



GRANADA COMMUNITY SERVICES DISTRICT

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

Thursday, June 20, 2024

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, the 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: GCS D Board Meeting Time: June 20, 2024 7:00 PM Pacific Time (US and Canada)</p> <p>Join Zoom Meeting https://us02web.zoom.us/j/82642686214</p> <p>Meeting ID: 826 4268 6214</p>	<p>OR</p> <p>Dial by your location +1 669 444 9171 US</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:	Nancy Marsh
	Vice-President:	Jen Randle
	Director:	Matthew Clark
	Director:	Barbara Dye
	Director:	Jill Grant

Director Grant will be participating remotely via teleconference pursuant to Government Code Section 54953(b) from 128 Coronado St., El Granada.

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 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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1. Parks and Recreation Activities.	4
a. Report on Granada Community Park and Recreation Center. - Update on CEQA/MND environmental document and responses.	
b. Report on Planned Recreation Program Events.	
2. Consideration of Policy and Resolution for the Statewide November 5, 2024 General Election.	5
a. 200-Word or 400-Word Limit for Candidate Statements for GCSD.	
b. Cost of the Candidate's Statement to be Paid by the District or the Candidate.	
c. Approve Resolution Calling for an Election to be Held on November 5, 2024 for the Election of Two Members of the District Governing Board.	6
Recommendation: 1. To be made by the Board. 2. Approve the resolution.	
3. Public Hearing – Consideration of Granada Community Services District Fiscal Year 2023/24 Sewer and Parks & Recreation Budgets.	8
Recommendation: 1. Open public hearing and request public comment; 2. Close public hearing; and 3. Approve and adopt the budget.	
4. Approval of Audited District Financial Statements for the Fiscal Year Ending June 30, 2023.	18
Recommendation: Approve the Audited Financial Statements.	
5. Engineer's Report.	67
6. Report on Sewer Authority Mid-Coastside Meetings.	71
a. SAM Operations and Collections Budget Approval Resolutions.	95

CONSENT AGENDA

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11. April 2024 Financial Statements.	110
12. Dedication of Class 3 Mainline Extension to Serve APN: 048-032-070, 239 Cortez Avenue, Miramar (Irfan).	115

COMMITTEE REPORTS

13. Report on seminars, conferences, or committee meetings.

INFORMATION CALENDAR

14. Attorney's Report. (Parkin)	
15. General Manager's Report. (Duffy)	
16. Administrative Staff Report. (Atmore)	116
17. Future Agenda Items.	118

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; Sixth District Court of Appeal Case No. H049896)

RECONVENE TO OPEN SESSION

Report on reportable action taken in Closed Session.

ADJOURN REGULAR MEETING

At the conclusion of the April 18, 2024 Regular Meeting:

Last Ordinance adopted: No. 177

Last Resolution adopted: No. 2024-01

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

Except for records exempt from disclosure under section 6254 of the Public Records Act, all materials distributed to the Board for the Agenda are disclosable to the public upon request. Please contact Nora Mayen at (650) 726-7093 or via email at gcsdadmin@granada.ca.gov to request assistance with either of these issues.



GRANADA COMMUNITY SERVICES DISTRICT

AGENDA MEMORANDUM

To: Board of Directors
From: Hope Atmore, Assistant General Manager
Subject: Parks and Recreation
Date: June 20, 2024

a. Report on Granada Community Park and Recreation Center

The public comment period for the Granada Community Park Project ran from May 16 through next Monday June 17, 2024. An update on the comments received will be given at the board meeting on June 20. All comments were recorded and sent to Montrose Environmental Consulting for review.

b. Recreation Programming

We finished our Spring programming with a Nature Walk in Quarry Park. We are planning for Fall programming which will start in August. Tentative plans include:

- CLT Nature Journaling workshop
- Drawing Classes with Claudia Marshall
- August - History Walk - Nancy
- Deer Creek Walk with RCD
- Mountain biking event with movie night
- September 28 – Fall Fest with SMC Parks
- October 12 – Movie Night at Quarry Park
- December - Boat lighting/indoor movie at Harbor Village with Hop Dogma
- July 20 and October 12 Recology Recycling Events - confirmed
- Bookmobile Visits – ongoing 2nd and 4th Monday from 2:00-3:30PM in the dirt lot – confirmed



GRANADA COMMUNITY SERVICES DISTRICT

AGENDA MEMORANDUM

To: Board of Directors
From: Hope Atmore, Assistant General Manager
Subject: Consideration of Policy and Resolution for the Statewide November 5, 2024
General Election
Date: June 20, 2024

The District will have two open seats on the November 5, 2024 General Election ballot. The four-year terms of Directors Marsh and Clark will be expiring.

This item is presented for the Board to:

- 1) Determine whether any candidate's statement will be limited to 200 or 400 words
- 2) Determine whether any candidate or the district will pay for the candidate's statement
- 3) Approve the attached Resolution

The board's rules will apply to all candidates, not just incumbents. In the past election in 2022, the candidate's statement was been limited to 200 words, and the District paid for each candidate statement.

GRANADA COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 2024 - ____

**A RESOLUTION OF THE GRANADA COMMUNITY SERVICES DISTRICT
CALLING FOR AN ELECTION TO BE HELD ON NOVEMBER 5, 2024 FOR
THE ELECTION OF TWO MEMBERS OF THE GOVERNING BOARD**

The Governing Board of the Granada Community Services District hereby resolves as follows:

WHEREAS, an election is hereby called to be held in and for the Granada Community Services District on November 5, 2024 to elect two members of the Governing Board for a full term of four years each.

WHEREAS, pursuant to Elections Code 10002, the Governing Board of the Granada Community Services District hereby requests the Board of Supervisors of the County of San Mateo to make available the services of the San Mateo County Chief Elections Officer & Assessor – County Clerk – Recorder (the “Chief Elections Officer”) as the County Elections Official for the purpose of rendering services in the conduct of the election to be held on November 5, 2024.

WHEREAS, the election to be held on November 5, 2024 will be conducted at-large. Each governing board member shall reside in the jurisdiction and shall be elected by the registered voters of the entire jurisdiction.

WHEREAS, pursuant to Elections Code 10509, not less than 125 days prior to the date of the election, the jurisdiction secretary shall deliver a notice to the Chief Elections Officer. The notice shall bear the secretary's signature and the district seal and shall also contain both of the following:

- (a) The elective offices of the jurisdiction to be filled at the next general district election, specifying which offices, if any, are for the balance of an unexpired term.
- (b) Whether the jurisdiction or the candidate is to pay for the publication of a candidate statement.

WHEREAS, pursuant to Elections Code 10522, not less than 125 days prior to the date of the election, the Granada Community Services District shall deliver to the Chief Elections Officer a map showing the boundaries of the jurisdiction and the boundaries of the divisions of the jurisdiction, if any, within the County and a statement indicating in which divisions a member of the Governing Board is to be elected and whether any elective officer is to be elected at large at the next general district election.

WHEREAS, the General Manager or Assistant General Manager of the Granada Community Services District hereby is authorized and directed to enter an Elections Service Agreement with the Chief Elections Officer regarding the election to be held on November 5, 2024 to outline the detailed services to be provided by both the Granada Community Services District and the Chief Elections Officer.

WHEREAS, the Chief Elections Officer shall send an itemized invoice to the Granada Community Services District for all services provided pursuant to the Elections Service Agreement after the election is conducted and all related costs are determined. The Granada Community Services District agrees to submit payment on the full amount of the invoice to the County of San Mateo within forty-five (45) days of the date of the invoice.

BE IT FURTHER RESOLVED that pursuant to Elections Code 13307, each candidate for the Governing Board to be voted in the election to be held on November 5, 2024 may prepare a candidate statement on the appropriate form provided by the Chief Elections Officer. Such statement shall be limited to 200 words. The prorated costs of printing, mailing and translating the statements shall be paid by the District.

I hereby certify the foregoing Resolution was duly and regularly passed and adopted by the Governing Board of the Granada Community Services District at a regular meeting thereof held on this 20th day of June, 2024, by the following votes:

AYES, and in favor thereof, Members:

NOES, Members:

ABSTAIN, Members:

ABSENT, Members:

Approved:

Nancy Marsh, Board President

Attest:

Hope Atmore, Board Secretary



GRANADA COMMUNITY SERVICES DISTRICT

AGENDA MEMORANDUM

To: Board of Directors
From: Chuck Duffy, General Manager
Subject: GCSD Sewer and Parks and Recreation District Budgets -Fiscal Year 2024/25
Date: June 20, 2024

Attached for your Board's consideration is the Fiscal Year 2024/25 Sewer District Budget and Parks and Recreation District Budget. This budget incorporates the 3rd year of the district's 3 year sewer service charge increase from \$755 per ERU last fiscal year to \$860 per ERU for this fiscal year. Budget highlights include:

- Sewer Authority Mid-Coastside – SAM operates the SAM intertie pipeline system and the SAM treatment plant which transports and treats the District's sewage collected from our own system. Operational costs at SAM had increased relatively substantially in previous years, and the SAM overall operations budget (not including the Infrastructure Budget portion) increased 15% for this coming FY 2024/25. GCSD's share of this increased slightly less than that due to our reduced flows. The SAM total infrastructure budget of \$3,000,000 is targeted for the repair and replacement of the section of the SAM IPS pipeline located in Montara. Our share of that cost is \$565,000.
- It should be noted that SAM's costs comprise approximately 73% of the GCSD sewer budget.
- Sewer service charge revenues are due to increase \$345,000 for the coming fiscal year due to the increase to \$860 per ERU.
- The GCSD administrative budget was \$35,000 under budget for the past FY 2023/24.
- The year over year GCSD Administrative budget for 2024/25 shows an increase of \$57,000, due mainly to an increase in predicted legal expenses related to the City of Half Moon Bay IPS lawsuit.
- New to the budget this year is the sharing of district administrative costs between the sewer and parks and recreation function. The split is approximately 75% allocated to Sewer, and 25% to Parks.
- Due to the looming cost of the SAM IPS pipeline project, we have delayed the 3rd phase of construction of our 6 year CIP program until FY 2025/26.
- On the Parks and Recreation side, I have budgeted \$125,000 for professional services, which comprises landscape design, architectural services, permitting, as well as civil engineering design for the Burnham Park.
- As mentioned above, the Parks function will now share approximately 25% of the district administrative costs, or \$185,000 allocated to Parks. We will be working with our accountant to set up account codes for these splits for the coming FY 2024/25.

Property tax revenues are pledged to the Parks and Recreation budget. The Property Tax ERAF refund we received each year has been split for this year the same as last year, with 40% to Sewer and 60% to Parks. This split is at your board's discretion.

Attached to the budget is a spreadsheet where I have fully calculated the allocation of the past 10 years of costs between the Sewer district and the Parks and Recreation district. The percentage allocated to each function is based upon my best estimate of the time and costs spent on each function. I have used this spreadsheet to separate the reserve balances for the Sewer district and the Parks district. Come September or so, once all the numbers are finalized for fiscal year end June 30, 2024, I will do a true-up calculation with the help of our district accountant to finalize these balances. I will explain this spreadsheet and the assumptions underlying it in more detail at our board meeting this Thursday.



