



GRANADA COMMUNITY SERVICES DISTRICT

AGENDA **BOARD OF DIRECTORS** **REGULAR MEETING at 7:00 p.m.**

Thursday, March 19, 2026

NOTICE PERTAINING TO PUBLIC ACCESS TO THE MEETING

The Board of Directors' meeting room is open to the public during open session. To maximize public access to public meetings, Granada Community Services District staff and board members will generally be participating in person at the board meeting, as well as using videoconference to allow remote participation by members of the public, board members, and staff as necessary. Members of the public may participate via Zoom online or by telephone using the link below.

Zoom information below:

<p>Topic: GCSD Board Meeting Time: March 19, 2026 7:00 PM Pacific Time (US and Canada)</p> <p>Join Zoom Meeting https://us02web.zoom.us/j/86574832288 Meeting ID: 865 7483 2288</p>	<p style="text-align: center;">OR</p> <p>Dial by your location +1669 444 9171 U.S.</p>
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CALL REGULAR MEETING TO ORDER AT 7:00 p.m.

District Office Meeting Room, 504 Avenue Alhambra, 3rd Floor, El Granada.

ROLL CALL

Directors:	President:	Barbara Dye
	Vice-President:	Wanda Bowles
	Director:	Matt Allen
	Director:	Nancy Marsh
	Director:	Jen Randle
Staff:	General Manager:	Chuck Duffy
	Assistant Manager:	Hope Atmore
	Legal Counsel:	William Parkin

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

Public members may comment on matters under the jurisdiction of the District that are not on the agenda. Comments are limited to 3 minutes. See the instructions above to comment via Zoom online or by telephone.

REGULAR MEETING AGENDA

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

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ADJOURN TO CLOSED SESSION

- 1. Conference with Legal Counsel – Existing Litigation (Government Code Section §54956.9(d)(1)).** *City of Half Moon Bay v. Granada Community Services District and Montara Water and Sanitary District* (RPI, Sewer Authority Mid-Coastside) – Santa Clara County (Superior Court Case No. 17CV316927)

RECONVENE TO OPEN SESSION

Report any reportable action taken in Closed Session.

ADJOURN REGULAR MEETING

At the conclusion of February 19, 2026 Board Meeting:

Last Ordinance adopted: No. 177

Last Resolution adopted: No. 2026-01

This meeting is accessible to people with disabilities. If you have a disability and require special assistance related to participating in this meeting, please contact the District at least two working days in advance of the meeting.



GRANADA COMMUNITY SERVICES DISTRICT

AGENDA MEMORANDUM

To: Board of Directors
From: Hope Atmore, Assistant General Manager
Subject: Park and Recreation Activities
Date: March 19, 2026

a. Recreation Updates

Past Events:

- Sewing Class – will finish on 3/24
- History Walk – approximately 20 participants

Ongoing Events:

- Wednesday Chair Yoga – continuing with new instructor
- Sound Bath, second Tuesday of each month

Upcoming Events:

- Introduction to Acrylics Painting (session 2) – March 18 thru April 15
- Wild Edible and Medicinal Plant ID Walk with Suzanne Elliott – March 28
- Beginning Sewing – second session starting 3/31 (evening class)
- Egg Hunt at Quarry Park – April 4
- Quarterly Recycling - April 18 from 8:00AM to Noon
- SpringFest with SMC Parks – April 25

Still in planning:

- Writing Workshop
- Deer Creek Walk

b. Update on Granada Community Park and Recreation Center

- Advanced Mobility Group (AMG) has started work on the traffic study.
- Certificate of Compliance application and fees have been submitted. Full title report to be submitted upon completion from WFG National Title Insurance Company.
- BKF working on utility service sizing, impervious coverage calculations, and bioretention areas.



GRANADA COMMUNITY SERVICES DISTRICT

AGENDA MEMORANDUM

To: Board of Directors
From: Hope Atmore, Assistant General Manager
Subject: Revised Use Framework for the Granada Community Park and Recreation Center
Date: March 19, 2026

Staff was directed to make revisions to the draft Use Framework that was presented during the February 19th meeting of the Board. Of primary concern was that if event frequency for the proposed Community Center was viewed cumulatively, the framework appeared to suggest that as many as 19 after hours or weekend events may happen per month.

The following updated draft Use Framework is attached for Board Review. Chuck and I went through the framework at length using real world examples and situations to arrive at the numbers included in the spreadsheet. Changes include distinguishing between public and private use of the Community Room, as well as including language pertaining to review and oversight of capacity and frequency of events, and possible County Event Permitting requirements. We have been careful not to limit the District's ability to hold classes and events after hours and on the weekend so as to ensure that recreational opportunities can be offered for community members who may work during the week.

Existing Community Recreation Center

The Community Recreation Center will have staff and support space of approximately 1,500 square feet, two classrooms, each with approximately 640 square feet of useable classroom space, and a small meeting room space of approximately 160 square feet. **Security** - After hours and weekend use of classroom spaces will be accessed with programmed key cards to be checked out to responsible party. Public restrooms will be accessed by coded door lock. Library kiosk will be located in front of Recreation Center and will be accessed from the parking lot.

	Monday - Friday Business Hours 9:00AM-5:00PM	Monday - Friday After Hours 5:00PM-10:00PM	Weekends (Sat/Sun) 9:00AM-5:00PM
Staff and Support Space (~1,500sf) Staff use and public office (2-3 employees)	DAILY	NA	NA
Fitness Room (~640sf) Exercise or meeting space intended for local community use encouraging pedestrian and bike access with minimal impact on traffic. Capacities: typical set-up ~12, assembly set-up ~30, classroom set-up ~24.	3-5 CLASSES/DAY	UP TO 1-2 EARLY EVENING CLASSES/DAY 3-4 PUBLIC AGENCY MEETINGS/MONTH	1-3 CLASSES OR MEETINGS/DAY
Club Room (~630sf) Craft/other classes or meeting space intended for local community use encouraging pedestrian and bike access with minimal impact on traffic. Capacities: typical set-up ~24, assembly set-up ~30, classroom set-up ~24.	3-5 CLASSES/DAY	UP TO 1-2 EARLY EVENING CLASSES/DAY	1-3 CLASSES OR MEETINGS/DAY
Small meeting room (~160sf) For public community use. Capacity for all set-ups ~6.	1-2 MEETINGS/ DAY	NA	NA
Library Kiosk To be located in front of Recreation Center for drop off and pick up of library materials - self serve vending machine accessed by Recreation Center parking lot.	24/7	24/7	24/7

Proposed New Community Room - Recreational Programming and Public Events

The Community Room will be approximately 1,900 square feet. The space is intended primarily for local community use allowing for pedestrian and bike access. Examples include dance classes, ping pong or other recreation requiring larger space, films, lectures, town halls, workshops, larger public meetings, recitals. After hours and weekend events will be limited by staffing. Capacities: typical set-up ~80, assembly set-up ~80, classroom set-up ~80. *Event frequency is shown as an example and scheduling will be done administratively with periodic Board review.*

	Monday - Friday	Monday - Friday	Weekends
	Business Hours 9:00AM-5:00PM	After Hours 5:00PM-10:00PM	Sat. 9:00AM-10:00PM Sun. 9:00AM-6:00PM
Small to Medium Events			
Frequency	1-2 TIMES/WEEK	2-4 TIMES/MONTH	2-4 TIMES/MONTH
Anticipated capacity	10-30 PEOPLE	10-50 PEOPLE	10-50 PEOPLE
Medium to Large Events			
Frequency	1 TIME/MONTH	1-2 TIMES/MONTH	1-2 TIMES/MONTH
Anticipated capacity	31-50 PEOPLE	51-80 PEOPLE	51-80 PEOPLE

Proposed New Community Room - Private Use and Events

The Community Room will be approximately 1,900 square feet. The space will be used primarily for District recreational programming and public use and will also be able to accommodate limited private events. Examples include rental of space for birthdays, banquets, private club meetings, or receptions. All private events will undergo district review based on size of event and general event frequency. Private after hours and weekend events will be limited by staffing and space availability and events with attendance over 50 people may be subject to County Event Permitting requirements. Private events with amplified music would require board approval. Capacities: typical set-up ~80, assembly set-up ~80, classroom set-up ~80. *Private event frequency is shown as an example and private event requests will be treated on a case by case basis .*

	Monday - Friday Business Hours 9:00AM-5:00PM	Monday - Friday After Hours 5:00PM-10:00PM	Weekends Sat. 9:00AM-10:00PM Sun. 9:00AM-6:00PM
Small to Medium Events (under 50 guests)			
Frequency	NA	1-2 TIMES/MONTH	1-2 TIMES/MONTH
Anticipated capacity		10-50 PEOPLE	10-50 PEOPLE
Medium to Large Events(over 50 guests) -			
Frequency	NA	1 TIME/MONTH	1-2 TIMES/MONTH
Anticipated capacity		51-80 PEOPLE	51-80 PEOPLE

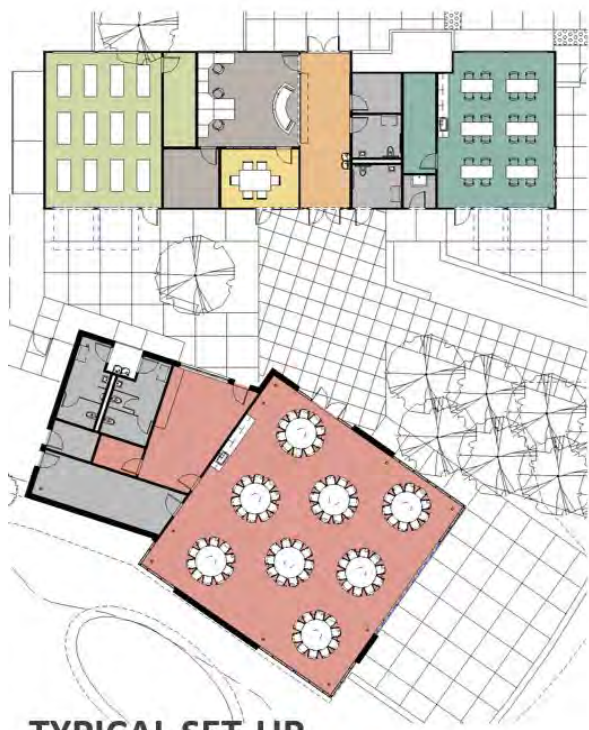
Granada Community Park

The passive and active park areas would be open from sunrise to sunset. Public restrooms will be have coded door lock. Security cameras will be in use near public restroom, parking areas, and skate ramp area.

	Monday - Friday	Weekends
Granada Community Park		
	Park Hours Dawn to Dusk	Park Hours Dawn to Dusk
PUBLIC - District Sponsored Special Events - The District anticipates hosting 2-3 annual events geared and marketed to local community. Examples include established events such as the Spring Egg Hunt for children and a Holiday craft fair with live music and tree lighting.		
Non Distict Sponsored Events - Park space could be used by local non-profit or community groups for public events. A District issued Temporary Occupancy Permit would be required.		
Frequency	1 TIME/YEAR	4-6 TIMES/YEAR
Anticipated capacity	75-150 PEOPLE	75-150 PEOPLE
PRIVATE - Examples include first-come-first-served picnic tables for small events such as birthday parties.		
Small to Medium Events (under 30 guests)		
Frequency	1-2 TIMES/MONTH	1-2 TIMES/MONTH
Anticipated capacity	10-25 PEOPLE	10-25 PEOPLE

PROGRAMMING CAPACITY

Programming Capacity				
Space	Square Footage	Typical Set-Up	Assembly Set-Up (Chairs Only)	Classroom Set-Up (Tables and Chairs)
Fitness Room	~640 sf	~12	~30	~24
Club Room	~630 sf	~24	~30	~24
Small Meeting	~160	~6	~6	~6
Community Room	1,900 sf	~80	~80	~80



TYPICAL SET-UP



ASSEMBLY SET-UP



CLASSROOM SET-UP

March 11, 2026

Memorandum

To: Granada Community Services District
From: John H. Rayner, District Engineer
Subject: Engineer's Report for March 2026

6-Year CIP for FY 2025 - FY 2031

We have prepared an outline for the new 6-year CIP and it is being reviewed by staff. If approved, we will begin permitting and the preliminary design of Project 1.

SAM's Montara FM Replacement Project

The McGuire and Hester (M&H) Team is providing progressive design build services for the replacement of SAM's Montara Force Main. The M&H Team is completing its design. The project's Initial Study and the Mitigated Declaration have been circulated and all comments received will be addressed in the final CEQA documents. Portions on the pipeline alignment are currently being potholed to verify the location of crossing utilities. If M&H Team's guaranteed maximum price (GMP) for construction, expected in May, is approved by the SAM Board, construction could begin as soon as this June and be completed before its court ordered deadline of June 30, 2027. If the GMP is not approved, SAM will need to advertise the project's construction for public bidding.

247 San Juan Ave Class 3 Permit

We have reviewed the plans submitted with the application for a Class 3 mainline extension and have provided our review comments. Awaiting the next submittal of plans.



GRANADA COMMUNITY SERVICES DISTRICT

AGENDA MEMORANDUM

To: Board of Directors
 From: Hope Atmore
 Subject: Administrative Staff Report
 Date: February 13 to March 12, 2026

This report serves as a general update for the Board from staff since the January meeting. While it does not cover every aspect of the day-to-day activities, it is intended to keep the Board up to date on some of the completed and ongoing work.

- Recognition of Recology for helping with Mutt Mitt Station
- Meeting with Caltrans and other stakeholders regarding various agency plans
- CCTV/cleaning scheduling for Princeton area
- Ongoing work on Sewer Service Management Plan update – to be presented in April
- Clearing out of Portola Pump Station storage room – big thanks to SAM collections for helping haul the recycling dumpster in and out!
- Application for Community Grant Funding submitted to Congressman Sam Liccardo’s office on 3/12/26 – support letters received from local nonprofits and agencies as well as Supervisor Mueller and Assemblymember Marc Berman’s offices
- Quarterly RCD Meeting and RCD completing bird survey prior to spring mowing

PUBLIC RECORDS (ACT) REQUESTS – There was one new request this period:

Date	Requestor	Documents Requested	Response
2/13/26	J. Grant	Correspondence regarding Jill Grant or censure of Jill Grant or the property located at 121 Magellan Ave, Half Moon Bay.	In Progress

APPLICATIONS RECEIVED – There were no applications received during this period.

PERMITS ISSUED - There were no permits issued during this period.

SEWER HOOK-UPS - There was one sewer hook-up during this period:

Permit	Class	Date	Owner/Agent	APN	Address	Sq. ft.	Zone
3275	1A	3/04/26	Steadman	048-024-420	457 Coronado Ave, EG	11,000	R1/S94



GRANADA COMMUNITY SERVICES DISTRICT

AGENDA MEMORANDUM

To: Board of Directors
From: Chuck Duffy, General Manager
Subject: FY 2024/25 District Audited Financial Statements
Date: March 19, 2026

Attached are the Fiscal Year 2024/25 Audited Financial Statements for your Board's review and approval. The first part of the audit contains the Management's Discussion and Analysis of the District's financial statements, which highlights some of the significant changes in the District's year over year financial operations. The audit shows that the District is on sound financial footing, and our auditor Fechter & Company will be available at the meeting to also discuss the audit and answer questions. Of note, please remember that the newer Governmental Accounting Standards Board (GASB) regulations require that the Assessment District financial reports be included as part of the general District financial reports.

March 19, 2026

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

We have audited the financial statements of the business-type activities of Granada Community Services District for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 16, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Granada Community Services District are described in Note 1 to the financial statements. The compensated absences policy was updated for compliance with GASB 101. We noted no transactions entered into by Granada Community Services District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Management's estimate of interest rates on operating leases is based on risk-free interest rates. We evaluated the methods, assumptions, and data used to develop interest rates on operating leases in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the useful lives of assets is based on historical used of similar assets. We evaluated the methods, assumptions, and data used to develop the useful lives of assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of the investment in Sewer Authority Mid-Coastline in Note 3 to the financial statements due to the complexities in presenting an investment in another governmental agency.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. These included adjustments to:

- The investment in Sewer Authority Mid-Coastline
- Capital assets
- Leases

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 19, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Granada Community Services District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Granada Community Services District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the schedule of District's proportional share of the net pension liability and the schedule of pension plan contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Board of Directors
Granada Community Services District
March 19, 2026
Page 3

Restriction on Use

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

Very truly yours,

Fechter & Company
Certified Public Accountants

DRAFT 2/24/26 DRAFT



**FECHTER
& COMPANY**
Certified Public Accountants

GRANADA COMMUNITY
SERVICES DISTRICT

Annual Financial Report
with
Independent Auditor's Report Thereon
For the Year Ended
June 30, 2025

GRANADA COMMUNITY SERVICES DISTRICT

Annual Financial Report

Year Ended June 30, 2025

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Granada Community Services District
El Granada, California

Opinion

We have audited the accompanying financial statements of the business-type activities of Granada Community Services District as of and for the year ended June 30, 2025, and the related notes to the financial Statement, which collectively comprise the Granada Community Services District's basic financial Statement as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Granada Community Services District, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of Granada Community Services District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statement

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

In preparing the financial Statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Granada Community Services District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial Statement.
- Obtain an understanding of internal control relevant to the audit 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 Granada Community Services District’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Granada Community Services District’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 4–8, the schedule of the district’s proportionate share of the net pension liability on page 39, and the schedule of pension plan contributions on pages 40–42 be presented to supplement the basic financial Statement. Such information is the responsibility of management and, although not a part of the basic financial Statement, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial Statement in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for

Board of Directors
Granada Community Services District
El Granada, California

consistency with management's responses to our inquiries, the basic financial Statement, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2026, on our consideration of the Granada Community Services District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Granada Community Services District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Granada Community Services District's internal control over financial reporting and compliance.

Fechter & Company
Certified Public Accountants

Sacramento, California
March 19, 2026

GRANADA COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2025

This section of the Granada Community Services District's (District) annual financial report presents an analysis of the District's financial performance during the fiscal year ended June 30, 2025. This information is presented in conjunction with the basic financial Statement, which follow this section.

Financial Highlights

- The District's net position increased 8.43% or \$1,701,330, to \$21,891,437.
- Total revenues increased 12.60% or \$557,827, to \$4,985,692.
- Total expenses decreased 6.92% or \$244,040, to \$3,284,362.

Overview of the Financial Statement

This discussion and analysis is intended to serve as an introduction to the District's basic financial Statement. The District's basic financial Statement are comprised of three components: government-wide financial Statement, fund financial Statement, and notes to the financial Statement. This report also includes additional required supplementary information in addition to the basic financial Statement.

