

AGENDA
BOARD OF DIRECTORS
SPECIAL MEETING at 6:30 p.m.
REGULAR MEETING at 7:30 p.m.

Thursday, August 18, 2016

CALL SPECIAL MEETING TO ORDER AT 6:30 p.m. District Office Meeting Room,
504 Avenue Alhambra, 3rd Floor, El Granada

<u>ROLL CALL</u>	Directors:	President:	Matthew Clark
		Vice-President:	Jim Blanchard
		Director:	Ric Lohman
		Director:	David Seaton
		Director:	Leonard Woren
	Staff:	General Manager:	Chuck Duffy
		Legal Counsel:	Jonathan Wittwer
		Assistant Manager:	Delia Comito

The Board has the right to take action on any of the items listed on the Agenda. The Board reserves the right to change the order of the agenda items, to postpone agenda items to a later date or to table items indefinitely.

GENERAL PUBLIC PARTICIPATION

Communications from the public and members of the District Board and District Staff concerning matters not on the agenda. Speakers are limited to 3 minutes each.

ADJOURN TO CLOSED SESSION

1. Conference with Real Property Negotiator (Government Code Section 54956.8).

District's Negotiator: Chuck Duffy.

Negotiating parties: Jan Gray, Realtor for Property Owner Wayne Impink, and Granada Community Services District.

Property under negotiation: Vacant Land with no address located on Obispo Road, El Granada, California. APN 047-251-100

Under negotiation: Instruction to negotiator will concern price and terms of payment.

RECONVENE TO OPEN SESSION

Report final Board action, if any, from Closed Session.

ADJOURN SPECIAL MEETING

CALL REGULAR MEETING TO ORDER AT 7:30 p.m.

ROLL CALL

GENERAL PUBLIC PARTICIPATION

Communications from the public and members of the District Board and District Staff concerning matters not on the agenda. Speakers are limited to 3 minutes each.

ACTION AGENDA

- 1. Consideration of Variance Application for APN: 048-013-220, Coronado Ave, Half Moon Bay, 4,400 sq. ft. in 10,000 sq. ft. zoning district, Owner: Paul McGregor.
Recommendation: To be made by the Board.**
- 2. Consideration of Approval of Audited Financial Statements for Fiscal Year Ending June 30, 2015.
Recommendation: To be made by the Board.**
- 3. Consideration of Response to Grand Jury Report.
Recommendation: To be made by the Board.**
- 4. Consideration of proposal to request that Sewer Authority Mid-Coastside allow and facilitate conversion by GCSO of unused room at the Portola Pump Station into a public restroom.
Recommendation: To be made by the Board.**
- 5. Consideration of Report by District's Sewer Authority Mid-Coastside Representatives.
Recommendation: To be made by the Board.**

CONSENT AGENDA

- 6. Approval of July 21, 2016 Meeting Minutes.**
- 7. Approval of August 2016 Warrants for \$142,011.29 (checks 6264 – 6287).**
- 8. Approval of July 2016 Financial Statements.**
- 9. Approval of Assessment District Distribution #1-16/17.**
- 10. Approval of Amendment to Conflict of Interest Code.**
- 11. Approval of Acceptance of Class 3 Mainline Extension on Cortez Avenue, Miramar, Permittee: Vikas Bakshi.**

COMMITTEE REPORTS

- 12. Report on seminars, conferences, or committee meetings.**

INFORMATION CALENDAR

- 13. Attorney's Report. (Wittwer)**
- 14. General Manager's Report. (Duffy)**
- 15. Administrative Staff Report. (Comito)**
- 16. Engineer's Report. (Kennedy Jenks)**

ADJOURN REGULAR MEETING

At the conclusion of the July 30, 2016 Meeting:

Last Ordinance adopted: No. 167

Last Resolution adopted: No. 2016-004

This meeting is accessible to people with disabilities. Individuals who require special assistance to participate may request an alternative format of the agenda and packet materials. Notification in advance of the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it. To request a disability-related modification or accommodation, please contact the District office at (650) 726-7093.

Except for records exempt from disclosure under section 6254 of the Public Records Act, all materials distributed for the discussion or consideration of items on the Agenda are disclosable to the public upon request, and shall be made available without delay or at the time of distribution to the Board. Please contact Delia Comito at (650) 726-7093 to request copies of Agenda materials.

GRANADA COMMUNITY SERVICES DISTRICT

AGENDA MEMORANDUM

To: Board of Directors

From: Delia Comito, Assistant General Manager

Subject: Consideration of Variance Application, APN 048-013-220, Coronado Ave.,
Miramar, Owner: McGregor

Date: August 18, 2016

At the last board meeting, a Variance application submitted by Paul McGregor on 12/23/15 to build a 1,506 sq. ft. single-family dwelling on a 4,400 square foot parcel in the R-1/S-94 (10,000 sq. ft. minimum) zoning district was considered and tabled, pending information from Counsel regarding conditions of approval for Sewer permits on substandard (nonconforming) parcels. For further consideration of this Item, Counsel's opinion letter is attached.

Board of Directors
Granada Community Services District
P.O. Box 335
El Granada, CA 94018

**Re: Opinion Letter and Options Regarding Conditions of Approval
For Sewer Permits on Substandard (Nonconforming) Parcels
Related Application: APN: 048-013-220, Alto Avenue, Miramar
Agenda Date: August 18, 2016**

Honorable Directors:

Your Board has requested the undersigned, as its General Counsel, to advise whether the Granada Community Services District (“GCSD”) could lawfully apply certain types of conditions of approval to Sewer Permits it issues on substandard (nonconforming) parcels. There are at least 100 vacant parcels remaining in GCSD which are 4400 square feet in size or less, but zoned for 10,000 square foot minimum parcel size. Also there are at least 25 vacant parcels which are 2500 in size or less, but zoned for 5,000 square foot minimum parcel size.

The specific situation (“Subject Application”) which led to this request for an Opinion was a Variance Application to enable issuance of a Sewer Permit on a 4,400 square foot vacant parcel in a zoning district requiring a minimum parcel size of 10,000 square feet. Another vacant 4,400 square foot parcel directly adjoins the parcel on which the Variance is sought. At the July 21, 2016 Board meeting, the Applicant offered to restrict the dwelling unit on his parcel to two bedrooms to facilitate a finding by the Board that approval of his Variance Application would not significantly adversely affect the ability of the District to serve a standard (conforming) parcel in the future.

The County of San Mateo defines a parcel of less than 5,000 square feet in a 10,000 square foot minimum zone as “substantially substandard” and the City of Half Moon Bay defines such a parcel as “severely substandard.” Each agency requires a conditional use permit before a dwelling unit may be built on such a parcel.

GCSD has for more than 15 years required a Variance before it will issue a Sewer Permit on any substandard parcel and its District Code has even longer authorized the District Board, in its discretion, to “[i]mpose additional requirements upon an applicant which must be satisfied before the permit will be issued” “[w]here the interests of the District would be served.” Dist. C §603(01)(A). The question of what types of “additional requirements” or “conditions of approval” may be imposed or applied will be discussed in this Opinion Letter. An Executive Summary of General Counsel’s analysis is set forth below followed by an a more thorough analysis of the issue.

EXECUTIVE SUMMARY

GCS D has broad legal authority to fairly allocate its vital finite facilities for the benefit of the entire populace within the District. This authority to “fairly allocate” is further enhanced in GCS D’s case because it is precluded by a voter-adopted measure from constructing infrastructure exceeding Buildout established under the Local Coastal Program, which Buildout does not adequately take into account the many already-existing substandard parcels within its boundaries.

Under its broad legal authority GCS D may condition approval of a Sewer Permit for the purpose of assuring adequate capacity to issue permits to standard parcels and/or avoiding wet weather sewage overflows, certainly there is a “reasonable relationship” between the condition and the impact(s) it was intended to address and it applies generally to all applicants in a defined class. Conditions of approval which GCS D could lawfully apply include (but are not limited to):

- (1) restricting the number of bedrooms, bathrooms, or plumbing fixtures;**
- (2) establishing a maximum size proportionate to the degree the underlying parcel is substandard; or**
- (3) requiring an in-lieu fee to offset the costs of addressing wet weather overflow management systems in the future.**

If the Board wants to apply any of the foregoing (or other reasonably related) conditions, it is recommended that you refer the matter to the District General Manager, Engineer and Counsel to return at a future date with specific proposals.

The Board could alternatively decide not to condition approval of a Sewer Permit for any substandard parcel beyond the conditions in the current Variance Ordinance (e.g., limits on impervious surface, requirement for fair market value offer to attempt to acquire portion or all of adjoining property to reduce or eliminate substandard status, and limit major Variances to one every six months).

As to the Subject Application, in order to enable the Applicant to proceed without further delay is recommended that the Board accept his offer to restrict the dwelling unit to two bedrooms. The Board could also allow the Applicant or his successors in interest to modify that restriction and choose whatever condition(s) of approval (if any) the Board decides should be generally applicable in the future to other substandard parcels.

BACKGROUND

1. GCS D’s legal authority in exercising its sanitary sewer powers under state law stems from the police power under the California Constitution (Art. 11, Sec. 7) and is superior to even a county’s or city’s police power authority as to its sanitary sewer function.
2. Analogous appellate precedent authorizes GCS D to refuse to issue a Sewer Permit for

connection due to the limited capacity of sewage collection and transmission facilities and to list, in priority sequence, the development to which the remaining unused sewage collection and transmission capacity should be allotted in order to avoid running out of available sewer capacity before the owners of existing undeveloped standard (conforming) lots of record could obtain sewer permits, or to avoid wet weather sewage overflows.

3. Providing a property owner with an alternative to denial of a Sewer Permit in the form of a condition of approval which promotes the same purpose (assuring adequate capacity to issue permits to standard parcels and/or avoiding wet weather sewage overflows) is a proper exercise of the police power.
4. Conditions of approval which GCSO could lawfully approve include limiting the number of bedrooms, bathrooms, plumbing fixtures, a size of unit proportionate to the degree the underlying parcel is substandard, or requiring an in-lieu fee to offset the costs of addressing wet weather overflow management systems in the future.
5. Wet weather sewage overflows have been determined to be very serious health and safety hazards and can be the subject of multi-million dollar fines. In a Memorandum dated October 19, 2000, the Manager of SAM reiterated that since 1997 SAM has focused significant resources on evaluating the causes of wet weather sewage overflows and defining the system improvements necessary to prevent overflows in the future. Thereafter, the Granada Sanitary District Engineer concluded that “there is a significant wet weather flow problem within the SAM system.”
6. Significant sewage overflows occurred on December 29, 2003 and January 1, 2004. SAM and its member agencies have made numerous infrastructure improvements over the past several years such as construction of the 460,000-gallon Wet Weather Overflow Tank completed by 2005 at the north end of Intertie Pipeline and the Wet Weather Overflow Project completed in 2013 just downstream of the Portola Pump Station on land purchased by GCSO.
7. On August 18, 2006 the EPA issued its NPDES Compliance Evaluation Report which finds that “[t]he SAM Sewer System does not have sufficient capacity to convey peak flows during the winter rains.” The EPA Report cites the applicable regulations as being the Clean Water Act and the National Marine Sanctuaries Act and describes a prior warning letter to SAM from NOAA for a violation of the National Marine Sanctuaries Act and a prior RWQCB Penalty Order, both based on SSOs. The EPA Report acknowledges that SAM and its member agencies have taken all reasonable steps to reduce wet weather overflows.
8. On August 8, 2012 the California Coastal Commission found the County’s proposed LCP Update to be inconsistent with Coastal Act Sections 30231 and 30250 because it does not propose policies mandating improvements to the IPS and that without improvements to the IPS, the system will not be able to handle the demand at Buildout and wet weather flow problems will continue, threatening water quality.” As a means for addressing this inconsistency, the Coastal Commission suggested, and the County ultimately adopted, a limit the maximum number of new dwelling units built in the urban Midcoast to 40 units each calendar year until (among other things) sufficient evidence has been presented that SAM IPS capacity is adequate to avoid sewage overflows. The share of these 40 units which could occur in GCSO’s jurisdiction is not specified. This could be further investigated at Board direction (and proportionately may be in the 20 to 25-unit range),

- including second units, caretaker units, mixed use units and multi-family units, in addition to single-family dwellings).
9. Rainfall on the Mid-Coast has been substantially below normal from 2013-2015 such that the Wet Weather Overflow Project completed in 2013 just downstream of the Portola Pump Station has not been adequately tested, but in the one major rainfall which did occur, it was nearly filled to capacity.
 10. Improvements to eliminate wet weather overflows will be limited in capacity by the adoption by the voters of the County of San Mateo adopted Measure A on November 4, 1986. Measure A expressly requires that the development or expansion of public works facilities be limited to a capacity which does not exceed that needed to serve Buildout of the Local Coastal Program. (Measure A and LCP Section 2.6.) The County's LCP requires a Coastal Development Permit from any special district (such as the Granada Community Services District) wishing to undertake any infrastructure development within the Coastal Zone. (LCP Section 2.1.) Measure A requires that as a condition of Coastal Development Permit approval, Granada Community Services District conform to the policies of the Local Coastal Program. (Measure A and LCP Sections 2.4. and 2.6) Limiting infrastructure capacity to that needed to serve Buildout.
 11. In 1998 the Board of Directors of the Granada Sanitary District commissioned a study by J. Laurence Mintier & Associates to determine Buildout capacity within the District and the impact of illegal (antiquated) and substandard parcels on the District's ability to serve legal and standard (conforming) parcels going forward.
 12. On March 26, 1999 the Parcel Inventory and Development Potential Assessment (Mintier Report) was issued. It reported that Buildout in the unincorporated area under the 1981 LCP was 3,411 dwelling units (of which 2,103 were undeveloped).
 13. In 2001 meeting the GSD Board of Directors adopted Ordinance No. 139 establishing a Variance Approval requirement for antiquated parcels, substandard (nonconforming) parcels and residential development not included in the LCP Buildout calculations.
 14. The Variance Ordinance has been successful in preventing the development of illegally created (antiquated) parcels and the County of San Mateo has during that time revised its positions on parcel legality to be very similar to GCSD's positions.¹
 15. Under the 15 years the Variance Ordinance has been in effect, approximately 25 Variances have been approved and one Waiver has been granted. The Subject Application, if approved, will be one of a very small number of Variances granted to enable issuance of a Sewer Permit on a 4,400 square foot vacant parcel in a zoning district requiring a minimum parcel size of 10,000 square feet, where another vacant parcel directly adjoins the parcel on which the Variance is sought.
 16. Buildout was revised in the County LCP approved by the Coastal Commission and ultimately adopted by the County in 2013. In 1981 County LCP Buildout for the Mid-Coast was 6200 dwelling units (not counting caretaker, mixed-use or second units). In 2013 County LCP Buildout was a range² of 6,757 – 7,153 units which does count

¹ However, the County is embarked on an update of the County Subdivision Ordinance, one stated purpose of which is to "streamline" the Certificate of Compliance process for determining parcel legality.

² The range results from mixed-use showing a range of 99-495 units.

caretaker, mixed-use or second units³, and which if deducted results in 6147 units, slightly fewer (by 53 units) than the 1981 Buildout.

17. There are at least 100 vacant parcels remaining in GCSD which are 4400 square feet in size or less, but zoned for 10,000 square foot minimum parcel size. Also there are approximately 30 vacant parcels which are 2500 in size or less, but zoned for 5,000 square foot minimum parcel size. On the other hand, there have been parcel mergers during the 15-year period while the Variance Ordinance has been in effect and there may be other parcels which significantly exceed minimum parcel size for their zoning district and which may not be divisible or whose owners may be willing to deed restrict against further division. If your Board refers this matter to the District General Manager, Engineer and Counsel, further quantification of the foregoing could be undertaken.

LEGAL ANALYSIS

Various appellate precedents make clear that GCSD's legal authority in exercising its sanitary sewer powers under state law stems from the police power under the California Constitution (Art. 11, Sec. 7) and is superior to even a county's or city's police power authority as to its sanitary sewer function. *Home Gardens Sanitary District v. City of Corona* (2002) 96 Cal.App.4th 87; *Rodeo Sanitary District v. Board of Supervisors of Contra Costa County and Mt. View Sanitary District* (1999) 71 Cal.App. 4th 1443; and *West Bay Sanitary District v. City of East Palo Alto* (1987) 191 Cal.App.3d 1507.

A COMMUNITY SERVICES DISTRICT WITH SEWER SERVICE POWERS HAS DISCRETIONARY AUTHORITY TO ALLOCATE SEWER SERVICE. In *Getz v. Pebble Beach Community Services District* (1990) 219 Cal.App.3d 229, the Court of Appeal stated that community services district (CSD) authority to allocate sewer service was authorized by a grant of "the power generally to perform all acts necessary to carry out fully the provisions of [the Community Services District Law]." The Court in *Getz* upheld the legal authority of a CSD to refuse to issue a sewer connection for a senior citizen housing unit (similar to a second unit) notwithstanding the state's policy of encouraging senior housing construction (Gov. C. §65852.1 4) which had to yield to the competing ecological policy of protecting coastal waters. Pebble Beach CSD based its refusal to issue a sewer connection permit on its Resolution No. 13-86, enacted on May 29, 1986, which provides "[PBCSD] will not issue sewer connection permits for senior citizen units because they are not included in the DMF [UP/LCP] [Del Monte Forest Land Use Plan/Local Coastal Plan.]" The Del Monte Forest Land Use Plan notes that the Carmel sewage treatment plant's limited capacity "shall be the initial control of the amount of new development" in the forest. In light of this restricted capacity, the plan then lists, in priority sequence, the development to which the remaining unused sewage capacity should be allotted. The first priority under this plan goes to those existing residences then using septic tanks; the second to most of the existing lots of record. Various developments are also listed on this plan, but senior housing units were absent from it.

³ The Governor and the California Legislature, as well as the County of San Mateo are reportedly poised to enact legislation which will facilitate approval of second units. Furthermore, a study has shown 30% of single-family residential property owners are interested in developing a second unit on their property.

⁴ This section became inoperative on January 1, 2007.

In December 1986, Pebble Beach CSD received from its engineer an analysis of existing and future sewage capacity. This study concluded that even without the addition of senior housing units, it had insufficient capacity to “serve existing users and allowed [sic] future development.” Specifically, if senior housing units were allowed sewer hookups, **Pebble Beach CSD concluded it would run out of available sewer capacity before the owners of existing undeveloped lots of record, who pay an annual sewer standby fee, could obtain sewer permits.** This is very similar to the conclusion of GCSD back in 2001 that if it issued sewer permits in an unlimited manner for substandard parcels, it would run out of wastewater collection and transmission infrastructure capacity before some owners of standard (conforming) parcels could obtain sewer permits. This is especially true since substandard parcels contribute to more demand than Buildout contemplates, but infrastructure capacity is limited to the calculated Buildout.

In *Getz*, the Trial Court and the Court of Appeal both concluded that Pebble Beach CSD's **authority to allocate sewer service** was authorized by Government Code section 61622, which grants special districts “the power generally to perform all acts necessary to carry out fully the provisions of this division.” The Court of Appeal ruled that Pebble Beach CSD’s responsibility in this regard is **analogous to that exercised by a municipal water district** responsible for water and sewer service, which must “fairly allocat[e] this vital finite resource for the benefit of the entire populace within the District when faced with a demand greater than the capacity of the system.” (*Carlton Santee Corp. v. Padre Dam Mun. Water Dist.* (1981) 120 Cal.App.3d 14, 26.)

Thus, by analogy, “a [sewer] district is necessarily entrusted with extensive discretion to accomplish its challenging task” and the Court of Appeal in *Building Industry Association of Northern California v. Marin Municipal Water District* (1991) 235 Cal.App.3d 1641 upheld a District Ordinance going so far as prohibiting new water connections in the District’s service area. In *Swanson v. Marin Municipal Water District* (1976) 56 Cal.App.3d 512, 523, the court upheld a moratorium on new connections since “actual water consumption was already in excess of the District’s net safe water yield” (finding the moratorium neither unreasonable nor an invasion of property owners constitutional rights). By analogy, the Court in *Getz* upheld a prohibition on sewer connections for second units. As explained below, this necessarily makes legally justifiable the far more targeted approach of limiting or conditioning approval of sewer permits. In other words, Pebble Beach CSD could have obtained an amendment to the The Del Monte Forest Land Use Plan and lawfully limited sewer permits for second units to one every six months.

A CONDITION OF APPROVAL NOT AN EXACTION. GCSD has not proposed a moratorium (though one may be legally justifiable to avoid wet weather overflows or running out of capacity before issuing permits to all legal/standard parcels), but rather is considering possible conditions of approval (additional requirements) for the issuance of a Sewer Permit. An argument might foreseeably be made that a proposed condition of approval qualifies as an exaction. This argument would fail under the holding of *Nollan v. California Coastal Commission* (1994) 483 U.S. 825 that a prohibition of a use designed to accomplish a particular purpose would be a legitimate exercise of the police power rather than a taking, (*e.g.*, a moratorium for water conservation purposes as upheld in the two Marin Municipal Water District cases cited above). Given the holding in *Nollan*,

“it would be strange to conclude that providing a [property] owner with an alternative to that prohibition which accomplishes the same water conservation purpose is not [a proper exercise of the police power].”

Nollan v. California Coastal Commission (1994) 483 U.S. 825, 836-837; *Ehrlich v. City of Culver City* (1996) 12 Cal. 4th 854, 877. In other words, an alternative to a justifiable prohibition is not an exaction.

EVEN IF CONDITION OF APPROVAL WERE AN EXACTION, GCSD NEED ONLY SHOW REASONABLE RELATIONSHIP TO LEGISLATIVE PURPOSE.

Nevertheless, even if a condition of approval were considered an exaction, under the holding of the California Supreme Court in *San Remo Hotel, L.P. v. City and County of San Francisco* (2002) 27 Cal.4th 643, a residential housing replacement requirement based on express legislation which applies generally to all hotels in the City on which conversion from residential units to tourist units is proposed, the “most deferential” standard of judicial review applies. Rather than being required to demonstrate “rough proportionality” between the general exaction and the impact of the development (as required for an “ad hoc” exaction), the housing replacement requirement was upheld on the basis that there was a “reasonable relationship” between it and the impacts it was intended to address.

Thus, for example, even if a generally applied condition of approval restricting the number of bedrooms, bathrooms, plumbing fixtures or size of dwelling unit⁵ were for some reason treated as an exaction,⁶ it would be subject to a similar deferential standard of judicial review. That is because it would apply generally to all residential properties in the District for which development is proposed. The District would need only to show (at most) that there was a reasonable relationship between the condition and development seeking sewer service connection. One Court has held that in pursuing a constitutionally and statutorily mandated conservation program, cost allocations for municipal services are to be judged by a standard of reasonableness with some flexibility permitted to account for system-wide complexity. *Brydon v. East Bay Municipal Utility Dist.* (1994) 24 Cal.App.4th 178 (quoting *San Diego Gas & Electric Company v. San Diego Regional Air Pollution Control District* (1988) 203 Cal.App.3d 1132).⁷ In *Brydon v. East Bay Municipal Utilities District* (1994) 24 Cal.App.4th 178, the Court of Appeal found that the gravity of the water supply problem presents an opportunity for reasonable experimentation in devising methods to achieve conservation, whether through technological means or behavior modification.