GRANADA COMMUNITY SERVICES DISTRICT

FISCAL YEAR 2024/25

SEWER DISTRICT and PARKS & RECREATION DISTRICT OPERATIONS, ADMINISTRATION, AND CAPITAL BUDGET

BOARD OF DIRECTORS

Nancy Marsh, Board President
Jen Randle, Board Vice President
Matthew Clark, Director
Barbara Dye, Director
Jill Grant, Director

DISTRICT STAFF

Chuck Duffy, General Manager
Hope Atmore, Assistant General Manager
Nora Mayen, District Administrator

GRANADA COMMUNITY SERVICES DISTRICT

**SEWER DISTRICT BUDGET
FISCAL YEAR 2024/25**

	FY 2023/24 <u>Budget</u>	FY 2023/24 Projected <u>Actual</u>	Over/ (Under) <u>Budget</u>	FY 2024/25 <u>Budget</u>
<u>SEWER - OPERATING REVENUES</u>				
1 . Annual Sewer Service Charges	\$ 2,440,000	\$ 2,439,000	\$ (1,000)	\$ 2,785,000
2 . Reim. from A.D. - Salary and Overhead	\$ 36,000	\$ 36,000	\$ -	\$ 36,000
3 . Recology of the Coast Franchise Fee	\$ 45,000	\$ 42,000	\$ (3,000)	\$ 46,000
4 . 480 Ave. Alhambra Rent	\$ 60,000	\$ 60,000	\$ -	\$ 45,000
5 . Miscellaneous	\$ 5,000	\$ 1,000	\$ (4,000)	\$ 5,000
TOTAL REVENUES	\$ 2,586,000	\$ 2,578,000	\$ (8,000)	\$ 2,917,000
 <u>SEWER - NON-OPERATING REVENUES</u>				
1 . Interest on Reserves	\$ 86,000	\$ 101,000	\$ 15,000	\$ 127,000
2 . Connection Fees	\$ 38,000	\$ 16,000	\$ (22,000)	\$ 18,800
3 . SAM Refund from Prior Year Allocation	\$ 1,000	\$ -	\$ (1,000)	\$ 1,000
4 . Repayment from Assessment District-Current FY	\$ -	\$ -	\$ -	\$ -
5 . ERAF Refund	\$ 160,000	\$ 207,000	\$ 47,000	\$ 200,000
TOTAL NON-OPERATING REVENUES	\$ 285,000	\$ 324,000	\$ 39,000	\$ 346,800
 SEWER - TOTAL REVENUES	 \$ 2,871,000	 \$ 2,902,000		 \$ 3,263,800

Budget Revenue Assumptions:

- 1 . 3,238 ERU's of sewer service charge at **\$860** per ERU
- 2 . 5.0% Interest on average yearly reserve
- 3 . 4 Connections at \$4700 per connection
- 4 . 40% of projected \$500,000 ERAF refund

GRANADA COMMUNITY SERVICES DISTRICT

**SEWER DISTRICT BUDGET
FISCAL YEAR 2024/25**

	FY 2023/24 Budget	FY 2023/24 Projected Actual	Over/ (Under) Budget	FY 2024/25 Budget
<u>SEWER - SAM OPERATING EXPENSES</u>				
1 . SAM General Budget - Treatment	\$ 731,476	\$ 731,476	\$ -	\$ 797,439
2 . SAM General Budget - Administration	\$ 291,945	\$ 291,945	\$ -	\$ 356,221
3 . SAM General Budget - Environmental Compliance	\$ 45,224	\$ 45,224	\$ -	\$ 47,459
4 . SAM General Budget - Infrastructure	\$ 582,852	\$ 582,852	\$ -	\$ 565,217
5 . SAM Contract Collections Services	\$ 217,767	\$ 217,767	\$ -	\$ 174,761
Sub-Total SAM Operations Expenditures	\$ 1,869,264	\$ 1,869,264	\$ -	\$ 1,941,097

GRANADA COMMUNITY SERVICES DISTRICT

SEWER DISTRICT BUDGET FISCAL YEAR 2024/25

	FY 2023/24 Budget	FY 2023/24 Projected Actual	Over/ (Under) Budget	FY 2024/25 Budget
<u>SEWER - GCSD ADMINISTRATIVE EXPENSES</u>				
1 . Accounting	\$ 38,000	\$ 47,000	\$ 9,000	\$ 48,000
2 . Auditing	\$ 23,000	\$ 18,000	\$ (5,000)	\$ 18,000
3 . Copier Lease	\$ 5,000	\$ 3,800	\$ (1,200)	\$ 4,500
4 . Directors' Compensation	\$ 10,000	\$ 10,000	\$ -	\$ 15,000
5 . Education & Travel Reimbursement	\$ 2,000	\$ 2,300	\$ 300	\$ 2,000
6 . Employee Salaries	\$ 225,000	\$ 238,000	\$ 13,000	\$ 248,000
7 . Employee Medical, Payroll Taxes, and Retirement	\$ 125,000	\$ 126,000	\$ 1,000	\$ 133,000
8 . Engineering Services (General)	\$ 30,000	\$ 46,000	\$ 16,000	\$ 35,000
9 . Insurance	\$ 52,000	\$ 59,400	\$ 7,400	\$ 65,000
10 . Legal Services - General	\$ 40,000	\$ 38,000	\$ (2,000)	\$ 40,000
11 . Legal Services - Project/Case Related	\$ 35,000	\$ 34,000	\$ (1,000)	\$ 90,000
12 . Memberships	\$ 9,900	\$ 9,000	\$ (900)	\$ 10,000
13 . Office Lease	\$ 64,000	\$ 59,000	\$ (5,000)	\$ 62,000
14 . Office Maintenance, Repairs, and Supplies	\$ 8,500	\$ 11,000	\$ 2,500	\$ 3,500
15 . Professional Services	\$ 105,000	\$ 78,000	\$ (27,000)	\$ 82,000
16 . Publications & Notices	\$ 10,000	\$ 5,500	\$ (4,500)	\$ 9,000
17 . Utilities	\$ 16,000	\$ 15,000	\$ (1,000)	\$ 16,000
18 . Video Taping of Board Meetings	\$ 5,000	\$ 4,800	\$ (200)	\$ 5,000
19 . Computers/IT Services	\$ 8,000	\$ 7,600	\$ (400)	\$ 5,000
20 . Lateral Repairs	\$ 24,000	\$ 1,000	\$ (23,000)	\$ 10,000
21 . CCTV	\$ 15,000	\$ 2,000	\$ (13,000)	\$ 15,000
22 . Miscellaneous	\$ 9,000	\$ 9,000	\$ -	\$ 1,000
Sub-Total GCSD Administration Expenditures	\$ 859,400	\$ 824,400	\$ (35,000)	\$ 917,000
(less) Parks and Rec Share of District Administration Costs				\$ (185,000)
GCSD Administration Costs - Sewer				\$ 732,000
SEWER - TOTAL OPERATING & ADMINISTRATION EXPENDITURES	\$ 2,728,664	\$ 2,693,664		\$ 2,673,097
SEWER - OPERATING NET TO/(FROM) RESERVES	\$ 142,336	\$ 208,336		\$ 590,703

GRANADA COMMUNITY SERVICES DISTRICT

**SEWER DISTRICT BUDGET
FISCAL YEAR 2024/25**

	FY 2023/24 Budget	FY 2023/24 Projected Actual	Over/ (Under) Budget	FY 2024/25 Budget
<u>SEWER - CAPITAL PROJECTS</u>				
1 . General Sewer Mainline System Repairs	\$ 10,000	\$ 3,500	\$ (6,500)	\$ 10,000
2 . 6 Year Sewer Mainline Replacement Program (Phase 3)	\$ 65,000	\$ 8,000	\$ (57,000)	\$ 65,000
TOTAL CAPITAL IMPROVEMENT PROJECTS	\$ 75,000	\$ 11,500	\$ (63,500)	\$ 75,000

SEWER - CAPITAL RESERVE FUND BALANCE

1 . Beginning Balance on July 1	\$ 2,993,000
2 . Capital Projects	\$ (75,000)
3 . Transfer from Yearly Budget	\$ 590,703
SEWER RESERVE AT END OF FISCAL YEAR	\$ 3,508,703

GRANADA COMMUNITY SERVICES DISTRICT

**PARKS AND RECREATION DISTRICT BUDGET
FISCAL YEAR 2024/25**

	FY 2023/24 <u>Budget</u>	FY 2023/24 Projected <u>Actual</u>	Over/ (Under) <u>Budget</u>	FY 2024/25 <u>Budget</u>
<u>PARKS AND RECREATION - REVENUES</u>				
1 . Property Tax Allocation	\$ 920,000	\$ 896,000	\$ (24,000)	\$ 940,000
2 . Interest on Reserves	\$ 25,000	\$ 52,000	\$ 27,000	\$ 56,000
3 . ERAF Refund	\$ 240,000	\$ 310,000	\$ 70,000	\$ 300,000
4 . 480 Ave. Alhambra Rent	\$ -	\$ -	\$ -	\$ 15,000
5 . Miscellaneous	\$ 1,000	\$ -	\$ (1,000)	\$ 1,000
TOTAL REVENUES	\$ 1,186,000	\$ 1,258,000		\$ 1,312,000

Budget Revenue Assumptions:

- 1 . 60% of projected \$500,000 ERAF refund

<u>PARKS AND RECREATION - EXPENDITURES</u>				
1 . Miscellaneous Projects	\$ 10,000	\$ 15,000	\$ 5,000	\$ 15,000
2 . RCD Services	\$ 10,000	\$ 1,000	\$ (9,000)	\$ 5,000
3 . Professional Services	\$ 150,000	\$ 262,000	\$ 112,000	\$ 125,000
4 . Parks and Rec Share of District Administration Costs				\$ 185,000
5 . Reimbursement to HMB per Property Tax Agreement	\$ 31,000	\$ 51,000	\$ 20,000	\$ 27,000
TOTAL EXPENDITURES	\$ 201,000	\$ 329,000		\$ 357,000
NET TO/(FROM) PARKS AND RECREATION RESERVE				\$ 955,000

PARKS AND RECREATION - CAPITAL RESERVE FUND

1 . Beginning Balance on July 1				\$ 1,307,000
2 . Transfer (to)/from Operating Revenues				\$ 955,000
PARKS AND RECREATION RESERVE AT END OF FISCAL YEAR				\$ 2,262,000

GRANADA COMMUNITY SERVICES DISTRICT

REVENUE AND EXPENDITURE ALLOCATION BETWEEN PARKS AND RECREATION AND SEWER FUNCTIONS

PARKS REVENUES		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	FYE 2024 Projected
1	Parks Property Tax Actual	\$ -	\$ 51,280	\$ 404,775	\$ 425,922	\$ 455,347	\$ 488,335	\$ 524,400	\$ 777,539	\$ 946,270	\$ 896,000
2	ERAF Refund									\$	\$ 310,000
3	4120 Interest on Reserves (calc)	\$	39	370	3,600	13,800	18,800	6,800	3,300	8,400	52,000
4	4185 Lease Revenue							\$	-	15,000	15,000
5	TOTAL PARKS REVENUE	\$	51,319	405,145	429,522	469,147	507,135	531,200	780,839	969,670	1,273,000
DIRECT PARKS EXPENSES		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	FYE 2024 Projected
6	5110 RCD - Parks		\$	3,742	14,343	16,549	2,132	-	10,075	2,634	1,000
7	5120 Half Moon Bay Reimb - Parks		\$	43,373	8,777	8,832	14,343	-	9,030	101,901	51,000
8	5130 Parks & Rec Professional Svcs					19,185	63,418	43,550	125,864	287,949	262,000
9	6093 Legal- Parks	\$	14,399	21,994	7,809	4,050				\$	-
10	6310 Park Related Misc Expenses	\$	5,852	5,218	34,721		4,834	6,068	25,693	113,427	15,000
11	7500 Projects - Parks						10,085				
12	7510 Parks -Land-WWS-6 ac Burnham Strip										
13	7510 Parks - Land Acquisition-Impink		\$	187,106							
14	7510 Parks - Land Acquisition-Picasso							\$	1,799,339		
15	PARKS DIRECT COST	\$	20,250	261,433	65,649	48,615	94,812	49,618	1,970,002	505,911	329,000
SHARED PARKS and SEWER EXPENSES		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	FYE 2024 Projected
16	6010 Auditing	\$	6,336	9,611	12,523	7,721	12,728	11,644	13,063	11,840	18,000
17	6020 Copier lease	\$	7,182	5,788	6,842	5,511	6,463	5,403	5,156	5,152	3,800
18	6040 Directors' Compensation	\$	9,687	9,390	11,405	12,780	11,433	9,677	11,208	9,130	10,000
19	6050 Education & Travel Reimb	\$	2,287	2,376	3,676	1,019	2,713	1,538	258	196	757
20	Total 6060 Employee Compensation	\$	177,810	181,014	139,234	160,369	293,243	259,499	256,204	322,313	337,710
21	6080 Insurance	\$	881	469	3,031	1,888	21,477	29,881	33,846	42,048	47,182
22	6110 Newsletter						1,635				-
23	6120 Office Lease	\$	47,827	48,700	49,900	51,900	53,400	56,400	53,750	54,350	54,950
24	6130 Office Maintenance & Repairs	\$	3,514	1,865	2,041	1,725	1,795	4,520	1,035	1,793	2,533
25	6135 Other Property Maint.								\$	1,100	2,133
26	6140 Office Supplies	\$	9,082	3,386	6,228	8,077	4,386	1,401	4,259	2,085	7,467
27	6150 Professional Services	\$	1,930	4,145	7,225	3,300	7,294	11,255	36,744	5,360	8,293
28	6151 General Manager	\$	76,074	63,702	62,948	104,314	83,826	71,166	84,856	120,635	88,823
29	6152 Accounting	\$	10,657	15,955	29,531	30,231	30,903	30,553	30,343	31,042	35,808
30	6153 Temp Labor			\$	10,608	2,763		10,134			21,313
31	6160 Publications & Notices	\$	14,494	5,578	8,328	8,859	5,279	3,639	877	13,381	5,077
32	6170-2 Office utilities				\$	2,063	2,349	1,180	1,036	952	934
33	6180 Video Taping	\$	2,000	2,750	2,500	3,625	4,500	4,000	4,500	4,500	4,300
34	6190 Computers	\$		3,882	1,773	4,115	9,758	8,051	4,747	2,941	6,604
35	6230 Bank Service Charges					\$	2,417	718	585	459	303
36	SHARED OVERHEAD COSTS	\$	369,763	358,610	357,791	410,261	550,423	522,854	541,294	633,395	650,306
37	ASSIGNED % to PARKS per year	\$	-	10%	10%	10%	10%	10%	15%	20%	25%
38	ASSIGNED OH COSTS TO PARKS	\$	35,861	35,779	41,026	55,042	52,285	81,194	126,679	162,577	174,165
39	TOTAL PARKS EXPENSES DIRECT and SHARED	\$	56,111	297,212	106,675	103,657	147,097	130,812	2,096,681	668,488	503,165
40	Yearly Gain/(Loss) Parks	\$	(4,793)	107,932	322,847	365,490	360,038	400,388	(1,315,842)	301,182	769,835
41	PARKS RESERVE BALANCE	\$	(4,793)	103,140	425,986	791,476	1,151,514	1,551,902	236,060	537,242	1,307,077