Required Financial Statement

This annual report consists of a series of financial Statements. The Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The Statement of Net Position include all of the District's investments in resources (assets), deferred outflows of resources, the obligations to creditors (liabilities), and deferred inflows of resources. They also provide the basis for computing a rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District. All of the year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This Statement measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This Statement can also be used to evaluate profitability and credit worthiness. The final required financial Statement are the Statement of Cash Flows, which provide information about the District's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments, and net change in cash resulting from operations, investing, non-capital financing, and capital and related financing activities, as well as providing answers to questions such as: where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Financial Analysis of the District

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the District in a way that helps answer this question. These Statement include all assets, deferred outflows, liabilities, and deferred inflows using the accrual basis of accounting, which is similar to the accounting used by most

GRANADA COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2025

private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These Statements report the District's net position and changes in it. One can think of the District's net position (the difference between assets and deferred outflows, and liabilities and deferred inflows), as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning, and new or changed government legislation, such as changes in Federal and State water quality standards.

Notes to the Basic Financial Statement

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial Statement. The notes to the basic financial Statement can be found on pages 13 through 28.

Statement of Net Position

A summary of the Statement of net position is as follows:

Condensed Statements of Net Position

	2025	Change	2024
Assets:			
Current assets	\$ 8,209,985	\$ 1,711,196	\$ 6,498,789
Non-current assets	14,086,622	(19,070)	14,105,692
Total Assets	<u>22,296,607</u>	<u>1,692,126</u>	<u>20,604,481</u>
Deferred Outflows of Resources:	112,280	(19,138)	131,418
Liabilities:			
Current liabilities	240,322	53,578	186,744
Non-current liabilities	214,580	(89,946)	304,526
Total Liabilities	<u>454,902</u>	<u>(36,368)</u>	<u>491,270</u>
Deferred Inflows of Resources:	62,547	8,026	54,521
Net Position:			
Net investment in capital assets	7,391,540	(176,843)	7,568,383
Net investment in other governments	6,610,092	214,866	6,395,225
Restricted	1,699,103	71,801	1,627,302
Unrestricted	6,190,703	1,591,506	4,599,197
Total Net Position	<u>\$ 21,891,437</u>	<u>\$ 1,701,329</u>	<u>\$ 20,190,108</u>

GRANADA COMMUNITY SERVICES DISTRICT
Management’s Discussion and Analysis
For the Year Ended June 30, 2025

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$21,891,438 as of June 30, 2025.

As of June 30, 2025, net position of the District increased by 8.43% or \$1,703,330. The District’s total net position is made up of three components: (1) net investment in capital assets, (2) restricted net position (restricted for Assessment District), (3) and unrestricted net position.

By far the largest portion of the District’s net position (33.15% as of June 30, 2025) reflects its investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to customers within the District’s service area; consequently, these assets are *not* available for future spending.

At the end of fiscal year 2025, the District showed a positive balance in its unrestricted net position of \$6,190,703, which may be utilized in future years (See Note 7 for further discussion).

Statement of Revenues, Expenses, and Changes in Net Position

A summary of the Statement of revenues, expenses, and changes in net position is as follows:

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	2025	Change	2024
Revenues:			
Operating revenues	\$ 2,795,483	\$ 324,617	\$ 2,470,866
Non-operating revenues	2,190,209	233,210	1,957,000
Total Revenues	<u>4,985,692</u>	<u>557,827</u>	<u>4,427,865</u>
Expenses:			
Operating expenses	2,999,764	(230,886)	3,230,651
Depreciation expense	284,598	(13,154)	297,752
Total Expense	<u>3,284,362</u>	<u>(244,040)</u>	<u>3,528,403</u>
Change in Net Position	1,701,330	801,867	899,463
Net Position, Beginning of Year	<u>20,190,108</u>	<u>899,463</u>	<u>19,290,645</u>
Net Position, End of Year	<u>\$ 21,891,437</u>	<u>\$ 1,701,329</u>	<u>\$ 20,190,108</u>

The statement of revenues, expenses, and changes in net position show how the District’s net position changed during the fiscal year.

A closer examination of the sources of changes in net position reveals that:

The District’s net position increased 8.43% or \$1,703,330, to \$21,891,437, from continuing operations.

GRANADA COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2025

The District's total revenues increased 12.60% or \$557,827, to \$4,985,692.

The District's operating revenues increased 13.14% or \$324,617, to \$2,795,483, due to increase of \$306,992 in sewer service charges and an increase of \$17,625 in connection fees. The District's non-operating revenues increased 11.92% or \$233,210, to \$2,190,209, due to increases of \$13,308 in Assessment District revenues, \$159,452 in investment in Sewer Authority Mid-Coastside, \$60,791 in property taxes, and \$17,100 in investment income from the Assessment District, offset by decreases of \$17,441 in other non-operating revenues.

The District's total expenses decreased 6.92% or \$244,040, to \$3,284,362.

The District's operating expenses decreased 7.15% or \$230,886, to \$2,999,764, primarily due to decreases of \$23,700 in Assessment District administrative and general expenses, \$264,908 in parks and recreation, \$4,571 in infrastructure repair costs, and \$7,985 in sewage administration, offset by increases of \$46,155 in administrative and general expenses, and \$24,121 in sewage treatment expenses.

The District's depreciation expenses decreased 4.42% or \$13,154, to \$284,598.

Capital Assets

At the end of fiscal year 2025, the District's investment in capital assets (net of accumulated depreciation), amounted to \$7,391,540. This investment in capital assets includes land, water transmission and distribution systems, buildings and structures, equipment, and vehicles. (See note 4 for further discussion).

The change in capital assets for 2025, was as follows:

	Balance 2024	Additions	Deletions	Balance 2025
Non-depreciable assets	\$ 2,862,979	\$ 72,308	\$ -	\$ 2,935,287
Depreciable assets	12,875,106	35,447	-	12,910,553
Accumulated Depreciation	(8,169,702)	(284,598)	-	(8,454,300)
Total capital assets, net	<u>\$ 7,568,383</u>	<u>\$ (176,843)</u>	<u>\$ -</u>	<u>\$ 7,391,540</u>

Conditions Affecting Current Financial Position

Management is unaware of any conditions which could have a significant impact on the District's current financial position, net position, or operating results in terms of past, present, and future.

**GRANADA COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2025**

Requests for Information

This financial report is designed to provide the District's funding sources, customers, stakeholders, and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's General Manager at 504 Avenue Alhambra, 3rd Floor, P.O. Box 335, El Granada, California 94018.

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BASIC FINANCIAL STATEMENTS

GRANADA COMMUNITY SERVICES DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

Assets

Current Assets:

Cash and cash equivalents	\$ 6,126,649
Cash and cash equivalents - restricted	237,678
Investments - restricted	1,461,425
Accounts receivable	9,883
Lease receivable	64,937
Excess ERAF receivable	298,742
Interest receivable	99
Prepaid expenses	10,572
Total current assets	8,209,985

Non-current Assets:

Investment in Sewer Authority Mid-Coastside	6,610,092
Lease right-of-use asset	84,990
Capital assets not being depreciated	2,935,287
Capital assets being depreciated	4,456,253
Total non-current assets	14,086,622

Total Assets

22,296,607

Deferred outflows of resources

Deferred outflows - pensions	112,280
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Liabilities

Current liabilities:

Accounts payable	167,263
Accrued payroll and payroll liabilities	-
Customer deposits	3,498
Current portion of lease liabilities	58,811
Current portion of compensated absences liability	10,750
Total current liabilities	240,322

Non-current liabilities:

Compensated absences liability	4,303
Lease liabilities - long term	29,588
Net pension liability	180,689
Total liabilities	454,902

Deferred inflows of resources

Deferred inflows - leases	61,937
Deferred inflows - pensions	610
Total deferred inflows of resources	62,547

Net position

Net investment in capital assets	7,391,540
Net investment in other governments	6,610,092
Restricted	1,699,103
Unrestricted	6,190,703
Total Net Position	\$ 21,891,437

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, 2025

Operating revenues:	
Sewer service charges	\$ 2,750,833
Connection fees	44,650
	<hr/>
Total operating revenues	2,795,483
	<hr/>
Operating expenses:	
Sewer Authority Mid-Coastside expenses:	
Sewage administration	353,567
Sewage treatment	796,989
Sewage environmental compliance	47,961
Sewage collection	174,761
Administration and general	963,837
Administration and general - assessment district	52,418
Parks and recreation	28,991
Infrastructure repair costs	581,240
	<hr/>
Total operating expenses	2,999,764
	<hr/>
Operating loss before depreciation	(204,281)
Depreciation expense	(284,598)
	<hr/>
Total operating loss	(488,879)
	<hr/>
Non-operating revenues:	
Property tax revenue - ERAF	562,340
Property tax revenue - parks	909,546
Assessment revenue - assessment district	93,483
Investment revenue - assessment district	25,844
Investment returns (unrealized loss)	226,352
Investment in Sewer Authority Mid-Coastside	214,866
Other revenues	157,778
	<hr/>
Total non-operating revenues	2,190,209
	<hr/>
Change in net position	1,701,330
Beginning net position	18,887,641
	<hr/>
Prior period adjustment	1,302,467
	<hr/>
Beginning net position, restated	20,190,108
	<hr/>
Ending net position	\$ 21,891,437
	<hr/> <hr/>

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, 2025**

Cash flows from operating activities:

Receipts from customers	\$ 2,837,535
Payments to suppliers	(2,676,921)
Payments to employees	(285,532)
Net cash used by operating activities	<u>(124,918)</u>

Cash flows from non-capital financing activities:

Proceeds from property taxes	1,438,302
Proceeds from assessments	119,327
Proceeds from other non-operating revenue, net	157,778
Net cash provided by non-capital financing activities	<u>1,715,407</u>

Cash flows from capital and related financing activities:

Acquisition and construction of capital assets	<u>(107,755)</u>
Net cash used by capital and related financing activities	<u>(107,755)</u>

Cash flows from investing activities:

Proceeds from sale of investments	<u>210,228</u>
Net cash provided by investing activities	<u>210,228</u>

Net increase in cash and cash equivalents	1,692,962
Cash and cash equivalents, beginning of year	<u>4,671,365</u>
Cash and cash equivalents, end of year	<u><u>\$ 6,364,327</u></u>

Reconciliation of cash and cash equivalents to statements of net position:

Cash and cash equivalents	\$ 6,126,649
Cash and cash equivalents - restricted	237,678
Total cash and cash equivalents	<u><u>\$ 6,364,327</u></u>

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

**GRANADA COMMUNITY SERVICES DISTRICT
STATEMENT OF CASH FLOWS, CONTINUED
FOR THE YEAR ENDED
JUNE 30, 2025**

Reconciliation of operating loss to net cash used by operating activities:

Operating loss	\$ (488,879)
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Adjustments to reconcile operating loss to net cash used by operating activities:

Depreciation	284,598
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Change in assets, deferred outflows of resources, liabilities and deferred inflows

of resources:

(Increase) decrease in assets and deferred outflows:

Accounts receivable	47,547
Prepaid expenses	(397)
Lease receivables	(15,676)
Lease right-of-use asset	57,093
Deferred pension outflows	19,138

Increase (decrease) in liabilities and deferred inflows:

Accounts payable	47,073
Accrued payroll and payroll liabilities	(4,516)
Customer deposits and unearned revenue	(3,022)
Compensated absences	3,752
Lease liabilities	(55,517)
Deferred lease inflows	13,203
Net pension liability	(24,137)
Deferred pension inflows	(5,177)

Total adjustments	<u>363,961</u>
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Net cash used by operating activities	<u><u>\$ (124,918)</u></u>
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The accompanying notes are an integral part of these financial statements.

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NOTES TO FINANCIAL STATEMENTS

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
Year Ended June 30, 2025

Note 1 – Reporting Entity and Summary of Significant Accounting Policies

Organization and Operations of the Reporting Entity

The Granada Sanitary District was created in 1958 under the provisions of Section 6400 of the State of California Health and Safety Code. In October of 2014, the District was reorganized as the Granada Community Services District (District) under California Government Code 61000 et seq. The District is responsible for parks, recreation, garbage, and recycling services in the unincorporated areas of El Granada, Princeton, Princeton-by-the-Sea, Clipper Ridge, and Miramar. The District is also responsible for the sewage collection system and disposal in these same unincorporated areas as well as the northern portion of the City of Half Moon Bay. The District is governed by a five-member Board of Directors who serves overlapping four-year terms.

The Assessment District was formed and funded in 1996 for the purpose of providing the District's share of funds for the expansion of the Sewer Authority Mid-Coastside (SAM) Wastewater Treatment Plant. It was created under the Municipal Improvement Act of 1913 and the Improvement Bond Act of 1915 in combination with the Integrated Financing District Act. Although the Assessment District is legally separate, it is included as a blended component unit of the District, as it is in substance part of the District's operations.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Standards Board Statement No. 61, *The Financial Reporting Entity*. The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

Basis of Accounting and Measurement Focus

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing sewer service to its service area on a continuing basis be financed or recovered primarily through user charges (sewer service charge), connection fees, and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as sewage administration, treatment, environmental compliance, and collection, result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
Year Ended June 30, 2025

Note 1 – Reporting Entity and Summary of Significant Accounting Policies – continued

Financial Reporting

The District's basic financial Statement have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the District's proprietary fund.

Use of Estimates

The preparation of the basic financial Statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources; and disclosures of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements, and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Substantially all of the District's cash is invested in interest bearing accounts. The District considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Investments

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset, as follows:

- **Level 1:** Valuation level is based on quoted prices in active markets for identical assets. The District currently holds money market mutual fund investments valued at this level.
- **Level 2:** Valuation level is based on directly observable and indirectly observable inputs. These inputs are derived principally from or corroborated by observable market data through correlation or market-corroborated inputs. The concept of market-corroborated inputs incorporates observable market data such as interest rates and yield curves that are observable at commonly quoted intervals. The District does not currently hold any investments valued at this level.

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
Year Ended June 30, 2025

Note 1 – Reporting Entity and Summary of Significant Accounting Policies – continued

Fair Value Measurements – continued

- **Level 3:** Valuation level is based on unobservable inputs where assumptions are made based on factors such as prepayment rates, probability of defaults, loss severity, and other assumptions that are internally generated and cannot be observed in the market. The District does not currently hold any investments valued at this level.

The District’s investment in LAIF is valued at amortized cost therefore the District has determined it does not meet fair value measurement criteria.

Accounts Receivable

The District extends credit to sewer service customers in the normal course of operations. Sewer service charges are billed on the County of San Mateo tax roll.

Property Taxes and Assessments

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. In 1993, the County adopted the alternative method of secured property tax apportionment available under Chapter 3, Part 8, Division 1 (commencing section 4701) of the Revenue and Taxation Code of the State (also known as the “Teeter Plan”). This alternative method provides for funding each taxing entity included in the Teeter Plan with its total secured property taxes during the year the taxes are levied, including any amount uncollected at fiscal year-end.

Under this plan, the Counties assume an obligation under a debenture or similar demand obligation to advance funds to cover expected delinquencies, and by such financing, Granada Community Services District receives the full amount of secured property taxes levied each year and, therefore, no longer experiences delinquent taxes. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations.

Property taxes receivable at year-end are related to property taxes collected by the County of San Mateo, which have not been credited to the District’s cash balance as of June 30. 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.

The property tax calendar is as follows:

Lien date	March 1
Levy date	July 1
Due dates	November 1 and March 1
Collection dates	December 10 and April 10

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
Year Ended June 30, 2025

Note 1 – Reporting Entity and Summary of Significant Accounting Policies – continued

Prepaid Expenses

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial Statement.

Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$25,000. Donated assets are recorded at estimated fair market value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Sewer Collection System – 33 to 50 years
- Equipment – 5 years

Compensated Absences

The District’s policy is to permit employees to accumulate earned vacation and sick. Vacation accruals are capped at 50 days. Upon termination of employment, employees are paid all unused accrued vacation. Employees will accrue 4 hours of paid sick leave per pay period. Sick accruals are capped at 20 days. No compensation will be paid for accrued sick leave upon termination of employment.

Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pension, and pension expense, information about the fiduciary net position of the District’s California Public Employees’ Retirement System (CalPERS) plans (Plans) and addition to/deduction from the Plans’ fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following time frames are used:

- Valuation date: June 30, 2023
- Measurement date: June 30, 2024
- Measurement period: July 1, 2023 to June 30, 2024

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
Year Ended June 30, 2025

Note 1 – Reporting Entity and Summary of Significant Accounting Policies – continued

Deferred Inflows of Resources

Deferred inflows of resources represent the acquisition of resources applicable to future periods.

Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of resources applicable to future periods.

Net Position

The District follows the financial reporting requirements of the GASB and reports net position under the following classifications:

- *Net investment in capital assets* – Includes the capital assets, net of accumulated depreciation, and reduced by any debt outstanding against the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt, are included in this component of net position.
- *Restricted* – Includes the assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through enabling legislation.
- *Unrestricted* – Includes the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of *the net investment in capital assets* or *restricted* components of net position.

Adoption of New Accounting Statement

Governmental Accounting Standards Board Statement No. 101

In June 2022, the GASB issued Statement No. 101 – Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means.

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
Year Ended June 30, 2025

Note 1 – Reporting Entity and Summary of Significant Accounting Policies – continued

Adoption of New Accounting Statement – continued

A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

The Districted adopted this statement as of July 1, 2024.

Governmental Accounting Standards Board Statement No. 102

In December 2023, the GASB issued Statement No. 102 – Certain Risk Disclosures. The primary objective of this Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial Statement are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

The Districted adopted this statement as of July 1, 2024.

Future Accounting Statement

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to the report date, that have effective dates that may impact future financial presentations.

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
Year Ended June 30, 2025

Note 1 – Reporting Entity and Summary of Significant Accounting Policies – continued

Future Accounting Statement – continued

Governmental Accounting Standards Board Statement No. 103

In April 2024, the GASB issued Statement No. 103 – Financial Reporting Model Improvements. The primary objective of this Statement is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government’s accountability. Also, this Statement: (1) continues the requirement that the basic financial Statement be preceded by management’s discussion and analysis (MD&A), which is presented as required supplementary information (RSI); (2) describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence; (3) requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses; (4) requires governments to present each major component unit separately in the reporting entity’s statement of net position and statement of activities if it does not reduce the readability of the Statement; and (5) requires governments to present budgetary comparison information using a single method of communication—RSI.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 104

In September 2024, the GASB issued Statement No. 104 – Disclosure of Certain Capital Assets. The primary objective of this Statement is to provide users of government financial Statement with essential information about certain types of capital assets. This Statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, Basic Financial Statement and Management’s Discussion and Analysis for State and Local Governments. Also, this Statement establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this Statement apply to the financial Statement of all state and local governments.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
Year Ended June 30, 2025

Note 2 – Cash and Investments

Cash and cash equivalents as of June 30, 2025, are reported in the accompanying financial Statement as follows:

	2025
Cash and cash equivalents	\$ 6,126,649
Cash and cash equivalents - restricted	237,678
Investments - restricted	1,461,425
	\$ 7,825,752

Cash and cash equivalents as of June 30, 2025, consist of the following:

	2025
Cash on hand	\$ 226
Deposits with financial institutions	434,374
Investments	7,391,152
	\$ 7,825,752

Investments Authorized by the California Government Code and the District’s Investment Policy

The table below identifies the investment types that are authorized by the District in accordance with the California Government Code (or the District’s investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District’s investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the Project, rather than the general provisions of the California Government Code or the District’s investment policy.

