**

On the week of 11 October, 400 cubic yards of silt were removed from around the Dam and intakes at Denniston Reservoir. The banks of the reservoir at the dam were also cleared.

### **Denniston Water Treatment Improvement Project**

Contractor has finished excavating the west settling pond and is starting to place drain and base rock for the new clarifiers and drying beds.

### **Avenue Cabrillo Project**

Jim Teter has completed his design work on all three phases of this project and has forwarded them to his drafter to draw up. He has initiated the permitting process with San Mateo County.

### **El Granada Pressure Reducing Valve (PRV) Project**

District staff and Andreini Brothers completed the replacement of the PRV station on El Granada Blvd.

# Monthly Report

**To:** David Dickson, General Manager  
**From:** Cathleen Brennan, Water Resource Analyst  
**Agenda:** November 8, 2011

**Subject:** Water Resources Report

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

- Communications Plan Update
- Pumpkin Festival

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## □ Strategies and Tactics

The District's Communications Plan listed strategies to improve communications with our customers, media and the local community. One of the listed strategies in the Plan was to proactively engage customers via electronic mail and social media.



The District is using Constant Contact to send electronic newsletters to District customers and other interested parties. The first electronic newsletter was distributed on November 1<sup>st</sup> to approximately 3,100 email addresses from existing lists. The items covered in the first newsletter were:

- Social Media
  - Facebook (Coastside County Water District Facebook Page)
  - Twitter (@CoastsideWater)
- Notice of Preparation of an Environmental Impact Report for the Denniston/San Vicente Water Supply Project

With the electronic newsletter platform, customers may unsubscribe if they do not wish to continue to receive the newsletters. Also, customers may forward the email to friends, family and other interested parties.

A link is provided on the District's website ([www.coastsidewater.org](http://www.coastsidewater.org)) to sign up to receive the newsletter.

□ **Pumpkin Festival**



The District partnered with Sewer Authority Mid-Coastside (SAM) at this year's pumpkin festival.

The District provided free tap water, gift bags for children and regional water rebate information. SAM provided highlighters and grease bags. Both agencies provided candy to attract festival goers to stop by our information table.