GRANADA COMMUNITY SERVICES DISTRICT

SEWER DISTRICT

5 YEAR PROJECTED REVENUE, EXPENSE, CAPITAL PROJECTS, and RESERVE LEVEL TABLE

Percent SSC Increase	Appv'd. SSC	5%	5%	5%	5%
	<u>FY 2024/25</u>	<u>FY 2025/26</u>	<u>FY 2026/27</u>	<u>FY 2027/28</u>	<u>FY 2027/28</u>
Sewer Service Charge	\$860	\$900	\$950	\$1,000	\$1,050
ERU's connected	3238	3243	3248	3253	3258

Projected Sewer Revenues

1 . Sewer Service Charge	\$2,785,000	\$2,919,000	\$3,086,000	\$3,253,000	\$3,421,000
2 . Misc. Operating Revenue	\$132,000	\$81,000	\$84,000	\$87,000	\$90,000
3 . Misc. Non-Operating Revenue	\$146,800	\$153,000	\$159,000	\$165,000	\$172,000
4 . ERAF	\$200,000	\$0	\$0	\$0	\$0
Total	\$3,263,800	\$3,153,000	\$3,329,000	\$3,505,000	\$3,683,000

Projected Sewer Operating Expenses

	<u>FY 2024/25</u>	<u>FY 2025/26</u>	<u>FY 2026/27</u>	<u>FY 2027/28</u>	<u>FY 2027/28</u>
1 . SAM Operations, Collections, and Enviro.	\$1,375,880	\$1,485,950	\$1,604,826	\$1,733,213	\$1,871,870
2 . SAM Infrastructure	\$565,217	\$1,500,000	\$500,000	\$550,000	\$600,000
3 . GCSD Administration	\$732,000	\$790,560	\$853,805	\$922,109	\$995,878
Total	\$2,673,097	\$3,776,510	\$2,958,631	\$3,205,322	\$3,467,747

Net Gain/Loss for Capital Projects Funding **\$590,703** **(\$623,510)** **\$370,369** **\$299,678** **\$215,253**

Assumptions:

8% Inflation escalator on SAM Operations and Administration (calculated primarily from SAM past escalations)

CAPITAL PROJECTS

	<u>FY 2024/25</u>	<u>FY 2025/26</u>	<u>FY 2026/27</u>	<u>FY 2027/28</u>	<u>FY 2027/28</u>
1 . General Mainline System Repairs	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
2 . 6 Year Sewer Mainline Replacement Program	\$65,000	\$300,000	\$0	\$400,000	\$0
TOTAL CAPITAL IMPROVEMENT PROJECTS	\$75,000	\$310,000	\$10,000	\$410,000	\$10,000

RESERVE FUND

Reserve Fund at Beginning of Fiscal Year	\$2,993,000	\$3,508,703	\$2,575,193	\$2,935,561	\$2,825,240
Transfer From Operating Budget	\$590,703	(\$623,510)	\$370,369	\$299,678	\$215,253
Total GCSD Capital Improvement Projects	(\$75,000)	(\$310,000)	(\$10,000)	(\$410,000)	(\$10,000)
Reserve Fund at End of Fiscal Year	\$3,508,703	\$2,575,193	\$2,935,561	\$2,825,240	\$3,030,492



GRANADA COMMUNITY SERVICES DISTRICT

AGENDA MEMORANDUM

To: Board of Directors
From: Chuck Duffy, General Manager
Subject: FY 2023/24 District Audit
Date: June 20, 2024

Attached are the Fiscal Year 2023/24 Audited Financial Statements for your Board's review. 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 I will discuss the details of the audit further at our meeting. Our auditor C.J. Brown & Company will be available at the meeting to also discuss the audit and answer questions.



**Annual Financial Report
For the Fiscal Years Ended
June 30, 2023 and 2022**



Board of Directors as of June 30, 2023

Name	Title	Elected/ Appointed	Current Term
Nancy Marsh	President	Elected	2020-2024
Jen Randle	Vice-President	Elected	2022-2026
Matthew Clark	Director	Elected	2020-2024
Barbara Dye	Director	Elected	2022-2026
Jill Grant	Director	Elected	2022-2026

**Chuck Duffy, General Manager
504 Avenue Alhambra, Third Floor
P.O. Box 335
El Granada, California 94018
(650) 726-7093**

**Granada Community Services District
Annual Financial Report
For the Fiscal Years Ended June 30, 2023 and 2022**

Final Draft Subject to Review

**Granada Community Services District
Annual Financial Report
For the Fiscal Years Ended June 30, 2023 and 2022**

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Financial Section

Final Draft Subject to Review

Independent Auditor's Report

Board of Directors
Granada Community Services District
El Granada, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, and each major fund of the Granada Community Services District (District) as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements 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, and each major fund of the Granada Community Services District, as of June 30, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

Independent Auditor's Report, continued

Auditor's Responsibilities for the Audit of the Financial Statements

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 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, we:

- exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 statements.
- obtain an understanding of internal control relevant to the audits 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 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 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 through 8, and the required supplementary information on pages 37 through 38, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Independent Auditor's Report, continued

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated (INSERT ISSUE DATE), on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance. That report can be found on pages 39 and 40.

C.J. Brown & Company, CPAs
Cypress, California
(INSERT ISSUE DATE)

Final Draft Subject to Review

Granada Community Services District
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Granada Community Services District (District) provides an introduction to the financial statements of the District for the fiscal years ended June 30, 2023 and 2022. We encourage readers to consider the information presented here in conjunction with the basic financial statements and related notes, which follow this section.

Financial Highlights

- The District's net position increased 3.13% or \$547,196, to \$18,011,694. In fiscal year 2022, the District's net position increased 1.27% or \$218,853, to \$17,464,498.
- Total revenues increased 22.52% or \$893,604, to \$4,861,615. In fiscal year 2022, total revenues increased 6.42% or \$239,358, to \$3,968,011.
- Total expenses increased 15.08% or \$565,261, to \$4,314,419. In fiscal year 2022, total expenses increased 2.74% or \$100,019, to \$3,749,158.

Required Financial Statements

This annual report consists of a series of financial statements. The Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and Statements 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 Statements 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 Statements of Revenues, Expenses, and Changes in Net Position. These statements measure 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. These statements can also be used to evaluate profitability and credit worthiness. The final required financial statements are the Statements of Cash Flows, which provide information about the District's cash receipts and cash payments during the reporting period. The Statements of Cash Flows report 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 Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position report information about the District in a way that helps answer this question. These statements include all assets, deferred outflows, liabilities, and deferred inflows using the *accrual basis of accounting*, which is similar to the accounting used by most 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.

Granada Community Services District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2023 and 2022

Financial Analysis of the District, continued

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 Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 14 through 36.

Statements of Net Position

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

Condensed Statements of Net Position					
	<u>2023</u>	<u>As Restated 2022</u>	<u>Change</u>	<u>As Restated 2021</u>	<u>Change</u>
Assets:					
Current assets	\$ 5,473,870	5,477,534	(3,664)	7,665,370	(2,187,836)
Non-current assets	12,882,396	12,247,853	634,543	9,851,288	2,396,565
Total assets	<u>18,356,266</u>	<u>17,725,387</u>	<u>630,879</u>	<u>17,516,658</u>	<u>208,729</u>
Deferred outflows of resources	<u>132,898</u>	<u>88,433</u>	<u>44,465</u>	<u>97,661</u>	<u>(9,228)</u>
Liabilities:					
Current liabilities	275,257	176,321	98,936	175,575	746
Non-current liabilities	185,455	86,607	98,848	180,448	(93,841)
Total liabilities	<u>460,712</u>	<u>262,928</u>	<u>197,784</u>	<u>356,023</u>	<u>(93,095)</u>
Deferred inflows of resources	<u>16,758</u>	<u>86,394</u>	<u>(69,636)</u>	<u>12,651</u>	<u>73,743</u>
Net position:					
Net investment in capital assets	7,846,357	7,539,419	306,938	5,203,079	2,336,340
Restricted	1,593,040	2,376,601	(783,561)	2,282,066	94,535
Unrestricted	8,572,297	7,548,478	1,023,819	9,760,500	(2,212,022)
Total net position	<u>\$ 18,011,694</u>	<u>17,464,498</u>	<u>547,196</u>	<u>17,245,645</u>	<u>218,853</u>

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 \$18,011,694 and \$17,464,498 as of June 30, 2023 and 2022, respectively.

As of June 30, 2023 and 2022, net position of the District increased by 3.13% or \$547,196 and 1.27% or \$218,853, respectively. 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

Granada Community Services District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2023 and 2022

Statements of Net Position, continued

By far the largest portion of the District's net position (43.56% and 43.17% as of June 30, 2023 and 2022, respectively) 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 years 2023 and 2022, the District showed a positive balance in its unrestricted net position of \$8,572,297 and \$7,548,478, respectively, which may be utilized in future years. (See Note 7 for further discussion)

Statements of Revenues, Expenses, and Changes in Net Position

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

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

	<u>2023</u>	<u>As Restated 2022</u>	<u>Change</u>	<u>As Restated 2021</u>	<u>Change</u>
Revenue:					
Operating revenues	\$ 2,166,798	1,864,460	302,338	1,987,677	(123,217)
Non-operating revenues	2,694,817	2,103,551	591,266	1,740,976	362,575
Total revenue	<u>4,861,615</u>	<u>3,968,011</u>	<u>893,604</u>	<u>3,728,653</u>	<u>239,358</u>
Expense:					
Operating expense	3,982,835	3,478,853	503,982	3,377,188	101,665
Depreciation expense	331,584	270,305	61,279	271,951	(1,646)
Total expense	<u>4,314,419</u>	<u>3,749,158</u>	<u>565,261</u>	<u>3,649,139</u>	<u>100,019</u>
Changes in net position	547,196	218,853	328,343	79,514	139,339
Net position, beginning of year, as restated	<u>17,464,498</u>	<u>17,245,645</u>	<u>218,853</u>	<u>17,166,131</u>	<u>79,514</u>
Net position, end of year	<u>\$ 18,011,694</u>	<u>17,464,498</u>	<u>547,196</u>	<u>17,245,645</u>	<u>218,853</u>

The statements of revenues, expenses, and changes in net position show how the District's net position changed during the fiscal years.