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
Year Ended June 30, 2025

Note 2 – Cash and Investments – continued

Investments Authorized by the California Government Code and the District’s Investment Policy – continued

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio *	Maximum Investment in One Issuer
State and Local Agency Bonds	5 years	100%	None
U.S. Treasury Obligations	5 years**	100%	None
U.S. Government Agency Securities	5 years**	100%	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase agreements	1 year	100%	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
California Local Agency Investment Fund (LAIF)	N/A	100%	None
Beneficial Interest of a Joint Power Authority	N/A	100%	None

* Excluding amounts held by bond trustee that are not subject to California Government Code.

** Except when authorized by the District's legislative body in accordance with Government Code

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District’s investment in this pool is reported in the accompanying financial Statement at amounts based upon the District’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The pool portfolio is invested in a manner that meets the maturity, quality, diversification, and liquidity requirements set forth by GASB 79 for external investments pools that elect to measure, for financial reporting purposes, investments at amortized cost. LAIF does not have any legally binding guarantees of share values. LAIF does not impose liquidity fees or redemption gates on participant withdrawals.

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
Year Ended June 30, 2025

Note 2 – Cash and Investments – continued

Custodial Credit Risk

The custodial credit risk for *deposits* is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

The California Government Code 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 public agencies. As of June 30, 2025, \$250,000 of the District's bank balance is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

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. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide requirements for cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity date.

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
Year Ended June 30, 2025

Note 2 – Cash and Investments – continued

Interest Rate Risk – continued

Maturities of investments at June 30, 2025 consisted of the following:

Investment Type	Total	Remaining Maturity 12 months or less
Local Agency Investment Fund (LAIF)	\$ 9,071	\$ 9,071
Money Market Mutual Funds	1,461,425	1,461,425
CalTRUST Liquidity Fund	5,920,656	5,920,656
Total	\$ 7,391,152	\$ 7,391,152

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. Per the District’s investment policy, credit risk is mitigated by investing in safe securities, and diversifying the investment portfolio so the failure of one issuer would not materially affect the District’s cash flow. Presented below is the minimum rating required by (where applicable) the California Government Code, the District’s investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Credit ratings of investments as of June 30, 2025 were as follows:

Investment Type	Total	Minimum Legal Rating	Rating as of Year-End		
			Moody's Rating Aa3	S&P Rating AAAm	Not Rated
Local Agency Investment Fund (LAIF)	\$ 9,071	N/A	\$ -	\$ -	\$ 9,071
Money Market Mutual Funds	1,461,425	N/A	1,461,425	-	-
CalTRUST Liquidity Fund	5,920,656	N/A	-	5,920,656	-
Total	\$ 7,391,152	N/A	\$ 1,461,425	\$ 5,920,656	\$ 9,071

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
Year Ended June 30, 2025

Note 2 – Cash and Investments – continued

Concentration of Credit Risk

The District’s investment policy contains various limitations on the amounts that can be invested in any one governmental agency or non-governmental issuer as stipulated by the California Government Code. The District’s deposit portfolio with governmental agencies, LAIF, is 0.12% as of June 30, 2025, of the District’s total depository and investment portfolio.

Fair Value Measurements

As of June 30, 2025, the District held investments in LAIF, money market mutual funds, and CalTrust liquidity funds. All these investment types are not subject to fair value hierarchy.

Note 3 – 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, 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.

The following is a summary of financial information of the Authority from its June 30, 2025 audited financial Statement:

Condensed Statement of Net Position

Assets:	
Current assets	\$ 3,473,435
Non-current assets	24,002,554
Total Assets	27,475,989
Deferred Outflows of Resources	1,317,360
Liabilities:	
Current liabilities	1,033,536
Non-current liabilities	4,951,801
Total Liabilities	5,985,337
Deferred Inflows of Resources	400,922
Net Position:	
Net investment in capital assets	23,884,068
Unrestricted (Deficit)	(1,476,978)
Total Net Position	\$ 22,407,090

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
Year Ended June 30, 2025

Note 3 - Investment in Sewer Authority Mid-Coastside – continued

Condensed Statement of Changes in Net Position for the year ended June 30, 2025

Revenues:	
Operating revenues	\$ 7,260,463
Non-operating revenues	81,566
Total Revenues	7,342,029
Expenses:	
Operating expenses	8,075,070
Depreciation expense	1,926,047
Total Expense	10,001,117
Net loss before capital contributions	(2,659,088)
Capital contributions	3,387,448
Change in Net Position	728,360
Net Position, Beginning of Year	21,678,730
Net Position, End of Year	\$ 22,407,090

Each member's ownership at June 30, 2025 was as follows:

	Ownership Percentage	Fair Value of Investment
City of Half Moon Bay	50.5%	\$ 11,315,580
Granada Community Services District	29.5%	6,610,092
Montara Sanitary District	20.0%	4,481,418
	100.0%	\$ 22,407,090

For the fiscal year ended June 30, 2025, the District's investment in the Authority increased by \$214,866. This increase is included in the Statement of Revenues, Expenses, and Changes in Net Position.

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
Year Ended June 30, 2025

Note 3 - Investment in Sewer Authority Mid-Coastside – continued

Total payments made to the Authority for operations, treatment, environmental compliance, collections, and infrastructure repair costs for the fiscal year ended June 30, 2025 are as follows:

Sewage administration	\$ 353,567
Sewage treatment	796,989
Sewage environmental compliance	47,961
Sewage collection	174,761
Infrastructure repair costs	581,240
Total	<u>\$ 1,954,518</u>

Audited financial Statement of the Authority for the year ended June 30, 2025 are available at its office in Half Moon Bay, California. The calculation of the change in investment in the District’s percentage share of the Sewer Authority Mid-Coastside as of June 30, 2025, were as follows:

Sewer Authority Mid-Coastside change in net position	\$ 728,360
District's ownership percentage	29.50%
Increase in investment in Sewer Authority Mid-Coastside	<u>214,866</u>
Investment in Sewer Authority Mid-Coastside, beginning	<u>6,395,226</u>
Investment in Sewer Authority Mid-Coastside, ending	<u>\$ 6,610,092</u>

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
Year Ended June 30, 2025

Note 4 – Capital Assets

Changes in capital assets for 2025 were as follows:

	<u>June 30, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2025</u>
Non-depreciable assets:				
Land	\$ 2,862,979	\$ -	\$ -	\$ 2,862,979
Construction in progress	-	72,308	-	72,308
Total non-depreciable assets	<u>2,862,979</u>	<u>72,308</u>	<u>-</u>	<u>2,935,287</u>
Depreciable assets:				
Sewer Collection System	12,833,176	35,447	-	12,868,623
Equipment	41,930	-	-	41,930
Total depreciable assets	<u>12,875,106</u>	<u>35,447</u>	<u>-</u>	<u>12,910,553</u>
Accumulated depreciation	<u>(8,169,702)</u>	<u>(284,598)</u>	<u>-</u>	<u>(8,454,300)</u>
Total depreciable assets, net	<u>4,705,404</u>	<u>(249,151)</u>	<u>-</u>	<u>4,456,253</u>
Total capital assets, net	<u>\$ 7,568,383</u>	<u>\$ (176,843)</u>	<u>\$ -</u>	<u>\$ 7,391,540</u>

Major capital assets additions during the fiscal year ended 2025 consists of additions to the sewer collection system. Depreciation expenses were charged to the District's sewer and parks fund.

Note 5 – Compensated Absences

Changes in compensated absences were as follows:

<u>June 30, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2025</u>	<u>Current Portion</u>
<u>\$ 11,301</u>	<u>\$ 3,752</u>	<u>\$ -</u>	<u>\$ 15,053</u>	<u>\$ 10,750</u>

GRANADA COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

Year Ended June 30, 2025

Note 6 – Defined Benefit Pension Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Pension Plan (Plan or PERF C) administered by the California Public Employees’ Retirement System (CalPERS). The Plan consists of a miscellaneous risk pool and a safety risk pool, which are comprised of individual employer miscellaneous and safety plans, respectively. Benefit provisions under the Plan are established by State statute and the District’s resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on CalPERS website or may be obtained from their executive office at 400 P Street, Sacramento, California 95814.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. Cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law. On September 12, 2012, the California Governor signed the California Public Employees’ Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. The new legislation closed the District’s CalPERS 2.0% at 55 Risk Pool Retirement Plan to new employee entrants, not previously employed by an agency under CalPERS, effective December 31, 2012. All employees hired after January 1, 2013, are eligible for the District’s CalPERS 2.0% at 62 Retirement Plan under PEPRA. The District participates in the Plan’s miscellaneous risk pool. The provisions and benefits for the Plan’s miscellaneous pool in effect as of June 30, 2025, are summarized as follows:

	2025	
	New Classic	PEPRA
Hire Date	Prior to December 31, 2012	On or after January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	
Benefit payments	monthly for life	
Retirement age	50 - 55	52 - 62
Monthly benefits, as a % of eligible compensation	2.00%	2.00%
Required employee contribution rates	6.92%	7.75%
Required employer contribution rates	11.84%	7.68%

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
Year Ended June 30, 2025

Note 6 – Defined Benefit Pension Plans – continued

Contributions

Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1, following notice of a change in rate. Funding contribution for the Plan is determined annually on an actuarial basis as of June 30, 2025, by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the years ended June 30, 2025, the District’s employer contributions reduced its net pension liability as follows:

	2025
Employer contributions	\$ 59,086

Net Pension Liability

As of the fiscal year ended June 30, 2025, the District reported net pension liabilities for its proportionate share of the net pension liability of the Plan as follows:

	2025
Proportionate share of net pension liability	\$ 180,689

The District’s net pension liability for the Plan is measured as the proportionate share of the net pension liability for the miscellaneous risk pool. As of June 30, 2025, the net pension liability of the Plan is measured as of June 30, 2024 (the measurement date). The total pension liability for the Plan’s miscellaneous risk pool used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 (the valuation date), rolled forward to June 30, 2024, using standard update procedures.

The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
Year Ended June 30, 2025

Note 6 – Defined Benefit Pension Plans – continued

Net Pension Liability – continued

The District’s changes in proportionate share of the net pension liability for the Plan’s miscellaneous risk pool as of the fiscal year ended June 30, 2025 with measurement date June 30, 2024 are as follows:

	2025
Proportion - beginning of year	0.004100%
Change in proportionate share	-0.000360%
Proportion - end of year	0.003740%

Deferred Pension Outflows (Inflows) of Resources

For the year ended June 30, 2025, the District recognized pension expense of \$52,484. As of the fiscal year ended June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

Description	2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 59,036	\$ -
Differences between actual and expected experience	15,622	(610)
Changes in assumptions	4,644	-
Difference between projected and actual earnings on plan investments	10,402	-
Differences between employer's contributions and proportionate share of contributions	22,576	-
Total	\$ 112,280	\$ (610)

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
Year Ended June 30, 2025

Note 6 – Defined Benefit Pension Plans – continued

Deferred Pension Outflows (Inflows) of Resources – continued

As of June 30, 2025, the District reported \$59,036, as deferred outflows related to pension contributions subsequent to the measurement date June 30, 2024, will be/were recognized as a reduction of the net pension liability for the fiscal year ended June 30, 2026.

For the years ended June 30, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

Fiscal Year Ending June 30,	Deferred Net Outflows (Inflows) of Resources
2026	\$ 20,323
2027	31,263
2028	4,613
2029	(3,565)
	\$ 52,634

Actuarial Assumptions

The total pension liabilities in the June 30, 2025, actuarial valuations were determined using the following actuarial assumptions:

The following is a summary of the actuarial assumptions and methods:

Valuation dates	June 30, 2023
Measurement dates	June 30, 2024
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies by Entry Age and Service
Investment rate of return	6.90% net of pension plan investment and administration expenses; includes inflation
Mortality Rate Table*	Derived using CalPERS membership data for all funds
Period upon which actuarial experience survey assumptions were based	1997-2015
Post retirement benefit	COLA up to 2.30% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
Year Ended June 30, 2025

Note 6 – Defined Benefit Pension Plans – continued

Actuarial Assumptions – continued

* The mortality table used was developed based on CalPERS specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90 percent of scale MP 2016. For more details on this table, please refer to the December 2017, experience study report (based on CalPERS demographic data from 1997 to 2015) available online on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2025, for the PERF C was 6.90% for both years. This discount rate is not adjusted for administrative expenses.

The PERF C fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return for those pension plan's investments were applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical and forecasted information for all funds' asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long term (11+ years) using a building-block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
Year Ended June 30, 2025

Note 6 – Defined Benefit Pension Plans – continued

Discount Rate – continued

The table below reflects long-term expected real rates of return by asset class. The rates of return were calculated using the capital market assumptions applied to determine the discount rate.

Asset Class	Asset Allocation	Real Return Years 1-10
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	27.00%
Mortgage-backed Securities	5.00%	50.00%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
	<u>100.00%</u>	

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

The following table presents the District’s proportionate share of the net position liability for the Plan calculated using the discount rate, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower or one-percentage point higher than the current rate.

As of June 30, 2025, the discount rate comparison is as follows:

	Discount Rate - 1% 5.90%	Current Discount Rate 6.90%	Discount Rate + 1% 7.90%
District's net pension liability	<u>\$ 336,970</u>	<u>\$ 180,698</u>	<u>\$ 52,047</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in separately issued CalPERS financial reports. See the Required Supplementary Information.

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
Year Ended June 30, 2025

Note 7 – Net Position

Calculation of net position as of June 30, 2025, was as follows:

	2025
Net investments in capital assets:	
Capital assets - not being depreciated	\$ 2,935,287
Capital assets - being depreciated	4,456,253
Total net investments in capital assets	7,391,540
Net investments in other governments:	
Investment in Sewer Authority Mid-Coastside	6,610,092
Total net investments in other governments	6,610,092
Restricted - assessment district:	
Cash and cash equivalents - restricted	237,678
Investments - restricted	1,461,425
Total restricted net position	1,699,103
Unrestricted net position:	
Non-spendable net position:	
Prepaid expenses	10,572
Total non-spendable net position	10,572
Spendable net position:	
Unrestricted	6,190,703
Total spendable net position	6,190,703
Total net position	\$ 21,902,010

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
Year Ended June 30, 2025

Note 8 – Leasing Activities

District as Lessor

The District acts as a lessor for a noncancellable lease of property. In January 2025, the District and the lessee mutually agreed to terminate the existing lease, which had a remaining term of 3 months. The lessee and the District simultaneously entered into a new lease agreement for the same space with revised terms.

At the date of termination, the carrying value of the lease receivable was \$14,919, and the related deferred inflow of resources was \$14,620. Upon termination, both the lease receivable and deferred inflow of resources were eliminated. The difference of \$299 was recognized as a loss in the Statement of Revenues, Expenditures, and Changes in Net Position

The new lease agreement was executed effective February 1, 2025 with a lease term of 16 months with a set monthly payment of \$6,000. There are no renewal or purchase options, residual value guarantees or termination penalties included in this lease.

At lease commencement, the District recognized a new lease receivable and deferred inflow of resources, measured at the present value of the new lease payments, discounted at the District's approximated incremental borrowing rate of 3.26%. The total recognized as lease receivable and deferred inflow of resources was \$90,090.

During the year ended June 30, 2025, the District recognized the following inflows of resources from leases:

Lease revenue	\$ 59,495
Interest revenue	1,505
Total lease payments	\$ 61,000

The following table presents the future payments to be received under lease agreements as of June 30, 2025:

	Principal	Interest	Total
2026	\$ 64,937	\$ 1,063	\$ 66,000

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
Year Ended June 30, 2025

Note 8 – Leasing Activities – continued

District as Lessee

Lease agreements in which the District acts as lessee are summarized as follows:

Description	Date	Payment Term	Payment Amount	Interest Rate	Total Lease Liability	Balance June 30, 2025
Office lease	12/1/2023	36	Variable	2.82%	\$ 163,701	\$ 80,526
Copy machine	8/17/2023	60	\$ 198	2.77%	11,114	7,018
Postage machine	4/18/2023	60	\$ 81	2.77%	1,515	855
					<u>\$ 176,330</u>	<u>\$ 88,399</u>

The office space was leased for the District’s main office, beginning on December 1, 2023 for a term of three years at a fixed interest rate of 2.82%. This lease is renewable for two additional three-year terms. These additional terms have not been included in the value of the lease liability due to the uncertainty of the exercising of those options.

The copy machine was leased for use in the District’s main office, beginning on August 17, 2023 for a term of five years at a fixed interest rate of 2.77%. This lease is not renewable and has no residual value

The postage machine was leased for use in the District’s main office, beginning on April 18, 2023 for a term of five years at a fixed interest rate of 2.77%. This lease is not renewable and has no residual value.

The lease assets related to these leases as of June 30, 2025 were as follows:

Right-of-use assets	\$ 176,330
less accumulated amortization	<u>(91,340)</u>
Net Right-of-use assets	<u>\$ 84,990</u>

The future principal and interest payments as of June 30, 2025 were as follows:

	Principal	Interest	Total
2026	\$ 58,811	\$ 1,741	\$ 60,552
2027	26,814	286	27,100
2028	2,576	44	2,620
2029	198	-	198
Total	<u>\$ 88,399</u>	<u>\$ 2,071</u>	<u>\$ 90,470</u>

GRANADA COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

Year Ended June 30, 2025

Note 9 – Prior Period Adjustments

In fiscal year 2025, the District determined it did not properly record lease transactions for the fiscal year ended 2024. Additionally, the District found that it had improperly calculated the investment in Sewer Authority Mid-Coastside in prior years. As a result, the District restated its net position in the amount of \$1,302,467 as of June 30, 2024.