⁵ The California Legislature appears poised to authorize the following standard for connection fees for second units: “proportionate to the burden to the system.” Specifically, the burden can be determined either by the size of the ADU or the number of new plumbing fixtures.”

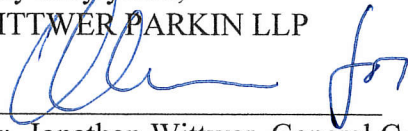
⁶ These would not be exactions for the reasons discussed above.

⁷ The *Brydon* case authorized water service charges structured to charge higher rates for higher water use as an incentive for conservation. *Capistrano Taxpayers Assn., Inc. v. City of San Juan Capistrano*, 235 Cal. App. 4th 1493 states that *Brydon* was superseded by Prop 218 which “curtail[ed] discretionary models of local agency fee determination.” The Court stated “But *Brydon*—though it might still be read as evidence that tiered pricing not otherwise connected to cost of service would survive a rational basis or equal protection challenge—simply has no application to post-Proposition 218 cases.

CONDITION OF APPROVAL AS A FEE. If the Board is interested in requiring an in-lieu fee as a condition of approval to offset the costs of addressing wet weather overflow management systems in the future, there are a variety of ways to approach drafting such a condition. The District General Counsel would need to work with the General Manager and Engineer to develop a proposal and return to your Board with same. Further research would be needed to determine whether (and if so, how) Article 13D (Proposition 218) and/or the California Mitigation Fee Act (Gov. C. §66000 et seq.) would apply.

Thank you for your consideration of this Opinion.

Very truly yours,
WITTMER PARKIN LLP


By: Jonathan Wittwer, General Counsel

Cc: General Manager
Assistant General Manager
Engineer

**GRANADA COMMUNITY SERVICES DISTRICT
FOR THE JULY 21, 2016 BOARD MEETING
FINDINGS FOR SEWER PERMIT VARIANCE**

Owner/Applicant: Paul McGregor

APN: 048-013-220

Coronado Avenue, Half Moon Bay, 94019

- (1) **REQUIRED FINDING:** Where the property is shown on a map first recorded prior to August 14, 1929 and has not been approved after March 4, 1972 by a recorded final subdivision map, it has been lawfully created for land use purposes by having been the subject of a legal conveyance into ownership separate from all contiguous parcels. Where a parcel is 4,750 square feet or greater in the S-17 or S3 Zoning Districts, or 8,800 square feet or greater in the S-9 Zoning District, a chain of title shall not be required to establish a basis for this finding unless determined to be necessary by the District Board.

INFORMATION REQUIRED: Chain of Title from a Title Insurance Company for all transactions claimed to constitute sale, lease or financing of the parcel which is the subject of the variance application and each vacant parcel sharing a boundary line with the subject parcel, from the date applicant contends the subject parcel was first legally created to the date of the application.

FINDING: The current zoning for the parcel as S-94 (Single-Family Residential District/S-94 Combining District with 10,000 sq. ft. minimum parcel size/Design Review/Coastal Development) and the parcel is 4,400 sq. ft. as confirmed by a stamped survey included in the building plans provided by the Applicant. A Chain of Title was provided to establish a basis for this Finding. There is one vacant parcel sharing a boundary line with the subject parcel and the required Chain of Title for that parcel was not provided.

Additionally, Applicant submitted an Unconditional Certificate of Compliance (Type "A") issued by the County and recorded on August 4, 2015 (Document #: 2015-081986) which states that the subject property APN 048-013-220 "meets the requirements established to confirm legalization as a Certificate of Compliance (Type A)" and complies with the provision of the State of California Subdivision Map Act and the San Mateo County Subdivision Ordinance.

The Chain of Title from Chicago Title Company dated August 21, 2015 shows that the property was shown on a Map first recorded on December 18, 1905. Although said Map did not create the parcel, the Chain of Title shows that it was the subject of a conveyance from James Brown to Jose M. Cleary recorded on July 11, 1906. Such conveyance was as to Lot 19 of Block Seven of the Map entitled "Shore Acres Half Moon Bay Cal. (First Addition to the City of Balboa)" into ownership separate and apart from any and all surrounding lots. According to the Chain of Title, this parcel was conveyed again as a single parcel in August 1914 and May 1939, all prior to July 1945 the effective date of the County's first subdivision ordinance. Hence the Board of Directors of the Granada Community Services District can, and hereby does, make this Required Finding (1).

- (2) **REQUIRED FINDING:** Where the property is not shown on any recorded map, but is shown on a deed into separate ownership recorded prior to July 20, 1945, it has been lawfully created for land use purposes by having been the subject of a legal conveyance into ownership separate from all contiguous parcels. Where a parcel is 4,750 square feet or greater in the S-17 or S-3 Zoning Districts, or 8,800 square feet or greater in the S-9 Zoning District, a chain of title shall not be required to establish a basis for this finding unless determined to be necessary by the District Board.

INFORMATION REQUIRED: Same as for (1) above.

FINDING: The property was shown on a recorded Map and the property was deeded into separate ownership prior to July 20, 1945 and the same finding as for (1) above can be made.

- (3) **REQUIRED FINDING:** Where the property is in the Coastal Zone, it has not been conveyed into ownership separate from all contiguous parcels for the first time after the February 1, 1973 effective date of vested rights under the California Coastal Act without a Coastal Development Permit approving a land division for the creation of such parcel.

INFORMATION REQUIRED: Same as for (1) above.

FINDING: The Chain of Title shows that the property was conveyed into separate ownership well prior to February 1, 1973 and the same finding as for (1) above can be made.

- (4) **REQUIRED FINDING:** Unless a parcel is 4,750 square feet or greater in the S-17 or S-3 Zoning Districts, or 8,800 square feet or greater in the S-9 Zoning District, a Certificate of Compliance or Conditional Certificate of Compliance has been issued for the property, and if the property is in the Coastal Zone, a Coastal Development Permit process was conducted for the issuance of such Certificate, if required by law or regulation.

INFORMATION REQUIRED: A Certificate of Compliance (conditional or unconditional) and a Coastal Development Permit if the subject parcel is in the Coastal Zone (or equivalent proof of parcel legality satisfactory to the District Board of Directors).

FINDING: The Subject Property is 4,400 square feet or greater in the S-94 Zoning District. A Certificate of Compliance (Type "A") was issued by the County. A Coastal Development Permit ("CDP") is not required for a Type A Certificate of Compliance. Applicant submitted that Unconditional Certificate of Compliance (Type "A") issued by the County and recorded on August 4, 2015 (Document #: 2015-081986 which states that the subject property APN 048-013-220 "meets the requirements established to confirm legalization as a Certificate of Compliance (Type A)" and complies with the provision of the State of California Subdivision Map Act and the San Mateo County Subdivision

Ordinance. The Board of Directors of the Granada Community Services District can, and hereby does, make this Required Finding (4).

- (5) **REQUIRED FINDING:** There are no features of the property or the development proposed thereon which have the potential to have a greater than usual contribution to wet weather sewage overflow.

INFORMATION REQUIRED: Site Plan, Topographic Map and Building Permit plans for the subject parcel including calculations by the drafter of the plans showing the percentage of the subject parcel covered with impervious surfaces.

FINDING: Pursuant to County of San Mateo Zoning Regulations for Site Coverage, the maximum parcel coverage is 30% for structures in the S-94 district, plus an additional 10% of site coverage for impervious surface area less than 18” above ground level (“non-structures”). (County Zoning Regs §§6300.9.11.50 and 6300.9.11.70). The maximum site coverage for structures is 30% which equals 1,320 square feet in this case. The maximum site coverage for impervious non-structures is 10% which equals 440 square feet in this case. The proposed parcel coverage for the structure is 1,258 square feet (28.6%) and the proposed coverage for impervious non-structures is ?? square feet (??%) hence the site coverage for impervious surfaces would comply with the County standards and this Finding can be made if the Granada Community Services District sewer permit and/or the County planning permit includes the following Condition of Approval for the project:

At the time of application for a building permit, the applicant shall submit a permanent stormwater management plan in compliance with the County’s Drainage Policy to the Department of Public Works. A site drainage plan will be required that will demonstrate how roof drainage and site runoff will be directed to an approved location. This plan must demonstrate that post-development flows and velocities to adjoining private property and the public right-of-way shall not exceed those that existed in the pre-developed state.

The Granada Community Services District hereby requires that when and if it issues a sewer permit for the subject property, the above condition of approval be contained therein. Applicant is requested to provide documented confirmation that such a Condition of Approval is contained in the County Planning Permit as well.

- (6) **REQUIRED FINDING:** Provision of sewer service to the parcel which is the subject of the application would not significantly adversely affect the ability of the District to serve a conforming parcel in view of the applicable buildout limits in the County of San Mateo Local Coastal Program.

INFORMATION REQUIRED: The District already has or can obtain this information in the form of documentation showing the number of parcels in the District which have

merged or which had their development rights transferred or otherwise eliminated since the completion of the Parcel Inventory and Development Potential Assessment for the Granada Sanitary District (prepared by J. Laurence Mintier & Associates in association with Kennedy/Jenks Consultants (District Engineer)). The District will apply the information to the application before it.

FINDING: This is a Finding requiring the District Board's factual determination. The parcel is 4,400 square feet in size (short of the 10,000 square foot minimum zoning requirement used for buildout calculations by 6,600 square feet, *i.e.* 66% short of the minimum parcel size). There are three neighboring parcels on 4,400 square foot parcels. Hence, provision of sewer service to the parcel which is the subject of the application ___ would/___ would not significantly adversely affect the ability of the District to serve a conforming parcel in view of the applicable buildout limits in the County of San Mateo Local Coastal Program.

- (7) **REQUIRED FINDING:** Granting of the variance would not constitute a special privilege not available to other property owners similarly situated.

INFORMATION REQUIRED: Written statement of relevant facts from Applicant comparing contiguous or nearby properties.

FINDING: The property owner provided a written statement of facts. According to the property owner there are currently three homes on the same side of the street on 4,400 square foot parcels (APNs XXX, XXX, XXX). It is the applicant's burden to provide the Board with the evidence regarding these cases and how this application compares. The Board of Directors of the Granada Community Services District finds that the Applicant has met this burden sufficiently to make Finding (7).

- (8) **REQUIRED FINDING:** The property owner has demonstrated by a preponderance of the evidence presented to the District Board that the parcel cannot be rendered conforming (without rendering any contiguous parcel nonconforming) by acquisition of one or more contiguous parcels by payment of fair market value for such contiguous parcel(s).

INFORMATION REQUIRED: Parcel size and setback for each contiguous parcel sharing a boundary line with the subject parcel and name and address of owner(s) of each such contiguous parcel together with documentation showing that each such owner has been offered fair market value for a portion of such contiguous property such that the subject parcel would be rendered conforming. The fair market value offer is not required if contiguous property is not vacant or, if developed, does not exceed minimum parcel size under the zoning ordinance.

FINDING: The applicant has provided a statement of facts stating that there is only one contiguous vacant parcel. According to the statement of facts, the property owner made a fair market offer of \$XXX to the owner of the contiguous vacant parcel and the offer was

rejected. No copy of a written offer, nor written rejection, has been provided to the District. It is a factual determination for the Board to make whether that was a “fair market” offer and whether an offer to purchase a portion of the adjoining vacant parcel should be made.

The Board of Directors of the Granada Community Services District finds that the Applicant has met its burden sufficiently to make Finding (8).

- (9) **REQUIRED FINDING:** The component lots comprising the property do not qualify for merger or will be merged or rendered undevelopable as a condition of the issuance of the variance.

INFORMATION REQUIRED: The District already has the needed information in the form of documentation showing the standards for merger in effect in the County of San Mateo at the time the variance application is considered by the District Board.

FINDING: The Subject Parcel does not qualify for involuntary merger under Government Code Section 66451.11, even though less than 10,000 square feet in size because it was created in compliance with applicable laws and ordinances in effect at the time of its creation (see subsection (b)(2) of Section 66451.11).

- (10) **REQUIRED FINDING:** The current property owner will not voluntarily accept a refund of fees, charges and/or assessments paid in exchange for agreement that the parcel will not ever be used to generate wastewater or garbage and there is no adopted District policy to unilaterally implement such a refund.

INFORMATION REQUIRED: Written statement of the Applicant of intent to develop. There is currently no District policy for unilateral implementation of such a refund.

FINDING: Written statement provided by Applicant December 23, 2015.

- (11) **REQUIRED FINDING:** For parcels which are less than 4,750 square feet in the S-17 or S-3 Zoning Districts, and for parcels which are less than 8,800 square feet in size in the S-9 Zoning District, the variance application was considered at a semi-annual meeting of the District Board held to consider and grant a total of no more than one semi-annual variance from among such variance applications submitted during the preceding six months based on the comparative merits of such application.

INFORMATION REQUIRED: Confirmation to be provided by District Administrator.

FINDING: This parcel is 4,400 square feet in an S-94 Zoning District requiring a parcel size measuring 5,000 square feet. This application for Variance qualifies for semi-annual meeting consideration, because it is less than 8,800 square feet.

- There has been no variance application submitted in the past six months other than this one and the issuance of this Variance will, therefore, not result in the issuance of more than one semi-annual variance.

- There has been one or more variance applications submitted in the past six months other than this one and based on the comparative merits of each variance application submitted in the past six months this variance application is superior and such variance application is, therefore, issued.

- There has been one or more variance application submitted in the past six months other than this one and based on the comparative merits of each variance application this variance application was not selected as the superior variance application and such variance application is, therefore, denied without prejudice.

GRANADA SANITARY DISTRICT

OF SAN MATEO COUNTY

504 Avenue Alhambra, Third Floor • P.O. Box 335 • El Granada, CA 94018
Telephone: (650) 726-7093 • Facsimile: (650) 726-7099

VARIANCE APPLICATION

Parcel Information: Assessor's Parcel Number: 048 103 1226 Lot(s): 19 Block 7

Parcel Address or Location: CORONADO AVE HUMB 94019

Owner: Name(s) PAUL MCGREGOR Phone: _____

Address: 168 WESTPOINT AVE HUMB 94019 Fax #: _____

Cell #: 650 7038993

Owner's Agent: Name(s) N/A Phone: _____

Address: _____ Fax #: _____

Cell #: _____

Contractor: Name(s) same Phone: _____

Address: _____ Fax #: _____

Cell #: _____

Parcel Sq. Footage.: 4400 Zoning District: 599 Structure(s) Sq. Footage: 2110
(Total)

Type of development (Check one): Single Family Dwelling: Multiple Unit/Apartments: _____

Mixed Use (Commercial Use Structure with a Living Unit): _____

Are there any trees on the parcel (Yes/No)?: NO If yes, how many?: _____ # to be Removed: _____

Additional Comments: _____

For Single Family Dwellings Only:

Dwelling Sq. Ft.: 1506 Garage: 604 No. of Bedrooms: 3 No. of Baths: 2

For Mixed Use Only:


Check or Enter No.: Warehouse(s): _____ No. of Offices: _____ Square footage of Living Unit: _____

Applicants Signature: Paul McGregor Date: 12/23/15

Printed Name: PAUL MCGREGOR Address: 168 WESTPOINT AVE HUMB

FOR DISTRICT USE ONLY (Please do not write below this line)

Attachments Provided:		DATE RECEIVED: <u>12-23-15</u>	
<input checked="" type="checkbox"/> Grant Deed	<input checked="" type="checkbox"/> Sq. Ft. Verified	<input type="checkbox"/> Contig Owner Info	<input type="checkbox"/> Agent Form
<input checked="" type="checkbox"/> Chain of Title	<input type="checkbox"/> Contig Vac Parcel Setbk	<input checked="" type="checkbox"/> No Acptc Stmt	<input type="checkbox"/> Other: _____
<input checked="" type="checkbox"/> Building Plans	<input type="checkbox"/> Contig Fair Mkt Doc	<input type="checkbox"/> Merger Docs	Complete?: YES NO
No. of NCA's: <u>1</u>	No. Needed: <u>0</u>	NCA Pur App Needed?: YES NO	Application Fee: \$ <u>750.00</u>

<p>Recorded at the Request of, and When Recorded Return to: Pete Bentley, Project Planner Planning and Building Department 455 County Center, 2nd Floor Mail Drop PLN122 Redwood City, CA 94063</p>	<p>For Clerk Use Only</p> <p>2015-081986 CONF</p> <p>10:08 am 08/04/15 CC Fee: 27.00 Count of pages 5 Recorded in Official Records County of San Mateo Mark Church Assessor-County Clerk-Recorder</p>  <p>* R 0 0 0 2 0 6 9 4 2 9 *</p>
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County of San Mateo
Planning and Building Department

CERTIFICATE OF COMPLIANCE
Pursuant to Government Code Section 66499.35(a)

Planning File No. PLN 2015-00281

The County of San Mateo has received a request from Claude Windell, 248 Main Street, Half Moon Bay, CA 94037, to determine if the real property owned by Golden Orchard, Inc., 2322 Beacham Drive, Castle Rock, CO 80104, identified as Assessor's Parcel Number 048-013-220, and further described below, complies with the provisions of the California Subdivision Map Act and the San Mateo County Subdivision Ordinance.

Property Description

APN 048-013-220

All that certain real property located in the unincorporated area of San Mateo County, State of California, and being more particularly described as follows:

Lot 19, Block 7, as designated on the map entitled, "Shore Acres Half Moon Bay California (First Addition to the City of Balboa)," which map was filed in the Office of the Recorder of the County of San Mateo, State of California, on December 18, 1905, in Book "B" of Maps, at page 12, and a copy entered in Book 3 of Maps, at page 95.

A plat showing the above-described parcel is attached hereto and made a part of this certificate.

This parcel (Lot 19) was conveyed separately, from surrounding parcels, for the first time in July 1906 and again as a single parcel in both August 1914 and May 1939, all prior to July 1945, the effective date of the County's first Subdivision Ordinance. This parcel (Lot 19) was again conveyed, as a single parcel, by grant deed in January 1961. Thus, the parcel meets the requirements established to confirm legalization as a "Certificate of Compliance

Certificate of Compliance
Windell (APN 048-013-220)
Page 2

(Type A).” The subject Certificate of Compliance (Type A) shall represent APN 048-013-220.

This is to certify that the real property described above complies with the State of California Subdivision Map Act and the San Mateo County Subdivision Ordinance

NOTICE: This document certifies compliance with the State of California Subdivision Map Act and the San Mateo County Subdivision Regulations only. Any development on, or use of, the property described herein is subject to the San Mateo County General Plan, Zoning Regulations, building regulations, and other County regulations affecting use and development of the property. Further, this Certificate of Compliance shall in no way affect the requirements of any other federal, State or local agency that regulates development or use of real property.



Lisa Aozasa
Acting Community Development Director
County of San Mateo

7/29/15

Date

LAA:PSB:fc – PSBZ0531_WFN.DOCX
FRM00101.DOCX (6/25/15)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of San Mateo)

On 07/29/2015, before me, T. Pena
a Notary Public, personally appeared LISA AOZASA, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

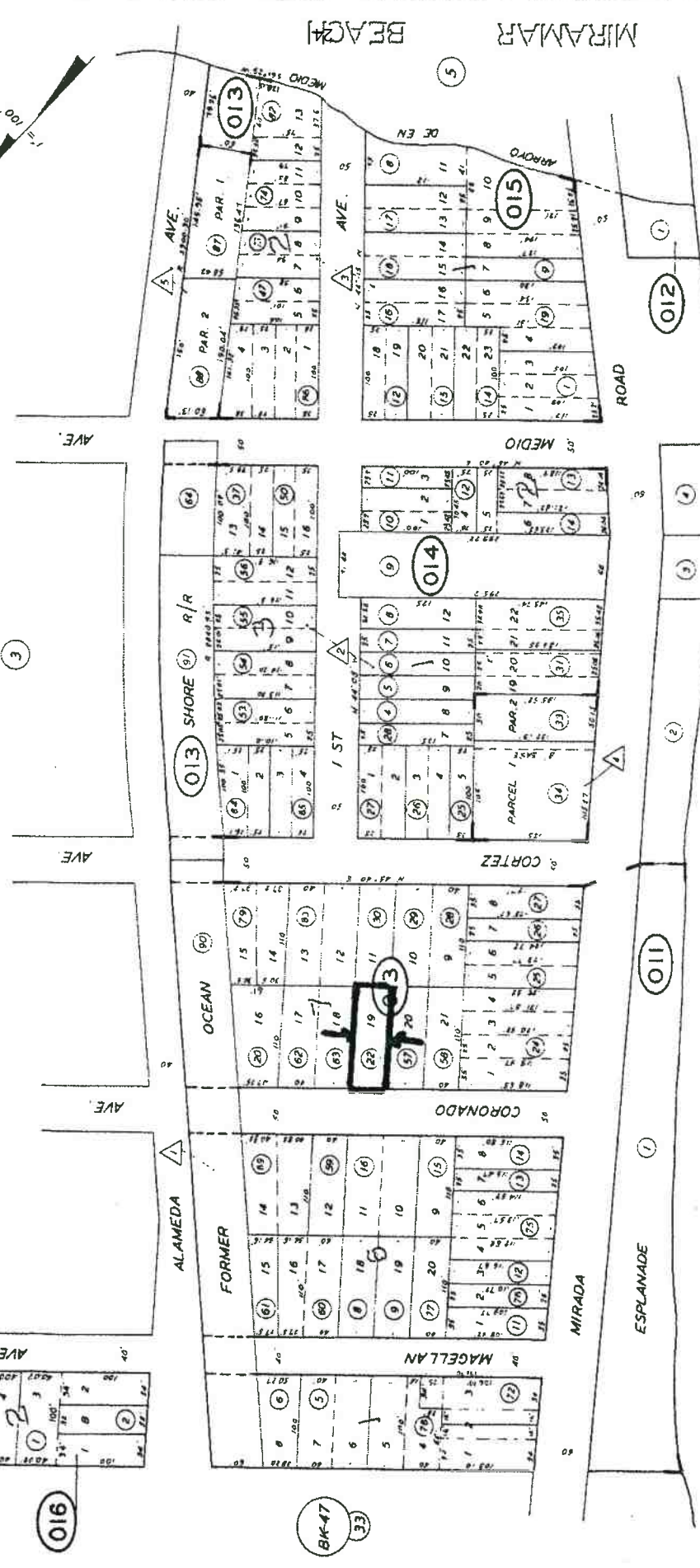
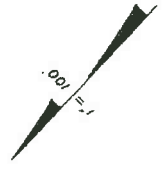
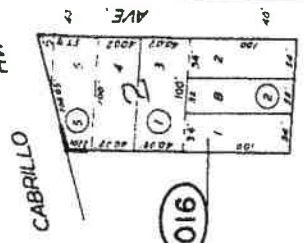


Signature T. Pena

48-1

TAX CODE AREA

HWY.