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

The District's net position increased 3.13% or \$547,196, to \$18,011,694, from continuing operations. In fiscal year 2022, the District's net position increased 1.27% or \$218,853, to \$17,464,498.

The District's total revenues increased 22.52% or \$893,604, to \$4,861,615. In fiscal year 2022, total revenues increased 6.42% or \$239,358, to \$3,968,011.

The District's operating revenues increased 16.22% or \$302,338, to \$2,166,798, due to increases of \$207,636 in sewer service charges and \$94,702 in connection fees. In fiscal year 2022, the District's operating revenues decreased 6.20% or \$123,217, to \$1,864,460, due to decreases of \$75,835 in sewer service charges and \$48,382 in connection fees. The District's non-operating revenues increased 28.11% or \$591,266, to \$2,694,817, due to increases of \$267,380 in investment in Sewer Authority Mid-Coastside, \$218,307 in investment returns, \$160,957 in property taxes, \$67,537 in other non-operating revenues, and \$51,113 in investment income from the Assessment District, offset by a decrease of \$174,028 in Assessment District revenues.

Granada Community Services District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2023 and 2022

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

In fiscal year 2022, the District's non-operating revenues increased 20.83% or \$362,575, to \$2,103,551, due to increases of \$368,824 in Assessment District revenue, \$161,623 in property taxes, and \$121,339 in investment in Sewer Authority Mid-Coastside, which were offset by decreases of \$238,449 in other non operating revenues, \$49,770 in investment returns, and \$992 in investment income from the Assessment District.

The District's total expenses increased 15.08% or \$565,261, to \$4,314,419. In fiscal year 2022, the District's total expenses increased 2.74% or \$100,019, to \$3,749,158.

The District's operating expenses increased 14.49% or \$503,982, to \$3,982,835, due to increases of \$242,377 in parks and recreation, \$213,341 in administrative and general expenses, \$81,267 in infrastructure repair costs, \$34,380 in sewage treatment, and \$12,081 in sewage environmental compliance expenses, which were offset by decreases of \$44,252 in sewage administration and \$35,212 in sewage collection expenses. In fiscal year 2022, the District's operating expenses increased 3.01% or \$101,665, to \$3,478,853, due to an increase of \$112,015 in parks and recreation, \$58,038 in sewer collection, \$39,368 in sewage administration, \$24,484 in infrastructure repair costs, \$10,477 in administration and general expenses, and \$3,398 in sewage environmental compliance expenses, offset by a decrease of \$146,115 in sewage treatment expenses.

The District's depreciation expenses increased 22.67% or \$61,279, to \$331,584. In fiscal year 2022, the District's depreciation expenses decreased 0.61% or \$1,646, to \$270,305.

Capital Asset Administration

At the end of fiscal years 2023 and 2022, the District's investment in capital assets (net of accumulated depreciation), amounted to \$7,846,357 and \$7,539,419, respectively. 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 2023, was as follows:

	<u>Balance 2022</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2023</u>
Non-depreciable assets	\$ 3,408,416	638,522	(1,183,959)	2,862,979
Depreciable assets	11,681,455	1,183,959	-	12,865,414
Accumulated depreciation	<u>(7,550,452)</u>	<u>(331,584)</u>	<u>-</u>	<u>(7,882,036)</u>
Total capital assets, net	<u>\$ 7,539,419</u>	<u>1,490,897</u>	<u>(1,183,959)</u>	<u>7,846,357</u>

The change in capital assets for 2022, was as follows:

	<u>Balance 2021</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2022</u>
Non-depreciable assets	\$ 1,233,117	2,176,268	(969)	3,408,416
Depreciable assets	11,250,109	431,346	-	11,681,455
Accumulated depreciation	<u>(7,280,147)</u>	<u>(270,305)</u>	<u>-</u>	<u>(7,550,452)</u>
Total capital assets, net	<u>\$ 5,203,079</u>	<u>161,041</u>	<u>(1,183,959)</u>	<u>7,539,419</u>

Granada Community Services District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2023 and 2022

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.

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.

Final Draft Subject to Review

Basic Financial Statements

Final Draft Subject to Review

**Granada Community Services District
Statements of Net Position
June 30, 2023 and 2022**

	2023	As Restated 2022
Current assets:		
Cash and cash equivalents (note 2)	\$ 3,512,323	2,816,792
Cash and cash equivalents – restricted (note 2)	121,532	334,878
Investments – restricted (note 2)	1,471,508	2,014,035
Accounts receivable, net	87,575	52,381
Assessment receivable – restricted	-	27,688
Excess ERAF receivable	252,022	221,999
Interest receivable	24,173	5,114
Prepaid expenses	4,737	4,647
Total current assets	5,473,870	5,477,534
Non-current assets:		
Investment in Sewer Authority Mid-Coastside (note 3)	5,036,039	4,708,434
Capital assets – not being depreciated (note 4)	2,862,979	3,408,416
Capital assets – being depreciated (note 4)	4,983,378	4,131,003
Total non-current assets	12,882,396	12,247,853
Total assets	18,356,266	17,725,387
Deferred outflows of resources:		
Deferred outflows – pensions (note 6)	132,898	88,433
Total deferred outflows of resources	\$ 132,898	88,433

Continued on next page

**Granada Community Services District
Statements of Net Position, continued
June 30, 2023 and 2022**

	2023	As Restated 2022
Current liabilities:		
Accounts payable	\$ 219,479	138,609
Accrued payroll and payroll liabilities	22,485	1,498
Customer deposits and unearned revenue	29,777	34,746
Compensated absences (note 5)	3,516	1,468
Total current liabilities	275,257	176,321
Non-current liabilities:		
Net pension liability (note 6)	185,455	86,607
Total non-current liabilities	185,455	86,607
Total liabilities	460,712	262,928
Deferred inflows of resources:		
Deferred inflows – pensions (note 6)	16,758	86,394
Total deferred inflows of resources	16,758	86,394
Net position (note 7):		
Net investment in capital assets	7,846,357	7,539,419
Restricted	1,593,040	2,376,601
Unrestricted	8,572,297	7,548,478
Total net position	\$ 18,011,694	17,464,498

See accompanying notes to the basic financial statements

Granada Community Services District
Statements of Revenues, Expenses, and Changes in Net Position
June 30, 2023 and 2022

	2023	As Restated 2022
Operating revenues:		
Sewer service charges	\$ 2,012,168	1,804,532
Connection fees	154,630	59,928
Total operating revenues	2,166,798	1,864,460
Operating expenses:		
Sewer Authority Mid-Coastside Expenses (note 3)		
Sewage administration	285,574	329,826
Sewage treatment	719,502	685,122
Sewage environmental compliance	49,651	37,570
Sewage collection	209,400	244,612
Administration and general	925,007	886,674
Administration and general – Assessment District	766,350	591,342
Parks and recreation	404,010	161,633
Infrastructure repair costs (note 3)	623,341	542,074
Total operating expenses	3,982,835	3,478,853
Operating loss before depreciation	(1,816,037)	(1,614,393)
Depreciation expense	(331,584)	(270,305)
Operating loss	(2,147,621)	(1,884,698)
Non-operating revenues(expenses):		
Property taxes – sewer	493,234	501,008
Property taxes – parks	946,270	777,539
Assessment revenue – Assessment District	529,732	703,760
Investment income – Assessment District	53,343	2,230
Investment returns (unrealized loss)	192,850	(25,457)
Investment in Sewer Authority Mid-Coastside (note 3)	327,605	60,225
Other non operating revenues, net	151,783	84,246
Total non-operating revenues, net	2,694,817	2,103,551
Change in net position	547,196	218,853
Net position, beginning of year, as restated (note 8)	17,464,498	17,245,645
Net position, end of year	\$ 18,011,694	17,464,498

See accompanying notes to the basic financial statements

**Granada Community Services District
Statements of Cash Flows
June 30, 2023 and 2022**

	<u>2023</u>	<u>As Restated 2022</u>
Cash flows from operating activities:		
Cash receipts from customers for sales and service	\$ 2,126,635	1,858,415
Cash paid to vendors and suppliers	(3,706,453)	(3,185,448)
Cash paid to employees	(187,820)	(221,053)
Net cash used in operating activities	<u>(1,767,638)</u>	<u>(1,548,086)</u>
Cash flows from non-capital financing activities:		
Proceeds from property taxes	1,409,481	1,321,682
Proceeds from assessments	610,763	697,619
Proceeds from other non-operating revenue, net	151,783	84,246
Net cash provided by non-capital financing activities	<u>2,172,027</u>	<u>2,103,547</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(638,522)	(2,606,645)
Net cash used in capital and related financing activities	<u>(638,522)</u>	<u>(2,606,645)</u>
Cash flows from investing activities:		
Proceeds from sale of investments	716,318	20,075
Net cash provided by investing activities	<u>716,318</u>	<u>20,075</u>
Net increase(decrease) in cash and cash equivalents	482,185	(2,031,109)
Cash and cash equivalents, beginning of year	<u>3,151,670</u>	<u>5,182,779</u>
Cash and cash equivalents, end of year	<u>\$ 3,633,855</u>	<u>3,151,670</u>
 Reconciliation of cash and cash equivalents to statements of net position:		
Cash and cash equivalents	\$ 3,512,323	2,816,792
Cash and cash equivalents – restricted	121,532	334,878
Total cash and cash equivalents	<u>\$ 3,633,855</u>	<u>3,151,670</u>

Continued on next page

**Granada Community Services District
Statements of Cash Flows, continued
June 30, 2023 and 2022**

	2023	As Restated 2022
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ <u>(2,147,621)</u>	<u>(1,884,698)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	331,584	270,305
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
(Increase)decrease in assets and deferred outflows:		
Accounts receivable, net	(35,194)	22,578
Prepaid expenses	(90)	53,853
Deferred pension outflows	(44,465)	9,228
Increase(decrease) in liabilities and deferred inflows:		
Accounts payable	80,870	31,776
Accrued payroll and payroll liabilities	20,987	(2,127)
Customer deposits and unearned revenue	(4,969)	(28,623)
Compensated absences	2,048	(280)
Net pension liability	98,848	(93,841)
Deferred pension inflows	<u>(69,636)</u>	<u>73,743</u>
Total adjustments	<u>379,983</u>	<u>336,612</u>
Net cash used in operating activities	<u>\$ (1,767,638)</u>	<u>(1,548,086)</u>

See accompanying notes to the basic financial statements

**Granada Community Services District
Notes to the Basic Financial Statements
June 30, 2023 and 2022**

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The Granada Community Services District (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 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.

B. 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 the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

C. Financial Reporting

The District's basic financial statements 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.

The District has adopted the following GASB pronouncement in the current year:

In May 2019, the GASB issued Statement No. 91 – *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged.

In March 2020, the GASB issued Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

Granada Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

C. Financial Reporting, continued

In May 2020, the GASB issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

In June 2020, the GASB issued Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 41 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement. The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance.

Granada Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

1. Use of Estimates

The preparation of the basic financial statements 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.

2. 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.

3. 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.

4. 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.
- **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.

5. 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.

Granada Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

6. 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

7. 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 statements.

8. 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 \$5,000. 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

9. Deferred Outflows of Resources

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

Granada Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

10. 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.

11. 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, 2021
- Measurement date: June 30, 2022
- Measurement period: July 1, 2021 to June 30, 2022

12. Deferred Inflows of Resources

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

13. Unearned Revenue

Unearned revenues arise when resources are received in exchange transactions before the District has a legal claim to them. Unearned revenues at June 30, 2023 and 2022, consisted of miscellaneous receipts for future services.

14. 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* – consists of 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* – consists of 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* – 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.