The adjustments to net position were as follows:

Net position at June 30, 2024, as previously stated:	\$ 18,887,641
Effect of adjustment to record lease transactions	(1,305)
Effect of adjustment to Sewer Authority Mid-Coastside	<u>1,303,772</u>
Net position at June 30, 2024, as restated:	<u>\$ 20,190,108</u>

Note 10 – Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is insured for a variety of potential exposures. The following is a summary of the insurance policies carried by the District as of June 30, 2025:

General and auto liability, employment practices liability, and public officials and employees' errors and omissions: Total risk financing self-insurance and reinsurance/excess limits of \$10,000,000, combined single limit per occurrence.

Public Officials and Management Liability up to \$1,000,000 per loss, including wrongful acts, employment practices, privacy and network security, subject to a \$2,500 deductible per loss. Property losses are paid at the replacement cost for buildings, fixed equipment, and personal property on file, subject to a \$5,000 deductible per loss.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years, and there were no reductions in the District's insurance coverage during the fiscal year ended June 30, 2025. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred, but not reported (IBNR). There were no IBNR claims payable as of June 30, 2025.

Note 11 – Commitments and Contingencies

Grant Awards

Grant funds received by the District are subject to audit by grantor agencies. Such audit could lead to requests for reimbursements to grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
Year Ended June 30, 2025

Note 11 – Commitments and Contingencies – continued

Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

Note 12 – Subsequent Events

Events occurring after June 30, 2025, have been evaluated for possible adjustment to the financial Statement or disclosure as of March 19, 2026, which is the date the financial Statement were available to be issued. There were no events subsequent to the financial statement date that required additional adjustment or disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

DRAFT 2/24/26 DRAFT

GRANADA COMMUNITY SERVICES DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
For The Year Ended June 30, 2025

Last 10 Fiscal Years

Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
District's proportion of the net pension liability	0.003740%	0.001642%	0.001606%	0.001601%	0.001658%
District's proportionate share of the net pension liability	\$180,689	\$ 204,826	\$ 185,455	\$ 86,607	\$ 180,448
District's covered employee payroll	230,000	227,028	203,382	169,431	329,968
District's proportionate share of the net pension liability as a percentage of its covered payroll	78.56%	90.22%	91.19%	106.50%	174.90%
District's proportionate share of fiduciary net position as a percentage of total pension liability	84.40%	76.21%	76.68%	88.29%	75.10%

Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
District's proportion of the net pension liability	0.001732%	0.001806%	0.001873%	0.001969%	0.002215%
District's proportionate share of the net pension liability	\$ 177,495	\$ 174,065	\$ 185,779	\$ 170,410	\$ 152,020
District's covered employee payroll	353,350	284,461	260,629	283,860	107,294
District's proportionate share of the net pension liability as a percentage of its covered payroll	154.13%	197.52%	192.25%	174.50%	155.05%
District's proportionate share of fiduciary net position as a percentage of total pension liability	75.26%	75.26%	73.31%	74.06%	78.40%

GRANADA COMMUNITY SERVICES DISTRICT
Schedule of Pension Plan Contributions
For The Year Ended June 30, 2025

Last 10 Fiscal Years

Measurement Date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Actuarially determined contribution	\$ 59,036	\$ 50,822	\$ 52,802	\$ 52,743	\$ 41,518
Total actual contributions	(59,036)	(50,822)	(52,802)	(52,743)	(41,518)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 230,000	\$ 227,028	\$ 203,382	\$ 127,025	\$ 169,431
Contributions as a percentage of covered employee payroll	25.67%	22.39%	25.96%	41.52%	24.20%

Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Actuarially determined contribution	\$ 45,198	\$ 41,490	\$ 37,399	\$ 34,626	\$ 36,192
Total actual contributions	(45,198)	(41,490)	(37,399)	(34,626)	(36,192)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 158,369	\$ 141,194	\$ 145,389	\$ 87,196	\$ 108,447
Contributions as a percentage of covered employee payroll	20.00%	22.84%	23.56%	20.66%	7.99%

GRANADA COMMUNITY SERVICES DISTRICT
Schedule of Pension Plan Contributions
For The Year Ended June 30, 2025

Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Methods and assumptions used to determine contribution rates:					
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Market value	Market value	Market value	Market value	Market value
Inflation	2.300%	2.300%	2.300%	2.300%	2.500%
Salary increases	(2)	(2)	(2)	(2)	(2)
Investment rate of return	6.90% (3)	6.90% (3)	6.90% (3)	6.90% (3)	7.150% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed

(2) Depending on age, service, and type of employment

(3) Net of pension plan investment expense, including

(4) 50 for all plans with exception of 52 for Miscellaneous 2% @ 62

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

GRANADA COMMUNITY SERVICES DISTRICT
Schedule of Pension Plan Contributions
For The Year Ended June 30, 2025

Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Methods and assumptions used to determine contribution rates:					
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Market value	Market value	Market value	Market value	Market value
Inflation	2.500%	2.625%	2.750%	2.750%	2.750%
Salary increases	(2)	(2)	(2)	(2)	(2)
Investment rate of return	7.000% (3)	7.250% (3)	7.375% (3)	7.500% (3)	7.500% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed

(2) Depending on age, service, and type of employment

(3) Net of pension plan investment expense, including

(4) 50 for all plans with exception of 52 for Miscellaneous 2% @ 62

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

OTHER REPORT

DRAFT 2/24/26 DRAFT

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

Board of Directors
Granada Community Services District
El Granada, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Granada Community Services District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Granada Community Services District's basic financial statements, and have issued our report thereon dated March 19, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Board of Directors
Granada Community Services District
El Granada, California

Report on Compliance and Other Matters

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

Purpose of This Report

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

Fechter & Company
Certified Public Accountants

Sacramento, California
March 19, 2026



GRANADA COMMUNITY SERVICES DISTRICT

Board of Directors

Barbara Dye, President
Wanda Bowles, Vice President
Matt Allen, Director
Nancy Marsh, Director
Jen Randle, Director

March 19, 2026

Fechter & Company
Certified Public Accountants
3445 American River Drive, Suite A
Sacramento, California 95864

This representation letter is provided in connection with your audit(s) of the financial statements of Granada Community Services District, which comprise the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures (collectively, the “financial statements”), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of March 19, 2026, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 16, 2025, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.

- 8) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the accounts. These adjustments are listed in Appendix A.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the District and involves—
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the District’s financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the names of the District’s related parties and all the related party relationships and transactions, including any side agreements.

Government-specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 21) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 22) The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.

- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 24) We have appropriately identified, recorded, and disclosed all leases in accordance with [GASB Statement \(GASBS\) No. 87](#).
- 25) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 26) We have appropriately measured, recorded, and disclosed compensated absences and other salary-related payments in accordance with [GASBS No. 101](#).
- 27) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 28) As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.
- 29) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 30) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 31) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 32) The financial statements properly classify all funds and activities in accordance with [GASBS No. 34](#), as amended.
- 33) All funds that meet the quantitative criteria in [GASBS Nos. 34](#) and [37](#) for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 34) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 35) Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
- 36) Provisions for uncollectible receivables have been properly identified and recorded.
- 37) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 38) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 39) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 40) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.
- 41) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.

- 42) We have appropriately disclosed the District’s policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 43) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 44) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

Signature: _____
Title: General Manager

Signature: _____
Title: Asst. General Manager

Appendix A

Account	Description	Debit	Credit	Net Income Effect
AJE.01				
To true-up investment in SAM				
3000	3000 Net Position - Unrestricted	0.00	1,303,772.35	
1750	1750 Investment in SAM	1,518,638.55	0.00	
8100	8100 Net Change in Equity of SAM	0.00	214,866.20	
Total		1,518,638.55	1,518,638.55	214,866.20
AJE.02				
To record fixed asset addition				
7999	7999 Capital Projects:Transfer to CIP	0.00	35,448.00	
1620	1620 Collections System	35,448.00	0.00	
Total		35,448.00	35,448.00	35,448.00
AJE.03				
PBC Entry to Record Lease Activity				
2500	2500 Lease payable	55,517.00	0.00	
1625	1625 ROU Asset	0.00	57,093.00	
1810	1810 Lease receivable - Coastside Kids	15,676.00	0.00	
2998	2998 Deferred Inflows	0.00	13,203.00	
4185	4185 Non Operating Revenue:Lease Revenue	0.00	1,267.00	
4186.1	4186 Interest Revenue - Leases - Sewer	0.00	1,129.00	
4186.2	4186 Interest Revenue - Leases - Parks	0.00	376.00	
8205.1	8205 Interest Expense - Sewer	2,512.00	0.00	
8205.2	8205 Interest Expense - Parks	837.00	0.00	
6120	6120 Administration:Office Lease	0.00	1,474.00	
2500.1	Current portion of lease liabilities	0.00	58,811.00	
2500.2	Contra: Current Portion of Lease Liabilities	58,811.00	0.00	
Total		133,353.00	133,353.00	897.00
GRAND TOTAL		1,687,439.55	1,687,439.55	251,211.20



SEWER AUTHORITY MID-COASTSIDE

Board of Directors Meeting Agenda

Regular Board Meeting 7:00 PM, Monday, March 9, 2026

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

This meeting will be held in-person and via zoom for public participation.

Access to this meeting will be available to the public via in person attendance, or by either computer web-link or telephone audio as noted below.

Join Zoom Meeting

<https://us02web.zoom.us/j/85709701012?pwd=kSIMQA0TWtDMgJrMUkKb2UQlrBDuQF.1>

Meeting ID: 857 0970 1012

Passcode: 193591

One tap mobile

+16694449171,

Please note that this meeting will be held in person at the SAM Administration Building. As a convenience for the public, the meeting may also be accessed by Zoom Webinar and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting, and the Zoom component is not otherwise legally required, but rather is being offered as a convenience to the public, if there are technical issues during the meeting, this meeting will continue and will not be suspended. SAM Board meetings are conducted as business meetings, and public commenters are reminded to comment in a manner respectful of all persons, and on subject matter that is germane to the Board's business. Persons who fail to adhere to this expectation are subject to muting of their microphones and/or removal from the meeting in the event of disruptive behavior. If you have a disability and require special assistance related to participating in this meeting, please contact the Authority at least two working days in advance of the meeting at (650) 726-0124 or via email at kishen@samcleanswater.org.

1. CALL TO ORDER

A. Roll Call:	Chair:	Kathryn Slater-Carter (MWSD)
	Vice-Chair:	Nancy Marsh (GCSD)
	Secretary/Treasurer:	Paul Nagengast (HMB)
	Director:	Scott Boyd (MWSD)
	Director:	Barbara Dye (GCSD)
	Director:	Deborah Ruddock (HMB)

2. PUBLIC COMMENT / ORAL COMMUNICATION/ ITEMS NOT ON THE AGENDA

Members of the public are welcome to provide public comment in person, or via computer web-link/telephone on items not on the agenda at this time. Members of the public may also comment via e-mail by sending email comments to kishen@samcleanswater.org. All comments submitted prior to 7 pm on March 9, 2026, will be read out loud during the discussion of the respective item(s) identified in the e-mail; written comments without such identification shall be read during this Item. Members of the public may also provide comments in person, telephonically, or electronically on individual items on the agenda following recognition by the Board Chair presiding over the meeting.

3. CONSENT AGENDA *(Consent items are considered routine and will be approved/ adopted by a single motion and vote unless a request for removal for discussion or explanation is received from the public or Board.)*

- A. Approve Minutes of January 26, 2026, Regular Board Meeting and Approve Minutes of February 23, 2026, Regular Board Meeting (**Attachment**)
- B. Approve Disbursements for March 9, 2026 (**Attachment**)

4. REGULAR BUSINESS *(The Board will discuss, seek public input, and possibly take action on the following items)*

- A. Discuss Proposed Contract Collection Services Budget for FY 2026/27 and Authorize the General Manager to Submit it to the Member Agencies for Approval (**Attachment**)
- B. Discuss Proposed General Budget for FY 2026/27 and Authorize the General Manager to Submit it to the Member Agencies for Approval (**Attachment**)
- C. Discuss of Real Estate Issues Pertaining to the SAM Plant Site. (**Attachment**)

5. GENERAL MANAGER’S REPORT

6. ATTORNEY’S REPORT

7. DIRECTORS’ REPORT

8. TOPICS FOR FUTURE BOARD CONSIDERATION (**Attachment**)

9. CONVENE IN CLOSED SESSION *(Items discussed in Closed Session comply with the Ralph M. Brown Act.)*

10. CONVENE IN OPEN SESSION *(Report Out on Closed Session Items)*

11. ADJOURNMENT

Upcoming Regular Board Meetings: March 23, 2026, and April 13, 2026

The meeting will end by 9:00 p.m. unless extended by Board vote.

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. The Board Chair will recognize those wishing to speak on a matter listed on the Agenda 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 Authority's office. Board meetings are accessible to people with disabilities. Upon request, the Authority will make this agenda available in appropriate alternative formats to persons with a disability. In compliance with the Americans with Disabilities Act, the Authority will provide special assistance for participation in this meeting. Please submit requests for a disability-related modification or an accommodation in order to participate in the public meeting at least two working days in advance of the meeting by contacting the Authority at (650) 726-0124.

MINUTES
SAM BOARD OF DIRECTORS' MEETING
Regular Board Meeting 7:00 PM, Monday, February 23, 2026

1. CALL TO ORDER

Chair Slater-Carter called the meeting to order at 7:01 p.m. at the SAM Administration Building, located at 1000 N. Cabrillo Highway, Half Moon Bay, CA 94019

A. Roll Call

Directors, Dye, Ruddock, Boyd, Nagengast, Marsh, and Slater-Carter were present, also present were General Manager Prathivadi, Finance Officer George Evans, Plant Superintendent Tim Costello, and General Counsel Jeremy Jungreis.

2. PUBLIC COMMENT/ORAL COMMUNICATION/ITEMS NOT ON THE AGENDA

Slater-Carter stated the City of Half Moon Bay has decided not to appeal the most recent court decision Case No. H049896 City of Half Moon Bay v. Granada Community Service District, and Montara Water Sanitary District. Slater-Carter thanked the City of Half Moon Bay. Slater-Carter also stated she would like to add a strategic plan meeting as a future agenda item.

3. CONSENT AGENDA (*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 January 26, 2026, Regular Board Meeting
- B. Approve Disbursements for February 23, 2026
- C. Monthly Revenue and Expense Report for Period Ending January 31, 2026
- D. Approve the Schedule of Board of Director Meetings for 2026

Chair Slater-Carter reviewed the staff report Item 3A approve minutes of January 26, 2026, regular board meeting, Item 3B approve disbursements for February 23, 2026, Item 3C monthly revenue and expense report for period ending January 31, 2026, and Item 3D approve the schedule of board of director meetings for 2026.

Director Dye pulled January 26, 2026, minutes. Dye stated she would like the minutes to reflect James Benjamin public comment *on the Solar and Battery Storage Project*. Slater-Carter moved and Marsh seconded the motion to pass Item 3B approve disbursements for February 23, 2026, Item 3C monthly revenue and expense report for period ending

January 31, 2025, and Item 3D approve the schedule of board of director meetings for 2026.

Slater-Carter/Marsh/Roll Call Vote: Dye Aye/Ruddock Aye/Boyd Aye/ Nagengast Aye/Marsh Aye/Slater-Carter Aye/8 Ayes/0 Noes. The motion passed.

4. REGULAR BUSINESS *(The Board will discuss, seek public input, and possibly take action on the following items)*

A. Presentation on SAM's Section 115 Plan with Public Agency Retirement Services PARS

Chair Slater-Carter reviewed the staff report Item 4A presentation on SAM's section 115 plan with Public Agency Retirement Services PARS.

General Manager Prathivadi stated in 2019 the previous General Manager established a Section 115 Plan (PARS) Public Agency Retirement Services with a contribution of \$26,750. (PARS) had made a presentation at the October 16, 2026, Finance Committee Meeting. The Finance Committee Board stated they would like to bring the (PARS) presentation to the Board for discussion.

Prathivadi introduced Jennifer Meza, and Dennis Mullins from (PARS) with a presentation on (PARS) 115 Trust Team, (PARS) IRS-Approved Section 115 Trust, Section 115 Trust Background, Summary of Agency's OPEB Plan, OPEB Actuarial Results, and Investment Review. A discussion ensued. Following discussion General Manager Prathivadi thanked Jennifer Meza and Dennis Mullins for the presentation.

This presentation can be seen on the SAM website at www.samcleanswater.org

B. Receive the Flow Distribution Details for Calendar Year 2025

Chair Slater-Carter reviewed Item 4B receive the flow distribution details for calendar year 2025. General Manager Prathivadi stated HMB flows increased from 60-2% to 61.2%, GCSD decreased from 18.8% to 18-2%, and MWSD decreased from 20-9% to 20-6%. A discussion ensued. Following discussion Chair Slater-Carter thanked Prathivadi.

5. GENERAL MANAGER'S REPORT

A. Monthly Managers' Report – January 2026

General Manager Prathivadi reviewed Item 5A monthly managers' report for January 2026. Prathivadi stated the staff was available to answer any question that the Board Members might have.

Vice Chair Marsh stated that she noticed multiple resets on Boiler #1 and asked if there was any reason to be concerned. General Manager Prathivadi assured Vice Chair Marsh there was nothing to be concerned about. Vice Chair Marsh also asked about the Notice of Public Hearing scheduled for February 9, 2026. Prathivadi stated that he will bring the Notice of Public Hearing back to the board hopefully next board meeting scheduled March 9, 2026.

General Counsel Jeremy Jungreis stated SAM Board does not have to establish a new Notice of Public Hearing date. SAM Staff will post a new Notice of Public Hearing when General Manager Prathivadi and Chair Slater-Carter determine it is appropriate to do so.

6. ATTORNEY'S

General Counsel Jeremy Jungreis stated Legal Counsel Andrew Packer from (ERF) reached out regarding the SAM Force Main in Montara. Jeremy Jungreis advised Andrew Packer that the SAM Force Main in Montara is on schedule.

General Counsel Jeremy Jungreis also updated Andrew Packer on the Litigation between Half Moon Bay v. Granada Community Service District and Montara Water Sanitary District.

Legal Counsel Andrew Packer also reminded General Counsel Jeremy Jungreis that SAM is required to update (ERF) with progress and funding on SAM Force Main in Montara every year. Chair Slater-Carter thanked General Counsel Jeremy Jungreis for the update.

7. DIRECTOR'S REPORT

Director Ruddock stated that San Mateo County will begin working on Local Hazard Mitigation Program. Ruddock stated OneShoreline will be sending out surveys.

8. TOPICS FOR FUTURE BOARD CONSIDERATION

Vice Chair Marsh reminded the Board that the Board will be revisiting the Board of Directors Meeting Schedule in June of 2026.