- △ SHORE ACRES RSM 3/95
- △ SOUTH BALBOA TRACT RSM 5/6
- △ BROPHYS BEACH RSM 5/58
- △ PARCEL MAP VOL 13/12

OCEAN

PACIFIC

- △ PARCEL MAP VOL 72/92

ASSESSOR'S MAP COUNTY OF SAN MATEO, CALIF.

ML

1-82

12/23/15

STATEMENT OF FACTS For APN 048-013-220

PAUL WE GREGG, 168 WESTPOND AVE NUMB, CA
650 703 8993

I AM REQUESTING A VARIANCE FOR MY
PARCEL, THE ONLY VACANT PARCEL NEXT TO
ME IS NOT FOR SALE AND I MADE A
FAIR MARKET OFFER TO THE OWNER AND
IT WAS REJECTED.

THERE ARE CURRENTLY 3 HOMES ON THE
SAME SIDE OF THE STREET ON THE SAME
SIZE LOT. I AM NOT ASKING FOR
ANYTHING ELSE THAT THE OTHER HOMES
ALREADY ENJOY. THE LAST HOME ON MY LOT
ON A 40 FOOT WIDE LOT FOR TOM CAREY WAS
APPROVED BY GSD.

THANK YOU, Paul Gregg

#4

#7 PARCEL TO THE EAST IS OWNED BY CARL'S
FAMILY AND IS THE SAME SIZE AS MY PARCEL.
THERE SHOULD BE A CHAIN OF TITLE FOR THIS PARCEL
IN YOUR RECORDS, DUE TO TOM CAREY RECEIVING A
VARIANCE FOR 150 CARAVADO.

Granada Sanitary District

#8

PROPERTY OWNER STATEMENT
"NO ACCEPTANCE OF FEES"

I / we Paul McGehee have submitted a sewer permit Variance Application to the District regarding the Property described as VACANT CORONADO, (Enter address or, if vacant, enter "Vacant" with the street name, parcel lot number and block number), Assessor's Parcel No(s) 048 - 013 - 220, and hereby voluntarily make the following declaration in order to comply with District Ordinance Code section 603c.2(k):

I / we will not agree to the removal of any Granada Sewer Bond assessment levy and the refund of fees, charges and prior paid assessments in exchange for an agreement not to ever develop the property and not to ever generate wastewater or garbage from the property.

Current Property Owner(s):

Signature:

X

(NAME PRINTED)

Date:

12/23/15

Signature:

X

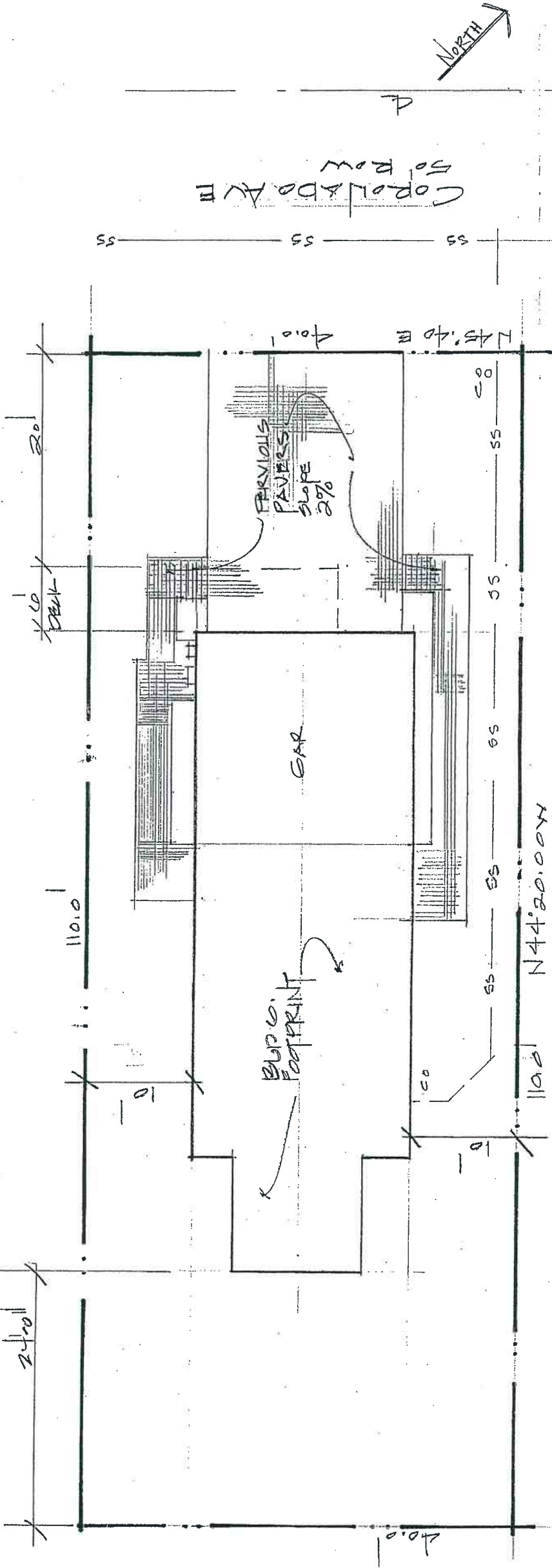
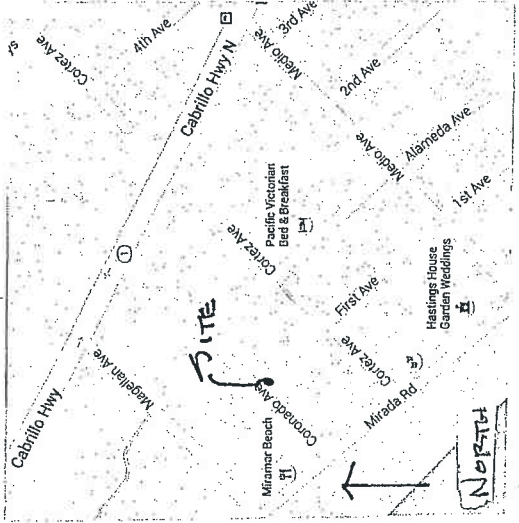
(NAME PRINTED)

Date:

TABLATIONS

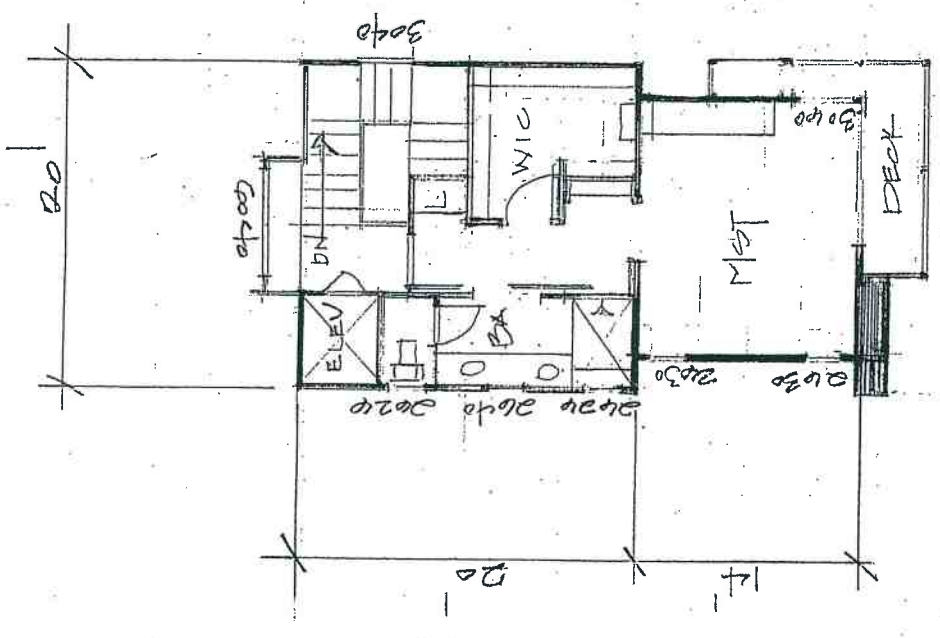
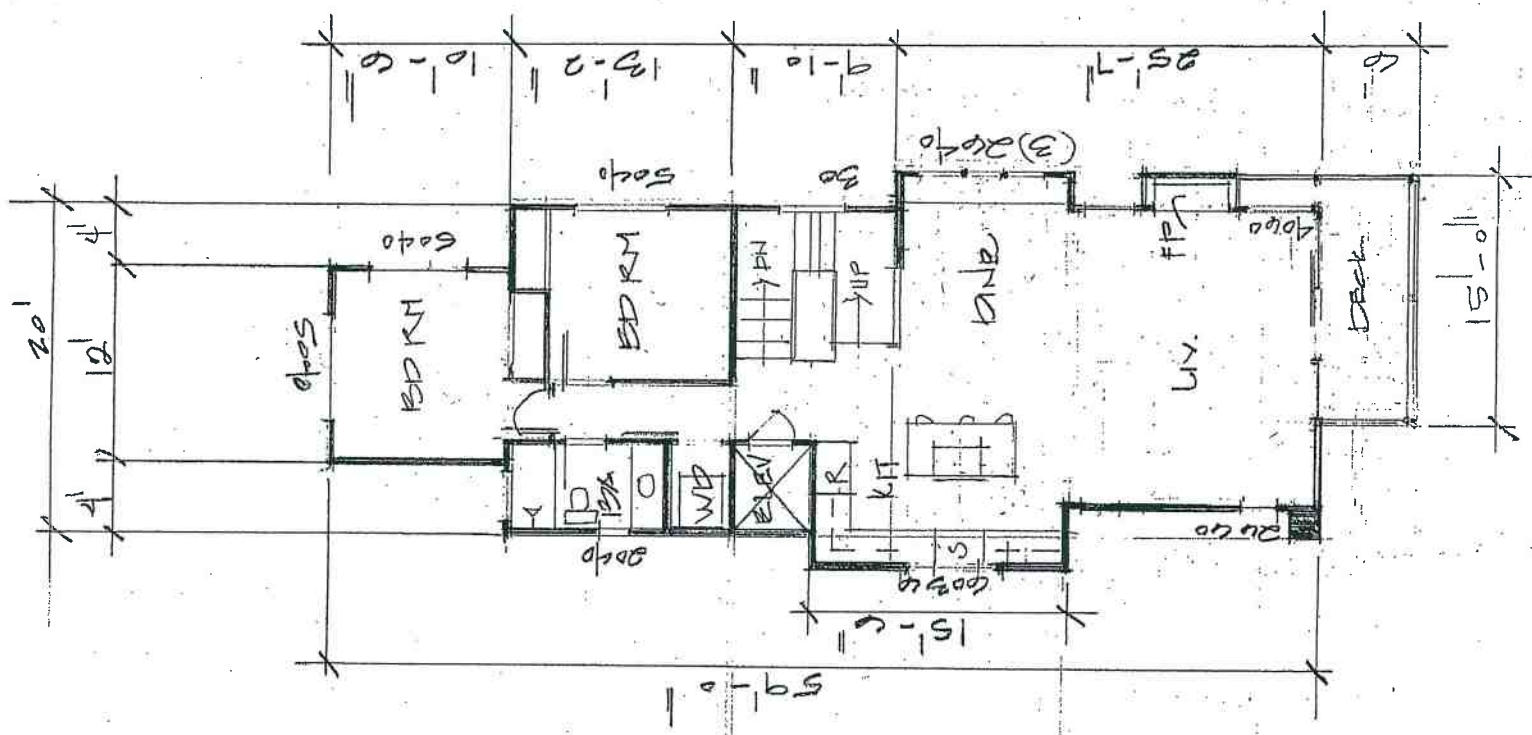
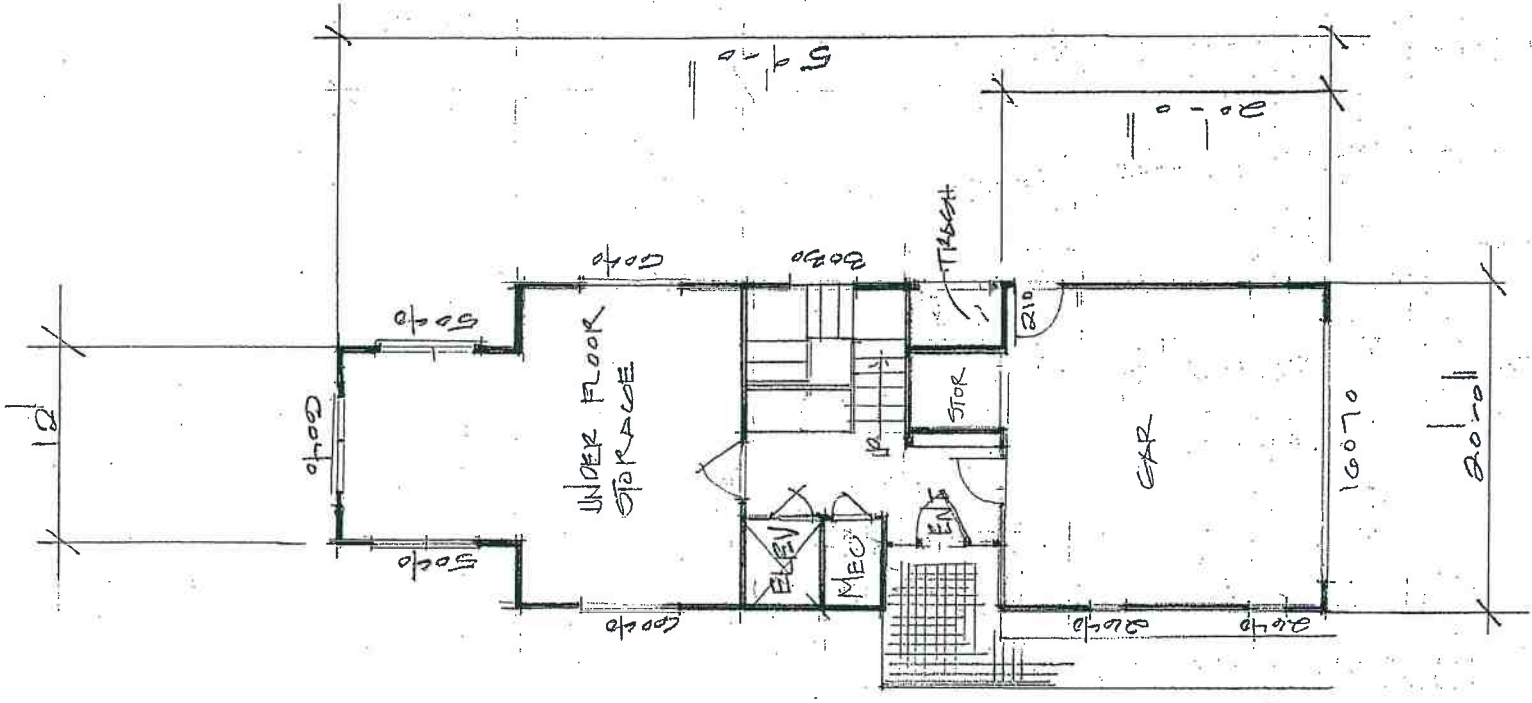
Zone	R1/S94/DR/CD
Lot Size	40'x110' 4,400 SF
Lot Coverage (30% = 1,320 SF)	Ground Level and Decks counted = 1,258 SF
Main Floor	998 SF
Upper Floor	508 SF
Ground Floor	604 SF Garage and Entry Counted
Total FAR (.48% = 2,112 SF)	Actual 2,110 SF
Setbacks Proposed	
20' Front	
24' Rear	
10-0" Sides	
Construction Type	V-B Sprinkled
Occupancy	R-3/U

VICINITY MAP



ADV. RES

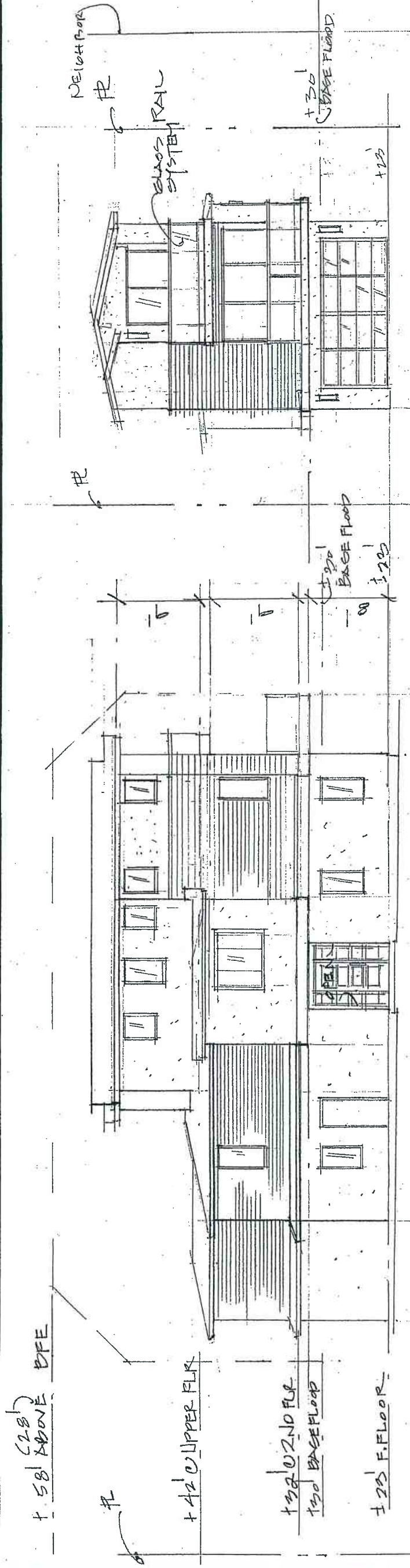
AD 7
 RES.



A NEW RESIDENCE FOR:
PAUL Mc GREGOR
 CORONADO AVENUE
 HALF MOON BAY, CA. 94019 APN: 048-013-220

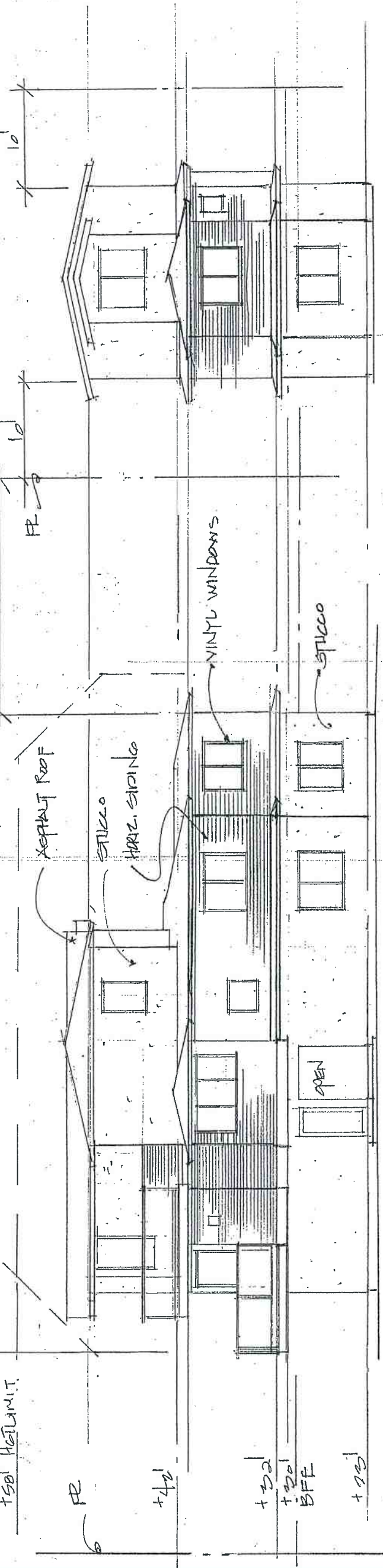
Plane Prepared By:
Anne Gustin Design, Inc.
 3414 Scenic Drive
 Napa, CA 94558
 Phone: (707)251-9500
 Fax: (707)251-9123
 anne.gustin@yahoo.com

PRINTED
 DEC. 18, 15



FRONT ELEVATION

EAST ELEVATION



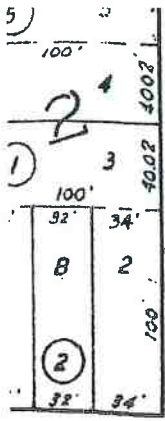
SOUTH ELEVATION

WEST ELEVATION

ELEVATIONS
 SCALE 1/8" = 1'-0"

048-013-220

MCGREGOR
VARIANCE



AVE.

AVE.