Granada Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(2) Cash and Cash Equivalents

Cash and cash equivalents as of June 30, are classified in the accompanying financial statements as follows:

	2023	2022
Cash and cash equivalents	\$ 3,512,323	2,816,792
Cash and cash equivalents – restricted	121,532	334,878
Investments – restricted	1,471,508	2,014,035
Total	\$ 5,105,363	5,165,705

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

	2023	2022
Cash on hand	\$ 207	420
Deposits with financial institutions	203,266	425,397
Investments	4,901,890	4,739,888
Total	\$ 5,105,363	5,165,705

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.

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

Granada Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(2) Cash and Cash Equivalents, continued

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 statements 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.

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, 2023 and 2022, \$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 the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(2) Cash and Cash Equivalents, continued

Interest Rate Risk, continued

Maturities of investments at June 30, 2023 consisted of the following:

<u>Investment Type</u>	<u>Total</u>	<u>Remaining Maturity 12 months or less</u>
Local Agency Investment Fund (LAIF)	\$ 3,435,060	3,435,060
Money Market Mutual Funds	1,466,830	1,466,830
Total	\$ <u>4,901,890</u>	<u>4,901,890</u>

Maturities of investments at June 30, 2022 consisted of the following:

<u>Investment Type</u>	<u>Total</u>	<u>Remaining Maturity 12 months or less</u>
Local Agency Investment Fund (LAIF)	\$ 2,725,854	2,725,854
California Asset Management Program	1,196,012	1,196,012
U.S. Treasury Obligation	818,022	818,022
Total	\$ <u>4,739,888</u>	<u>4,739,888</u>

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, 2023 were as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Year-End</u>	
			<u>Moody's Rating Aa3</u>	<u>Not Rated</u>
Local Agency Investment Fund (LAIF)	\$ 3,435,060	N/A	-	3,435,060
Money Market Mutual Funds	1,466,830	N/A	1,466,830	-
Total	\$ <u>4,901,890</u>		\$ <u>1,466,830</u>	<u>3,435,060</u>

Granada Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(2) Cash and Cash Equivalents, continued

Credit Risk, continued

Credit ratings of investments as of June 30, 2022 were as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Year-End</u>	
			<u>Moody's Rating Aa3</u>	<u>Not Rated</u>
Local Agency Investment Fund (LAIF)	\$ 2,725,854	N/A	-	2,725,854
California Asset Management Program	1,196,012	N/A	1,196,012	-
U.S. Treasury Obligation	818,022	N/A	818,022	-
Total	\$ 4,739,888		\$ 2,014,034	2,725,854

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 70% and 58% as of June 30, 2023 and 2022, respectively, of the District's total depository and investment portfolio.

Fair Value Measurements

As of June 30, 2023, investments measured at fair value on a non-recurring and non-recurring basis, are as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Money Market Mutual Funds	1,466,830	1,466,830	-	-
	1,466,830	1,466,830	-	-
Investments measured at amortized cost:				
Local Agency Investment Fund (LAIF)	3,435,060			
Total	\$ 4,901,890			

Granada Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(2) Cash and Cash Equivalents, continued

Fair Value Measurements, continued

As of June 30, 2022, investments measured at fair value on a non-recurring and non-recurring basis, are as follows:

Investment Type	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
California Asset Management Program	\$ 1,196,012	-	1,196,012	-
U.S. Treasury Obligation	818,022	-	818,022	-
	2,014,034	-	2,014,034	-
Investments measured at amortized cost:				
Local Agency Investment Fund (LAIF)	2,725,854			
Total	\$ 4,739,888			

(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, 2023 and 2022 audited financial statements:

Condensed Statements of Net Position

	2023	As Restated 2022
Assets:		
Current assets	\$ 2,975,207	4,567,156
Non-current assets	21,186,597	17,747,868
Total assets	24,161,804	22,315,024
Deferred outflows of resources	1,814,068	675,057
Liabilities:		
Current liabilities	481,328	775,349
Non-current liabilities	4,721,076	2,466,230
Total liabilities	5,202,404	3,241,579
Deferred inflows of resources	421,572	1,726,034
Net position:		
Net investment in capital assets	20,999,823	17,517,750
Unrestricted	(647,927)	504,718
Total net position	\$ 20,351,896	18,022,468

Granada Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(3) Investment in Sewer Authority Mid-Coastside, continued

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

	<u>2023</u>	<u>As Restated 2022</u>
Revenues:		
Operating revenues	\$ 6,344,210	5,916,490
Non-operating revenues	61,567	13,701
Total revenues	<u>6,405,777</u>	<u>5,930,191</u>
Expenses:		
Operating expenses	6,602,216	6,283,477
Depreciation expense	1,215,822	1,283,325
Total expenses	<u>7,818,038</u>	<u>7,566,802</u>
Net income before capital contributions	(1,412,261)	(1,636,611)
Capital contributions:	<u>3,741,689</u>	<u>2,478,320</u>
Change in net position	2,329,428	841,709
Net position, beginning of period as previously stated	<u>18,022,468</u>	<u>17,062,220</u>
Net position, beginning of period	<u>18,022,468</u>	<u>17,180,759</u>
Net position, end of period	<u>\$ 20,351,896</u>	<u>18,022,468</u>

Each member's ownership at June 30, 2023 and 2022 consists of the City of Half Moon Bay 50.5%, Granada Community Services District 29.5%, and Montara Sanitary District 20.0%. For the fiscal years ended June 30, 2023 and 2022, the District's investment in the Authority increased by \$327,605 and \$60,225, respectively. This increase is included in the statements of revenues, expenses, and changes in net position. Total payments made to the Authority for operations, treatment, environmental compliance, collections, and infrastructure repair costs for the fiscal years ended June 30, 2023 and 2022, respectively, are as follows:

	<u>2023</u>	<u>2022</u>
Sewage administration	\$ 285,574	329,826
Sewage treatment	719,502	685,122
Sewage environmental compliance	49,651	37,570
Sewage collection	209,400	244,612
Infrastructure repair costs	623,341	542,074
Total	<u>\$ 1,887,468</u>	<u>1,839,204</u>

Granada Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(3) Investment in Sewer Authority Mid-Coastside, continued

Audited financial statements of the Authority for the years ended June 30, 2023 and 2022 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, were as follows:

	<u>2023</u>	<u>As Restated 2022</u>
Investment in Sewer Authority Mid-Coastside, beginning	\$ 4,708,434	4,648,209
Change in net position before capital contribution	(1,412,261)	(1,636,611)
Prior period adjustment	-	118,539
Basis	(1,412,261)	(1,518,072)
District's percentage of capital contributions	29.50%	29.50%
Loss allocation to District	(416,617)	(447,831)
Share of capital contributions per agreement	598,569	508,056
Federal and state grants	145,653	-
Net income allocation to District	327,605	60,225
Investment in Sewer Authority Mid-Coastside, ending	\$ 5,036,039	4,708,434

(4) Capital Assets

Changes in capital assets for 2023, were as follows:

	<u>Balance 2022</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2023</u>
Non-depreciable assets:				
Land	\$ 2,862,979	-	-	2,862,979
Construction in progress	545,437	638,522	(1,183,959)	-
Total non-depreciable assets	3,408,416	638,522	(1,183,959)	2,862,979
Depreciable assets:				
Sewer Collection System	11,659,302	1,183,959	-	12,843,261
Equipment	22,153	-	-	22,153
Total depreciable assets	11,681,455	1,183,959	-	12,865,414
Accumulated depreciation				
Sewer Collection System	(7,528,299)	(331,584)	-	(7,859,883)
Equipment	(22,153)	-	-	(22,153)
Total accumulated depreciation	(7,550,452)	(331,584)	-	(7,882,036)
Total depreciable assets, net	4,131,003	852,375	-	4,983,378
Total capital assets, net	\$ 7,539,419			7,846,357

Major capital assets additions during the fiscal year ended 2023 consists of additions to the sewer collection system. Depreciation expenses were charged to the District's sewer and parks fund.

Granada Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(4) Capital Assets, continued

Changes in capital assets for 2022, were as follows:

	<u>Balance 2021</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2022</u>
Non-depreciable assets:				
Land	\$ 1,063,640	1,799,339	-	2,862,979
Construction in progress	<u>169,477</u>	<u>376,929</u>	<u>(969)</u>	<u>545,437</u>
Total non-depreciable assets	<u>1,233,117</u>	<u>2,176,268</u>	<u>(969)</u>	<u>3,408,416</u>
Depreciable assets:				
Sewer Collection System	11,227,956	431,346	-	11,659,302
Equipment	<u>22,153</u>	<u>-</u>	<u>-</u>	<u>22,153</u>
Total depreciable assets	<u>11,250,109</u>	<u>431,346</u>	<u>-</u>	<u>11,681,455</u>
Accumulated depreciation				
Sewer Collection System	(7,257,994)	(270,305)	-	(7,528,299)
Equipment	<u>(22,153)</u>	<u>-</u>	<u>-</u>	<u>(22,153)</u>
Total accumulated depreciation	<u>(7,280,147)</u>	<u>(270,305)</u>	<u>-</u>	<u>(7,550,452)</u>
Total depreciable assets, net	<u>3,969,962</u>	<u>161,041</u>	<u>-</u>	<u>4,131,003</u>
Total capital assets, net	\$ <u>5,203,079</u>			<u>7,539,419</u>

Major capital assets additions during the fiscal year ended 2022 consists of additions to the following categories: land, and sewer collection system. Depreciation expenses were charged to the District's sewer and parks fund.

(5) Compensated Absences

Changes in compensated absences balance in 2023, were as follows:

	<u>Balance 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 2023</u>
\$	<u>1,468</u>	<u>3,524</u>	<u>(1,476)</u>	<u>3,516</u>

Changes in compensated absences balance in 2022, were as follows:

	<u>Balance 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 2022</u>
\$	<u>1,748</u>	<u>2,036</u>	<u>(2,316)</u>	<u>1,468</u>

Granada Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(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, are summarized as follows:

	2023		2022	
	New Classic	PEPRA	New Classic	PEPRA
	Prior to December 31, 2012	On or after January 1, 2013	Prior to December 31, 2012	On or after January 1, 2013
Hire date				
Benefit formula	2.0% @ 55	2.0% @ 62	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service		5 years of service	
Benefit payments	monthly for life		monthly for life	
Retirement age	50 - 55	52 - 62	50 - 55	52 - 62
Monthly benefits, as a % of eligible compensation	2.00%	2.00%	2.00%	2.00%
Required employee contribution rates	6.92%	6.75%	6.91%	6.75%
Required employer contribution rates	10.32%	7.47%	10.34%	7.59%

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, 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.

Granada Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(6) Defined Benefit Pension Plans

Contributions, continued

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

	<u>2023</u>	<u>2022</u>
Contributions - employer	\$ 52,802	52,743

Net Pension Liability

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

	<u>2023</u>	<u>2022</u>
Proportionate share of net pension liability	\$ 185,455	86,607

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, 2023, the net pension liability of the Plan is measured as of June 30, 2022 (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, 2021 (the valuation date), rolled forward to June 30, 2022, 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. The District's changes in proportionate share of the net pension liability for the Plan's miscellaneous risk pool as of the fiscal years ended June 30, 2023 and 2022 with measurement dates June 30, 2022 and 2021, respectively, are as follows:

	<u>Proportionate Share</u>	
	<u>2023</u>	<u>2022</u>
Proportion – beginning of year	0.001601%	0.001658%
Change in proportionate share	0.000004%	-0.000057%
Proportion – end of year	<u>0.001605%</u>	<u>0.001601%</u>

Granada Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(6) Defined Benefit Pension Plans

Deferred Pension Outflows (Inflows) of Resources

For the years ended June 30, 2023 and 2022, the District recognized pension credit of \$15,193 and \$9,763, respectively. As of the fiscal years ended June 30, 2023 and 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

<u>Description</u>	<u>2023</u>		<u>2022</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 52,802	-	52,743	-
Differences between actual and expected experience	1,230	-	9,712	-
Changes in assumptions	19,004	-	-	-
Difference between projected and actual earnings on plan investments	33,970	-	-	(75,604)
Change in employer's proportion		(16,758)		(10,790)
Differences between employer's contributions and proportionate share of contributions	25,892	-	25,978	-
Total	<u>\$ 132,898</u>	<u>(16,758)</u>	<u>88,433</u>	<u>(86,394)</u>

As of June 30, 2023 and 2022, the District reported \$52,802 and \$52,743, as deferred outflows related to pension contributions subsequent to the measurement dates June 30, 2023 and 2022, will be/were recognized as a reduction of the net pension liability for the fiscal years ended June 30, 2024 and 2023, respectively.