Chair Slater-Carter would like to add a Strategic Plan Meeting to the agenda.

9. CONVENE IN CLOSED SESSION *(Items discussed in Closed Session comply with the Ralph M. Brown Act.)*

There was no closed session.

10. CONVENE IN OPEN SESSION *(Report Out on Closed Session Items)*

There was no open session.

11. ADJOURNMENT

Chair Slater-Carter adjourned the meeting at 7:52 p.m. to the next Regular Meeting March 9, 2026, and March 23, 2026

Respectfully Submitted, Approved By:

Lorri Rovai
Administrative Assistant

Board Secretary



SEWER AUTHORITY MID-COASTSIDE
Staff Report

TO: Honorable Board of Directors
FROM: Tim Costello, Plant Superintendent
DATE: February 23, 2026
SUBJECT: **Monthly Manager’s Report – January 2026**

Executive Summary

The purpose of this report is to keep the Board and public informed of SAM’s day-to-day operations.

Fiscal Impact

There is no fiscal impact from this report.

Strategic Plan Compliance

The recommendation complies with the SAM Strategic Plan Goal 5.5: *“Operations and maintenance should be proactively planned, and the Board shall be kept up to date on progress on operations and maintenance issues.”*

Background and Discussion/Report

The following data is presented for the month of *January 2026*.

Key Indicators of Performance

NPDES Permit Violations: 0
 Accidents, Injuries, etc.: 0
 Reportable Spills Cat 1: 0
 Reportable Spills Cat 2: 0
 Reportable Spills Cat 3: 1
 Reportable Spills Cat 4: 0

Flow Report (See Attachment A)

Half Moon Bay	1.471	59.65%
Granada CSD	0.442	17.94%
<u>Montara W&SD</u>	<u>0.553</u>	<u>22.41%</u>
Total	2.466	100.0%

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ALTERNATE MEMBERS:	J. Randle	W. Bowles	D. Penrose
	B. Softky	M. Allen	

Administration

There were two Regular Board Meeting in the month of January 2026, and one public record requested from Delia Comito. There were no articles in the Half Moon Bay Review. There were six articles in the Coastside Buzz Mentions Sewer Authority Mid-Coastside Approves Installation of Effluent Pumps but Director Ruddock Notes that the JPA Needs to be Amended to Separate General Budget from CIP.(January 7, 2026),and Director Marsh Suggests that Caltrans be Invited to Present their Caltrans Surfers Beach Adaptation Plan Options, None of Which Consider Sewer Authority Mid-Coastside's Infrastructure. (January 15, 2026), and Sewer Authority Mid-Coastside Staff Battle Holiday Storms' Wind Damage, Power Outages and Ground Water Saturation to Protect Infrastructure and Avoid Overflow Spills.(January 15, 2026),and Sewer Authority Mid-Coastside Rotates Board Positions to Chair Slater-Carter and Vice Chair Marsh and Look to Have Only One Meeting a Month Due to Many Second Meeting Cancellations.(January 23, 2026), and Public Review: Sewer Authority Mid-Coastside: Notice of Availability of an Initial Study and Mitigated Negative Declaration for the SAM Force Main in Montara Replacement Project.(January 29, 2026), and Congressman Liccardo's Earmarks Approved for Sewer Authority Longterm Protection Army Corp Feasibility Study to Determine Federal Interest Noting Pilarcitos Creek Estuary Qualifies as Waters of the United States.(January 30, 2026).There were no new hires in the month of January. There was one Anniversary in the month of January Carlos Mendez Lead Mechanic.

Operations & Maintenance

The following permanent flow storage installations are in place and functioning properly.

Montara Pump Station – Walker Tank, which has a capacity of 434,000 gallons.

The Portola Station – Wet Weather Facility, which has a capacity of 400,000 gallons.

The Portola Pump Station has the ability to use the Wet Weather Facility as a modified equalization basin if needed, (without mixing it is not ideal for this use). It is better suited as wet weather flow storage as originally designed.

Chemical addition this month to the MLSS this month was minimal, but we did need to add poly at the front end of the basin to assist with a little bit of foam. The Poly helps to put the foam back into solution.

Effluent BOD results averaged 11.5 mg/l this month. Our highest result this month was 17 mg/L.

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We continue to keep open communicating with Mr. Burrell so that he is aware of any issues we might be experiencing.

We did some flow testing at Princeton pump station this month with a portable pump. We were able to get a flow rate up to 850 gpm, Existing pumps are at 650 gpm), while staying within or discharge pressure of 70 PSI, (fitting recommendation from R4R folks). This is with a four-inch reducer to the discharge line that is likely causing a little bit of back pressure. We ordered a “T” Connection with a six inch to the bypass port along with a six-inch plug valve. We will replace these at some point in the near future; this should reduce restriction for the bypass pumping in the event we need it. Currently the bypass pump is at Princeton and is ready for service if needed.

Mid-month, we responded to a call for a sewer odor that turned out to be a leak on the FM. We responded quickly and the contractor was super close (right up the street). With the ability to retain flow at the Montara station we were able to minimize the volume of the spill and facilitate the repair. After field investigation the spill was determined to be a category 3 based on volume.

Training this month (1/7), we had safety training with Du-all, we encouraged folks from the member agencies to attend any of the training that will relate to them. This month we had refresher on Fall protection and Ladder safety. This is part of our routine safety program just to keep safety on the forefront of people’s minds while they are working.

During the month of January 2025 rainfall was below the historic normal for Half Moon Bay. The NOAA 10-year average for the area is 4.646 inches of rain for January, (5.51 inches is considered normal). This web link has some very useful data for our area, <https://ggweather.com/hmb/>. Rainfall totals were as follows: 4.77 inches, (from the NOAA gauge at the plant), the trees might be an issue on this gauge. Our roof top had 4.31 at the plant, 3.78 inches in the GCSD service area, and 4.64 inches at the MWSD weather station. There were micro-climate variations verified by the data.

Below is a chronological summary of some of the occurrences during the month of January 2026.

- 1/1/2026 – Holiday - High level chemical sump alarm. Daily operator rounds and duties. Moderate rain throughout the day. Pedro’s cleaning service in the admin building.
- 1/2/2026 – Daily operator rounds and duties. Exercised all influent pumps. Prepare plant for scheduled storm event over the weekend.

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- 1/3/2026 - Saturday-Daily ops rounds and duties. It rained throughout the day. Pump down all chemical sumps. We replaced the valve that holds the filter on the CL2 analyzer in the effluent building. High tide was 6.86 ft at 9:24 no flooding concerns.

- 1/4/2026 - Sunday - Heavy rain. Daily ops rounds and duties. Received a low #1 water tank level, found the solenoid valve inoperative, but opened bypass valve to fill tank. Pedro's cleaning service in the admin building. Montara pump station level up to 25ft. Montara station back to normal level @ roughly 18:30. Bottom sludge transfer pump fail late in the night. **High tide was 6.67Ft at 10:15 no flooding concerns.

- 1/5/2026 - Daily ops rounds and duties. Steady rain throughout the day. Trouble shoot #1 water and found the breaker for #1 water pumps tripped. Fixed RDT polymer issues. Flows very high all day, operator at the plant all day to monitor stations. Montara, Princeton, and Portola stations all have high level alarms due to heavy flows. Operator working graveyard shift to monitor treatment plant and pump stations. **Kept an eye out on creek level. High tide was 6.3ft at 11:06 no flooding concerns.

- 1/6/2026 - Daily ops rounds and duties. Primary clarifier #2 trouble light on and off, found rags and grease on idler chain. Influent sampler clogged, cleaned tubing. CALCON here working on I/O cabinet in mechanical building #1. **High tide was 5.77 ft at 11:57 no flooding concerns.

- 1/7/2026 - Daily ops rounds and duties. **DU-ALL safety meeting for all field staff. Fall protection and Ladder safety. Performed a weekly inventory check on chemicals for the plant. A1 trucking here to dump roughly 2100 gallons of waste. CALCON is here at the plant working on electrical conduit in MB1.

- 1/8/2026 – Daily operator rounds and duties. Collect and drop off Covid samples. Cleaned the influent channel with the VAC truck to remove the grit that is causing problems at the sampler. **Cancelled the Princeton pump station pumping rate test due to a failed coupler hose section, new one is on order. Also noticed that the 4” cam lock dust cap was under intense pressure when it was removed, we got lucky there was no injury as a result. We did discuss how to prevent this going forward.

- 1/9/2026 – Daily operator rounds and duties. Cleaned all 4 D.O. MLSS probe meters. Bleached and cleaned the SO2 chemical line tied to the analyzer in the final effluent building. We noticed the CL2 flash mixer off, then found the breaker was tripped due to a power glitch the day before. **Boiler #1 failed late in the evening, reset the boiler, and worked ok.

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- 1/10/2026 - Saturday - Daily ops rounds and duties. Adjust transfer rates and adjust primary clarifier pumping rates. Replaced the influent sampler tubing.
- 1/11/2026 - Sunday - Daily ops rounds and duties. Paperwork and normal duties.
- 1/12/2026 - Daily ops rounds and duties. Calcon is here at the treatment plant working on the sumps down in the pipe gallery.
- 1/13/2026 - Daily ops rounds and duties. Brush Hog is here at the plant for tree work. Calcon is at the plant working on electrical equipment. Collect and drop off COVID samples. Sodium Bisulfite delivery to the plant.
- 1/14/2026 - Daily operator rounds and duties. Fixed digester building moisture trap, was very hard to open and close. **We had an SRT meeting regarding Princeton pump station. Rain 4 Rent meeting about different products and equipment that are available for rental purposes. Calcon is at the plant.
- 1/15/2026 - Daily ops rounds and duties. Cleaned primary sludge pump #5. Performed a flow test at Princeton pump station with a 6" trash pump. Calcon is here working on the pipe gallery sumps. We had 2 polymer totes delivered to the plant. Cozzolino landscape is here at the plant for maintenance.
- 1/16/2026 - Daily operator rounds and duties. **Perform a flow test with a 6" trash pump at Princeton pump station to determine flow capabilities. Mixed chemical for the DEOX analyzer in the final effluent building.
- 1/17/2026 - Saturday - Daily ops rounds and duties. No anomalies.
- 1/18/2026 - Sunday - Daily ops rounds and duties. Boiler #1 failed, reset alarm, all ok.
- 1/19/2026 - Holiday - Daily ops rounds and duties. Collect Alpha Lab samples day 1.
- 1/20/2026 - Daily ops rounds and duties. Check fire and extinguishers and all eye wash stations in the plant. **RE-BUILDIT company here to investigate secondary clarifier #2 issues. Calcon at the plant. Alpha samples day 2.
- 1/21/2026 - Daily ops rounds and duties. Calcon is at the plant working on electrical equipment. Removed and redirect water line in the Bioassay building to make room for the new final effluent cabinet. Cleaned all 4 MLSS DO probes. BAGG engineers are in the admin parking lot (potholes). **While checking the stations the operator detected a very distinct odor of beer like IPA from the Princeton station, it was very strong, overwhelming any other odor. Boiler #1 failed late in the night, reset and worked ok.

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- 1/22/2026 - Daily operator rounds and duties. Calcon is working on electrical equipment. **Force main break on the side of HWY 1 and Etheldore street, north end of HMB airport, Andreini Bros at the site to repair, had to shut down Montara and Valle mar stations temporarily while work was being performed.
- 1/23/2026 - Daily operator rounds and duties. Calcon is at the plant working on the new final effluent cabinet. Pump down walker tank at Montara pump station.
- 1/24/2026 - Saturday - Daily ops rounds and duties. Single operator on shift, normal day no anomalies.
- 1/25/2026 - Sunday - Daily ops rounds and duties. Single Operator on shift. Pedro's cleaning service here in the admin building. **Supervisory Fire Alarm zone 4 by Hue & Cry, put alarm on test overnight. Boiler fail late in the evening/ reset /all ok now.
- 1/26/2026 - Daily ops rounds and duties. Low CL2 residual alarm at midnight, chemical pump 3 not pumping, switch to pump 4 and worked ok. Calcon here at the plant working on electrical equipment. Work on staff schedule for month of February. **Place Zone 4 Fire alarm on test.
- 1/27/2026 - Daily ops rounds and duties. **Boiler #1 fail, reset boiler. Repair digester building front door. **Spoke with Johnston Controls regarding fire alarm zone 4. Empty all trash cans in every building.
- 1/28/2026 - Daily ops rounds and duties. **Boiler #1 failed again in the early hours of the day. Greg Jones Roofing company here to inspect the roof at MB1. Place Fire Alarm zone 4 on test. **Hot Boiler #1 failed, reset it and worked ok. Perform monthly inventory check. Boiler #1 failed late at night.
- 1/29/2026 - Daily operator rounds and duties. Calcon here to continue working the final effluent cabinet electrical box. **Meeting with SRT and Shape at Princeton pump station regarding flow pumping issues. **Place Fire Alarm Zone 4 on test for 24 hours. Parts delivered for GSE.
- 1/30/2026 - Calcon in doing electrical work, RAS Cl2 to 48lbs/day for filamentous growth control. **Mud room fire alarm on test, the parts are on order. Hot water boiler failed just before midnight, able to reset.
- 1/31/2026 - Saturday - single operator on shift, add water to boiler system. Mud room fire alarm on test overnight again.

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Other activities are listed below:

There were 9 deliveries (approximately 7,064 gallons) of truck waste discharged at the SAM Plant for a total revenue of \$ 706.40. There were no leachate deliveries to the SAM IPS line in the month of January 2026, for a total leachate volume of 0 gallons.

The NPDES data report for January 2026 is attached reference (Attachment B).

Contract Collection Services

The SAM crew cleaned 26,187 feet of sewer line and responded to sixteen calls in contract service areas. Six calls were sewer line related, and ten were maintenance service calls. Eight of the callouts were during regular business hours or started during regular business hours and went into overtime. The other eight calls were after-hour callouts. There were no calls in the HMB service area, one was in the GCSD service area, fourteen were in the MWSD service area, and one was IPS related during the month of January 2026.

HMB – No sewer related calls in the HMB service area during January 2026.

No maintenance related calls in the HMB service area during January 2026.

GCSD – The sewer related calls in the GCSD service area was as follows; 1/15 - Call for shower backing up. When crew arrived, they observed there was no property line cleanout. Crew flushed main line finding no obstructions. Advised Homeowner they would need to contact a plumber to resolve issue.

No maintenance related calls in the GCSD service area during January 2026.

MWSD – The four-sewer line related calls in the MWSD service area were as follows; 1/5 - Smart cover response, high level alarm due to heavy rain. 1/8 - Call for backup at clean out. Crew arrived and observed paper around cleanout cap. Crew ran main line finding no obstructions. Advised homeowner they will need to contact a plumber to resolve issue. 1/12 - Notified by MWSD worker of potential sewer issue in the seal cove area. This was on Los Banos which is a private grinder pump area. Crew took pictures for record. 1/28 - Call for a backup in bathroom. Crew arrived and flushed the main line twice, pulling out a bucket of roots but that did not resolve the issue. Advised the homeowner they would need to contact a plumber to resolve the issue.

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The maintenance service calls in the MWSD service area during the month of January 2026 were as follows: 1/2 - Call for leak in front of the MB Distillery. Crew spoke with distillery manager to offer guidance on whom to contact as this is a private lateral. 1/3 - Respond to alarms at both Airport and Vallemar lift stations. Possible power glitch, genny did not run at either location. Reset alarms and checked stations for normal operation. 1/3 - A local resident was walking by seal cove and heard an alarm and notified us. Crew arrived finding station operating normally. Hue and Cry keypad was in alarm but nothing on HDMI. Reset all alarms and checked station for normal operation. 1/7 - Seal cove 4 alarm response. Com fail and HH level float. No codes on HDMI, likely power glitch from heavy winds and rain. Inspected station for proper operation. 1/16 - Contractor in seal cove wanted verification of steel lid in street. Crew went to site and advised contractor and homeowner of what they were finding under the asphalt. 1/21 - During weekly testing crew found an issue with Kanoff street radiator. Called in AAAA genny service to investigate. Hooked up portable genny and AAAA is working on replacement radiator at this time. 1/22 - Vallemar station alarm. Crew arrived to find station operating normally upon arrival. Possible power glitch. Reset alarms, checked station for normal operation. 1/23 - Kanoff station in alarm due to low coolant temp. Block heater was off due to genny being worked on. 1/24 - Seal cove 3 alarm, found high level Alarm unable to get it to reset. Called in Calcon, they found an issue with the HDMI input and a failed float issue. Follow-up repair work will take place Monday but station is functional now. 1/27 - Vallemar station alarm for genny run. Arrived finding station operating as normal. Possible power glitch, reset alarms and checked station for normal operation.

The January 2026 collection system data report is provided for the Board's information. There were zero (0) Category 1's, zero (0) Category 2's, One (1) Category 3 (IPS), and zero (0) category 4 SSO's, during the month of January 2026.

Staff Recommendation

Staff recommends that the Board receive the Manager's Report for January 2026.