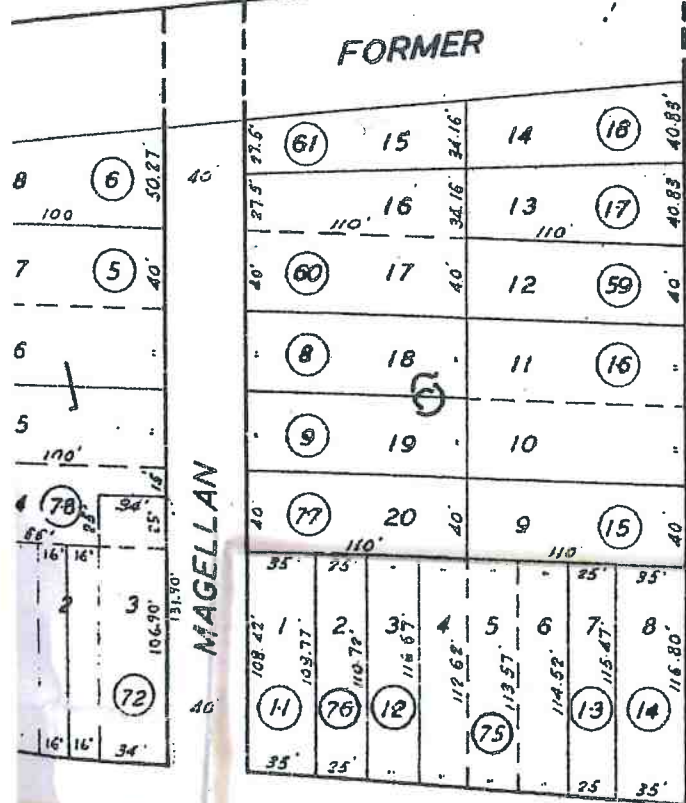
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R1/S9/DR

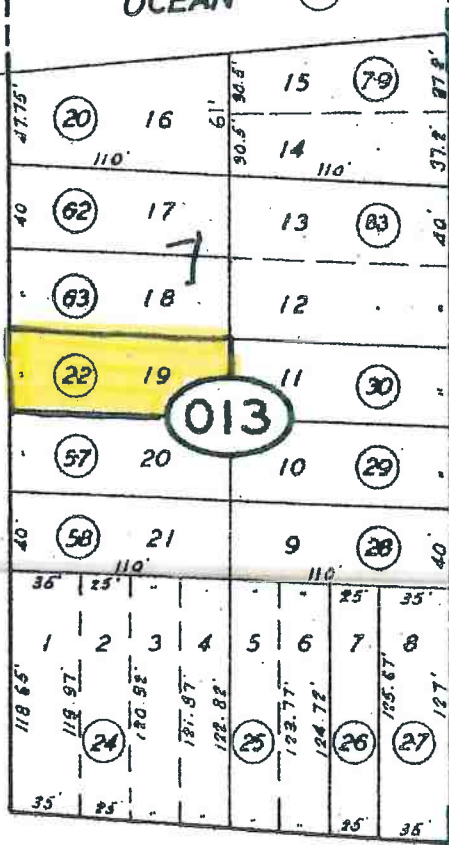
ALAMEDA

OCEAN

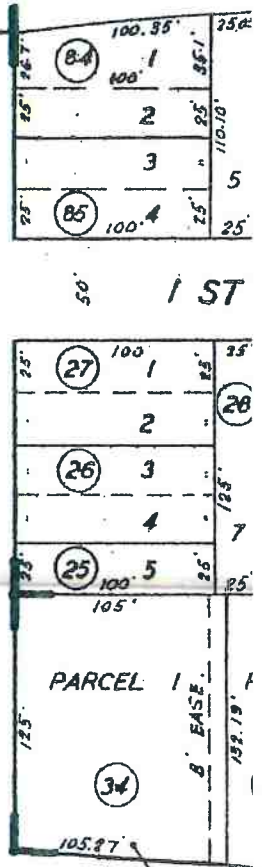
FORMER



CORONADO



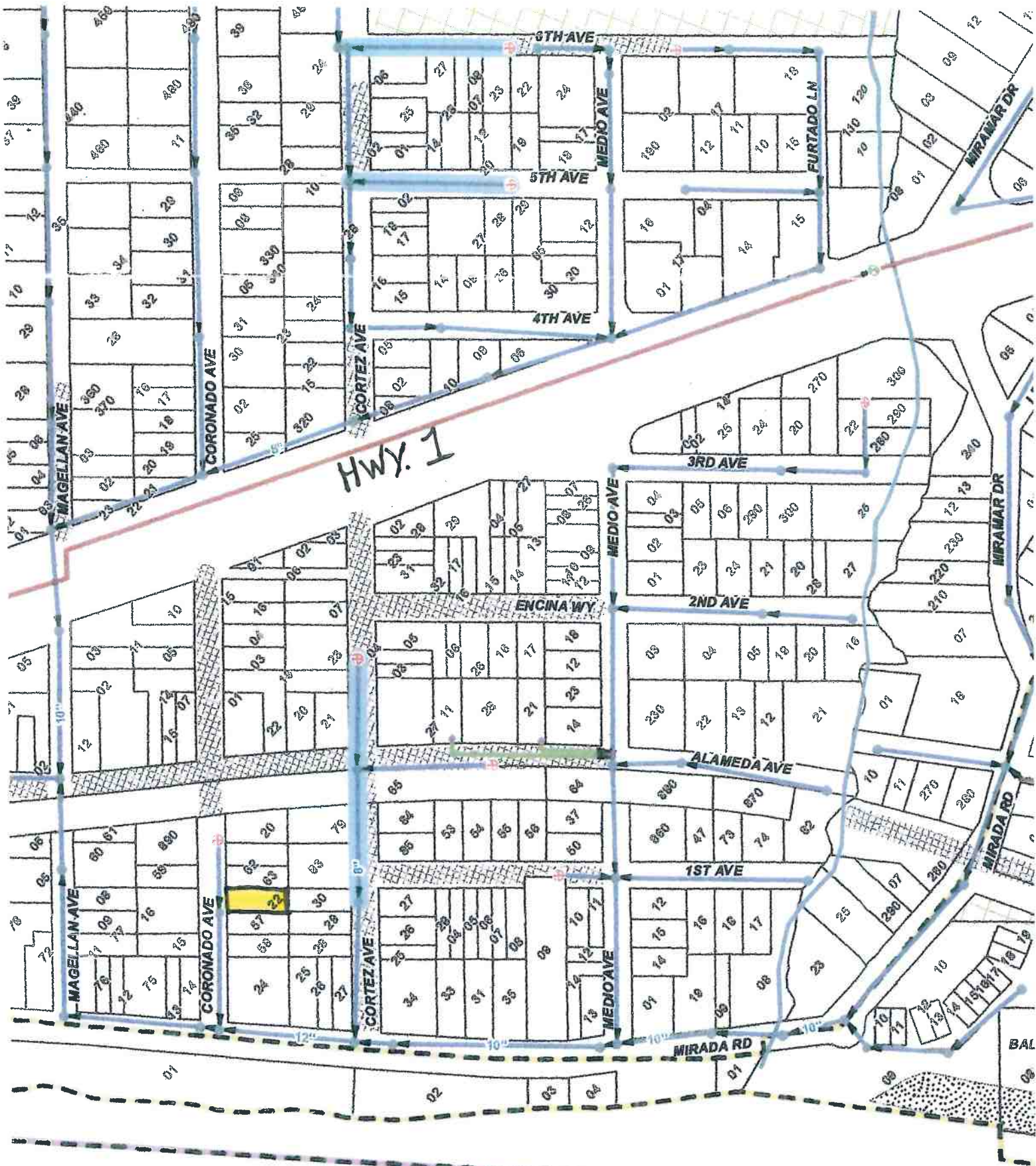
CORTEZ



MIRADA

ESPLANADE

PACIFIC



Hwy. 1

MCGREGOR VARIANCE

048-013-220

GRANADA COMMUNITY SERVICES DISTRICT

AGENDA MEMORANDUM

To: Board of Directors
From: Delia Comito, Assistant General Manager
Subject: Consideration of Approval of Audited Financial Statements for Fiscal Year
Ending June 30, 2015
Date: August 18, 2016

Attached are the draft Audited Financial Statements for review. Please note that the Management's Discussion and Analysis (pages 3-5) is not provided in the report and will be distributed by no later than Tuesday before the board meeting. There are also a few non-material corrections to be made, including correction of the District's name throughout the document, which will also be distributed before the meeting.

A major change to this year's statements, as noted by the Auditor, is the implementation of the GASB 68 adjustments, so the statements will look quite differently.

The General Manager will discuss the highlights and details of the audit further at the meeting.

**GRANADA COMMUNITY
SERVICES DISTRICT
Basic Financial Statements
and Supplemental Information
With Independent Auditor's Report Thereon**

**Years Ended
June 30, 2015 and 2014**

DRAFT August 15, 2016 DRAFT

GRANADA COMMUNITY SERVICES DISTRICT
Basic Financial Statements and Supplemental Information
Years Ended June 30, 2015 and 2014

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INDEPENDENT AUDITORS' REPORT

Governing Board
Granada Community Services District
El Granada, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Granada Community Services District (the District) as of June 30, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 financial statements are free from material misstatement.

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

Governing Board
Granada Community Services District
El Granada, CA

Unmodified Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Granada Community Services District as of June 30, 2015 and 2014, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other information

The information identified in the accompanying table of contents as Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. 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 do not express an opinion on it.

Implementation of New Accounting Standards

As disclosed in Note 1 to the financial statements, the Granada Community Services District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, during the fiscal year ended June 30, 2015.

Fechter & Company
Certified Public Accountants

Sacramento, California
July 31, 2016

**GRANADA COMMUNITY SERVICES DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015**

ASSETS	<u>2015</u>	<u>2014</u>
Current Assets:		
Cash and investments	\$ 3,689,927	\$ 3,515,961
Due from County of San Mateo	57,386	50,594
Interest receivable	572	3,260
Prepaid expenses and other assets	106,460	87,857
	<hr/>	<hr/>
Total current assets	3,854,345	3,657,672
	<hr/>	<hr/>
Capital assets, net of accumulated depreciation	5,773,601	6,025,819
	<hr/>	<hr/>
Non-current assets:		
Investment in Sewer Authority Mid-Coastside	3,895,049	4,662,068
Advance to assessment district to fund bond reserve account	494,890	494,890
Advance to assessment district for supplemental funding	1,057,542	1,057,542
Advance to assessment district to fund noncontingent assessment acquisition	1,240,866	1,240,866
Advance to Montara Sanitary District, net of allowance	-	-
	<hr/>	<hr/>
Total non-current assets	6,688,347	7,455,366
	<hr/>	<hr/>
TOTAL ASSETS	\$ 16,316,293	\$ 17,138,857
	<hr/>	<hr/>
DEFERRED OUTFLOWS OF RESOURCES (NOTE 12)	\$ 33,695	\$ -
	<hr/>	<hr/>
LIABILITIES AND NET POSITION		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 18,520	\$ 44,982
Interest payable	3,011	4,472
Current portion of long-term debt	90,000	86,000
Deposits held for others	13,405	8,445
	<hr/>	<hr/>
Total current liabilities	124,936	143,899
	<hr/>	<hr/>
Note payable, net of current portion	95,000	185,000
Net pension liability (Note 12)	166,360	-
	<hr/>	<hr/>
TOTAL LIABILITIES	\$ 386,296	\$ 328,899
	<hr/>	<hr/>
DEFERRD INFLOWS OF RESOURCES (NOTE 12)	\$ 16,803	\$ -
	<hr/>	<hr/>
NET POSITION		
Invested in capital assets, net	5,773,601	6,025,819
Unrestricted	10,173,288	10,784,139
	<hr/>	<hr/>
TOTAL NET POSITION	\$ 15,946,889	\$ 16,809,958
	<hr/>	<hr/>

The accompanying notes are an integral part of these financial statements

GRANADA COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED
JUNE 30, 2015

	2015	2014
Operating revenues:		
Sewer service charges	\$ 1,287,905	\$ 1,266,536
Total operating revenues	1,287,905	1,266,536
Operating expenses:		
SAM Sewage collection and treatment	962,755	826,119
Depreciation	252,218	251,503
Administration and general	837,922	809,523
General collection and treatment operations	52,747	159,831
Total operating expenses	2,105,642	2,046,976
Operating income (loss)	(817,737)	(780,440)
Non-operating revenues and (expenses):		
Property tax revenue	809,818	772,282
Interest income	8,390	7,376
Equity income (loss)	(233,892)	(347,154)
Interest expense	(9,826)	(14,066)
Other revenues	69,213	62,731
Capital contributions (connection fees)	72,850	35,250
Total non-operating revenues and (expenses)	716,553	516,419
Change in net position	(101,184)	(264,021)
Beginning net position	16,809,959	17,032,016
Prior period adjustment (Note 14)	(761,886)	41,963
Ending net position	\$ 15,946,889	\$ 16,809,958

The accompanying notes are an integral part of these financial statements

**GRANADA COMMUNITY SERVICES DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
JUNE 30, 2015**

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Receipts from customers	\$ 1,286,073	\$ 1,264,171
Payments to suppliers and employees	(1,885,963)	(1,893,039)
Net cash used by operating activities	<u>(599,890)</u>	<u>(628,868)</u>
Cash Flows from non-capital financing activities:		
Receipts from property taxes and other operating income	<u>809,818</u>	<u>765,423</u>
Net cash provided by non-capital financing activities	<u>809,818</u>	<u>765,423</u>
Cash flows from capital and related financing activities:		
Connection fees collected	72,850	35,250
Payments on long-term debt	(86,000)	(79,000)
Interest paid	(11,287)	(15,369)
Other revenues	69,213	62,731
Prior period adjustment	-	41,963
Capital contributions to SAM	(91,816)	-
Net cash (used in) provided by capital and related financing activities	<u>(47,040)</u>	<u>45,575</u>
Cash flows from investing activities:		
Interest income	<u>11,078</u>	<u>10,636</u>
Net cash provided by investing activities	<u>11,078</u>	<u>10,636</u>
Net increase in cash and cash equivalents	<u>173,966</u>	<u>192,766</u>
Cash and cash equivalents, beginning of year	<u>3,515,961</u>	<u>3,323,195</u>
Cash and cash equivalents, end of year	<u>\$ 3,689,927</u>	<u>\$ 3,515,961</u>
Reconciliation of operating (loss) to net cash (used) by operating activities:	<u>\$ (817,737)</u>	<u>\$ (780,440)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	252,218	251,503
(Increase) decrease in accounts receivable	(6,792)	(9,224)
Increase (decrease) in accounts payable and accrued liabilities	(21,502)	(12,959)
Increase (decrease) in prepaid expenses	(18,603)	(84,607)
Change in net pension liabilities	12,526	-
Increase in other liabilities	-	6,859
Net cash (used) by operating activities	<u>\$ (599,890)</u>	<u>\$ (628,868)</u>

The accompanying notes are an integral part of these financial statements

**GRANADA COMMUNITY SERVICES DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

ASSETS	2015	2014
Cash and cash equivalents	\$ 163,912	\$ 139,355
Due from County of San Mateo	-	3,969
Investments	3,555,109	3,303,781
Total Assets	\$ 3,719,021	\$ 3,447,105
 LIABILITIES		
Due to (from) other funds	\$ -	\$ -
Deposits held for others	653,807	653,807
Advance from District to fund bond reserve account	494,890	494,890
Advance from District to fund supplemental funding	1,057,542	1,057,542
Advance from District to fund noncontingent assessment acquisition	1,512,782	1,240,866
Total Liabilities	\$ 3,719,021	\$ 3,447,105

The accompanying notes are an integral part of these financial statements

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
Years Ended June 30, 2015 and 2014

Note 1 – Organization and Summary of Significant Accounting Policies

Organization

Granada Community Services District (District) was created in 1958 under the provisions of Section 6400 of the State of California Health and Safety Code. An elected board of directors governs the District and has the power to construct, maintain, and operate facilities for the collection, treatment, and disposal of wastewater and solid waste for the benefit of the lands and inhabitants within the San Mateo County communities of El Granada, Princeton-by-the-Sea, Miramar, and northern Half Moon Bay.

Reporting Entity

The accounts of the District are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which are comprised of each fund's assets, liabilities, fund balance, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and for individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The District's funds consist of the following:

Proprietary Fund Type - Enterprise Fund

The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body 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 or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. All assets and liabilities associated with the Enterprise Fund's activities are included in the statement of net position.

Fiduciary Fund Type - Agency Fund

The Agency Fund (Assessment District) is used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other funds and/or other governments. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. All assets and liabilities associated with the Assessment District's activities are included in the statement of fiduciary net position.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Both the Enterprise Fund and the Agency Fund are accounted for on an economic resources measurement focus using the accrual basis of accounting in accordance with generally accepted accounting principles. Under this basis of accounting, revenues are recognized when earned except property taxes which are recognized in the year they are levied and expenses are recognized when the related liability is incurred.

The District applies all Governmental Accounting Standards Board (GASB) pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements and the State Controller's

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
Years Ended June 30, 2015 and 2014

Note 1 – Organization and Summary of Significant Accounting Policies, continued

Minimum Audit Requirements for California Special Districts. The District has elected not to apply FASB statements and interpretations issued subsequent to November 30, 1989.

Risk Management

The District is a member of the California Sanitation Risk Management Authority (CSRMA) which provides general liability coverage. Participation in the CSRMA risk sharing pool provides the District general liability coverage up to \$750,000 and excess coverage up to \$10 million.

Capital Assets

Capital assets for the Enterprise Fund are recorded at cost to the District for purchases or at an estimated cost when assets are contributed. Depreciation is charged to expense for all capital assets and is computed using the straight-line method over the estimated useful lives of five to 50 years.

Property Tax Revenues and Sewer Service Charges

Property taxes and sewer service charges are billed and collected by the County of San Mateo through the property tax billings. Real property taxes are levied against owners of record. The taxes are due in two installments on November 1 and February 1, and become delinquent after December 10 and April 10, respectively. Property taxes are based on assessed values of real property. A revaluation of all real property must be made upon sale or completion of construction. Amounts due from the County of San Mateo include both property taxes and sewer service charges.

Connection Fees

Connection fees consist of charges to homes and businesses for connecting to the District's sewer system.

Operating Revenues and Expenses

The District's operating revenues are those revenues generated from the primary operation of the District's sewer service. Operating expenses are those expenses that are essential to the primary operation of its sewer system. All other revenues and expenses are reported as non-operating revenues and expenses.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Investments

Investments in mutual funds and debt instruments are carried at fair value as determined in an active market. Investments in the State of California Local Agency Investment Fund are carried at cost which approximates fair value and are included in cash and cash equivalents in the statements of net position.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the District considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
Years Ended June 30, 2015 and 2014

Note 1 – Organization and Summary of Significant Accounting Policies, continued

Implementation of New Accounting Principles

The following Governmental Accounting Standards Board (GASB) Statements were implemented during the 2015 fiscal year:

GASB Statement No. 68 – Accounting and Financial Reporting for Pensions – an amendment of GASB Statement 27 – The provisions of this statement are effective for financial statements for fiscal years beginning after June 15, 2014.

GASB Statement No. 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No 27. The provisions of this statement are effective for financial statements for fiscal years beginning after June 15, 2014.

Note 2 – Cash and Cash Equivalents

The District's cash and cash equivalents are held in federally insured deposit accounts with financial institutions and an external investment pool.

External Investment Pool

The District invests in the California State Treasurer's Local Agency Investment Fund (LAIF). LAIF was established in 1977, is regulated by California Government Code Section 16429, and under the day-to-day administration of the State Treasurer. As of June 30, 2015, LAIF had approximately \$71 billion in investments.

LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available, and on amortized cost of best estimate for those securities where market value is not readily available. The District's investments with LAIF at June 30, 2015 included a portion of the pooled funds invested in structured notes and asset-backed securities. These investments are described as follows.

Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and / or that have embedded forwards or options.

Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

Investments are subject to certain types of risks, including interest rate risk, custodial credit risk, credit quality risk, and concentration of credit risk. The following describes those risks.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal policy regarding interest rate risk.

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
Years Ended June 30, 2015 and 2014

Note 2 – Cash and Cash Equivalents, continued

Custodial Credit Risk

Custodial credit risk is the risk that the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a formal policy regarding custodial credit risk. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. With respect to investments, custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or investment pools such as LAIF.

Credit Risk

Generally, 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 does not have a formal policy regarding credit risk. LAIF does not receive a rating from a nationally recognized statistical rating organization.

Concentration of Credit Risk

The District has limitations on the amount that can be invested in any one issue beyond that stipulated by the California Government Code.

The FDIC insured the bank balances up to \$250,000 for each bank, except for non-interest bearing transaction accounts at institutions participating in the FDIC's Temporary Liquidity Guarantee Program, which are provided with unlimited deposit guarantee.

The District's cash and cash equivalents consist of the following at June 30, 2015:

	<u>Carrying Amount</u>	<u>Depository Balance</u>
Amounts insured by federal deposit insurance, or collateralized with securities held by the District in its name.	\$ 100,403	\$ 100,403
Amounts held on deposit with the State of California Local Agency Investment Fund, collateralized by investments registered in the State's name.	<u>3,589,524</u>	<u>3,589,524</u>
	<u>\$ 3,689,927</u>	<u>\$ 3,689,927</u>

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
Years Ended June 30, 2015 and 2014

Note 2 – Cash and Cash Equivalents, continued

The District's cash and cash equivalents are presented as \$3,689,927 in the statements of net position and \$3,719,021 in the statements of fiduciary net position. The difference between the carrying amount and the depository balance represents outstanding checks and deposits in transit.

The District's cash and cash equivalents consist of the following at June 30, 2014:

	Carrying Amount	Depository Balance
Amounts insured by federal deposit insurance, or collateralized with securities held by the District in its name.	\$ 97,361	\$ 97,361
Amounts held on deposit with the State of California Local Agency Investment Fund, collateralized by investments registered in the State's name.	3,418,600	3,418,600
	\$ 3,515,961	\$ 3,515,961

The District's cash and cash equivalents are presented as \$3,515,961 in the statements of net position and \$3,443,136 in the statements of fiduciary net position. The difference between the carrying amount and the depository balance represents outstanding checks and deposits in transit.

Note 3 – Agency Fund

In 1996, Granada Community Services District established the Assessment District to finance the expansion of the sewage treatment facility owned and maintained by the Sewer Authority Mid-Coastside. Special Assessment Limited Obligation Improvement Bonds were issued through the Assessment District to generate the funds necessary to meet the District's portion of the expansion costs. The Agency Fund is used to account for the debt service transactions of the Assessment District. The District acts as an agent with respect to the collection of special assessments from property owners and the payment of principal and interest to special assessment debt holders. The only investments reported by the District are held in the Agency Fund which consist of mutual funds and debt instruments held by a trustee.

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
Years Ended June 30, 2015 and 2014

Note 4 – Capital Assets

Changes in capital assets consist of the following for the year ended June 30, 2015:

	June 30, 2014	Additions	Deletions	June 30, 2015
Equipment	\$ 22,153	\$ -	\$ -	\$ 22,153
Collection and conveyance facilities	10,520,578	-	-	10,520,578
Less accumulated depreciation	(5,393,446)	(252,218)	-	(5,645,664)
	<u>5,149,285</u>	<u>(252,218)</u>	<u>-</u>	<u>4,897,067</u>
Land	876,534	-	-	876,534
	<u>\$ 6,025,819</u>	<u>\$ (251,503)</u>	<u>\$ -</u>	<u>\$ 5,773,601</u>

Depreciation expense for the year-end June 30, 2015 was \$252,218.

Changes in capital assets consist of the following for the year ended June 30, 2014:

	June 30, 2013	Additions	Deletions	June 30, 2014
Equipment	\$ 22,153	\$ -	\$ -	\$ 22,153
Collection and conveyance facilities	10,520,578	-	-	10,520,578
Less accumulated Depreciation	(5,141,943)	(251,503)	-	(5,393,446)
	<u>5,400,788</u>	<u>(251,503)</u>	<u>-</u>	<u>5,149,285</u>
Construction in progress	-	-	-	-
Land	876,534	-	-	876,534
	<u>\$ 6,277,322</u>	<u>\$ (251,503)</u>	<u>\$ -</u>	<u>\$ 6,025,819</u>

Depreciation expense for the year-end June 30, 2014 was \$251,503.

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
Years Ended June 30, 2015 and 2014

Note 5 – Investment in Sewer Authority Mid-Coastside

Sewer Authority Mid-Coastside (Authority) was created by a Joint Exercise of Powers Agreement between the City of Half Moon Bay, the Granada Community Services District, and the Montara Sanitary District. The Authority was established to construct, maintain, and operate facilities for the collection, treatment, and disposal of wastewater for the benefit of the lands and inhabitants within the member agencies' respective boundaries. Audited financial statements of the Authority are available at its office in Half Moon Bay, California.