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:

<u>Fiscal Year Ending June 30,</u>	<u>Deferred Net Outflows(Inflows) of Resources</u>
2024	\$ 20,161
2025	14,668
2026	7,731
2027	20,777

Granada Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(6) Defined Benefit Pension Plans, continued

Actuarial Assumptions

The total pension liabilities in the June 30, 2021 and 2020, actuarial valuations were determined using the following actuarial assumptions:

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

Valuation dates	June 30, 2021 and 2020
Measurement dates	June 30, 2022 and 2021
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	2023 - 6.90% 2022 - 7.15%
Inflation	2023 - 2.30% 2022 - 2.50%
Salary increases	Varies by Entry Age and Service
Investment rate of return	6.90 % net of pension plan investment and administrative 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

* 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, 2023 and 2022, for the PERF C was 6.90% and 7.15%, respectively. 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.

Granada Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(6) Defined Benefit Pension Plans, continued

Discount Rate, continued

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.

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.

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Real Return Years 1-10</u>
Global Equity - Cap-weighted	30.00 %	4.45 %
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)
Total	<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, 2023, the discount rate comparison is as follows:

	<u>Discount Rate - 1%</u>	<u>Current Discount Rate</u>	<u>Discount Rate + 1%</u>
	<u>5.90%</u>	<u>6.90%</u>	<u>7.90%</u>
District's net pension liability	\$ 297,152	185,455	93,556

Granada Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(6) Defined Benefit Pension Plans, continued

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

As of June 30, 2022, the discount rate comparison is as follows:

	Discount Rate - 1% 6.15%	Current Discount Rate 7.15%	Discount Rate + 1% 8.15%
District's net pension liability	\$ 186,773	86,607	3,801

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued CalPERS financial reports. See pages 37 through 38 for the Required Supplementary Information.

(7) Net Position

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

	2023	As Restated 2022
Net investments in capital assets:		
Capital assets – not being depreciated	\$ 2,862,979	3,408,416
Capital assets – being depreciated	4,983,378	4,131,003
Total net investments in capital assets	7,846,357	7,539,419
Restricted - assessment district		
Cash and cash equivalents – restricted	121,532	334,878
Investments - restricted	1,471,508	2,014,035
Assessment receivable – restricted	-	27,688
Total restricted net position	1,593,040	2,376,601
Unrestricted net position:		
Non-spendable net position:		
Prepaid expenses	4,737	4,647
Total non-spendable net position	4,737	4,647
Spendable net position:		
Unrestricted	8,567,560	7,543,831
Total spendable net position	8,567,560	7,543,831
Total unrestricted net position	8,572,297	7,548,478
Total net position	\$ 18,011,694	17,464,498

Granada Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(8) Adjustments to Net Position

In fiscal year 2023, the District determined it did not properly accrue amounts for Excess ERAF funds from the County of San Mateo for the fiscal years ended 2021 and 2022. As a result, the District restated its net position in the amount of \$265,134 and \$221,999 as of June 30, 2021 and 2022, respectively.

The adjustments to net position are as follows:

Net position at July 1, 2020, as previously stated	\$ 17,166,131
Effect of the adjustment to record receivable from County of San Mateo for Excess ERAF	265,134
Change in net position at June 30, 2021, as previously stated	<u>(185,620)</u>
Net position at June 30, 2021, as restated	<u>17,245,645</u>
Effect of the adjustment to reverse prior year receivable from County of San Mateo for Excess ERAF	(265,134)
Effect of the adjustment to record receivable from County of San Mateo for Excess ERAF	<u>221,999</u>
Subtotal adjustments to net position	<u>(43,135)</u>
Change in net position at June 30, 2022, as previously stated	261,988
Net position at June 30, 2022, as restated	<u>\$ 17,464,498</u>

(9) 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, 2023:

- 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 \$1,000 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 years ended June 30, 2023, 2022, and 2021. 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, 2023, 2022, and 2021.

Granada Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(10) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

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.

Governmental Accounting Standards Board Statement No. 99

In April 2022, the GASB issued Statement No. 99 – *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 100

In June 2022, the GASB issued Statement No. 100 – *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change.

That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements. The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

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 the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2023 and 2022

(10) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 101, 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 requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

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 statements 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.

(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.

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.

(12) Subsequent Events

Events occurring after June 30, 2023, have been evaluated for possible adjustment to the financial statements or disclosure as of (INSERT ISSUE DATE), which is the date the financial statements were available to be issued.

Required Supplementary Information

Final Draft Subject to Review

Granada Community Services District
Schedules of the District's Proportionate Share of the Net Pension Liability
As of June 30, 2023
Last Ten Years*

Description	Measurement Dates								
	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
District's proportion of the net pension liability	0.001606%	0.001601%	0.001658%	0.001732%	0.001806%	0.001873%	0.001969%	0.002215%	0.002741%
District's proportionate share of the net pension liability	\$ 185,455	86,607	180,448	177,495	174,065	185,779	170,410	152,020	166,360
District's covered payroll	\$ 203,382	127,025	169,431	329,968	353,350	284,641	260,629	283,860	107,294
District's proportionate share of the net pension liability as a percentage of its covered payroll	91.19%	68.18%	106.50%	174.90%	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	76.68%	88.29%	75.10%	75.26%	75.26%	73.31%	74.06%	78.40%	80.43%

Notes to schedule:

Benefits changes:

There were no changes in benefits.

Changes in assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that long-term expected rate of return should be determined net of pension plan investment expense but without reduction of pension plan administrative expense.

The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses.

The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

The inflation rate was reduced from 2.75% to 2.50%.

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

There were no changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate was reduced from 7.15% to 6.90%.

The inflation rate was reduced from 2.50% to 2.30%.

* The District has presented information for those years for which information is available until a full 10-year trend is compiled.

Granada Community Services District
Schedules of the District's Proportionate Share of the Net Pension Liability, continued
As of June 30, 2023
Last Ten Years*

Description	Fiscal Years Ended								
	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Actuarially determined contribution	\$ 52,802	52,743	41,518	45,198	41,490	37,399	34,626	36,192	26,207
Contributions in relation to the actuarially determined contribution	(52,802)	(52,743)	(41,518)	(45,198)	(41,490)	(37,399)	(34,626)	(36,192)	(26,207)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-
District's covered payroll	\$ 203,382	127,025	169,431	329,968	353,350	284,641	260,629	249,960	328,069
Contributions as a percentage of covered payroll	25.96%	41.52%	24.50%	24.20%	20.00%	22.84%	23.56%	20.66%	7.99%
Notes to schedule:									
Valuation dates	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Methods and assumptions used to determine contribution rates:									
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Market value	Market value	Market value	Market value	Market value	Market value	Market value	Market value	15 year Smoothed Market Method
Inflation	2.300%	2.500%	2.500%	2.625%	2.750%	2.750%	2.750%	2.750%	2.750%
Salary increases	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment rate of return	6.90% (3)	7.150% (3)	7.000% (3)	7.250% (3)	7.375% (3)	7.500% (3)	7.500% (3)	7.500% (3)	7.500% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(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 inflation'

(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.

* The District has presented information for those year for which information is available until a full 10-year trend is compiled.

Report on Internal Controls and Compliance

Final Draft Subject to Review

**Independent Auditor’s Report on Internal Controls Over Financial Reporting
and on Compliance and Other Matters Based on the Audits of Financial Statements
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 Granada Community Services District (District), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated (INSERT ISSUE DATE).

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits 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*.

**Independent Auditor’s Report on Internal Controls Over Financial Reporting
and on Compliance and Other Matters Based on the Audits of Financial Statements
Performed in Accordance with *Government Auditing Standards*, continued**

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 District’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 District’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C.J. Brown & Company, CPAs
Cypress, California
(INSERT ISSUE DATE)

Final Draft Subject to Review

May 8, 2024

Memorandum

To: Granada Community Services District
From: John H. Rayner, District Engineer
Subject: Engineer's Report for May 2024

6-Year CIP, Project 3

CIP, Project 3 is the next and final project of the 6-Year CIP approved by the Board in 2019. Because of the combination of recent higher than expected inflation and upcoming SAM expenses for force main replacement, CIP Project 3 has been delayed.

Harbor Village RV Park

Construction of the RV park is nearing completion.

Pillar Point Harbor RV Park Public Restroom Project

Construction of the Restroom project at the RV park is nearing completion.

Pillar Point Harbor Sewage Meter

Our electrical engineering department reviewed the suitability the magnetic flow meter currently installed in the wet well of the Pillar Point Harbor pump station. They found that the meter is not suitable for installation in a sewage wet well, which is classified as a Class 1, Group D Division 1 hazardous area. The meter instead should be relocated out of the wet well to an accessible location.

SAM Meeting with Member Agency Engineers re Failure of SAM's Montara FM

SAM's Request for Qualifications (RFQ) for Design-Build teams for replacement of SAM's Montara Force Main was sent to potential DB teams on March 14. Submittals were due on May 7. Four design/build teams submitted qualifications. Following review of qualifications, the shortlisted teams will be sent a Request for Proposal (RFP). The original schedule called for RFPs to be sent to shortlisted DB teams on July 8, with proposals due on August 16.

Memorandum

Granada Community Services District
May 8, 2024

El Granada Elementary School Project

No activity this month.

Naples Beach, Phase 2 Easement

About 275' of 8" sewer on this project was constructed on State Parks property without a GCSD easement. Access for construction was authorized by State Parks by a temporary Right of Entry permit, as efforts to secure an easement prior to construction were unsuccessful. Now that the sewer has been constructed, we'll be again be working with State Parks staff to secure a permanent GCSD easement for this sewer.

June 10, 2024

Memorandum

To: Granada Community Services District
From: John H. Rayner, District Engineer
Subject: Engineer's Report for June 2024

6-Year CIP, Project 3

CIP, Project 3 is the next and final project of the 6-Year CIP approved by the Board in 2019. Because of the combination of recent higher than expected inflation and upcoming SAM expenses for IPS force main replacement, CIP Project 3 has been delayed.

Harbor Village RV Park

The RV Park project is still under construction.

Pillar Point Harbor RV Park Public Restroom Project

Construction of the Restroom project at the RV park is not complete.

Pillar Point Harbor Sewage Meter

Our electrical engineering department reviewed the suitability the magnetic flow meter currently installed in the wet well of the Pillar Point Harbor pump station. They found that the meter is not suitable for installation in a sewage wet well, which is classified as a Class 1, Group D Division 1 hazardous area. The meter instead should be relocated out of the wet well to an accessible location.

SAM Meeting with Member Agency Staff re Failure of SAM's Montara FM

Four design/build teams submitted Statements of Qualifications (SOQs) for replacement of SAM's Montara Force Main. SAM held a Zoom meeting on June 4th with member agency managers, engineers and staff to discuss its review of the qualifications and its recommendation that the three top rated DB teams be sent a Request for Proposal for replacement of SAM's Montara Force Main using the Progressive Design Build process.

Memorandum

Granada Community Services District

June 10, 2024

SAM will now draft the RFP for review by member agency staff and then plans to present it for approval at the July 8th SAM Board meeting. SAM's initial schedule calls for the selected DB team's Phase 1, design contract to be considered for approval at the November 2024 SAM Board meeting and for construction to be complete by June 30, 2026.

El Granada Elementary School Project

No activity this month.

Naples Beach, Phase 2 Easement

About 275' of 8" sewer on this project was constructed on State Parks property without a GCSD easement. Access for construction was authorized by State Parks by a temporary Right of Entry permit, as efforts to secure an easement prior to construction were unsuccessful. Now that the sewer has been constructed, we'll be working again with State Parks staff to secure a permanent GCSD easement for this sewer.