Supporting Documents

Attachment A: Monthly Flow Report January 2026

Attachment B: Monthly NPDES Report January 2026

BOARD MEMBERS:	P. Nagengast N. Marsh	B. Dye D. Ruddock	S. Boyd K. Slater-Carter
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Attachment C: Collection System Data January 2026

Attachment D: Contract Collection Service Report January 2026

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S. Boyd

N. Marsh

D. Ruddock

K. Slater-Carter

ALTERNATE MEMBERS:

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W. Bowles

D. Penrose

B. Softky

M. Allen

Attachment A

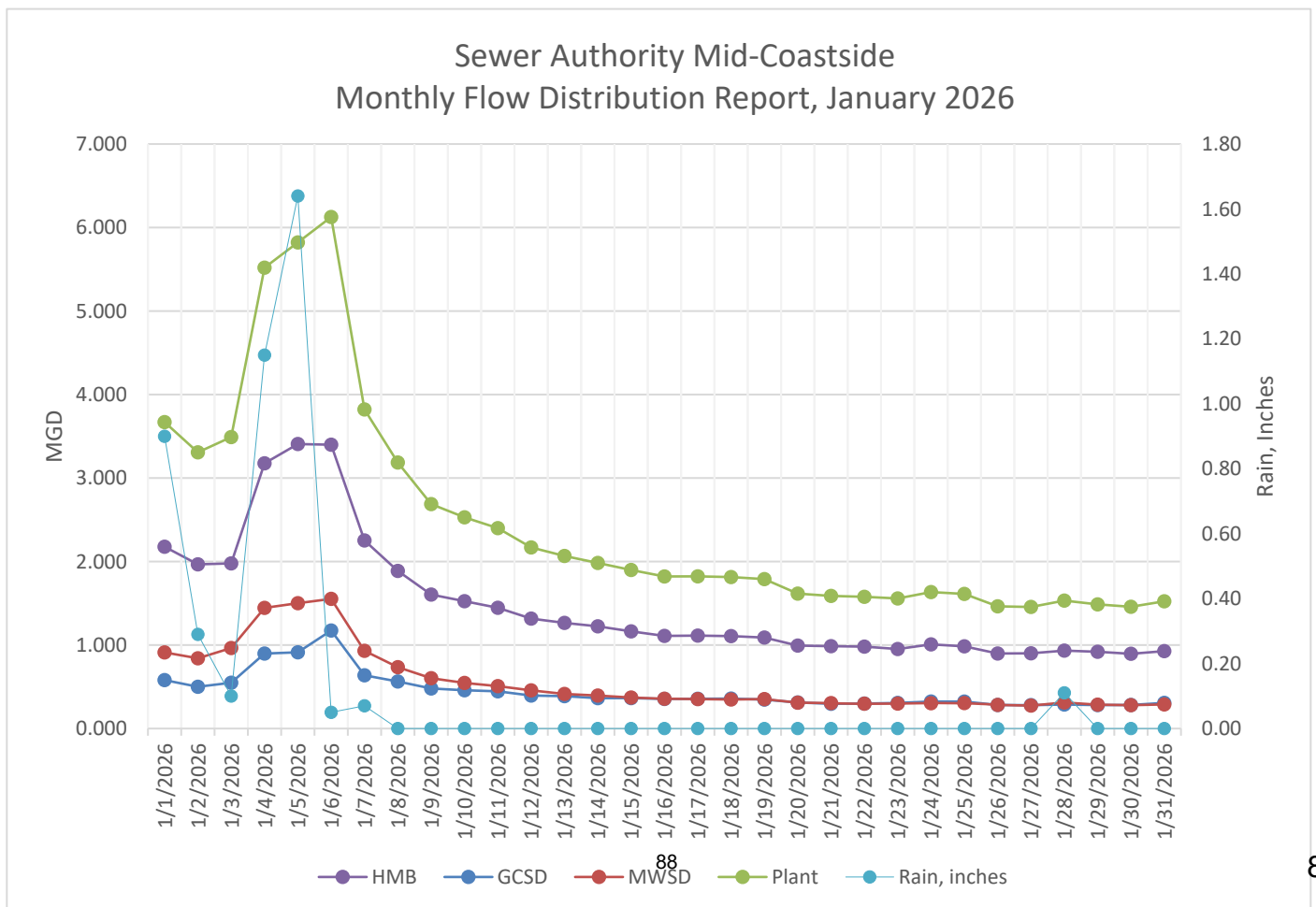
Flow Distribution Report Summary for January 2026

The daily flow report figures for the month of January 2026 have been converted to an Average

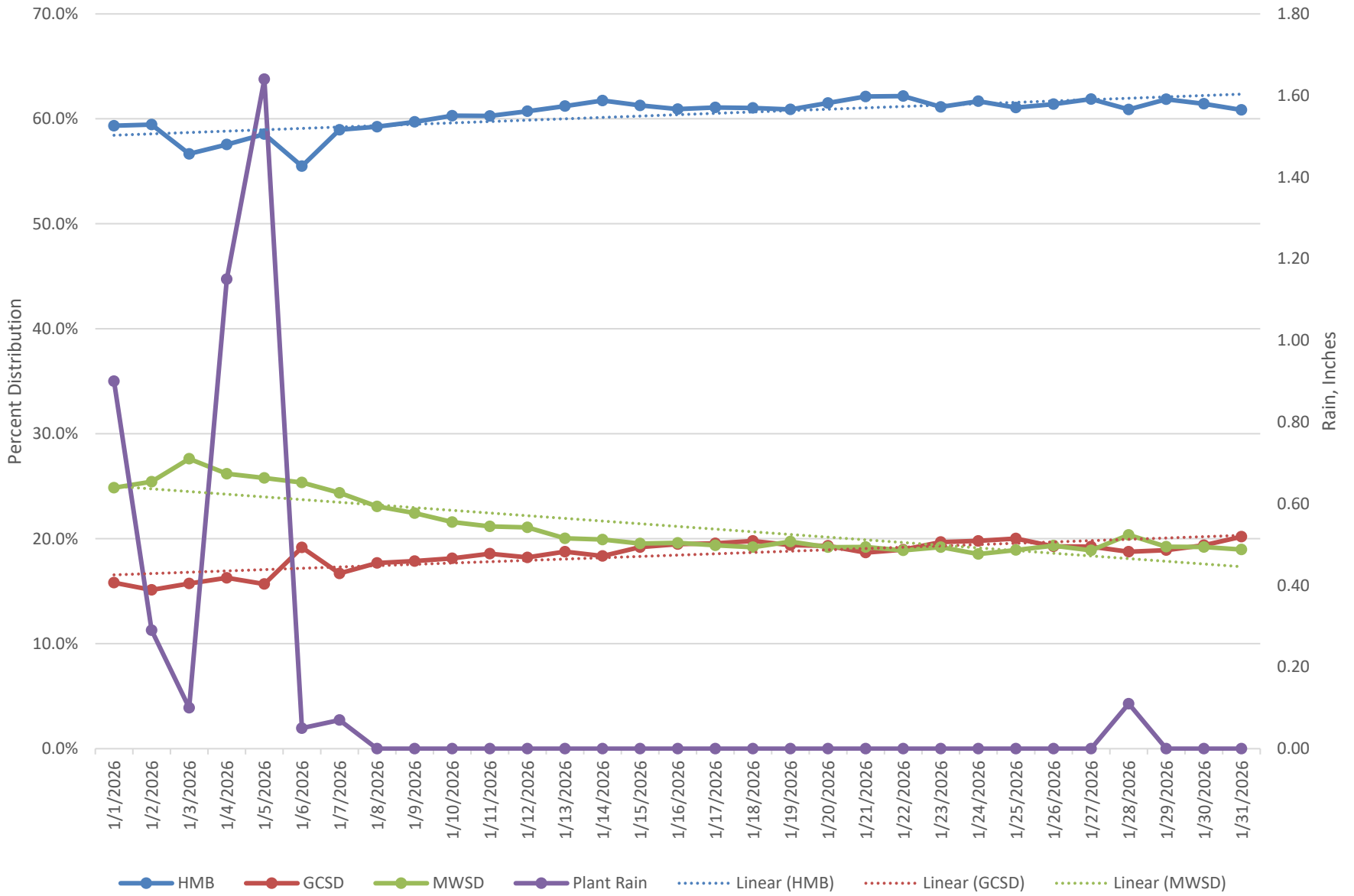
Daily Flow (ADF) for each Member Agency.
The results are attached for your review.

The summary of the ADF information is as follows:

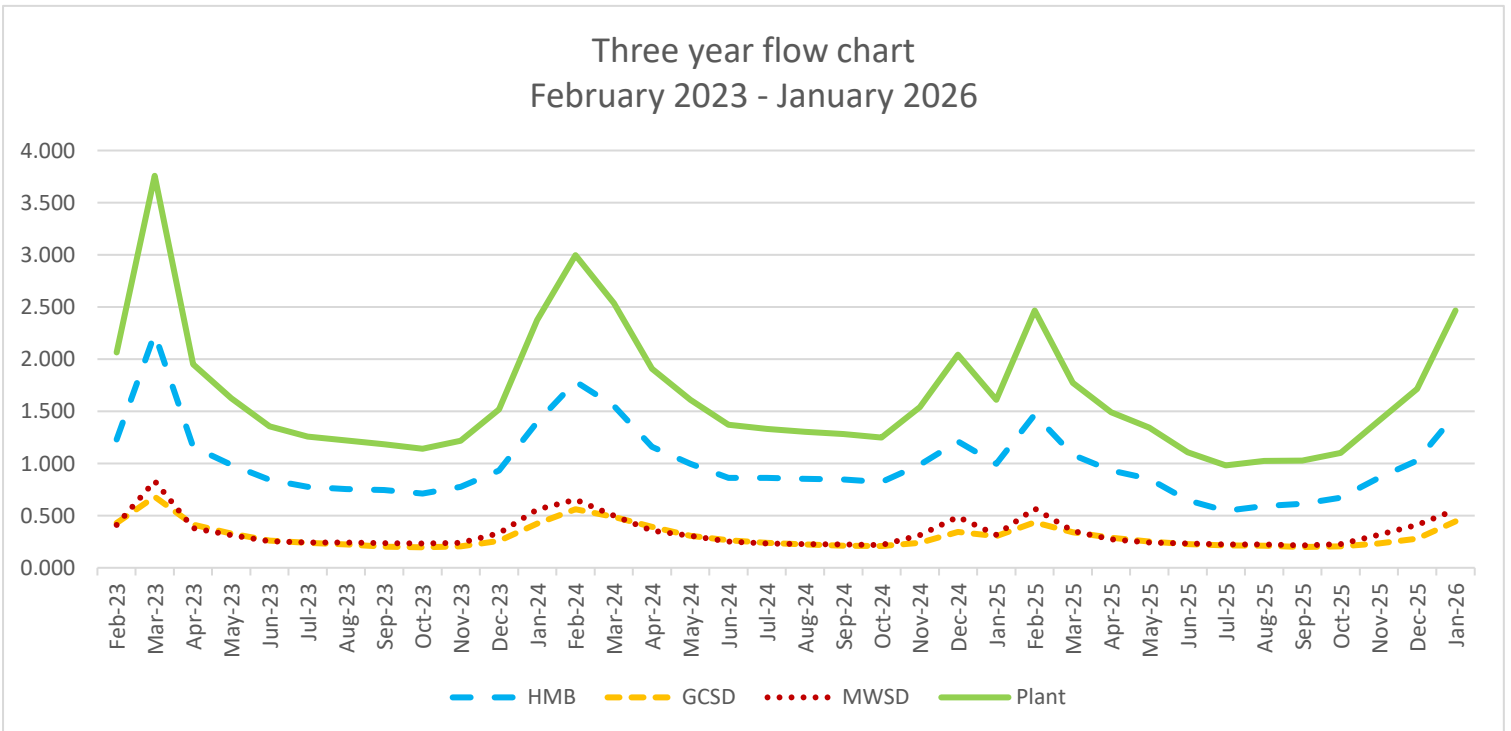
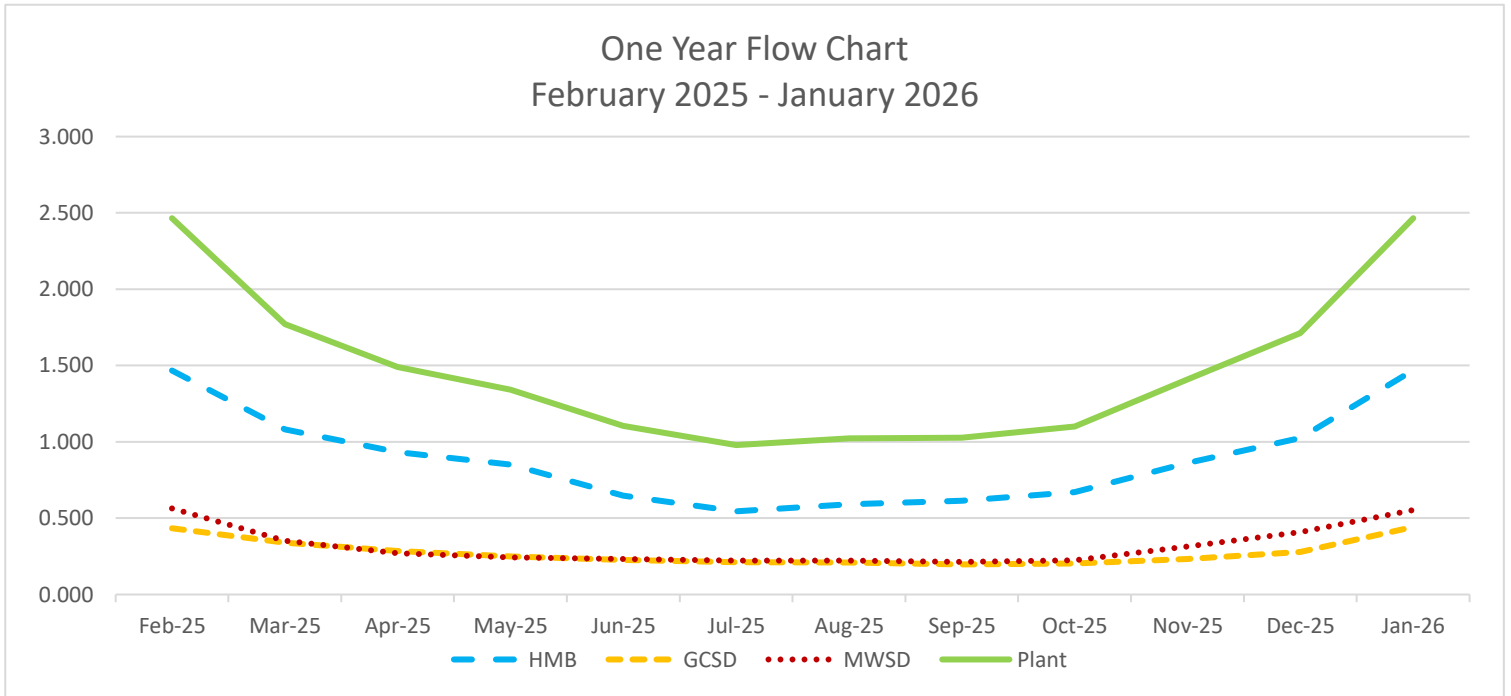
	<u>MGD</u>	<u>%</u>
The City of Half Moon Bay	1.471	59.65%
Granada Community Services District	0.442	17.94%
Montara Water and Sanitary District	<u>0.553</u>	<u>22.41%</u>
Total	2.466	100.0%



Percent Distribution January 2026



Most recent flow calibration January 2024 PS, June 2025 Plant inf



Sewer Authority Mid-Coastside

Monthly Collection System Activity/SSO Distribution Report, January 2026

January 2026

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

12 Month Moving Total

	Total	12 month rolling Number			
		HMB	GCSO	MWSD	SAM
Roots	0	0	0	0	0
Grease	1	0	0	1	0
Mechanical	0	0	0	0	0
Wet Weather	0	0	0	0	0
Other	4	0	0	1	3
Total	5	0	0	2	3
		0%	0%	40%	60%

Reportable SSOs

	Total	Reportable Number of S.S.O.'s			
		HMB	GCSO	MWSD	SAM
January 2026	1	0	0	0	1
12 Month Moving Total	5	0	0	2	3

SSOs / Year / 100 Miles

	Total	Number of S.S.O.'s /Year/100 Miles			
		HMB	GCSO	MWSD	SAM
January 2026	1.0	0.0	0.0	0.0	13.7
12 Month Moving Total	4.8	0.0	0.0	7.4	41.1
Category 1	0.0	0.0	0.0	0.0	0.0
Category 2	0.0	0.0	0.0	0.0	0.0
Category 3	3.8	0.0	0.0	3.7	41.1
Category 4	1.0	0.0	0.0	3.7	0.0
Miles of Sewers	104.5	37.0	33.2	27.0	7.3
		35.4%	31.8%	25.8%	7.0%

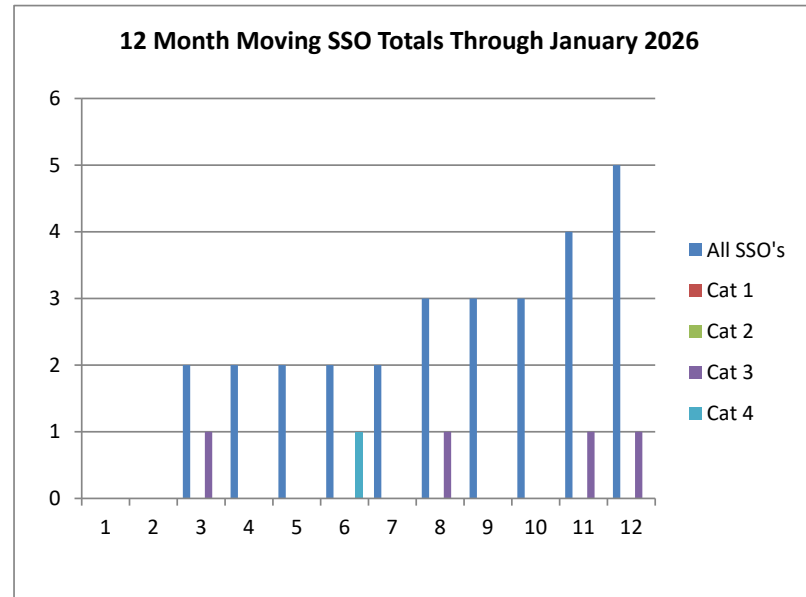
12 Month Rolling Total Sewer Cleaning Summary

Month	HMB	GCSO	MWSD	Total Feet	Total Miles
Feb - 25	13,501	11,719	7,630	32,850	6.2
Mar - 25	6,257	14,540	10,183	30,980	5.9
Apr - 25	15,622	12,056	7,275	34,953	6.6
May - 25	7,166	11,010	6,516	24,692	4.7
June - 25	19,379	9,910	5,769	35,058	6.6
July - 25	4,613	9,598	5,225	19,436	3.7
Aug - 25	9,341	9,394	9,223	27,958	5.3
Sep - 25	7,017	10,039	5,058	22,114	4.2
Oct - 25	14,567	9,753	9,098	33,418	6.3
Nov - 25	12,217	16,986	10,950	40,153	7.6
Dec - 25	0	9,235	8,160	17,395	3.3
Jan - 26	0	14,510	11,677	26,187	5.0

Annual ft	109,680	138,750	96,764	345,194	
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Annual Mi.	20.8	26.3	18.3		65.4
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Attachment C



TASK SUMMARY- GCSD 2025-26

Task	Target Total	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Total to Date	% Complete
Sewer Line Cleaning	87,000	5,546	5,827	7,297	9,770	14,636	9,293	15,202							
Hot Spot Cleaning	5,400	1,290	2,782	2,470	518	1,981	920	712							
Lift Station Inspection - Daily	52	4	4	4	4	4	4	4							
Lift Station Inspection - Annually	3	-	-	-	-	-	-	-							
Maint. Work Orders - Completed	-	4	4	4	4	4	4	4							
Maint. Work Orders - Incomplete	-	-	-	-	-	-	-	-							
Manhole Inspection	879	39	64	67	44	93	46	71							
USA Markings	372	32	20	45	32	42	53	53							
F.O.G. Inspections Completed	10	-	-	-	24	-	-	-							
F.O.G. Inspections Passed	10	-	-	-	15	-	-	-							
F.O.G. Inspection Failed	-	-	-	-	9	-	-	-							
Lateral Inspections	-	-	-	-	-	-	-	-							
Customer Service Call - Reg	-	-	-	-	1	-	-	1							
Customer Service Call - OT	-	-	-	-	-	1	4	-							
SSO Response - Category 1	-	-	-	-	-	-	-	-							
SSO Response - Category 2	-	-	-	-	-	-	-	-							
SSO Response - Category 3	-	-	-	-	-	-	-	-							
Insurance Claims Filed	-	0	0	0	0	0	0	0							



GRANADA COMMUNITY SERVICES DISTRICT

AGENDA MEMORANDUM

To: Board of Directors
 From: Chuck Duffy, General Manager
 Subject: Report on SAM Meeting and SAM Budget as Circulated to the Member Agencies
 Date: March 19, 2026

At the March 9th SAM meeting, the SAM board approved circulating the draft SAM budget to the member agencies for consideration, which your board will be reviewing at our April meeting. While this is the standard process outlined in the JPA, this year’s SAM budget has a somewhat unique twist.