The following is a summary of financial information of the Authority from its June 30, 2015 and 2014 audited financial statements:

	2015	2014
Total assets	\$ 15,875,837	\$ 16,140,601
Total liabilities	2,267,775	701,190
Net position	\$ 12,848,109	\$ 15,439,411
Operating revenues	\$ 4,208,105	\$ 4,259,777
Operating expenses	5,025,858	5,476,408
Operating loss	(817,753)	(1,216,631)
Total non-operating revenues, net	344,904	39,837
Net loss	\$ (472,849)	\$ (1,176,794)

Each member's ownership at June 30, 2015 consists of the City of Half Moon Bay 50.5%, Granada Community Services District 29.5%, and Montara Sanitary District 20%.

The decreases in the District's equity in the Authority for the year ended June 30, 2015 and 2014 of \$767,019 and \$347,154, respectively, and are included in the statements of revenues, expenses, and changes in net position.

Total payments made to the Authority for operations, maintenance, collections and capital for the years ended June 30, 2015 and 2014 were \$1,251,216 and \$1,137,347, respectively.

Note 6 – Advances to Assessment District

- 1 As part of the bond issuance financed through the Assessment District, the District was required to make two separate advances to the Agency Fund. In August 1996 the District transferred \$600,000 into the Bond Reserve Fund of the Assessment District to be used as a reserve for the payment of future bond interest and principal. During the years ended June 30, 2015 and 2014, no payments were received from the Assessment District. This advance is entitled to interest earnings on the fund balance.
- 2 The District was also required to advance \$700,000 in August of 1996 into the Noncontingent Assessment Fund of the Assessment District. The advance was used to purchase noncontingent assessments for undevelopable parcels within the District. No repayments have been made to date.

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
Years Ended June 30, 2015 and 2014

Note 6 – Advances to Assessment District, continued

3 Supplemental Funding - The District advanced \$1,100,726 to the Assessment District which were the proceeds of an installment obligation of the District in the amount of \$1,145,000 payable with interest over a term of 20 years. The aggregate amount reimbursable totals \$1,987,542 including interest paid on the note. The amounts due to the District listed above are documented in District ordinance 153 and bond resolutions 2003-008 and 2003-012.

Note 7 – Advance to Montara Sanitary District

Due to financial difficulties experienced by the Montara Sanitary District (MSD) in 1996, they were unable to continue funding their portion of the plant expansion of the Authority. The District advanced \$1,085,094 of the plant expansion costs on behalf of MSD. According to the Authority funding agreement, there is no repayment schedule, and reimbursement of the advance will occur only if MSD requires additional capacity in the sewage treatment facility. The future capacity needs of MSD are unknown at this time and thus, due to the lack of a firm repayment schedule and unknown future payment requirements of MSD, the District has recorded an allowance of the full amount of initial debt (\$1,085,094) to reflect the uncertainty of future repayment.

The District calculates interest on the advance at a rate of 7.278%. Management has determined that the likelihood of any interest payment is remote, therefore an allowance has been placed on the full accrued interest balance of approximately \$1,233,866 and \$1,154,892 at June 30, 2015 and 2014, respectively.

Note 8 – Note Payable

On August 1, 1996 the District financed a portion of the sewage treatment plant expansion with the issuance of a Certificate of Participation in the amount of \$1,145,000. The terms of the agreement include annual principal payments beginning September 1, 1997 and continuing until September 1, 2016. Interest is payable semi-annually on March 1 and September 1 of each year and the rate had varied between 4.75% and 6.75%. The District refinanced the Certificate of Participation with a note payable in August of 2002 at a fixed interest rate of 4.95%. The payment terms remained the same as the original agreement.

Principal maturities of the note payable at June 30, 2015 consist of the following:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 90,000	\$ 6,930	\$ 96,930
2017	95,000	2,351	97,351
	<u>\$ 185,000</u>	<u>\$ 9,281</u>	<u>\$ 194,281</u>

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
Years Ended June 30, 2015 and 2014

Note 9 – Special Assessment Debt

During 1996, the District issued Special Assessment Limited Obligation Improvement Bonds in the amount of \$8,188,583 to finance the expansion of the sewage treatment plant owned and operated by the Authority. The Agency Fund is used to account for the debt service transactions. The District refinanced the bonds in September 2004 with an interest rate ranging from 2.25% to 6.125% payable semi-annually. The bond principal is paid annually with a final maturity date of September 2022. At June 30, 2015 and 2014 \$3,700,000 and \$4,010,000 are outstanding. The District is not obligated to repay this debt, but only acts as an agent for the property owners by collecting assessments, forwarding collections to special assessment debt holders, and initiating foreclosure proceedings.

Note 10 – Operating Lease Commitment

The District leases office space and a copier with monthly rents of \$4,000 and \$372, respectively, plus additional maintenance costs.

Future minimum lease payments at June 30, 2015 consist of the following:

Year Ending June 30,		
2016	\$	53,168
2017		54,368
2018		22,489
	\$	130,025

Note 11 – Contingent Liabilities

Contingent liabilities of an indeterminable amount include normal recurring pending claims and litigation related to the District's operations. According to outside legal counsel, none of the litigation is expected to have a material effect on the financial statements. Therefore, no provision for losses has been included in these financial statements.

Note 12 – Employees' Retirement Plan

Plan Description

The District's defined benefit pension plan, (the "Plan"), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Plan is part of the Public Agency portion of the California Public Employees Retirement System (PERS), a cost sharing multiple-employer plan administered by PERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements is established by State statutes within the Public Employees' Retirement Law.

The District selects optional benefit provisions from the benefit menu by contract with PERS and adopts

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
Years Ended June 30, 2015 and 2014

Note 12 – Employees’ Retirement Plan, continued

those benefits through Board Action. PERS issues a separate annual financial report. Copies of the PERS’ annual financial report may be obtained from the PERS Executive Office 400 P Street – Sacramento, California 95814.

Funding Policy

Active plan members in the Plan are required to contribute 7% of their annual covered salary. The District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The District pays the employee and employer’s portion for retirement on “classic” employees. The District does not pay employee contributions for employees covered by PEPRA. The actuarial methods and assumptions used are those adopted by the PERS Board of Administration.

The required employer contribution rates for fiscal years ended June 30, 2015 and 2014 were 25.431% and 24.428%, respectively. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by PERS.

At June 30, 2015 the District reported a liability of \$166,360 in the Statement of Net Position for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, which was actuarially determined.

For the fiscal year ended June 30, 2015 the District recognized pension expense of \$46,221 in its Government-Wide financial statements. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

Actuarial Assumptions

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions. Total pension liability represents the portion of the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

- Discount Rate/Rate of Return – 7.5%, net of investment expense
- Inflation Rate – 2.75%
- Salary increases – Varies by Entry Age and Service
- COLA Increases – up to 2.75%
- Post-Retirement Mortality – Derived using CalPERS’ Membership Data for all Funds

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 through June 30, 2013.

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
Years Ended June 30, 2015 and 2014

Note 12 – Employees’ Retirement Plan, continued

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments (7.5%) was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	47.0%	5.71%
Global Fixed Income	19.0%	2.43%
Inflation Sensitive	6.0%	3.36%
Private Equity	12.0%	6.95%
Real Estate	11.0%	5.13%
Infrastructure and Forestland	3.0%	5.09%
Liquidity	2.0%	(1.05)%

The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension fund’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. In theory, the discount rate may differ from the long-term expected rate of return discussed previously. However, based on the projected availability of the pension fund’s fiduciary net position, the discount rate is equal to the long-term expected rate of return on pension plan investments, and was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	1% Decrease 6.5%	Discount Rate 7.5%	1% Increase 8.5%
District’s proportionate share of the net pension plan liability	\$ 22,731,492	\$ 13,163,696	\$ 5,274,245

Detailed information about the pension fund’s fiduciary net position is available in the separately issued CalPERS comprehensive annual financial report which may be obtained by contacting CalPERS.

GRANADA COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

Years Ended June 30, 2015 and 2014

Note 12 – Employees’ Retirement Plan, continued

Pursuant to GASB Statement No. 63, the District recognized deferred outflows of resources in the government-wide and proprietary fund statements. These items are a consumption of net position by the District that is applicable to a future reporting period.

The District has one item that is reportable on the Government-wide Statement of Net Position as Deferred Outflows of Resources which is related to pensions. The sum total is \$33,695.

The District also recognized deferral inflows of resources in the government-wide financial statements. This is an acquisition of net position by the District that is applicable to a future reporting period. The District has one item related to pensions that is captured as a deferred inflow of resources. The sum total at year-end was \$16,803.

Under the modified accrual basis of accounting, it is not enough that revenue is earned; it must also be available to finance expenditures of the current period. Governmental funds will therefore include deferred inflows of resources for amounts that have been earned but are not available to finance expenditures in the current period.

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

The \$33,695 was reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year-end June 30, 2016.

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	\$ 4,864
2017	4,864
2018	4,423
2019	2,652
Total	<u>\$ 16,803</u>

Note 13 – Reclassifications

The financial statements may not be comparable with previous years as the District may have classified certain expense line items differently from the previous years.

GRANADA COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

Years Ended June 30, 2015 and 2014

Note 14 – Prior Period Adjustment

The Sewer Authority Mid-Coastside and the District implemented the provisions of GASB 68 for the 2015 fiscal year, which caused a large prior period adjustment totaling \$761,886.

Note 15 – Subsequent Events

The District has evaluated subsequent events through July 31, 2016, which is the date the basic financial statements were available to be issued.

DRAFT August 15, 2016 DRAFT

Granada Community Services District – Schedule of the District’s proportionate share of the Net Pension Liability:

Last 10 Fiscal Years*:

	FY 2015
District’s proportion of the net pension liability	Varies by plan
District’s proportionate share of the net pension liability	\$ 166,360
District’s covered employee payroll	107,294
District’s proportionate share of the net pension liability as a percentage of its covered-employee payroll	155.05%
Plan Fiduciary net position as a percentage of the total pension liability	48.16%

*Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.

CALPERS - Schedule of District contributions

Last 10 Fiscal Years*:

	FY 2015
Actuarially determined contribution	\$ 26,207
Total actual contributions	(26,207)
Contribution deficiency (excess)	\$ -
District’s covered-employee payroll	\$ 107,294
Contributions as a percentage of covered employee payroll	24.43%

GRANADA COMMUNITY SERVICES DISTRICT

AGENDA MEMORANDUM

To: Board of Directors
From: Delia Comito, Assistant General Manager
Subject: Consideration of Response to Grand Jury Report
Date: August 18, 2016

The District must respond to the 2015/16 Grand Jury report, “San Mateo County’s Cottage Industry of Sanitary Districts” by September 26, 2016. Attached is the District’s draft response for review and discussion.



Superior Court of California, County of San Mateo

Hall of Justice and Records
400 County Center
Redwood City, CA 94063-1655

RODINA M. CATALANO
COURT EXECUTIVE OFFICER
CLERK & JURY COMMISSIONER

(650) 261-5066
FAX (650) 261-5147
www.sanmateocourt.org

June 29, 2016

Governing Board
Granada Community Services District
P. O. Box 335
El Granada, CA 94018

Re: Grand Jury Report: "San Mateo County's Cottage Industry of Sanitary Districts"

Dear Governing Board:

The 2015-2016 Grand Jury filed a report on June 29, 2016 which contains findings and recommendations pertaining to your agency. Your agency must submit comments, within 90 days, to the Hon. Joseph C. Scott. Your agency's response is due no later than September 27, 2016. **Please note that the response should indicate that it was approved by your governing body at a public meeting.**

For all findings, your responding agency shall indicate one of the following:

1. The respondent agrees with the finding.
2. The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefore.

Additionally, as to each Grand Jury recommendation, your responding agency shall report one of the following actions:

1. The recommendation has been implemented, with a summary regarding the implemented action.
2. The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.
3. The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a time frame for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This time frame shall not exceed six months from the date of publication of the Grand Jury report.
4. The recommendation will not be implemented because it is not warranted or reasonable, with an explanation therefore.

Please submit your responses in all of the following ways:

1. Responses to be placed on file with the Clerk of the Court by the Court Executive Office.
 - Prepare original on your agency's letterhead, indicate the date of the public meeting that your governing body approved the response address and mail to Judge Scott.

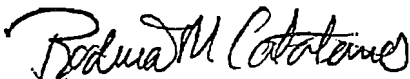
Hon. Joseph C. Scott
Judge of the Superior Court
c/o Charlene Kresevich
Hall of Justice
400 County Center; 2nd Floor
Redwood City, CA 94063-1655.

2. Responses to be placed at the Grand Jury website.
 - Copy response and send by e-mail to: grandjury@sanmateocourt.org. (Insert agency name if it is not indicated at the top of your response.)
3. Responses to be placed with the clerk of your agency.
 - File a copy of the response directly with the clerk of your agency. Do not send this copy to the Court.

For up to 45 days after the end of the term, the foreperson and the foreperson's designees are available to clarify the recommendations of the report. To reach the foreperson, please call the Grand Jury Clerk at (650) 261-5066.

If you have any questions regarding these procedures, please do not hesitate to contact Paul Okada, Chief Deputy County Counsel, at (650) 363-4761.

Very truly yours,



Rodina M. Catalano
Court Executive Officer

RMC:ck
Enclosure

cc: Hon. Joseph C. Scott
Paul Okada

Information Copy: General Manager

September 26, 2016

Honorable Joseph C. Scott, Judge of the Superior Court
c/o Charlene Kresevich
San Mateo County Hall of Justice
400 County Center, 2nd Floor
Redwood City, CA 94063-1655

Re: Grand Jury Report - San Mateo County's Cottage Industry of Sanitary Districts

To the Honorable Judge Scott:

This letter is in response to the above referenced report as approved on _____, 2016 by the Granada Community Services District Board of Directors (GCSD). Copied from the report and listed below are the Grand Jury's findings and recommendations (applicable to the GCSD), followed by the District's responses, hereby submitted as requested.

FINDINGS

- F1. From 2013-2015, San Mateo County sewer agencies had more than twice as many sanitary sewer overflows as San Jose and three times as many as Central Contra Costa Sanitary District.
F1. Response: Completely disagree. GCSD's SSO rate is the same as San Jose's. The report obfuscates the truth by listing SJ's in the standard unit of SSOs/100 miles of sewer and ours in SSOs/mile of sewer.
- F2. Independent district websites have gaps in information regarding historical rates, sewer system management plans, and sanitary sewer overflows. Meeting minutes and financial audits are frequently out of date.
F2. Response: PARTIALLY AGREE.
- F3. The use of the annual property tax statement for billing purposes makes the cost of sewer services less visible to residents.
F3. Response: Agree, however the District's position is that the District is more efficient and saves significant money without direct billing, and doesn't have to deal with trying to collect unpaid bills. The County provides a phone number next to each charge for those who have questions.
- F4. Elections for sanitary district board membership are rarely contested, and when they are, voter turnout is low. The average tenure of board members is over 10 years.
F4. Response: Agree in part and disagree in part. Seven of the last ten District elections were contested. There is nothing inherently wrong with long tenure. An unbiased observer could conclude that voters are happy with the way that the District is run.

- F5. Five of the six districts receive countywide property taxes, which means that residents' fees are not paying the full cost of sewer services.
- F5. Response: Partially agree. However, see response to R7. Also note that these are NOT "countywide property taxes", these are taxes paid only by property owners within the District.
- F6. Sewer rates from 2010-2011 to 2015-2016 increased faster than the consumer price index. The six districts acknowledged that this trend is likely to continue given the age of pipelines in the County and the cost of maintenance to and replacement of those pipelines.
- F6. Response: Partially agree. Sewer rates must cover ever-increasing costs, like all other costs for services. Yet GCSD's sewer rates have increased much less than inflation. In 1997 it was \$365/year and in 2016 it is only \$402/year, an average increase of 0.5%/year which is a small fraction of the inflation in the same time period.
- F7. Funds for treatment plants pass from ratepayers through the independent sanitary districts to the treatment plants; the sanitary districts add little value.
- F7. Response: Disagree. Local control adds value. Bigger government is rarely better government. Cheaper isn't necessarily better. Bigger is rarely cheaper and usually is more wasteful. In GCSD's case, we responded to a major community need by reorganizing into a Community Services District in order to shift property taxes to much-needed local Parks and Recreation services. This was only possible because GCSD (GSD at that time) was a separate local district.
- F8. The total budget for operating the boards of the six districts studied is over \$225,000. East Palo Alto's average annual compensation for directors is \$18,000, 66% higher than the next highest (and much larger) district, West Bay. Bayshore and East Palo Alto offer employee-type benefits to directors including dental insurance.
- F8. Response: AGREE but irrelevant to GCSD. Totaling the budgets for all Boards together just obfuscates the truth. GCSD's Board costs are a fraction of a percent of the total District budget. The fact that some other districts inappropriately offer high benefits to their directors has nothing to do with districts such as GCSD who don't.
- F9. The pipelines of the six districts are aging, with almost half having been laid over 50 years ago. These pipes are approaching end of life.
- F9. Response: AGREE but irrelevant. The pipes would be the same age regardless of the size of the District(s).
- F10. There are many wholly or partially redundant activities across the six independent districts, including board costs, financial audits, legal services, and engineering.
- F10. Response: Agree in part. Many of those costs are higher for bigger districts, for example, a consolidated district would have exactly the same amount of engineering

work as the sum of the smaller districts that would be consolidated. Similarly for legal services.

F11. Most of the independent sanitary districts rely almost entirely on contractors to fulfill their responsibilities.

F11. Response: Partially agree. GCSD uses contractors when there is no need for a full-time position. Employees are more costly due to benefits, which are not paid by the District for contractors. There are additional benefits from having a General Manager and a General Counsel who manage and represent multiple similar districts.

F12. In many cases, district leadership is unfamiliar with the existing and emerging technologies for improving sewer system performance while reducing costs.

F12. Response: Partially agree but irrelevant. GCSD contracts with the Sewer Authority Mid-coastside (SAM) for sewer system maintenance and has no in-house staff who would need to be familiar with such technology.

F13. The proliferation of sanitary districts within San Mateo County makes it challenging to coordinate an emergency response. The districts themselves have not reviewed or discussed emergency/disaster planning within their boards in the past year.

F13. Response: Disagree. SAM is responsible for maintaining the system and is involved in emergency planning on our behalf.

The Grand Jury recommends that the Boards of Granada Community Services District and Montara Water and Sanitary District and the City Council of Half Moon Bay do the following:

R3. *Form a committee of Board members (Granada Community Services District, Montara Water and Sanitary District), Council members (Half Moon Bay), and staff from each to plan the consolidation or assumption of services provided by these two districts. Evaluate alternatives and determine the benefits to ratepayers. Issue a report with recommendations and a plan by September 30, 2017.*

GCSD Response: We will not be doing this. Virtually none of the constituents of the above-named agencies have any interest in such consolidation, and in GCSD's case, since GCSD has by far the lowest rates of the 3, it would result in an increase in rates to GCSD's ratepayers while providing no benefit to them and at the same time losing local control. MWSD's board has previously declined to discuss this with GCSD.

The Grand Jury recommends that the Boards of Bayshore Sanitary District, East Palo Alto Sanitary District, Granada Community Services District, Montara Water & Sanitary District, West Bay Sanitary District, and Westborough Water District do the following:

R5. *Improve information visibility on their website, including key system characteristics, rates and rate history, sewer system management plans, sanitary sewer overflows, and board member compensation. Key system characteristics would include population served, number of connections, number of miles of pipe (gravity, forced main), number of pump stations and number of pumps, average dry weather flow, and average wet*

weather flow. Ensure all information is up to date. Refresh website by September 30, 2016.
GCSD Response: TO BE DONE

R6. *Implement and publish performance management metrics including but not limited to the Effective Utility Management framework, beginning with Fiscal Year 2016-2017.*

GCSD Response: (Is this relevant since SAM maintains the system?)

R7. *Adjust rates over the next five years so that all costs are recovered from ratepayers, and the reliance on property tax is eliminated. Transition property tax revenues to neighboring cities to be used for community benefit.*

GCSD Response: The District is already in the process of transitioning all property tax revenue to park services within the next three to four years. Why should it be transferred to neighboring cities, i.e., why should GCSD taxpayers fund city operations. This recommendation is just stupid. [Yes, I want that in our official response. The Board can discuss how to soften it.]

R8. *Mail notices to ratepayers at least annually with an explanation of the dollar amount of sewer service charges being billed and the rationale. Provide information on the prior five years' rates for comparison purposes. Display the portion of the rate that is related to collection activities, and the portion allocated to treatment. Mail notices approximately 30 days before the mailing of the property tax bills. Initiate mailings by November 2016.*

GCSD Response: We will consider this, however, it costs thousands of dollars to mail a newsletter and few of our ratepayers read the newsletters.

R9. *Notify ratepayers annually of elected nature of Board, role and compensation of Board members, and process for becoming a candidate. Encourage active participation by ratepayers. This notification may be included in the mailing that explains the rationale for rates. Initiate notification by November 2016.*

GCSD Response. See response to R8.

R10. *Establish term limits for the members of their boards of directors by June 30, 2017.*

GCSD Response: We will not be doing this because it is likely to result in difficulties filling vacancies with qualified people.

R11. *Establish a procurement process for professional services to include formal evaluation of existing service providers, issuance of Request for Proposals, regular reviews of existing providers, and a structured negotiation process by March 31, 2017.*

GCSD Response: Drafted and to be completed before year end.

R12. *Demonstrate active participation in professional organizations focused on the work of sanitary districts, such as California Water Environment Association, by June 30, 2017. Require CWEA certification of district operators, including contractors, by June 30, 2017.*

GCSD Response: The District is a member of CASA and the CSDA. The District does not employ or contract for operators, therefore certification is not applicable.

R13. Develop plans for coordinating resources in the event of a local or regional emergency by June 30, 2017.

GCSD Response: The District is a participating member of Coastside Emergency Coordinator's group headed by Nick Gottuso of the Coastside San Mateo County Sheriff's Homeland Security Division and Office of Emergency Services. In addition, SAM is the more important participant in emergency planning.

Sincerely,
GRANADA COMMUNITY SERVICES DISTRICT

Matthew Clark, Board President

GRANADA COMMUNITY SERVICES DISTRICT

AGENDA MEMORANDUM

To: Board of Directors

From: Delia Comito, Assistant General Manager

Subject: Proposal to SAM to Convert Portola Pump Station Room to a Public Restroom

Date: August 18, 2016

This Item is on the Agenda for discussion at the request of Director Woren, and his memorandum is attached.

8/12/16

From: Leonard Woren

At the SAM-owned Portola Pump Station (PPS) -- the nondescript building next to the El Granada fire station -- there is a lot of currently unused and underutilized space inside the building. There is a large garage in back which is mostly empty and used for some storage. In the front corner of the building on the Fire Station side, there is an old equipment room with double doors leading to the outside. This room has some very old equipment which has not been used in many years. It is also used for storage.