MINUTES
SAM BOARD OF DIRECTORS MEETING
Regular Board Meeting 7:00 PM, Monday, April 22, 2024

1. CALL TO ORDER

Chair Dye called the meeting to order at 7:00 p.m. at the SAM Administration Building, located at 1000 N. Cabrillo Highway, Half Moon Bay, CA 94019.

A. Roll Call

Directors Clark, Penrose, Dekker, Rarback (for Ruddock), Slater-Carter, and Dye were present. Also present were General Manager Prathivadi, Finance Officer George Evans, Plant Superintendent Tim Costello, and General Counsel Jungreis.

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

Director Slater-Carter stated CSDA (California Special District Association) and City Action Organization, and Counties are opposing a potential ballot initiative for November 2024, called Initiative 1935. She stated it would take fees and rate payers back to 2022. Chair Dye recommended putting it on the next agenda for further discussion. Director Slater-Carter also commented on her attendance at the San Mateo County Chamber of Commerce State Collaborative meeting. She informed the Board of the State possibly cutting the vehicle license fees to counties, which is something that should be paid attention to in order to be able to get projects done and keep our Public and infrastructure up to the top quality the state demands.

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 April 8, 2024, Regular Board Meeting

B. Approve Disbursements for April 22, 2024

C. Monthly Revenue and Expense Report for Period Ending March 31, 2024

Director Dekker moved, and Director Penrose seconded the motion to approve all Consent Agenda items as presented.

Dekker/Penrose/Roll Call Vote: Clark Aye/Penrose Aye/Dekker Aye/Rarback Aye/Slater-Carter Aye/Dye 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. Review and Accept the Quarterly Financial Report for the 3rd Quarter of Fiscal Year 2023-24.

General Manager Prathivadi reviewed the staff report and recommended the Board of Directors accept the Quarterly Financial Report for the 3rd Quarter of Fiscal Year 2023-24. A discussion ensued. Following discussion, Director Penrose moved, and Slater-Carter seconded the motion to authorize the General Manager to review and accept the Quarterly Financial Report for the 3rd Quarter of Fiscal Year 2023-24.

Penrose/Slater-Carter Roll Call Vote: Clark Aye/Penrose Aye/Dekker Aye/ Rarback Aye/Slater-Carter Aye/Dye Aye/8 Ayes/0 Noes. The motion passed.

5. GENERAL MANAGER’S REPORT

General Manager Prathivadi addressed the Board of Directors and informed them that the power is out at Montara Pump Station. SAM crew is on site, and the power is suspected to be restored at 2 am, April 23rd.

- A. Managers Monthly Report – March 2024

The Board concurred to accept and file the Managers Monthly Report for March 2024.

6. ATTORNEY’S REPORT

General Counsel Jungreis discussed a recent Supreme Court case dealing with EPA and Landfills.

7. DIRECTOR’S REPORT – NONE

8. TOPICS FOR FUTURE BOARD CONSIDERATION

Initiative1935 CSDA (California Special District Association) to be added to next board meeting agenda,

9. CONVENE IN CLOSED SESSION

The Board went into Closed Session at 7:40 p.m.

10. CONVENE IN OPEN SESSION

The Board came out of closed session at 8:55 p.m. General Counsel Jungreis reported there was no reportable action.

11. ADJOURNMENT

Chair Dye adjourned the meeting at 8:55 p.m. to the next Regular meeting on May 13, 2024, at 7:00 p.m.

Respectfully Submitted,

Approved By:

Lorri Rovai
Administrative Assistant

Board Secretary

MINUTES
SAM BOARD OF DIRECTORS MEETING
Regular Board Meeting 7:00 PM, Monday, May 13, 2024

1. CALL TO ORDER

Chair Dye called the meeting to order at 7:00 p.m. at the SAM Administration Building, located at 1000 N. Cabrillo Highway, Half Moon Bay, CA 94019.

A. Roll Call

Directors Clark, Rarback (for Penrose), Boyd (for Slater-Carter), Ruddock, Dekker via zoom and Dye were present. Also present were General Manager Prathivadi via zoom, Finance Officer George Evans, Plant Superintendent Tim Costello, and (Thai Phan for General Counsel Jungreis).

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

General Manager Prathivadi informed the Board of Directors that Thai Phan from Rutan & Tucker LLP will be alternate for Jeremy Jungreis for Open Session and part of Closed Session. General Counsel Jeremy Jungreis will be joining the latter part of Closed Session.

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 April 22, 2024, Regular Board Meeting

B. Approve Disbursements for May 13, 2024

Director Clark pulled the minutes of April 22nd, 2024, for further discussion. He stated the word “suspected” should be “expected” in the General Managers Report. General Manager Prathivadi stated that the minutes would be amended as discussed. Director Dekker inquired about the SAM purchase of a drone. General Manager Prathivadi stated it was purchased for confined space use. Following discussion, Director Rarback moved, and Director Clark seconded the motion to approve the Minutes of April 22, 2024, with corrections as discussed, and Consent Agenda item 3B-Approve Disbursements for May 13, 2024.

Rarback/Clark/Roll Call Vote: Clark Aye/Rarback Aye/Boyd Aye/Ruddock Aye/Dekker Aye/Dye 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. Adopt Resolution in Opposition of Initiative No. 21-0042A1, the Taxpayer Protection and Government Accountability Act, on the November 5, 2024, Statewide Ballot

General Manager Prathivadi reviewed the staff report and recommended the Board of Directors adopt Resolution 02-2024 in Opposition of Initiative No. 21-0042A1, the Taxpayer Protection and Government Accountability Act, on the November 5, 2024, statewide ballot. General Manager Prathivadi introduced Thai Phan from Rutan & Tucker LLP to discuss Initiative 1935 Limits Ability of Voters and State and Local Governments to raise Revenues for Government Services Initiative Constitutional Amendment. Gregg Dieguez, Vice-Chair of the Midcoast Community Counsel (MCC), stated reserve deficits for public agencies are underfunded. A discussion ensued. Following discussion, Director Ruddock moved, and Director Boyd seconded the motion to adopt Resolution 02-2024, a Resolution in Opposition of Initiative No.21-0042 A1 the Taxpayer Protection and Government Accountability Act, on the November 5, 2024, statewide ballot.

Ruddock/Boyd Roll Call Vote: Clark Aye/Rarback Aye/Boyd Aye/ Ruddock Aye/Dekker Aye/Dye Aye/8 Ayes/0 Noes. The motion passed.

5. GENERAL MANAGER'S REPORT

General Manager Prathivadi addressed the Board of Directors on the progress of the Princeton Pump Station Rehabilitation Project, He stated that he is hopeful that the project will be completed by July or August of 2024. General Manager Prathivadi then introduced Aaron Gilbert, SAM Lead Operator, who presented the Board with a Power Point presentation from the CWEA conference he had just attended in Sacramento. He discussed assets management, the Water Infrastructure Finance Innovation Act (WIFIA), energy recovery, new technology, which includes anaerobic digestion, greenhouse gas reduction, fleet electrification, an update on SB 1383 - Organic Waste

Reduction, and conclusions. A discussion ensued. Following discussion, Chair Dye thanked Aaron for his presentation.

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

6. ATTORNEY'S REPORT - NONE

7. DIRECTOR'S REPORT – NONE

8. TOPICS FOR FUTURE BOARD CONSIDERATION - NONE

9. CONVENE IN CLOSED SESSION

The Board went into Closed Session at 7:50 p.m.

10. CONVENE IN OPEN SESSION

The Board came out of closed session at 8:55 p.m. There was no reportable action.

11. ADJOURNMENT

Chair Dye adjourned the meeting at 8:55 p.m. to the next Regular Board meeting on June 10, 2024, at 7:00 p.m. (the meeting of May 27th is Memorial Day, a federal holiday, and the SAM office is closed.)

Respectfully Submitted,

Approved By:

Lorri Rovai
Administrative Assistant

Board Secretary



SEWER AUTHORITY MID-COASTSIDE
Board of Directors Meeting Agenda
Regular Board Meeting 7:00 PM, Monday, June 10, 2024

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/85814142395?pwd=GzSs3bE9jTDi5dSCKf6Ajbh4c8w8MD.1>

Meeting ID: 858 1414 2395

Passcode: 892154

Dial by your location

1 669 900 6833 US (San Jose)

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:	Barbara Dye (GCSD)
	Vice-Chair:	Deborah Ruddock (HMB)
	Secretary:	Kathryn Slater-Carter (MWSD)
	Treasurer:	Peter Dekker (MWSD)
	Director:	Matthew Clark (GCSD)
	Director:	Dr. Deborah Penrose (HMB)

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

Members of the public are welcome to provide public comments 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 June 10, 2024, will be read aloud 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 May 13, 2024, Regular Board Meeting (**Attachment**)
- B. Approve Disbursements for June 10, 2024 (**Attachment**)
- C. Monthly Revenue and Expense Report for Period Ending April 30, 2024 (receive and file) (**Attachment**)

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

- A. Adopt Resolution No. 03-2024 Adopting the Sewer Authority Mid-Coastside Contract Collection Services Budget for Fiscal Year 2024/25 (**Attachment**)
- B. Adopt Resolution No. 04-2024 Adopting the Sewer Authority Mid-Coastside General Budget for Fiscal Year 2024/25 and Adopting the Position Control List (**Attachment**)

5. GENERAL MANAGER’S REPORT

A. Monthly Managers’ Report – April 2024

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.*)

A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Government Code Paragraph (1) of Subdivision (d) of Section 54956.9: (Half Moon Bay v. Granada CSD, Montara WSD & Sewer Authority Mid-Coastside)

B. CONFERENCE WITH LEGAL COUNSEL — PENDING LITIGATION

Pursuant to Paragraph (1) of Subdivision (d) of Government Code Section 54956.9, *Ecological Rights Foundation v. Sewer Authority Mid-Coastside* (Case No: 3:18-CV-04413)

C. Conference with Labor Negotiators (§ 54957.6)

Agency designated representatives: Kishen Prathivadi, Jeremy Jungreis, Christopher Boucher

Employee organization: IUOE Stationary Engineers, Local 39

Conference with Labor Negotiators (§ 54957.6)

Unrepresented Employees

Conference with Labor Negotiators (§ 54957.6)

Unrepresented employee: General Manager

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

11. ADJOURNMENT

Upcoming Regular Board Meetings: June 24, 2024, and July 8, 2024

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



SEWER AUTHORITY MID-COASTSIDE

Staff Report

TO: Honorable Board of Directors
FROM: Tim Costello, Plant Superintendent
DATE: June 10, 2024
SUBJECT: **Monthly Manager’s Report – April 2024**

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 *April 2024*.

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: 0
 Reportable Spills Cat 4: 0

Flow Report (See Attachment A)

Half Moon Bay	1.102	59.60%
Granada CSD	0.391	21.16%
Montara W&SD	0.356	19.24%
Total	1.849	100.0%

BOARD MEMBERS:	M. Clark	B. Dye	P. Dekker
	D. Penrose	D. Ruddock	K. Slater-Carter
ALTERNATE MEMBERS:	S. Boyd	J. Randle	J. Grant
	H. Rarback		

Administration

There were two Regular Board Meeting in the month of April 2024, and no public records request. There was one article in the Half Moon Bay Review mentions of Sewer Authority gets first look at Fiscal Year 2024-25 Budget, (April 9, 2024). There were three articles in the Coastside Buzz Mentions of Sewer Authority Board Approves Purchase of New Maintenance Service Truck while State Requirements for Electric Vehicles Loom on the Horizon, (April 11, 2024), Sewer Authority Mid-Coastside Insurance Premium Increases by 11% Due to Prior Claims and New Flooding Policy, (April 18, 2024),and Sewer Authority Mid-Coastside Follows Up on Flow Analysis with Quotes for Meters that can be Installed in Gravity Lines for Further Research,(April 25, 2024). There were no new hires in the month of April. There were two Anniversary's in the month of April, Finance Officer George Evans, and Lead Operator George Long.

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.