As we have discussed previously, in 2019 SAM entered into a Judicial Consent Decree with the Ecological Rights Foundation (ERF) that required the replacement of the Montara Forcemain section of the SAM IPS pipeline by June of 2024, which deadline was subsequently extended to June 2027. That section of the pipeline is approximately 13,395’ long, and is estimated by SAM to cost \$12.5 million to replace.

However, the amount included in the 2026/27 SAM budget for replacement of the Montara Forcemain is only \$3.65 million, leaving an \$8.85 million shortfall if the forcemain is indeed replaced by June 2027. Discussions at the SAM board meeting suggested a possible mid-year budget adjustment to make up for the deficit, as well as soliciting input from the member agencies on whether or not to budget for the full amount of \$12.5M for the project for the coming fiscal year. This will be the focus of our discussion at our board meeting next week.

We have also previously discussed a possible sewer service charge increase for this coming fiscal year due to the staggering cost of the SAM IPS Montara Forcemain over the course of the next year. I subsequently ran an analysis of our predicted GCSD budgets and reserve levels for the next 5 years as outlined below, and I don’t think we will need to do a Prop 218 SSC increase in excess of the already approved 5% increase to maintain relatively healthy sewer fund reserve levels for at least the coming year.

GCSW SEWER RESERVE FUND	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
Reserve Fund at Beginning of Fiscal Year	\$3,571,100	\$3,870,233	\$2,314,756	\$2,569,062	\$2,587,552
Transfer From Operating Budget	\$995,851	\$838,723	\$810,306	\$774,490	\$728,570
SAM Infrastructure Capital Projects	(\$686,718)	(\$2,384,200)	(\$546,000)	(\$546,000)	(\$546,000)
Total GCSD Capital Improvement Projects	(\$10,000)	(\$10,000)	(\$10,000)	(\$210,000)	(\$210,000)
Est. GCSD Sewer Reserve Fund at End of Fiscal Year	\$3,870,233	\$2,314,756	\$2,569,062	\$2,587,552	\$2,560,122

FROM PROPOSED SAM FY 2026/27 BUDGET

Project: Rehabilitation of SAM Force Main situated in Montara

Priority: Rehabilitation/Replacement/Safety

The SAM Force Main situated in Montara Rehabilitation (MFM) Project addresses aging, at-risk pipeline within the Intertie Pipeline System. The MFM conveys wastewater from the Montara and Moss Beach communities to SAM’s Wastewater Treatment Plant in Half Moon Bay. The MFM is approximately 16,750 feet in length, ranging from 12 to 14-inches in diameter and was constructed of ductile iron pipe (DIP) in the early 1980s.

A 2017 project replaced the first 2,500 feet of MFM from Montara Pump Station to the end of Vallemar Street with high-density polyethylene (HDPE) pipe and replaced the associated air/vacuum relief valves. A 12-inch-diameter DIP portion of the MFM experienced failure during the atmospheric river storm that started on December 31, 2022, which was declared as a disaster at both the State and Federal levels. SAM’s emergency response included replacement of an 850-ft portion of the impacted force main with HDPE. It is proposed to replace the remaining 13,400 feet of the MFM project before June 30, 2026.



CIP Total Cost: \$10,000,000

Project Funding: This project will be funded by SAM’s Infrastructure Program

Basis of Priority: This priority project continues the best practice of rehabilitating aging force main to mitigate sanitary sewer overflows, human health risks, environmental damages, and other regulatory violations.

Annual Cost Distribution and Schedule

CIP Total	FY2024/25	FY2025/26	FY2026/27	FY 2027/28	FY 2028/29
10.160M	3.0M	3.510M	3.65M	-	-

The table above lists the funds budgeted for the SAM IPS Montara Forcemain replacement project for the past FY 2024/25 and current FY 2025/26, as well as funds budgeted for the coming FY 2026/27. Of the \$6.51M in funds collected by SAM from the member agencies for FY 2024/25 and 2025/26, only approximately \$1.5M have been utilized for the Montara FM replacement project to date.



GRANADA COMMUNITY SERVICES DISTRICT

MINUTES BOARD OF DIRECTORS REGULAR MEETING at 7:00 p.m.

February 19, 2026

This meeting was held in person and via Zoom.

CALL REGULAR MEETING TO ORDER AT 7:00 p.m.

The meeting was called to order at 7:00 p.m.

ROLL CALL

Board President Barbara Dye, Board Vice President Wanda Bowles, Director Matt Allen, Director Nancy Marsh, and Director Jen Randle.

Staff: General Manager Chuck Duffy, Assistant General Manager Hope Atmore, and District Counsel William Parkin.

GENERAL PUBLIC PARTICIPATION

None.

REGULAR MEETING AGENDA

1. Park and Recreation Activities.

- a. Report on Planned Recreation Program Events – Ms. Atmore provided a summary of past events including painting, sewing, and Recology Recycling Day as well as future events including a history walk and edible food walk.
- b. Update from Staff Regarding Median Discussions with San Mateo County Staff – Ms. Atmore reported that staff had a meeting with County staff and conveyed the District's concerns regarding ownership of the medians, liability issues, and potential landscaping costs. Director Dye asked if County staff had produced a legal opinion on their claims that the adjacent private property owners had ownership of the medians, and reiterated that the GCSD Legal Counsel had provided an opinion several years ago that the County owns the medians. Staff responded that the County had not produced a legal opinion. Director Marsh stated that the issue of ownership of the medians was between the property owners and the County.

2. Consideration of Use Framework for Granada Community Park and Recreation Center

– Ms. Atmore provided background on the process for developing a draft Use Framework which is a requirement of the County for the District's Coastal Development Permit. Director Randle noted that if the number of events are added up, it appears we are proposing up to 19 after hours events per week. Director Marsh recommended a maximum number of events per month and also pointed out that when an operational plan is developed that there should be

specific direction for amplified sound. Director Randle emphasized the need for clarity and transparency in the use framework to ensure the community is not surprised later in the process. Staff will review the Use Framework further and bring the item back to the board next month.

- 3. Consideration of Temporary Use Permits for Vendors on GCSD Owned Properties** – Ms. Atmore explained that though the District Ordinance Code does allow for issuance of permits for vendors on District property, staff was not recommending moving forward with the process while the District is pursuing park permitting. Board consensus was to take no action on the agenda item.
- 4. Updated Conflict of Interest Code Policy** – Ms. Atmore explained that the updated Conflict of Interest Code was more concise than the District’s current Code and that it should make the requirements for filing financial disclosure forms more clear going forward.
ACTION: Director Marsh moved to approve the updated Conflict of Interest Code. (Marsh/Randle). Approved 5-0.
- 5. Updated Special Counsel Services Agreement for the Assessment District and Associated Integrated Financing District** – Ms. Atmore presented a brief overview of the Assessment District and stated that Weist Law was brought on by the District in 2022 when the bonds were paid off. Mr. Duffy explained that Weist will present a statement of facts and make policy recommendations to the Board for future assessment district procedures. Mr. Duffy stated that the attorney’s fees are paid from the Assessment District fund.
ACTION: Director Marsh moved to approve the Special Counsel Services Agreement. (Marsh/Randle). Approved 5-0.
- 6. Engineer’s Report** – Mr. Duffy stated that Kennedy Jenks Engineers is working on a recommended CIP list based on the CCTV work that was done and provided a summary of other items on the Engineer’s Report. Director Dye asked that the Administrative Report be moved up on the agenda to follow the Engineer’s Report.
- 7. Report on Sewer Authority Mid-Coastside Meetings.**
 - a. Update on SAM Budget Process, and O&M and Infrastructure Reporting – Director Marsh stated that the Finance Committee met and had a first review of the 2026-27 SAM budgets. She highlighted that personnel costs are increasing and also explained that the infrastructure budget poses challenges. Director Marsh reported that \$5M of the \$6.5M funded by the member agencies for the SAM Montara force main replacement project over the past two years has been spent by SAM on other older projects or general maintenance and repairs. Director Marsh also explained that the proposed 2026-27 SAM budget has \$3.5M allocated toward the force main replacement, but that a mid-year budget amendment would likely be needed because the project is estimated to cost \$12-\$13M. Director Marsh also emphasized that the finance committee is instructing SAM management to provide more transparent managerial accounting of infrastructure expenditures for past projects, current projects, and O&M cost overages. Mr. Duffy reiterated this point and stated that budgeted projects are delayed for multiple years and consistently go significantly over budget.

Director Dye explained that SAM had sought proposals to install solar panels at the wastewater treatment plant in order to reduce electrical costs. The company that was chosen proposed placing the panels on the land to the east of the plant, but SAM was informed by a local homeowner but that the area is environmentally sensitive. They are now looking at alternative locations but there is a tight timeline as there are specific incentives that require the project be shovel ready by July 1. Director Dye also commended the SAM staff and the collections team for their commitment during the recent storms.

- b. FOG Inspection Results for District Businesses – Ms. Atmore explained the process and results of the recent FOG testing.

CONSENT AGENDA

8. January 15, 2026 Regular Meeting Minutes.

9. February 2026 Warrants.

- 10. December 2025 Financial Statements** – Director Dye asked for clarification on the parks reserves and Mr. Duffy confirmed that park expenditures are paid out of that reserve. Director Marsh commented that the increase in property taxes is consistently \$50,000 per year and the ERAF increase is approximately \$20,000 per year.

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

COMMITTEE REPORTS

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

INFORMATION CALENDAR

12. Attorney’s Report. (Parkin)

13. General Manager’s Report. (Duffy)

- 14. Administrative Staff Report. (Atmore)** – Ms. Atmore stated that staff has been working on the Assessment District procedures, distribution of 1099’s, the audit for FY 2024-25, the District’s Sewer Service Management Plan, and clearing out the Portola Pump Station storage room.

15. Future Agenda Items.

ADJOURN TO CLOSED SESSION

- 1. Conference with Legal Counsel – Existing Litigation (Government Code Section §54956.9(d)(1)).** *City of Half Moon Bay v. Granada Community Services District and Montara Water and Sanitary District* (RPI, Sewer Authority Mid-Coastside) – Santa Clara County (Superior Court Case No. 17CV316927)

RECONVENE TO OPEN SESSION

No reportable action.

ADJOURN REGULAR MEETING

The Regular Meeting was adjourned at 8:45 p.m.

Attest:

Hope Atmore, Board Secretary

Date Approved by the Board: March 19, 2026

Granada Community Services District
March 2026 Warrants
For the March 19, 2026 Board of Director's Meeting

Date	Num	Name	Memo	Account	Amount
02/18/26	10669	Jeroen Preiss, AIMS Team LLC	GIS & AIMS Services 01/01/26-02/12/26	6072 Engineering-Misc (AIMS)	6,550.00
02/18/26	10670	CliftonLarsonAllen, LLP	Jan 2026 Svcs	6152 Accounting	4,311.25
02/18/26	10671	KBA Document Solutions	Inv dtd 02/11/26	6140 Office Supplies	36.96
03/12/26	10672	WFG National Title Insurance Co.	APN: 047-251-100 & 047-262-010	6260 Permitting/Fees/Filing Fees	1,200.00
03/19/26	10673	AT&T (Office #5614)	Inv dtd 03/04/26	6170 Utilities	245.24
03/19/26	10674	AT&T (Pump Station #1868)	Pump Station #1868 Inv dtd 02/05/26	6170 Utilities	216.43
03/19/26	10675	Barbara Dye	02/19/26 GCSD	6040 Directors' Compensation	190.00
03/19/26	10676	Bhavana Moini-Yekta	Learn to Sew for Beginners classes	5130 Parks & Rec Professional Svcs	1,071.00
03/19/26	10677	BKF Engineers	Inv 26010221	7520 Capital Projects Prof Svcs	8,123.50
03/19/26	10678	Dudek	Inv 202601883	6151 General Manager	8,564.76
03/19/26	10679	Hue & Cry, Inc	Inv 906020 / 906021	6170 Utilities	132.88
03/19/26	10680	Jeannene Minnix	Learn to Sew for Beginners class fee refund	5130 Parks & Rec Professional Svcs	90.00
03/19/26	10681	Jen Randle	02/19/26 GCSD	6040 Directors' Compensation	190.00
03/19/26	10682	Kankel, Conroy, Rose & Hill Landscape	Feb 2026 Svcs	7520 Capital Projects Prof Svcs	13,411.13
03/19/26	10683	Kennedy Jenks	01/03/26-01/30/26 Svcs, Sum 213	7014 6-yr CIP Phase 3	16,641.04
03/19/26	10684	Matthew Allen	02/19/26 GCSD	6040 Directors' Compensation	190.00
03/19/26	10685	Nancy Marsh	02/19/26 GCSD	6040 Directors' Compensation	190.00
03/19/26	10686	PG&E (Office #4277-7)	9351534277-7	6170 Utilities	89.57
03/19/26	10687	PG&E (Pump Station #5681-6)	8454945681-6	6170 Utilities	651.45
03/19/26	10688	Rodolfo Romero	Mar Cleaning	6130 Office Maintenance & Repairs	220.00
03/19/26	10689	San Mateo County Harbor District	Office Lease - Apr 2026	6120 Office Lease	5,363.31
03/19/26	10690	SDRMA	Inv H49305	6062 Medical	5,900.45
03/19/26	10691	Sewer Authority Mid-Coastside	Mar 2026 Collections & Asmts	5010 SAM - General	172,128.92
03/19/26	10692	State Compensation Insurance Fund	Inv 1003181928 Policy 9164816	6080 Insurance	283.50
03/19/26	10693	Streamline	Inv 9F9DD19F-0024	6190 Computers	245.00
03/19/26	10694	Tri Counties Bank	Stmt dtd 02/27/26	6140 Office Supplies	532.13
03/19/26	10695	US Bank Equipment Finance	Inv 576909766	6020 Copier lease	252.28
03/19/26	10696	Wanda Bowles	02/19/26 GCSD	6040 Directors' Compensation	190.00
03/19/26	10697	Wittwer Parkin	Inv 9272 / 9273	6090 Legal Services	5,103.35
				TOTAL	\$ 252,314.15



GRANADA COMMUNITY SERVICES DISTRICT

AGENDA MEMORANDUM

To: Board of Directors
From: Chuck Duffy, General Manager
Subject: District Financial Statements
Date: March 19, 2026

Attached are the District's year-to-date Financial Statements through January 2026 which include the following:

Pages 1-3

Executive Summary – provides graph of year-to-date combined (sewer and parks) revenue and expense trends, a breakdown of the top ten revenues and expenses, and reserves balance by budgetary fund.

Pages 5-6

Statement of Net Position – lists the districts reserves and cash on hand as of January 31st, as well as the district's assets and liabilities, for both the district's sewer function and the parks and recreation function combined. The format is similar to a Balance Sheet for a private company.

Pages 7-10

Statement of Revenues and Expenses both Combined and *by Budgetary Fund* – lists the income and expense for the year-to-date ending January 31st with the district's sewer function and the parks and recreation function also shown separately.



Financial Statements

Granada Community Services District
January 2026

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Executive Summary

REVENUE (2025/2026 YTD)

\$3,332,927

▲ 19.2% vs budget



EXPENSES (2025/2026 YTD)

\$2,140,267

▼ -7.2% vs budget



CHANGE IN NET... (2025/2026 YTD)

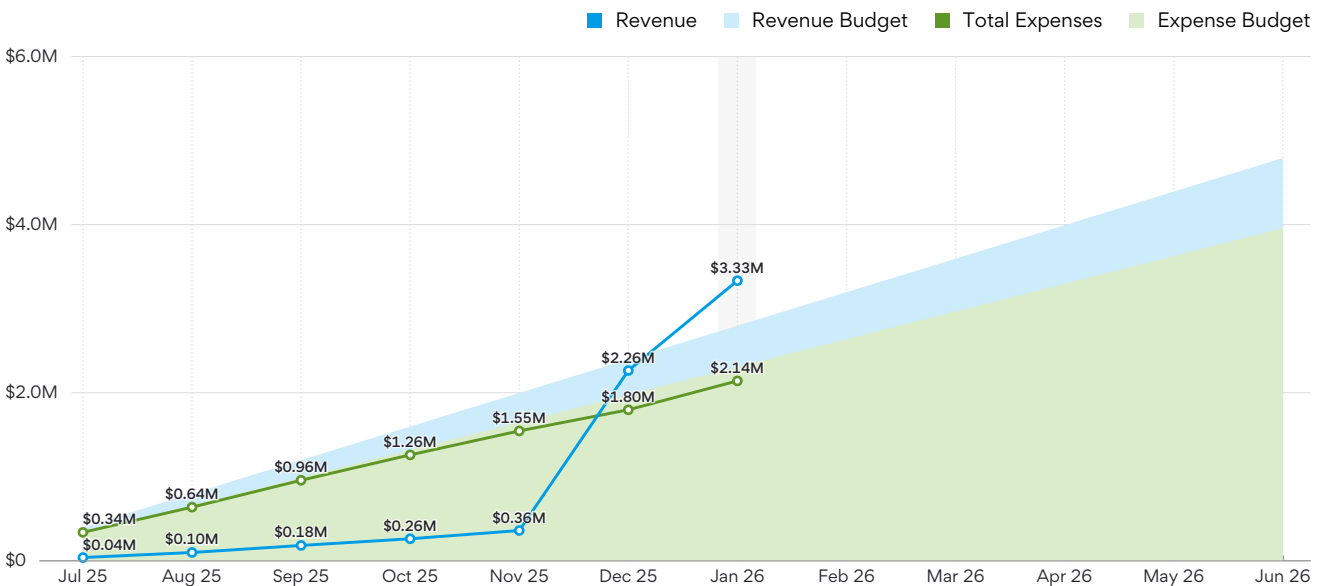
\$1,192,660

▲ 144.1% vs budget



The change in net position represents the difference between total revenues and total expenses.