The concept proposal is to have GCSD request that SAM clear out that room and allow GCSD to build a public restroom there. It is large enough to have separate M & F facilities, and with slight modification, the outer doors could be converted to separate doors for the two sides. The inner doors could be sealed for security so that the only access is via the outside double doors. This location is directly across Obispo Road from GCSD's future Burnham Strip park and would provide a convenient location servicing the park without any need to build a new building and run water and sewer pipes to it. Any proposal to build a building on the Burnham Strip would likely be met with substantial community opposition.

This was informally discussed years ago with SAM's now-retired Technical Services Supervisor. He indicated at that time that it was feasible.

There are a number of things which would need to be worked out so if the GCSD Board is interested in this idea, we should start now by writing a letter to SAM with this request and the information in this memo. The Board should also authorize the District's two SAM representatives to represent the District's interests in moving this project forward, since that is potentially outside the scope of the general authority of the SAM representatives.



SEWER AUTHORITY MID-COASTSIDE

Board of Directors Meeting Agenda

Regular Board Meeting 7:00 PM, Monday, July 25, 2016

SAM Administration Building, 1000 N. Cabrillo Highway, Half Moon Bay, CA 94019

- 1. CALL TO ORDER**
 - A. Pledge of Allegiance
 - B. Roll Call
- 2. SPECIAL ORDER OF THE DAY**
 - A. Report out on Closed Session of July 18, 2016
- 3. PUBLIC COMMENT**
- 4. CONVENE IN CLOSED SESSION** *(Items discussed in Closed Session comply with the Ralph M. Brown Act.)*
 - A. Conference with District's Labor Negotiators Pursuant to Government Code Section 54957.6. District's Designated Representatives: Fran Buchanan, IEDA. Employee Organization: IUOE, Stationary Local No. 39
 - B. Public Employee Performance Evaluation Pursuant to Government Code 54957 – Title: General Manager
- 5. CONVENE IN OPEN SESSION** *(Report Out on Closed Session Items)*
- 6. CONSENT AGENDA** *(single motion and vote approving all items)*
(Consent items are considered routine and will be approved or adopted by one vote unless a request for removal for discussion or explanation is received from the public or Board.)
 - A. [Approve Minutes of the June 27 2016 Board Meeting](#)
 - B. [Approve Disbursements for July 2016](#)
 - C. [Receive Preliminary Monthly Financial Report for June 30, 2016](#)
- 7. OLD BUSINESS** *(The Board will discuss, seek public input, and possibly take action to approve the following items.)*
 - A. [Discuss Revised Flow Measurement Analysis and Provide Direction to Staff](#)
 - B. [Discuss Response from City of Half Moon Bay Regarding the SAM Recycled Water Project and Provide Direction to Staff](#)

8. **NEW BUSINESS** *(The Board will discuss, seek public input, and possibly take action to approve the following items.)*
 - A. [Authorize the General Manager to Execute a Contract with R. F. Macdonald Co. for Partial Removal and Replacement of 4-Inch Flare Gas Pipeline from Boiler Room to Flare in an Amount Not to Exceed \\$31,500](#)
 - B. [Authorize the General Manager to Execute a Contract with EOA Inc. to Perform National Pollution Discharge Elimination System and Non-Domestic Waste Source Control Program Analysis and Assistance to Update the Related Permits and Ordinances in an Amount Not to Exceed \\$60,000](#)
 - C. [Adopt a Resolution Authorizing Signers at First National Bank of Northern California for Electronic Banking Agreements](#)
9. **GENERAL MANAGER'S REPORT**
 - A. [Receive Manager's Monthly Report – June 2016](#)
10. **ATTORNEY'S REPORT**
11. **DIRECTORS' REPORTS**
12. **FUTURE AGENDA ITEMS**
13. **ADJOURNMENT**

INFORMATION FOR THE PUBLIC

This agenda contains a brief description of each item to be considered. Those wishing to address the Board on any matter not listed on the Agenda, but within the jurisdiction of the Board, may do so during the Public Comment section of the Agenda and will have a maximum of three minutes to discuss their item. Those wishing to speak on a matter listed on the Agenda will be called forward at the appropriate time.

Any writing that is a public record and relates to an agenda item for an open session of a regular meeting, that is distributed to the Board less than 72 hours prior to the meeting, is available for public inspection, during normal business hours, at the District address, listed above.

Board meetings are accessible to people with disabilities. Upon request, this agenda will be made available in appropriate alternative formats to persons with a disability. In compliance with the Americans with Disabilities Act, special assistance for participation in this meeting can be obtained by contacting Kathy Matthews at (650) 726-0124. Request for a disability-related modification or an accommodation in order to participate in the public meeting must be made at least two working days in advance of the meeting.



SEWER AUTHORITY MID-COASTSIDE

Staff Report

TO: Honorable Board of Directors
FROM: Beverli A. Marshall, General Manager
DATE: July 25, 2016
SUBJECT: **Monthly Manager’s Report – June 2016**

Staff Recommendation

Staff recommends that the Board receive the Manager’s Monthly Report for June 2016.

Fiscal Impact

There is no fiscal impact from this report.

Background and Discussion/Report

The following data is presented for the month of June, 2016.

Key Indicators of Performance

NPDES Permit Violations: 0
 Accidents, Injuries, etc.: None
 Reportable Spills Cat 1: 0
 Reportable Spills Cat 2: 0
 Reportable Spills Cat 3: 1

Flow Report (See Attachment A)

Half Moon Bay	0.578	48.4%
Granada CSD	0.375	31.4%
Montara W&SD	<u>0.241</u>	<u>20.2%</u>
Total	1.193	100%

Administration

There was one SAM Board Meeting on June 27, 2016. There were no public records requests during the month of June.

Media Coverage

During the month of June 2016, there were no media articles referencing the Sewer Authority Mid-Coastside.

BOARD MEMBERS:	S. Boyd	R. Kowalczyk	R. Lohman
	D. Ruddock	K. Slater-Carter	L. Woren
ALTERNATE MEMBERS:	M. Clark	B. Huber	J. Muller

Personnel

There was one SAM employee anniversary in the month of June – David Partida, Operator-in-Training, 9 years of service. SAM continued in June with retaining a temporary employee from an agency to perform accounting tasks.

OPERATIONS & MAINTENANCE, COLLECTIONS

Operation & Maintenance

During the month of June 2016 all systems ran well. We continue with working on smaller projects in the plant and stations. We sent out our Bio-Assay samples for Chronic and Acute testing and passed both tests. Up grades were made at the Portola Station to pump VFD's to insure continued reliability as well as work on Montara station control sequence and interface. The NPDES Data for June 2016 is attached. There were no incidents of NPDES permit non-compliance during June 2016.

Contract Collection Services

In June 2016, the Contract Collection Services (CCS) staff cleaned approximately 19,290 feet of sewer line. CCS staff responded to 13 callouts, seven callouts were private, three (3) were not sewer related, there were zero for lift stations and zero S.A.M. related. There was one (1) SSO's to be reported and two (2) calls about odors for the month of June. The latest collection system data report is attached (Attachment D). There were zero category 1, zero category 2 and one category 3 SSOs during the month of June 2016. The one category 3 S.S.O. occurred in the MWSD service area.

Trucked Waste

In June 2016, nine deliveries (approximately 6,800 gallons) of trucked waste were discharged at the SAM plant. In June 2016, there were no Leachate deliveries. The trucked waste deliveries represent a total of \$680.00 in gross revenue.

Safety

There were no work related accidents, injuries, or illnesses resulting in lost time since March 10, 2011. Through June 2016, the SAM Plant has worked 1939 days without a lost time accident.

Supporting Documents

Attachment A: Monthly Flow Report June 2016

Attachment B: Monthly NPDES Report June 2016

Attachment C: Collection System Data June 2016

BOARD MEMBERS:	S. Boyd	R. Kowalczyk	R. Lohman
	D. Ruddock	K. Slater-Carter	L. Woren
ALTERNATE MEMBERS:	M. Clark	B. Huber	J. Muller

Attachment A

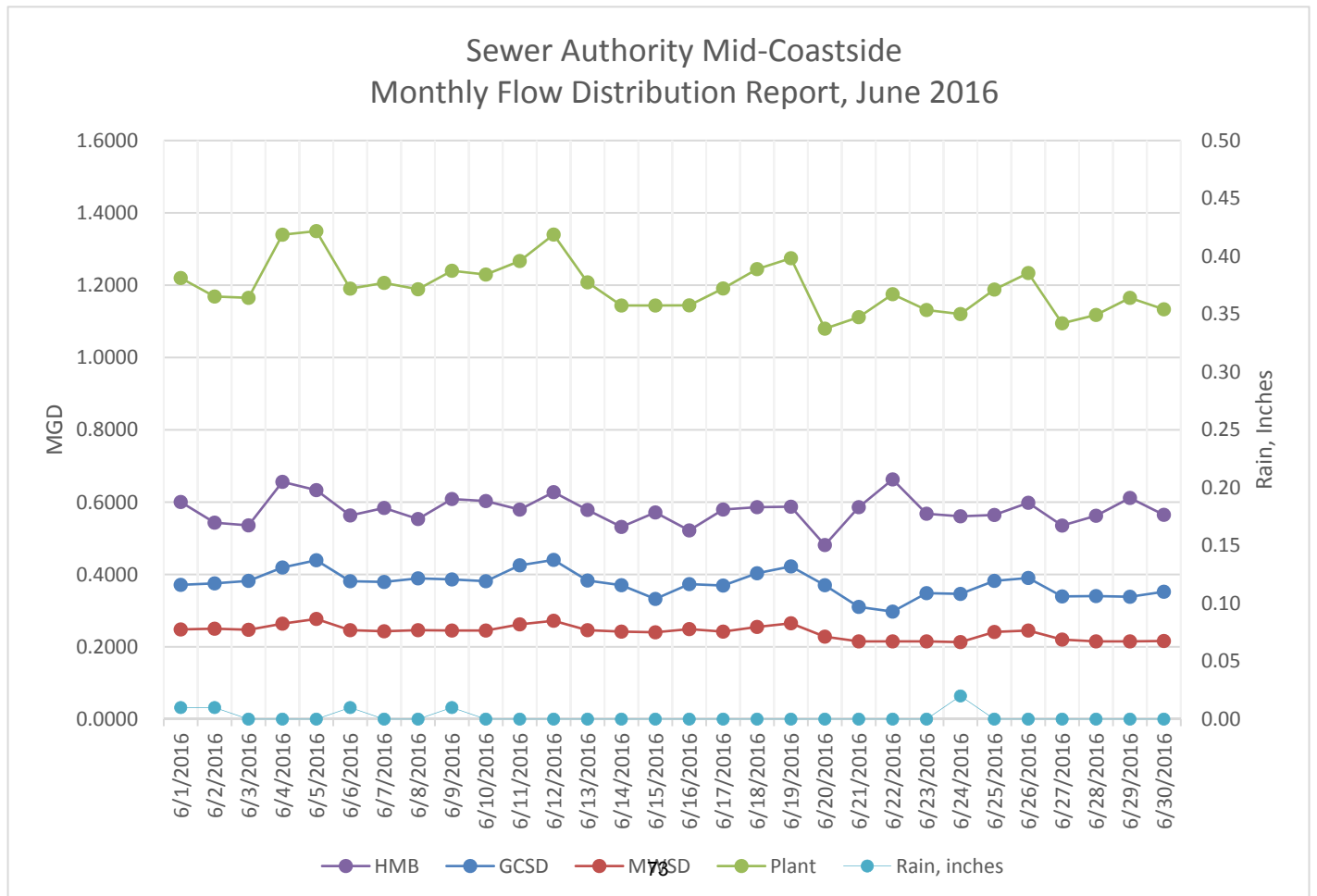
Flow Distribution Report Summary For June 2016

The daily flow report figures for the month of June 2016 have been converted to an Average Daily Flow (ADF) for each Member Agency. The results are attached for your review.

*Influent flow is calculated using the mid-plant flow meter less process water and trucked in waste

The summary of the ADF information is as follows:

	<u>MGD</u>	<u>%</u>
The City of Half Moon Bay	0.578	48.4%
Granada Community Services District	0.375	31.4%
Montara Water and Sanitary District	<u>0.241</u>	<u>20.2%</u>
Total	1.193	100.0%



Sewer Authority Mid-Coastside

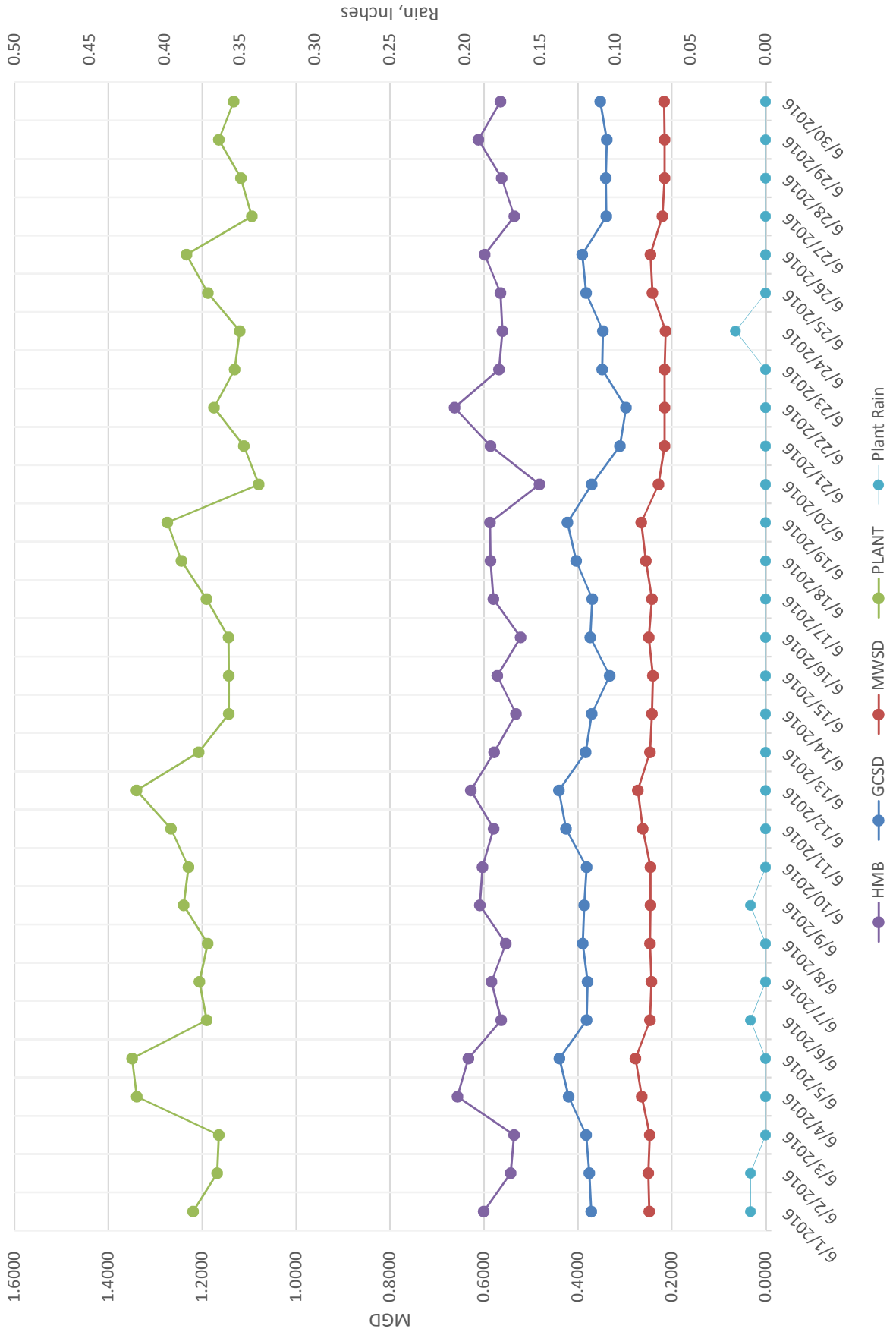
Monthly Flow Distribution Report for June 2016

<u>Date</u>	<u>HMB</u>	<u>GCSD</u>	<u>MWSD</u>	<u>Plant</u>	<u>Rain Plant</u>	<u>Rain Portola</u>	<u>Rain Montara</u>
6/1/2016	0.6005	0.3713	0.248	1.220	0.01	0.00	0.00
6/2/2016	0.5433	0.3753	0.250	1.169	0.01	0.00	0.00
6/3/2016	0.5357	0.3823	0.247	1.165	0.00	0.00	0.00
6/4/2016	0.6562	0.4193	0.264	1.340	0.00	0.00	0.00
6/5/2016	0.6332	0.4393	0.277	1.350	0.00	0.00	0.00
6/6/2016	0.5632	0.3813	0.246	1.191	0.01	0.01	0.01
6/7/2016	0.5840	0.3793	0.243	1.206	0.00	0.00	0.01
6/8/2016	0.5534	0.3893	0.246	1.189	0.00	0.00	0.01
6/9/2016	0.6086	0.3863	0.245	1.240	0.01	0.01	0.01
6/10/2016	0.6031	0.3813	0.245	1.229	0.00	0.00	0.00
6/11/2016	0.5795	0.4253	0.262	1.267	0.00	0.00	0.00
6/12/2016	0.6277	0.4403	0.272	1.340	0.00	0.00	0.00
6/13/2016	0.5785	0.3833	0.246	1.208	0.00	0.00	0.00
6/14/2016	0.5315	0.3703	0.242	1.144	0.00	0.00	0.00
6/15/2016	0.5715	0.3323	0.240	1.144	0.00	0.00	0.00
6/16/2016	0.5219	0.3733	0.249	1.144	0.00	0.00	0.00
6/17/2016	0.5796	0.3693	0.242	1.191	0.00	0.00	0.00
6/18/2016	0.5861	0.4033	0.255	1.244	0.00	0.00	0.00
6/19/2016	0.5873	0.4223	0.265	1.275	0.00	0.00	0.00
6/20/2016	0.4814	0.3703	0.228	1.080	0.00	0.00	0.00
6/21/2016	0.5862	0.3103	0.215	1.112	0.00	0.00	0.00
6/22/2016	0.6628	0.2973	0.215	1.175	0.00	0.00	0.00
6/23/2016	0.5680	0.3483	0.215	1.131	0.00	0.00	0.00
6/24/2016	0.5609	0.3463	0.213	1.120	0.02	0.01	0.02
6/25/2016	0.5646	0.3823	0.241	1.188	0.00	0.00	0.00
6/26/2016	0.5983	0.3903	0.245	1.234	0.00	0.00	0.00
6/27/2016	0.5352	0.3393	0.220	1.095	0.00	0.00	0.00
6/28/2016	0.5624	0.3403	0.215	1.118	0.00	0.00	0.00
6/29/2016	0.6117	0.3383	0.215	1.165	0.00	0.00	0.00
6/30/2016	0.5650	0.3523	0.216	1.133	0.00	0.00	0.00
Totals	17.341	11.240	7.222	35.803	0.06	0.03	0.06

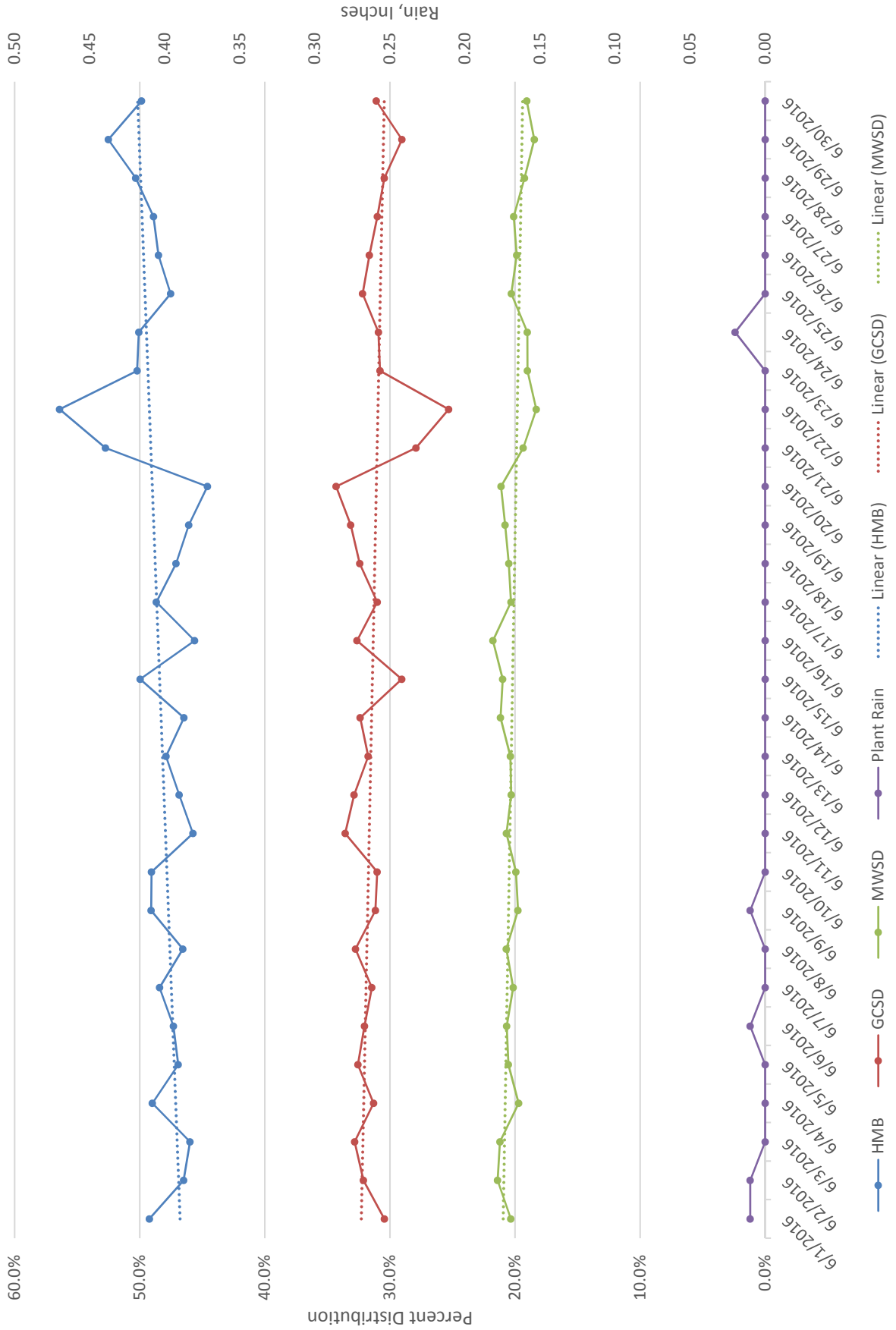
Summary

	<u>HMB</u>	<u>GCSD</u>	<u>MWSD</u>	<u>Plant</u>
Minimum	0.481	0.297	0.213	1.080
Average	0.578	0.375	0.241	1.193
Maximum	0.663	0.440	0.277	1.350
Distribution	48.4%	31.4%	20.2%	100.0%

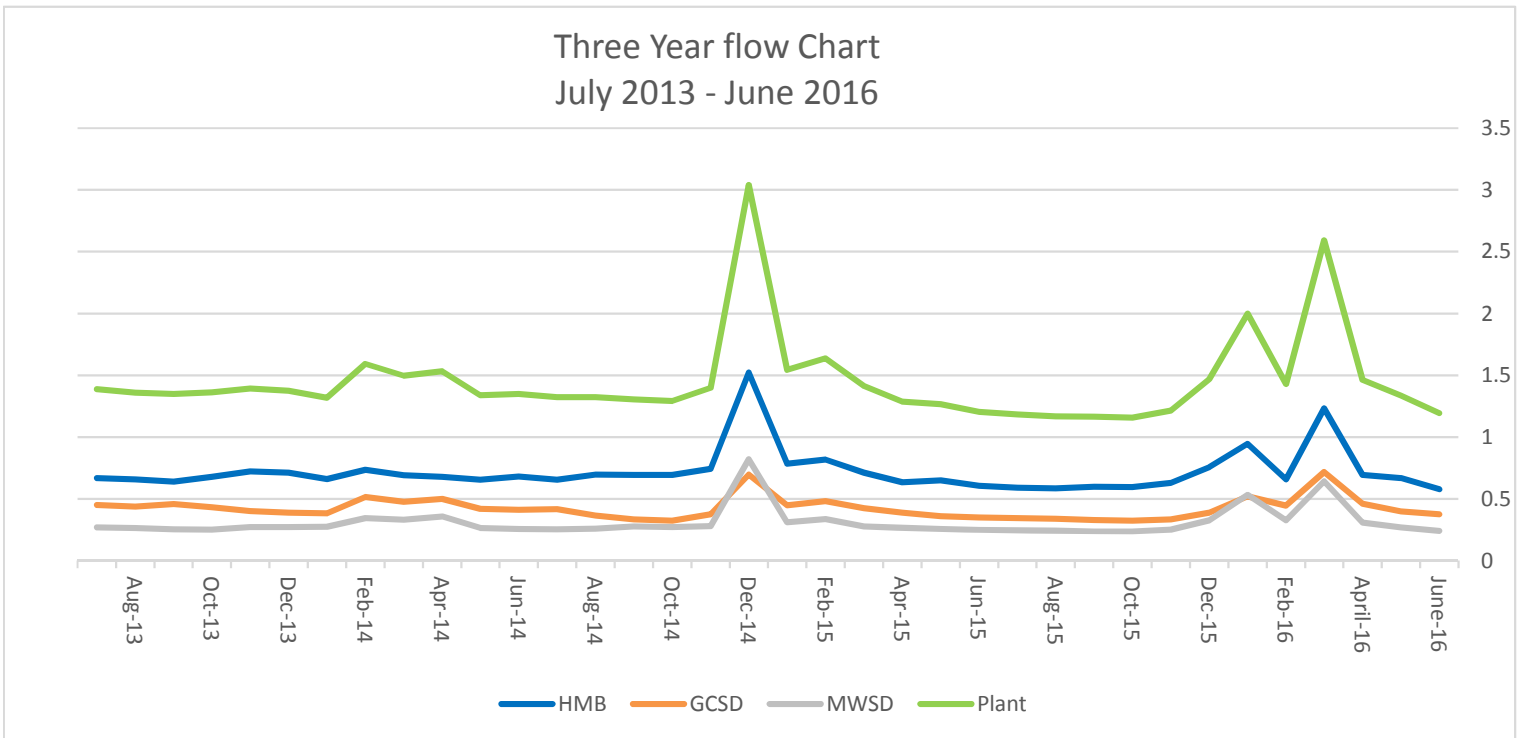
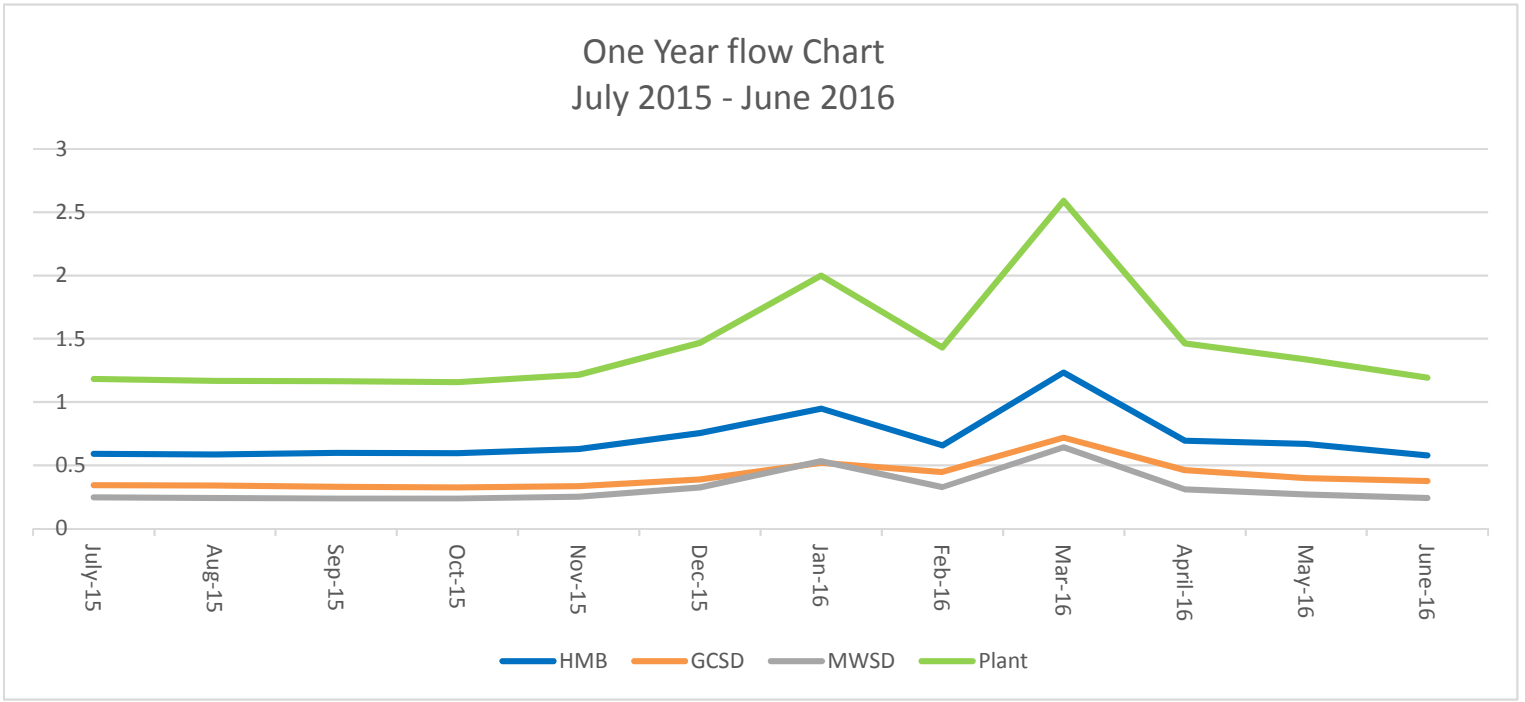
Sewer Authority Mid-Coastside Monthly Flow Distribution Report, June 2016



Percent Distribution June 2016



Most recent flow calibration June 2016



SAM E-001 June 2016

Date	Inf TSS	Eff TSS	Eff TSS Weekly Avg	TSS % Removal	Inf BOD	Eff BOD	Eff BOD Weekly Avg
6/1/2016							
6/2/2016							
6/3/2016							
6/4/2016							
6/5/2016							
6/6/2016	342	7.25		97.9%	360	7.7	
6/7/2016	305	4.75		98.4%	350	5.7	
6/8/2016							
6/9/2016							
6/10/2016							
6/11/2016			6.00				6.7
6/12/2016							
6/13/2016							
6/14/2016	318	5.56		98.3%	360	6.4	
6/15/2016	322	5.42		98.3%	360	5.6	
6/16/2016							
6/17/2016							
6/18/2016			5.49				6.0
6/19/2016							
6/20/2016							
6/21/2016							
6/22/2016	357	6.69		98.1%	370	6.5	
6/23/2016	359	5.08		98.6%	370	6.0	
6/24/2016							
6/25/2016			5.89				6.3
6/26/2016	342	6.57		98.1%	400	9.4	
6/27/2016	432	6.5		98.5%	350	7.6	
6/28/2016							
6/29/2016							
6/30/2016			6.5				8.5
Count	8	8	4	8	8	8	4
Minimum	305	4.75	5.49	97.9%	350	5.6	6.0
Average	347	5.98	5.98	98.3%	365	6.9	6.9
Maximum	432	7.25	6.54	98.6%	400	9.4	8.5
Percent Removal				85			
5 Sample Median							
High							
Low							
Daily Max							
Weekly Max			45				45
Monthly Average		30				30	

Sewer Authority Mid-Coastside

Monthly Collection System Activity/SSO Distribution Report, June 2016

Attachment C

June 2016

	Number of S.S.O.'s				
	Total	HMB	GCSD	MWSD	SAM
Roots	1	0	0	1	0
Grease	0	0	0	0	0
Mechanical	0	0	0	0	0
Wet Weather	0	0	0	0	0
Other	0	0	0	0	0
Total	1	0	0	1	0
				100%	

12 Month Moving Total

	12 month rolling Number				
	Total	HMB	GCSD	MWSD	SAM
Roots	13	1	6	6	0
Grease	2	1	0	1	0
Mechanical	1	0	0	0	1
Wet Weather	0	0	0	0	0
Other	5	3	1	1	0
Total	21	5	7	8	1
		24%	33%	38%	5%

Reportable SSOs

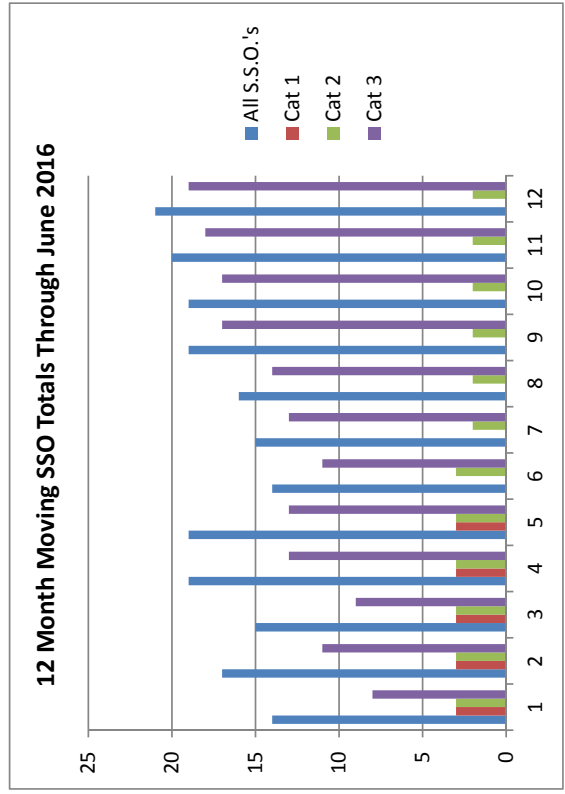
	Reportable Number of S.S.O.'s				
	Total	HMB	GCSD	MWSD	SAM
June 2016	1	0	0	1	0
12 Month Moving Total	21	5	7	8	1

SSOs / Year / 100 Miles

	Number of S.S.O.'s /Year/100 Miles				
	Total	HMB	GCSD	MWSD	SAM
June 2016	1.0	0.0	0.0	3.7	0.0
12 Month Moving Total	20.1	13.5	21.1	29.6	13.7
Category 1	0.0	0.0	0.0	0.0	0.0
Category 2	1.9	5.4	0.0	0.0	0.0
Category 3	18.2	8.1	21.1	29.6	13.7
Miles of Sewers	104.5	37.0	33.2	27.0	7.3
		35.4%	31.8%	25.8%	7.0%

12 Month Rolling Total Sewer Cleaning Summary

Month	HMB	GCSD	MWSD	Total Feet	Total Miles
July-15	21,643	18,222	2,166	42,031	8.0
Aug-15	22,512	17,746	0	40,258	7.6
Sep-15	17,470	31,071	1,955	50,496	9.6
Oct-15	33,863	11,254	1,679	46,796	8.9
Nov-15	24,921	1,834	2,031	28,786	5.5
Dec-15	24,177	2,740	2,029	28,946	5.5
Jan-16	6,806	16,774	10,598	34,178	6.5
Feb-16	8,952	7,014	10,830	26,796	5.1
Mar-16	12,396	17,919	11,725	42,040	8.0
Apr-16	8,468	10,816	12,705	31,989	6.1
May-16	11,530	15,123	11,652	38,305	7.3
June-16	9,762	2,161	7,367	19,290	3.7
Annual ft	202,500	152,674	74,737	429,911	
Annual Mi.	38.4	28.9	14.2		81.4



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Minutes BOARD OF DIRECTORS SPECIAL AND REGULAR MEETINGS

Thursday, July 21, 2016

CALL SPECIAL MEETING TO ORDER

The Special Meeting of the Granada Community Services District Board of Directors was called to order at 6:30 p.m.

ROLL CALL

President Matthew Clark, Vice President Jim Blanchard, Director Ric Lohman, Director David Seaton, and Director Leonard Woren.

Staff: General Manager Chuck Duffy, District Counsel Jonathan Wittwer, and Assistant General Manager Delia Comito (Regular meeting only).

GENERAL PUBLIC PARTICIPATION

None.

ADJOURN TO CLOSED SESSION

1. Conference with Real Property Negotiator (Government Code Section 54956.8).

District's Negotiator: Chuck Duffy.

Negotiating parties: Jan Gray, Realtor for Property Owner Wayne Impink, and Granada Community Services District.

Property under negotiation: Vacant Land with no address located on Obispo Road, El Granada, California. APN 047-251-100

Under negotiation: Instruction to negotiator will concern price and terms of payment.

RECONVENE TO OPEN SESSION

No reportable action was taken in the Closed Session.

ADJOURN SPECIAL MEETING

CALL REGULAR MEETING TO ORDER

The Regular Meeting of the Granada Community Services District Board of Directors was called to order at 7:34 p.m.

ROLL CALL

GENERAL PUBLIC PARTICIPATION

Director Woren announced the upcoming recycling event. Several Directors mentioned an interest in park related issues for the next board meeting. A Special meeting may be planned. President Clark appointed Directors Woren and Lohman to a Grand Jury Response Ad Hoc Committee.

ACTION AGENDA

1. Public Hearing: Consideration of a Resolution Adopting the Sewer Service Charge Report and Delinquent Garbage Account Report and Authorizing the Collection of Said Charges on the 2016/17 FY San Mateo County Tax Roll.

Director Lohman reported on a billing problem that he was having with Recology of the Coast. Staff was asked to contact Recology. President Clark opened the public hearing. There were no verbal protests or objections, and staff received no written protest. President Clark closed the public hearing.

ACTION: Director Woren moved to approve the reports as presented. (Res. 2016-00__). (Woren/Blanchard). Approved 5-0.

2. Public Hearing: Consideration of GCSD Budget for 2016/17 Fiscal Year.

President Clark opened the public hearing. PAC member Ben Forchini asked the Board to allocate all County property taxes received to parks. Marlene Finley of San Mateo County Park, stated the amounts it costs the County to maintain certain parks. Director Woren requested that the extra room at the Portola Pump Station be converted to a public restroom. General Manager Chuck Duffy reviewed the budget and indicated that \$400,000 was allocated to parks, but that amount could change during the year if necessary. President Clark closed the public hearing.

ACTION: Director Woren moved to approve the budget. (Woren/Lohman). Approved 5-0.

3. Consideration of Assessment District Administrative Budget and Cost Recovery Levy for Fiscal Year 2016/17.

ACTION: Director Lohman moved to approve the Cost Recovery Levy as presented. (Lohman/Woren). Approved 5-0.

4. Consideration of Variance Application for APN: 048-013-220, Coronado Ave, Half Moon Bay, 4,400 sq. ft. in 10,000 sq. ft. zoning district, Owner: Paul McGregor.

After Board discussion, this item was tabled to the next meeting to allow District Counsel time to research some legal issues.

5. **Consideration of Report by District's Sewer Authority Mid-Coastside Representatives** – Director Lohman reported on the letter SAM recently received from the City of Half Moon outlining their concerns regarding the recycled water project.

CONSENT AGENDA

6. **Approval of June 30, 2016 Adjourned Meeting Minutes.**
7. **Approval of July 2016 Warrants for \$206,737.73 (checks 6242 – 6263).**
8. **Approval of June 2016 Financial Statements.**
9. **Approval of Assessment District Distribution #10-15/16.**

ACTION: Director Blanchard moved to approve the Consent Agenda. (Blanchard/Woren). Approved 5-0.

COMMITTEE REPORTS

10. **Report on seminars, conferences, or committee meetings** – Director Lohman reported on the events at the last LAFCO meeting. The Board also briefly discussed the recent San Mateo County Grand Jury Report on Sanitary Agencies.

INFORMATION CALENDAR

11. **Attorney's Report. (Wittwer)**
12. **General Manager's Report. (Duffy)**
13. **Administrative Staff Report. (Comito)**
14. **Engineer's Report. (Kennedy Jenks)**

ADJOURN REGULAR MEETING

The meeting was adjourned at 9:45 p.m.

SUBMITTED BY:

APPROVED BY:

Delia Comito, Secretary

Chuck Duffy, General Manager

Date Approved by Board: August 18, 2016

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Date	Num	Name	Memo	Account	Amount
8/2/16	6264	US Postal Service	PO Box Svc Fee FY2016/2017	6140 · Office Supplies	130.00
8/12/16	6265	Alhambra & Sierra Springs	Inv dtd 7/14/16	6140 · Office Supplies	13.03
8/12/16	6266	Andreini Brothers	Repair Sewer Lamp Hole - Columbia Ave	1213 · Collection System Repairs	1,500.00
8/12/16	6267	AT&T	Services 7/23/16 - 8/22/16	6170 · Utilities	103.53
8/12/16	6268	Comcast	Internet & Phone September 2016	6170 · Utilities	194.13
8/12/16	6269	David Seaton	7/21/16 Board Mtg	6040 · Directors' Compensation	145.00
8/12/16	6270	Dudek	Services 5/28/16 - 6/24/16	6151 · General Manager	4,698.65
8/12/16	6271	Half Moon Bay Review	7/20 Recycling Event, 7/6 & 7/13 Public Hearing Notices	6160 · Publications & Notices	475.00
8/12/16	6272	Jim Blanchard	7/21/16 Board Mtg	6040 · Directors' Compensation	145.00
8/12/16	6273	KBA Docusys Inc	Copier Lease Inv dtd 7/19/16	6020 · Copier lease	520.42
8/12/16	6274	Leonard Woren	7/21/16 Board Mtg, 7/25/16 SAM Mtg	6040 · Directors' Compensation	190.00
8/12/16	6275	Matthew Clark	7/21/16 Board Mtg	6040 · Directors' Compensation	145.00
8/12/16	6276	Office Depot	Stmt Ending 7/14/16	6140 · Office Supplies	243.30
8/12/16	6277	PG&E	Invs dtd 7/12, 7/19	6170 · Utilities	439.94
8/12/16	6278	Pitney Bowes	Qtr 8/28/16 thru 11/27/16	6140 · Office Supplies	78.48
8/12/16	6279	Quality Pet Waste Stations	Invs dtd 7/26/16, 8/5/16	5070 · Pet Waste Station	501.04
8/12/16	6280	Ric Lohman	7/21/16 Board Mtg, 7/25/16 SAM Mtg	6040 · Directors' Compensation	190.00
8/12/16	6281	Rodolfo Romero	7/7, 7/12 Visits	6130 · Office Maint & Repairs	140.00
8/12/16	6282	Sewer Authority Mid-Coastside	August 2016, Lift Station Repair	5011 · SAM- Admin, Treat, Collect	121,682.70
8/12/16	6283	Strawflower Electronics	Inv dtd 7/28/16	6190 · Computers	200.00
8/12/16	6284	Verizon Wireless	July 2016	6170 · Utilities	95.14
8/12/16	6285	Wells Fargo Busi Card - 8790	June 2016 CC Charges	6140 · Office Supplies, Utilities	225.44
8/12/16	6286	Wittwer & Parkin	Legal July 2016	6091 · Legal- Gen, Parks	5,855.49
8/12/16	6287	Working Dirt Management, Inc	September 2016	6120 · Office Lease	4,100.00
				TOTAL	142,011.29

Agenda Item

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July 31, 2016

ASSETS

Current Assets

Checking/Savings

1000 · Wells Fargo Checking - Gen Op 101,180.27

1020 · Petty Cash 375.00

1030 · Cash - LAIF 4,389,348.85

Total Checking/Savings 4,490,904.12

Accounts Receivable

1100 · Accounts Receivable 10,090.82

Total Accounts Receivable 10,090.82

Total Current Assets 4,500,994.94

Fixed Assets

1600 · Land 876,534.00

1610 · Construction in Progress 800,813.00

1615 · Equipment 22,153.00

1620 · Collections System 9,719,765.00

1630 · Accumulated Depreciation (5,393,446.00)

Total Fixed Assets 6,025,819.00

Other Assets

1700 · Advance to MWSD 1,085,094.00

1710 · Allowance - for Advance to MWSD (1,085,094.00)

1720 · Advance to AD- Bond Reserve 494,889.99

1730 · Advance to AD- NCA Fund 1,240,866.05

1735 · Advance to AD- Assesmnt Revenue 1,057,542.00

1740 · Security Deposit Office Lease 3,000.00

1750 · Investment in SAM 4,662,068.00

Total Other Assets 7,458,366.04

TOTAL ASSETS 17,985,179.98

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

2000 · Accounts Payable 18,877.86

Total Accounts Payable 18,877.86

Other Current Liabilities

2010 · Deposits

2020 · Class 3 Deposits 5,196.44

Total 2010 · Deposits 5,196.44

2100 · Payroll Liabilities 896.16

	<u>July 31, 2016</u>
2225 · Recology-Del Garbage	(1,140.11)
2310 · Relief Refund Advance	350.00
Total Other Current Liabilities	<u>5,302.49</u>
Total Current Liabilities	24,180.35
Long Term Liabilities	
2400 · 1996 Plant Exp Note Payable	95,000.00
Total Long Term Liabilities	<u>95,000.00</u>
Total Liabilities	<u>119,180.35</u>
Equity	
3000 · Net Assets	6,589,671.99
3005 · Contributed Capital	9,595,349.00
3010 · Prior Period Adjustment	2,002,412.67
3200 · Retained Earnings	(205,568.01)
Net Income	(115,866.02)
Total Equity	<u>17,865,999.63</u>
TOTAL LIABILITIES & EQUITY	<u><u>17,985,179.98</u></u>