YTD Cumulative Revenue & Expense Budget Trends

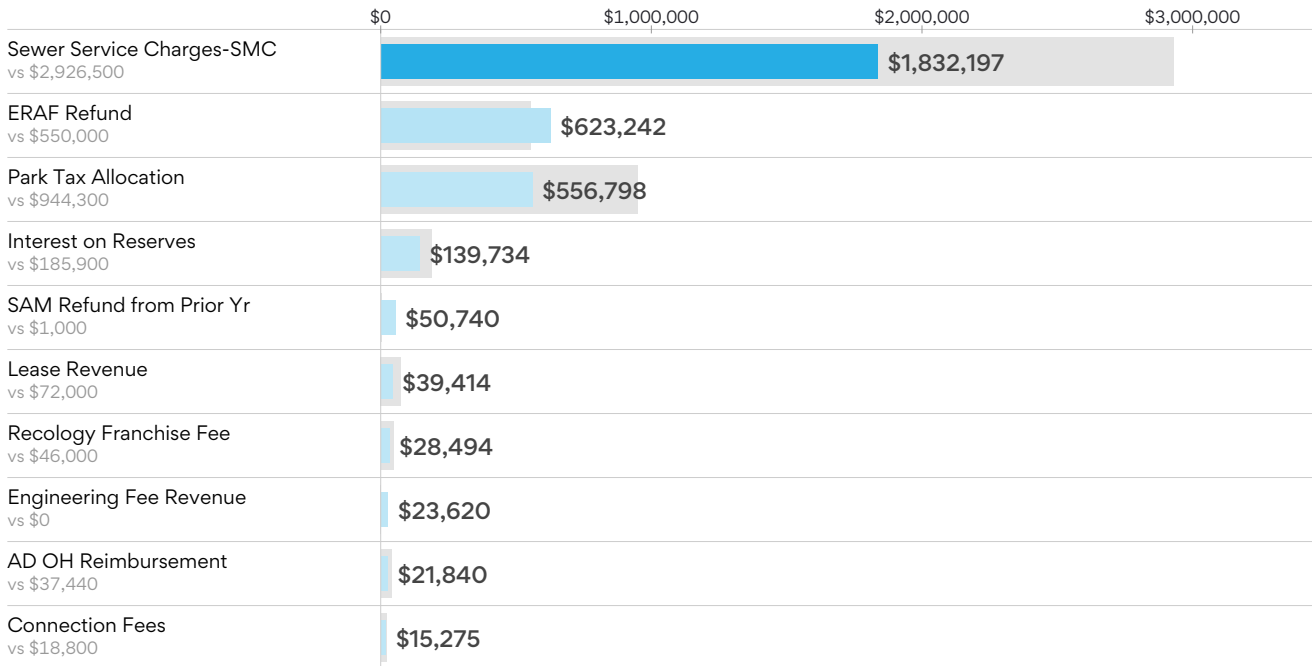


The sharp increases in revenue in December 2025 and January 2026 were primarily due to property tax disbursements from the County of San Mateo. Year-to-date expenses have closely aligned with the budget.

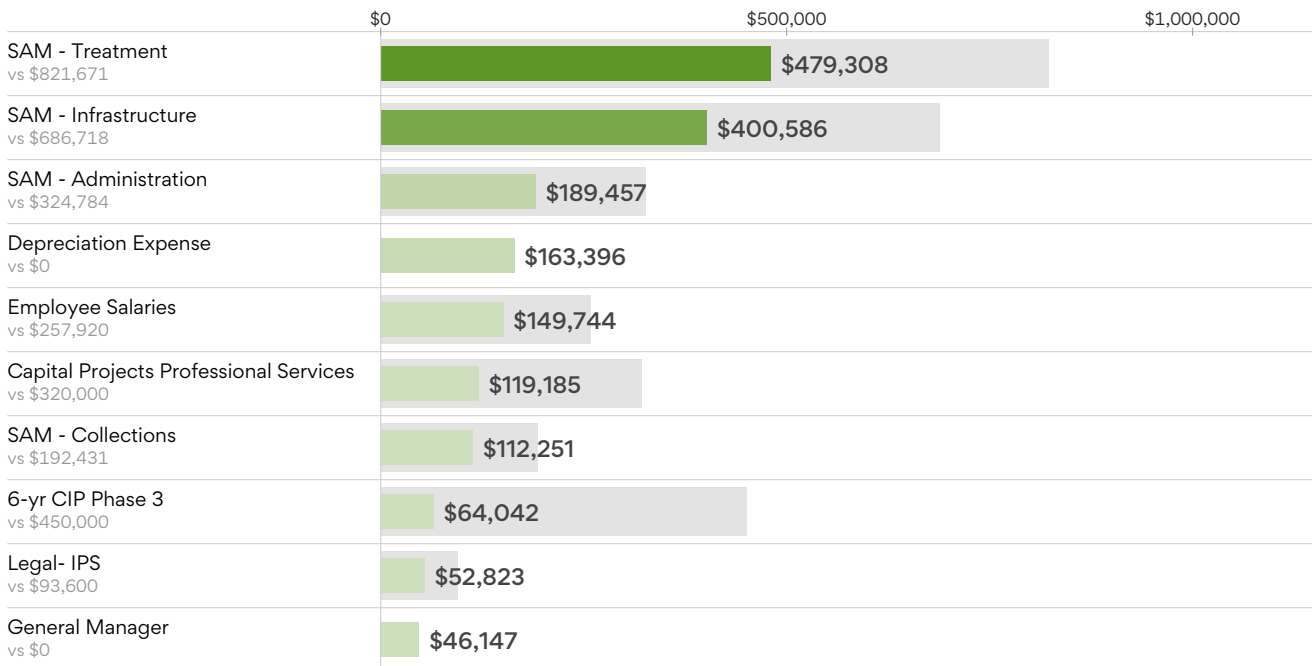
Top 10 Revenues & Expenses

The charts below compare the District's ten largest revenue and expense accounts against their budgeted figures.

Top 10 Revenue breakdown (2025/2026 YTD vs Budget)



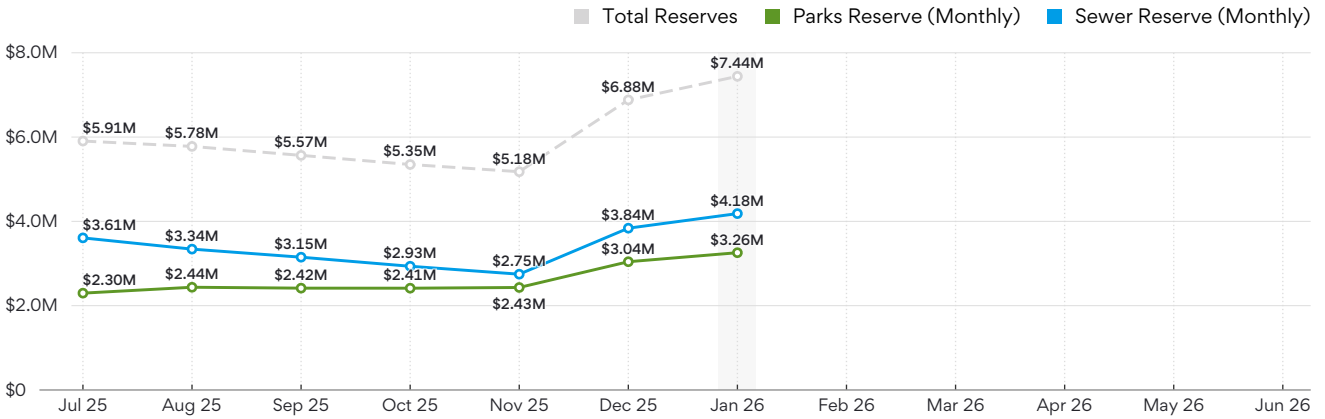
Top 10 Expenses breakdown (2025/2026 YTD vs Budget)



Budgetary Fund Cash Reserves

The District maintains two budgetary reserves to track cash balances allocable to sewer and parks and recreation operations. These reserve balances represent amounts internally tracked for budget purposes only and do not represent restricted net position. The balance of each budgetary reserve as of period-end are as follows:

Reserve Balances



Sewer Reserves (\$)	2025/2026 (YTD)
Beginning Sewer Reserve	3,660,138
Change in Sewer Reserve	524,368
Ending Sewer Reserve	4,184,506

Parks & Recreation Reserves (\$)	2025/2026 (YTD)
Beginning Parks Reserve	2,466,512
Change in Parks Reserve	790,261
Ending Parks Reserve	3,256,773

Total Cash Reserves (\$)	2025/2026 (YTD)
Ending Reserves	7,441,279

Financial Statements

Granada Community Services District Statement of Net Position (Unaudited) As of January 31, 2026

ASSETS	Jan 2026
Cash & Equivalents	
Petty Cash	\$ 226
Tri Counties Bank - Gen Op	87,981
Tri Counties Bank - Deposit	2,500
LAIF	9,380
CalTrust Liquidity Fund #0010	7,341,192
Total Cash & Equivalents	7,441,279
Accounts Receivable	
Accounts Receivable from Customers	9,566
Other Current Assets	
Prepaid Expenses	25,348
Excess ERAF Receivable	265,873
Total Other Current Assets	291,221
Total Current Assets	7,742,066
Fixed Assets	
Collections System	12,867,836
Construction in Progress	73,254
Equipment	22,943
Land	2,862,979
ROU Assets, Net	51,686
Accumulated Depreciation	(8,610,941)
Total Fixed Assets	7,267,758
Investments or Other Non-Current Assets	
Investment in SAM	6,610,092
ERAF 5% Retention Receivable	83,280
Lease Receivable	23,838
Total Investments or Other Non-Current Assets	6,717,209
Total Non-Current Assets	13,984,967
Total Assets	21,727,033
Deferred Outflows of Resources - Pension	112,280

(Continued on next page)

Granada Community Services District
Statement of Net Position (Unaudited)
As of January 31, 2026
(Continued)

LIABILITIES	Jan 2026
Accounts Payable	
Accounts Payable	98,015
Other Current Liabilities	
Compensated Absences, Current Portion	10,750
Deposits Payable	7,498
Due to AD	25
Payroll Liabilities	5,641
Recology-Delinquent Garbage Payable	53,480
Unearned Revenue	15,600
Total Other Current Liabilities	92,993
Total Current Liabilities	191,009
Other Non-Current Liabilities	
Compensated Absences, Noncurrent	4,303
Lease Liability	54,616
Net Pension Liability	180,689
Total Other Non-Current Liabilities	239,608
Total Non-Current Liabilities	239,608
Total Liabilities	430,617
 DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows of Resources - Leases	22,523
Deferred Inflows of Resources - Pension	610
Total Deferred Inflows of Resources	23,133
 NET POSITION	
Net Investment in Capital Assets	7,267,758
Net Position - Unrestricted	14,117,806
Total Net Position	\$ 21,385,563

Granada Community Services District
Statement of Revenues, Expenses, and Changes in Net Position (Unaudited)
For the Seven Months Ended January 31, 2026

Revenue	Jul-Jan 2026	Expected to Date	Variance YTD	FY25/26 Budget
Operating Revenue				
Sewer Service Charges-SMC	\$ 1,832,197	\$ 1,707,125	\$ 125,072	\$ 2,926,500
Connection Fees	15,275	10,967	4,308	18,800
Total Operating Revenue	1,847,472	1,718,092	129,380	2,945,300
Non Operating Revenue				
Interest on Reserves	139,734	108,442	31,293	185,900
SAM Refund from Prior Yr	50,740	583	50,156	1,000
ERAF Refund	623,242	320,833	302,409	550,000
Misc Income - Sewer	3,018	2,917	102	5,000
Misc Income - Recreation	4,006	2,917	1,089	5,000
Lease Revenue	39,414	42,000	(2,586)	72,000
Interest Revenue - Leases	901	-	901	-
Park Tax Allocation	556,798	550,842	5,956	944,300
AD OH Reimbursement	21,840	21,840	-	37,440
Recology Franchise Fee	28,494	26,833	1,660	46,000
Delinquent Garbage Fee	6,667	-	6,667	-
Engineering Fee Revenue	23,620	-	23,620	-
Gain (Loss) on Disposals	(13,020)	-	(13,020)	-
Total Non Operating Revenue	1,485,456	1,077,207	408,249	1,846,640
Total Revenue	3,332,927	2,795,298	537,629	4,791,940
Expenses				
Operations				
SAM - General	692,066	692,065	-	1,186,398
SAM - Collections	112,251	112,251	-	192,431
Depreciation Expense	163,396	-	163,396	-
CCTV	-	17,500	(17,500)	30,000
Pet Waste Station	567	-	567	-
RCD - Parks	-	583	(583)	1,000
Half Moon Bay Reimb - Parks	-	23,855	(23,855)	40,894
Recreation Supplies and Miscellaneous	692	-	692	-
Total Operations	968,972	846,255	122,717	1,450,723
Administration				
Auditing	1,200	10,955	(9,755)	18,780
Copier lease	379	2,141	(1,762)	3,670
Directors' Compensation	6,080	8,838	(2,758)	15,150
Education & Travel Reimb	-	1,178	(1,178)	2,020
Employee Compensation	230,986	234,401	(3,415)	401,830
Engineering Services	8,813	23,333	(14,520)	40,000
Insurance	764	40,950	(40,186)	70,200
Legal Services	98,411	78,867	19,544	135,200
Memberships	12,487	7,350	5,137	12,600
Office Lease	36,681	37,613	(932)	64,480
Interest Expense - Leases	1,216	-	1,216	-
Office Maint./Properties/Supplies	37,745	11,667	26,078	20,000

(Continued on next page)

Granada Community Services District
Statement of Revenues, Expenses, and Changes in Net Position (Unaudited)
For the Seven Months Ended January 31, 2026
(Continued)

Expenses (Continued)	Jul-Jan 2026	Expected to Date	Variance YTD	FY25/26 Budget
Administration (Continued)				
Professional Services	90,045	89,507	538	153,440
Publications/Notices/Marketing Out	1,008	5,460	(4,452)	9,360
Utilities	8,046	9,718	(1,673)	16,660
Video Taping	2,800	3,033	(233)	5,200
Computers	5,515	3,033	2,482	5,200
Miscellaneous	52	5,833	(5,781)	10,000
Bank Service Charges	723	-	723	-
Permitting/Fees/Filing Fees	14,216	14,583	(367)	25,000
Park Related Misc Expenses	-	152	(152)	260
Total Administration	557,168	588,612	(31,444)	1,009,050
Capital Projects				
SAM - Infrastructure	400,586	400,586	-	686,718
Lift Station Maint.	30,315	16,333	13,981	28,000
Lateral Repairs	-	5,833	(5,833)	10,000
6-yr CIP Phase 3	64,042	262,500	(198,458)	450,000
Capital Projects Professional Service	119,185	186,667	(67,482)	320,000
Total Capital Projects	614,127	871,919	(257,791)	1,494,718
Total Expenses	2,140,267	2,306,786	(166,519)	3,954,491
Change in Net Position	1,192,660	488,512	704,148	837,449
Beginning Net Position	20,192,903	20,192,903	-	20,192,903
Ending Net Position	\$ 21,385,563	\$ 20,681,415	\$ 704,148	\$ 21,030,352

Supplementary Information

Granada Community Services District
 Schedule of Revenues, Expenses, and Changes in Net Position By Budgetary Fund
 (Unaudited)
 For the Seven Months Ended January 31, 2026

	Sewer	Parks & Recreation	Total
Revenue			
Operating Revenue			
Sewer Service Charges-SMC	\$ 1,832,197	\$ -	\$ 1,832,197
Connection Fees	15,275	-	15,275
Total Operating Revenue	1,847,472	-	1,847,472
Non Operating Revenue			
Interest on Reserves	79,237	60,498	139,734
SAM Refund from Prior Yr	50,740	-	50,740
ERAF Refund	255,780	367,463	623,242
Misc Income - Sewer	2,882	137	3,018
Misc Income - Recreation	-	4,006	4,006
Lease Revenue	32,561	6,854	39,414
Interest Revenue - Leases	676	225	901
Park Tax Allocation	-	556,798	556,798
AD OH Reimbursement	21,840	-	21,840
Recology Franchise Fee	28,494	-	28,494
Delinquent Garbage Fee	6,667	-	6,667
Engineering Fee Revenue	23,620	-	23,620
Gain (Loss) on Disposal of Capital Assets	-	(13,020)	(13,020)
Total Non Operating Revenue	502,496	982,959	1,485,456
Total Revenue	2,349,968	982,959	3,332,927
Expenses			
Operations			
SAM - General	692,066	-	692,066
SAM - Collections	112,251	-	112,251
Depreciation Expense	163,066	330	163,396
Pet Waste Station	-	567	567
Recreation Supplies and Miscellaneous	-	692	692
Total Operations	967,383	1,589	968,972
Administration			
Auditing	900	300	1,200
Copier lease	284	95	379
Directors' Compensation	4,560	1,520	6,080
Employee Compensation	173,239	57,747	230,986
Engineering Services	8,813	-	8,813
Insurance	573	191	764
Legal Services	93,651	4,760	98,411
Memberships	9,749	2,738	12,487
Office Lease	27,511	9,170	36,681
Interest Expense - Leases	912	304	1,216

(Continued on next page)

Supplementary Information
Granada Community Services District
Schedule of Revenues, Expenses, and Changes in Net Position By Budgetary Fund
(Unaudited)
For the Seven Months Ended January 31, 2026
(Continued)

Expenses (Continued)	Sewer	Parks & Recreation	Total
Administration (Continued)			
Office Maint./Properties/Supplies	12,739	25,005	37,745
Professional Services	57,606	32,438	90,045
Publications/Notices/Marketing Outreach	1,008	-	1,008
Utilities	7,177	868	8,046
Video Taping	2,100	700	2,800
Computers	4,137	1,379	5,515
Miscellaneous	39	13	52
Bank Service Charges	539	183	723
Permitting/Fees/Filing Fees	5,049	9,167	14,216
Total Administration	410,588	146,580	557,168
Capital Projects			
SAM - Infrastructure	400,586	-	400,586
Lift Station Maint.	30,315	-	30,315
6-yr CIP Phase 3	64,042	-	64,042
Capital Projects Professional Services	1,337	117,848	119,185
Total Capital Projects	496,279	117,848	614,127
Total Expenses	1,874,250	266,017	2,140,267
Change in Net Position	\$ 475,718	\$ 716,942	\$ 1,192,660