**Granada Community Services District
Profit & Loss Budget Performance**

July 2016

	July 2016			YTD - FY 2016/2017		
	July 2016	Budget	\$ Over Budget	July 2016	YTD Budget	\$ Over Budget
5070 · Pet Waste Station	365.69	83.33	282.36	365.69	83.33	282.36
5100 · County Staff Time - Parks	-	1,250.00	(1,250.00)	-	1,250.00	(1,250.00)
5110 · RCD - Parks	-	416.67	(416.67)	-	416.67	(416.67)
5120 · Half Moon Bay Reimb - Parks	-	4,166.67	(4,166.67)	-	4,166.67	(4,166.67)
Total 5000 · Operations	100,571.90	122,185.75	(21,613.85)	100,571.90	122,185.75	(21,613.85)
6000 · Administration						
6010 · Auditing	-	833.33	(833.33)	-	833.33	(833.33)
6020 · Copier lease	520.42	583.33	(62.91)	520.42	583.33	(62.91)
6040 · Directors' Compensation	-	916.67	(916.67)	-	916.67	(916.67)
6050 · Education & Travel Reimb	-	166.67	(166.67)	-	166.67	(166.67)
6060 · Employee Compensation						
6061 · Employee Salaries	12,318.75	11,250.00	1,068.75	12,318.75	11,250.00	1,068.75
6062 · Medical Stipends	-	1,000.00	(1,000.00)	-	1,000.00	(1,000.00)
6063 · Employer Payroll Taxes	942.38	1,200.00	(257.62)	942.38	1,200.00	(257.62)
6064 · CALPERS Contribution	2,942.00	2,625.00	317.00	2,942.00	2,625.00	317.00
Total 6060 · Employee Compensation	16,203.13	16,075.00	128.13	16,203.13	16,075.00	128.13
6070 · Engineering Services						
6071 · Engineering- General	-	1,666.67	(1,666.67)	-	1,666.67	(1,666.67)
6070 · Engineering Services - Other	-	-	-	-	-	-
Total 6070 · Engineering Services	-	1,666.67	(1,666.67)	-	1,666.67	(1,666.67)
6080 · Insurance	-	500.00	(500.00)	-	500.00	(500.00)
6090 · Legal Services						
6091 · Legal- General	4,076.00	5,416.67	(1,340.67)	4,076.00	5,416.67	(1,340.67)
6093 · Legal- Parks	1,779.49	-	1,779.49	1,779.49	-	1,779.49
6090 · Legal Services - Other	-	-	-	-	-	-
Total 6090 · Legal Services	5,855.49	5,416.67	438.82	5,855.49	5,416.67	438.82
6100 · Memberships	-	833.33	(833.33)	-	833.33	(833.33)
6110 · Newsletter	-	208.33	(208.33)	-	208.33	(208.33)
6120 · Office Lease	4,100.00	4,166.67	(66.67)	4,100.00	4,166.67	(66.67)
6130 · Office Maintenance & Repairs	-	208.33	(208.33)	-	208.33	(208.33)
6140 · Office Supplies	300.31	500.00	(199.69)	300.31	500.00	(199.69)
6150 · Professional Services						

**Granada Community Services District
Profit & Loss Budget Performance**

July 2016

	July 2016			YTD - FY 2016/2017		
	July 2016	Budget	\$ Over Budget	July 2016	YTD Budget	\$ Over Budget
6151 · General Manager	-	-	-	-	-	-
6152 · Accounting	-	2,500.00	(2,500.00)	-	2,500.00	(2,500.00)
Total 6150 · Professional Services	-	2,500.00	(2,500.00)	-	2,500.00	(2,500.00)
6160 · Publications & Notices	475.00	833.33	(358.33)	475.00	833.33	(358.33)
6170 · Utilities	947.16	750.00	197.16	947.16	750.00	197.16
6180 · Video Taping	-	250.00	(250.00)	-	250.00	(250.00)
6190 · Computers	920.00	166.67	753.33	920.00	166.67	753.33
6220 · Miscellaneous	-	583.33	(583.33)	-	583.33	(583.33)
6230 · Bank Service Charges	248.82	-	248.82	248.82	-	248.82
6310 · Park Related Misc Expenses	-	-	-	-	-	-
Total 6000 · Administration	29,570.33	37,158.33	(7,588.00)	29,570.33	37,158.33	(7,588.00)
7000 · Capital Projects						
1213-3 · Collection System Repairs	1,500.00	-	1,500.00	1,500.00	-	1,500.00
1617-2 · SAM Lift Station	2,918.79	-	2,918.79	2,918.79	-	2,918.79
7010 · Sewer Main Replacement (CIP)	-	20,833.33	(20,833.33)	-	20,833.33	(20,833.33)
7015 · Mainline System Repairs	-	833.33	(833.33)	-	833.33	(833.33)
7100 · SAM Infrastructure	17,861.50	17,861.50	-	17,861.50	17,861.50	-
7500 · Projects - Parks	-	6,250.00	(6,250.00)	-	6,250.00	(6,250.00)
Total 7000 · Capital Projects	22,280.29	45,778.16	(23,497.87)	22,280.29	45,778.16	(23,497.87)
Total Expense	152,422.52	205,122.24	(52,699.72)	152,422.52	205,122.24	(52,699.72)
Net Ordinary Income	(115,866.02)	(7,247.25)	(108,618.77)	(115,866.02)	(7,247.25)	(108,618.77)
Net Income	(115,866.02)	(7,247.25)	(108,618.77)	(115,866.02)	(7,247.25)	(108,618.77)

Agenda Item

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DISTRIBUTION REQUEST NO.: #1-16/17
BOND ADMINISTRATION FUND
(Account Number: 94673305)

DISTRIBUTION TOTAL: \$2,775.30

\$6,100,000.00
GRANADA SANITARY DISTRICT
LIMITED OBLIGATION REFUNDING IMPROVEMENT BONDS 2003
Reassessment & Refunding Project

DISTRIBUTION REQUEST
For Payment of Bond Administration Costs

The undersigned Treasurer of the Granada Sanitary District (the "District") hereby requests of the Fiscal Agent for the District the payment of Bond Administration Costs for the items and in the manner and amount stated in the attached Schedule A, and in connection herewith hereby certifies that the payment requested is for the Administrative Costs, and that funds are available in the Bond Administration Fund (Account #94673305) to make such payment, and further states that all requirements for the payment of the amount to be disbursed pursuant hereto have been met.

August 18, 2016

Chuck Duffy, Finance Officer/Treasurer

SCHEDULE "A"

DISTRIBUTION REQUEST NO: #1-16/17

DATE: August 18, 2016
DISTRIBUTE FROM ACCOUNT #: 94673305
ACCOUNT NAME: Bond Administration Fund
DISTRIBUTION AMOUNT: \$ 2,775.30

PAYMENT INSTRUCTIONS: Issue checks and mail as listed below.

Payee	Mailing Address	Services Provided	Amount
GCSD	P.O. Box 335, El Granada, CA 94018	GCSD OH Reim - Aug 2016	\$ 2,278.00
Taussig & Assoc	5000 Birch St, #6000, Newport Bch, CA 92660	Admin Svcs - June 2016	\$ 237.30
Wittwer & Parkin	147 S River St, #221, Santa Cruz, CA 95060	Legal Svcs - July 2016	\$ 260.00
TOTAL:			\$ 2,775.30

Agenda Item

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GRANADA COMMUNITY SERVICES DISTRICT

AGENDA MEMORANDUM

To: Board of Directors
From: Delia Comito, Assistant General Manager
Subject: Amendment to Conflict of Interest Code
Date: August 18, 2016

The Political Reform Act requires every local government agency to review its conflict of interest code biennially. The conflict of interest code states what financial interests District officials, employees, and consultants must disclose on their Statement of Economic Interests (Form 700). If an amendment to the code is necessary, the amended code must be forwarded to the reviewing body within 90 days. The County Board of Supervisors is the reviewing body for the District.

The District's Code requires an amendment due to the renaming of a position. Based on the example provided by the California Fair Political Practices Commission, the Designated Officials and Employees list (Exhibit "A") has been revised and is attached for Board approval.

Also attached is the notice received from the County, and the completed Conflict of Interest Biennial Review Notice form to be returned by September 1, 2016.

EXHIBIT “A”
 Granada Community Services District
 Designated Officials and Employees

KEY

- A – Abolished Position (position no longer used)
- D – Deleted Position (position has been removed from PRA disclosures)
- M – Moved
- N – New
- NC – No Change
- R – Renamed or Reclassified
- CC – Category Change

Designated Positions	Assigned Disclosure Category	Status Under Proposed Code	Justification
General Manager	1, 2, 3, 4	NC	
Assistant General Manager	1, 2, 3, 4	N	
Legal Counsel	1, 2, 3, 4	NC	
District Engineer	1, 2, 3, 4	NC	
District Administrator	4	R	Position reclassified under Assistant General Manager
Consultants*	1, 2, 3, 4	NC	
Director		NC	
Candidates for Director		NC	

Officials who manage public investments:

It has been determined that the positions below manage public investments and will file a Statement of Economic Interest pursuant to Government Code 87200:

- Director
- Candidates for Director

- With respect to consultants, the District Board may determine in writing whether a particular consultant is hired to perform a range of duties which are limited in scope and thus the consultant is not required to comply with the disclosure requirements described in these categories. Such determination shall include a description of the consultant’s duties, and based on that description, a statement of the extent of disclosure requirements. The District Board shall forward a copy of this determination to the Board of Supervisors of the County of San Mateo. Nothing herein excuses any such consultant from any other provisions of this Conflict of Interest Code.



DATE: August 1, 2016
TO: All Filing Officials
FROM: Mark Church, Assessor-County Clerk-Recorder
SUBJECT: **Conflict of Interest Code (COI) Biennial Review Notice**

This is to remind you that Government Code §87306.5 requires each local agency to review its Conflict of Interest Code biennially to determine if it is accurate or, alternatively, if it must be amended. To assist you in making that determination, please review the attached "How to amend a Conflict of Interest Code" and "How to review a Conflict of Interest Code" documents. The attached "2016 Local Biennial Notice" form must be **returned to our office no later than September 1st**. Your agency must review its Conflict of Interest Code and submit a completed notice to:

Julieta R. Fernandez
Office of the Assessor-County Clerk-Recorder
555 County Center
Redwood City, CA 94063

Our office will then submit the completed notice to the code reviewing body for approval.

Please note that your agency's amended code is not effective until it has been approved.

Accordingly, we request your agency to:

- a) **Review** its Conflict of Interest Code and, if a change in the agency's code is necessitated by changed circumstances (events such as organizational changes, changes in staff duties and/or titles, the use of consultants and/or interim staff members), **indicate the changes on the notice and return the notice to us no later than September 1st**.
- b) Kindly submit the amended code adopted by your governing board to our office within 90 days of the date of the completed notice.
- c) **If no change** in the agency's code is required, indicate this on the notice form and forward it to our office **no later than September 1st**.

Our office also requests that your agency send a **copy of your most current Conflict of Interest Code** so that we may update our files.

If you have any questions, please do not hesitate to contact me at (650) 363-4988.

2016 Local Agency Biennial Notice

Name of Agency: _____

Mailing Address: _____

Contact Person: _____ Phone No. _____

Email: _____ Alternate Email: _____

Accurate disclosure is essential to monitor whether officials have conflicts of interest and to help ensure public trust in government. The biennial review examines current programs to ensure that the agency's code includes disclosure by those agency officials who make or participate in making governmental decisions.

This agency has reviewed its conflict of interest code and has determined that *(check one BOX)*:

An amendment is required. The following amendments are necessary:

(Check all that apply.)

- Include new positions
- Revise disclosure categories
- Revise the titles of existing positions
- Delete titles of positions that have been abolished and/or positions that no longer make or participate in making governmental decisions
- Other *(describe)* _____

The code is currently under review by the code reviewing body.

No amendment is required. (If your code is over five years old, amendments may be necessary.)

Verification (to be completed if no amendment is required)

This agency's code accurately designates all positions that make or participate in the making of governmental decisions. The disclosure assigned to those positions accurately requires that all investments, business positions, interests in real property, and sources of income that may foreseeably be affected materially by the decisions made by those holding designated positions are reported. The code includes all other provisions required by Government Code Section 87302.

Signature of Chief Executive Officer

Date

All agencies must complete and return this notice regardless of how recently your code was approved or amended. Please return this notice no later than **October 3, 2016**, or by the date specified by your agency, if earlier, to:

(PLACE RETURN ADDRESS OF CODE REVIEWING BODY HERE)

PLEASE DO NOT RETURN THIS FORM TO THE FPPC.

Agenda Item

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AGENDA MEMORANDUM

To: Board of Directors

From: Delia Comito, Assistant General Manager

Subject: Approval of Acceptance of Class 3 Mainline Extension – Cortez Ave.

Date: August 18, 2016

On November 21, 2013, the Board approved the Class 3 mainline extension permit to serve APN 048-023-350 on Cortez Avenue, Miramar, issued to Vikas Bakshi on 01/23/15. Mr. Bakshi had previously been granted a sewer permit variance by the Board on 6/20/13, as the parcel is 8,800 sq. ft. and zoned in R-1/S-94 (10,000 sq. ft. minimum).

The sewer mainline, constructed with the District Engineer's oversight, is now completed and approved by the District Engineer. The letter of acceptance is attached for review. Board approval will officially dedicate the extension as a District facility, which is the recommendation from staff. The house constructed by Mr. Bakshi will be connected to the new sewer after this dedication.

Kennedy/Jenks Consultants
Engineers & Scientists

2350 Mission College Blvd., Suite 525
Santa Clara, CA 95054
650-852-2800
Fax 650-852-2899

11 August 2016

Board of Directors
Granada Community Services District
Post Office Box 335
El Granada, CA 94018

Subject: Acceptance of Bakshi Sewer Main Project
321 Cortez Ave., APN: 048-023-350
K/J 015011*10/105A

Dear Board Members:

The Bakshi sewer main project was completed in late July 2016. Construction of a new manhole and approximately 100 lf of new 6" sewer including its connection to existing manhole G9-36 was observed by Kennedy/Jenks engineering staff and determined to be in accordance with the approved plans and District Standards.

We also observed the successful hydraulic testing of the new sewer and reviewed CCTV video of the new sewer.

Accordingly, we recommend that the Board accept this project at its August Board meeting.

Very truly yours,

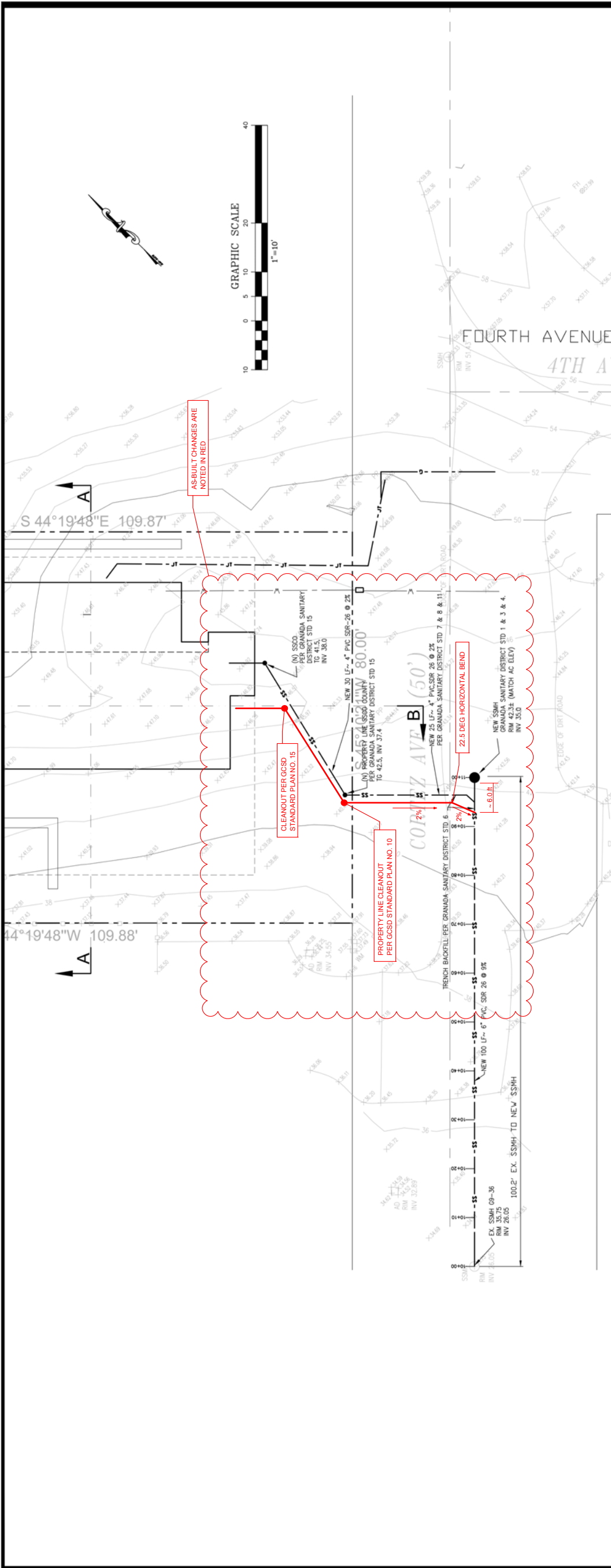
KENNEDY/JENKS CONSULTANTS



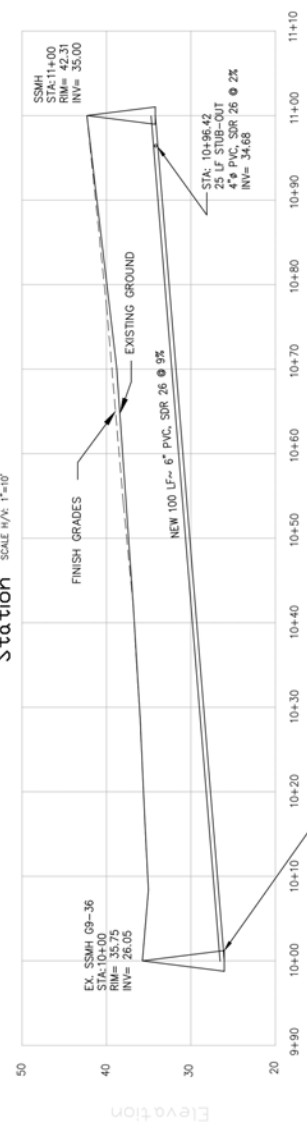
John H. Rayner P.E.
District Engineer

015011*10/105A

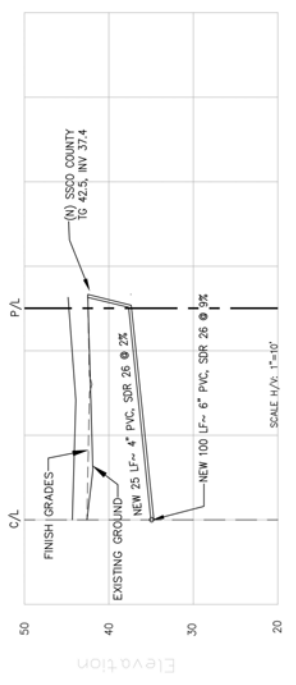
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SANITARY SEWER LINE PROFILE
 SCALE H/P: 1"=10'



BE-CONNECTION NOTE:
 THE CONNECTION TO THE EXISTING MANHOLE SHALL BE MADE BY CORE DRILLING THE NEW PENETRATION INTO THE EXISTING MANHOLE AND PROVIDING A WPC, K90-N-SEAL OR APPROVED EQUAL PREP TO MANHOLE CONNECTOR TO PRODUCE A WATER TIGHT SEAL. THE MANHOLE BASE SHALL BE BROKEN OUT AS NECESSARY AND RECONFIGURED TO FORM A SMOOTH CHANNEL FOR THE NEW SEWER AS SHOWN ON THE STANDARD MANHOLE DETAIL.



SEWER CONSTRUCTION PRODUCT INFORMATION NOTE:
 THE NEW SEWER CONSTRUCTION SHALL BE MADE WITH APPROVED MATERIALS. PRODUCT INFORMATION ON ALL MATERIALS INTENDED TO BE USED FOR SEWER CONSTRUCTION SHALL BE SUFFICIENT TO CONFIRM THAT THE MATERIALS MEET GSD SPECIFICATIONS. ALL SUBMITTALS SHALL BE APPROVED PRIOR TO CONSTRUCTION.

GRANADA, SANITARY DISTRICT NOTIFICATION NOTE:
 GRANADA, SANITARY DISTRICT SHALL NOTIFY GSD AT LEAST 10 BUSINESS DAYS BEFORE SEWER CONSTRUCTION WORK IS SCHEDULED TO BEGIN SO THAT ARRANGEMENTS CAN BE MADE FOR PROVIDING INSPECTION SERVICES.

AGENDA NOTICE

No documents for this item.

AGENDA NOTICE

No documents for this item.

Agenda Item

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AGENDA NOTICE

No documents for this item.

Agenda Item

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GRANADA COMMUNITY SERVICES DISTRICT

Administrative Staff Report

Report Period: July 16, 2016 to August 12, 2016

To: Board of Directors

From: Delia Comito, Assistant General Manager

Date: August 18, 2016

PUBLIC RECORDS REQUEST - There were no public records requests received this period.

APPLICATIONS RECEIVED - There were no applications received this period.

Rec'd	Type	Owner or Agent	APN	Address	Sq. Ft.	Zone
07/05/16	1A	Machado Doug	047-287-260	917 Palma, EG	6,000	R-1/S-17

Note: shaded areas were previously reported.

PERMITS ISSUED - There were no permits issued this period

Permit No.	Type	Issue Date	Owner or Agent	APN		Sq. Ft.	Zone
3158	1B	07/07/16	Boyle James	047-233-350	120 Avenue Portola, EG	6,287	R-3/S-3
3159	1B	07/07/16	Boyle James	047-233-360	425 Coronado , EG	5,954	R-3/S-3
3160	1A	07/12/16	Engdhal/Steadman	047-218-150	640 Ferdinand, EG	5,000	R-1/S-17

Note: shaded areas were previously reported.

SEWER HOOK-UPS - There were no sewer hook-ups this period.

REPAIRS - There were no repairs this period.

11 August 2016

Memorandum

To: Granada Community Services District
From: John H. Rayner, District Engineer
Subject: Engineer's Report for August 2016

Capital Improvement Project (2015 CIP)

Construction is complete. Record drawings showing as-built conditions are now being prepared.

321 Cortez Avenue

Construction and testing of the mainline are complete. A letter from Kennedy/Jenks is in your packet recommending that the District accept this mainline extension.

Mirada Road near Creek Crossing

Presidio Systems performed a CCTV inspection of the sewers in the immediate area of the creek crossing. The inspection conformed that several sewers need to be replaced in the next CIP project. Also it's recommended that permitting begin for 2nd phase of the Naples Beach project to finalize the diversion of all remaining sewage from the creek crossing to the Naples Beach Pump Station.

Stoloski Property (Class 3 Permit)

Construction is expected to start this month.

Big Wave (Class 3 permit)

No recent work on this.