We have not had to use Alum, (aluminum chloride) and polymer to aid in settling in the secondary clarifier for a little bit now which is nice and saves us money on chemical usage. We can see conditions changing so we might well need to use the alum again in the near future. We are adding polymer and cl2 for foam control on an as needed basis on the front side of the MLSS basin.

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

While we did get some rain in April it was not bad at all. There were some power issues in the field, some weather related, and some were PG&E issues. It was a little bit of a wet month, more in line with the current average. I think at this point it is safe to say we are out of the stormy / wet weather months.

Early in the month, (4/3), we had safety training with Du-all, we encourage folks from the member agencies to attend any of the training that will relate to them. This month

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the covered topics were temporary traffic control & flagger training. This is part of our routine safety program just to keep safety on the forefront of people’s minds while they are working.

The Princeton project is moving along well, I am happy with the progress the contractor is making. It is a bit of a mess with the trenches for the electrical and all the pipe work right now. Forward motion still and that is the main thing.

The digester cleaning crew completed their work and hauled out early in the month. We had TJC consultants do a confined space inspection of the digester and are awaiting a report on the inspection. GSE is scheduled to replace the Wemco mix pump with A Vaughan chopper style mix pump while the digester is down. The Vaughan pump is on site along with the necessary parts and we are not anticipating any issues.

The surge tank at the Portola station seems to have failed again, a replacement has been ordered and will be here in May. SRT is having more in-depth discussions with the manufacturer as to why this is reoccurring and possible solutions. The bladder that has been ordered of a thicker material.

Update on the boiler replacement. We are still going forward, the BAAQMD required a CEQA information form, and this is being addressed.

During the month of April 2024 rainfall was below the historic normal for Half Moon Bay. The 10-year average for the area is 1.417 inches of rain in, (1.89 inches used to be considered normal, this year we received 1.43 inches, just above the 10-year average). This web link has some very useful data for our area, <https://ggweather.com/hmb/>. Rainfall totals were as follows: 1.43 inches, (from the NOAA gauge at the plant). Our roof top had 1.43 at the plant, 1.72 inches in the GCSD service area, and 1.29 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 April 2024.

4/1/2024 – Holiday - Daily ops rounds and duties. Digester cleaning crew here. The generator to run their screening machine won’t start, jump start battery and worked ok. Help with moving hopper for screenings.

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- 4/2/2024– Daily ops rounds and duties. Digester cleaning crew here at the plant. Clean both ferric strainers. Perform weekly inventory check. Cleaned polymer pump for primary tanks. Increase RAS pump 1 to 60% and decrease RAS pump 2 to 40%. Calcon here at the plant for a meeting.
- 4/3/2024 – Daily ops rounds and duties. Digester cleaning crew here. DU-ALL safety training for field staff, the topic was flagger / temporary traffic control. Main Street Scholars plant tour. Collect ALPHA samples.
- 4/4/2024 – Daily ops rounds and duties. The digester cleaning crew here, finished with the cleaning phase and will start to break down equipment. Remove and clean polymer pump for primary clarifier. Deliver COVID samples to UPS.
- 4/5/2024 – Daily ops rounds and duties. Final effluent check valve stuck closed, opened by hand. #1 water tank valve not opening or closing, diagnosed, and found bad solenoid valve, replaced with new valve. Run all influent pumps by hand to exercise. Princeton pump station low on chlorine, turned pump off until we refill tank. Digester cleaning guys here to pick up trailer.
- 4/6/2024 – Saturday - Daily ops rounds. Found low PH in the process, add caustic soda to remedy PH levels. Adjust primary sludge timers.
- 4/7/2024 – Sunday - Daily ops rounds and duties. Normal day no anomalies. One mechanic here due to call out at Bell Moon station.
- 4/8/2024 – Daily ops rounds and duties. Digester cleaning crew here to break down equipment. Collect and drop off COVID sample. Perform weekly inventory check for the plant.
- 4/9/2024 – Daily ops rounds and duties. Union meeting. Empty trash inside buildings around the plant. Hypochlorite delivery to the plant and Princeton. Construction crew at Princeton tripped off a couple alarms had to reset them.
- 4/10/2024 – Daily ops round and duties. Exercise all influent pumps. Clean all chemical pump filters and strainers. Wash-down areas around the plant where digester cleaning equipment was located. Prep for Digester #2 confined space the following day.
- 4/11/2024 – Daily ops rounds and duties. Perform confined space entry on digester #2 to set pump for dewatering. Inspection is scheduled for next week. CL2 test check cycle failed, diagnose issue, and found no problems did consult with crew about the alarm. Front gate service crew here at the plant to service and insect gate. Some of the crew went out to Calcon shop/office.

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Closed one of the three influent gates to Secondary #1 to reduce solids and allow more flow to Secondary #1.

- 4/12/2024 – Daily ops rounds and duties. Johnson Controls here to diagnose fire alarm panel, but found no issues. Test and run Hypo pump #3 during the day but found to be not efficient and switched back to pump #4. Cleaned all 4 DO probes for the aeration basins. Clean and wash out LAB freezer because of ice buildup. PG&E power outage in the evening, down power line towards horse trail which affected only the treatment plant power. PG&E crew in and out of the plant working on Utility pole. Monitor plant all night due to outage.

- 4/13/2024 – Saturday - Continued power outage till about 4am. Power restored and reset all alarms. Influent pump #6, Primary loop pump #1, and primary sludge pump #2 did not reset, called in another operator for help diagnose and clear alarms. Daily ops rounds and duties.

- 4/14/2024 – Sunday - Daily ops rounds and duties. Collect Alpha lab samples. Normal day no anomalies.

- 4/15/2024 – Daily ops rounds and duties. CEPT polymer pump not working, ordered new parts. Drop off SAM #5 to Phil's auto shop. Collect and relinquish Alpha samples. Turn on sump pump inside digester #2 to remove water.

- 4/16/2024 – Boiler #2 fail alarm and low gas pressure alarm early in the morning. Daily ops rounds and duties. Clean contact basin #2. Calcon is here to work on programming and electrical equipment. Set up Confined space entry on Digester #2. Ronald from TJCAA completed digester #2 inspection. Parts came in for CEPT pump, remove and replace old parts. Boiler #2 fail alarm, reset, and adjust settings.

- 4/17/2024 – Daily ops rounds and duties. Exercise all influent pumps. Add polymer to AB#3 influent side to remove foam. Fill up a couple polymer totes. Replace belt press polymer tote with new. Perform Bias check on SO2 analyzer. Close 1 of the 3 gates to secondary #2. We will eventually close all 3 gates to secondary #2 as we will put it out of service. Stop chlorine to RAS pump #2 and start chlorination to RAS pump#1. Shut off RAS pump #2 during night time and turn on during day time. The chlorine cycle failed a couple times, did clean tubing and probe.

- 4/18/2024 – Daily ops rounds and duties. Add polymer to AB #3 influent for foam control. Add polymer and alum to effluent said of aeration basins. Fill up and mix a couple polymer totes during the day. Work on CEPT polymer pump to primaries. Wash down a section of secondary #2. Union meeting

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between union rep and union stewards. The chlorine cycle failed, diagnosed issue but could not locate issue.

- 4/19/2024 – Daily ops rounds and duties. Add polymer to MLLS effluent. GSE parts are delivered here and stored in the digester building. Keep washing down secondary #2 as it is out of service. Remove and clean polymer pump for primaries.
- 4/20/2024 – Saturday-Daily ops rounds and duties. Add polymer to MLSS effluent at slow pace. COD HACH machine not working, could not analyze COD samples and used a 3-day average.
- 4/21/2024 – Sunday-Daily ops rounds and duties. Hose down bar screens and influent channel.
- 4/22/2024 – Daily ops rounds and duties. Add polymer to MLSS effluent. CEPT polymer to primaries stopped working, remove and clean out. Clean all chemical pump filters. Power outage at Montara in the afternoon. Montara pump station out of power all night, operator on duty because of generator running.
- 4/23/2024 – Power outage at Montara pump station restored at about 03:40 am. Daily ops rounds and duties. PORTOLA pump station surge tank had very high PSI, informed mechanics and determined to be defective and put surge tank out of service. Replace PH probe in the laboratory, because of slope error. Cleaned and dust off boiler room. Received a DE-chlorination cycle fail late in the evening, could not find the issue and disabled alarm.
- 4/24/2024 – Daily ops rounds and duties. Add polymer to the MLSS effluent. Exercise all influent pumps and set pump #6 on lead position. Increase chlorine to the RAS to 55 lbs. per day due to high filament bacteria. Perform BIAS check on the SO2 analyzer. All hands cyber security meeting with precision IT regarding e-mail and password protections.
- 4/25/2024 – Daily ops rounds and duties. Add polymer to the MLSS effluent side. Clean all aeration basins DO probes. Re arrange equipment around the plant for projects to be started soon. Work on CEPT polymer pump that feeds to the primary clarifiers. Bleached all samplers and tubing for influent, primary and final effluent. GSE here setting up for next week's demo of digester mixing pumps.
- 4/26/2024 – Daily ops rounds and duties. Add polymer to MLSS effluent. Zoom meeting with sentry probe technicians and discuss calibration of meters. Replace tubing on CL2 MICRO 2000 analyzer. Hose down primary and secondary weirs.

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- 4/27/2024 – Saturday - Daily ops rounds and duties. Work on HACH WIMS. Add polymer to MLSS effluent. Pick up 3 primary effluent samples during the day to check temperature.
- 4/28/2024 – Sunday - Daily ops rounds. Add polymer to MLSS effluent. Pick up 3 primary effluent samples during the day and check temperature. Clean ferric chemical filters because pump at 100% and no flow. Fill a couple polymer totes during the day.
- 4/29/2024 – Daily ops rounds and duties. GSE here to work on digester pump replacement. Assist GSE with minor help during the day. Add polymer to MLSS effluent. Collect and deliver COVID sample. Fill up a couple polymer totes during the day.
- 4/30/2024 – Daily ops rounds and duties. Add polymer to MLSS effluent. GSE here at the plant working on digester mixing pumps. Complete a school plant tour, (Wilkinson school). Collect and check temperature on a grab primary sample. Superintendent attended Collaborative project seminar in Watsonville.

Other activities are listed below:

There were 9 deliveries (approximately 5,700 gallons) of trucked waste discharged at the SAM Plant for a total revenue of \$ 570.00. There were no leachate deliveries to the SAM IPS line in the month of April 2024, for a total leachate volume of 0 gallons.

The NPDES data report for April 2024 is attached reference (Attachment B).

Contract Collection Services

The SAM crew cleaned 31,257 feet of sewer line and responded to twenty calls in contract service areas. Five calls were sewer line related and fifteen were maintenance service calls. Fifteen of the callouts were during regular business hours or started during regular business hours and went into overtime. Five of the calls were after hour callouts. Four of the calls were in HMB, fifteen calls were in the MWSD service area, and one calls were in the GCSD service area during the month of April 2024.

- HMB – The service calls in HMB were as follows; 4/17 - Low voltage alarm on smart cover. Battery has been replaced and replacement battery has been ordered, (driving range). 4/25 - Low voltage alarm on smart cover. Battery has replaced and replacement battery has been ordered, (horse trail).

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The maintenance service calls in HMB were as follows; 4/7 - Bell moon station trouble alarm, Possible power glitch, alarm on HMI screen. Reset alarms check station for normal operation. 4/9 - Station alarm at Ocean Colony due to fuel polishing work. Cleaned gauge and brushes while work was being performed. Reset alarms when work was complete.

- GCSD – The service call in GCSD was as follows; 4/10 - Call for a sewer back up, upon arrival crew noticed standing water in cleanout. Main line was clear, there was a property line clean out so crew assisted homeowner to restore flow.

There were no maintenance service calls in the GCSD service area in the month of April.

- MWSD – The sewer line related call in the MWSD area was as follows; 4/10 - Received a call from the District engineer about an establishment trying to clear a blockage, crew arrived and found a lot of liquid grease in the line. The crew explained to the establishment they need to clean their grease trap more frequently. 4/30 - Call for a sewer back up in downstairs bathroom, main was clear and there was no standing water in cleanout. House is on a grinder pump, advised homeowner they would need to contact a plumbing service to resolve issue.

The maintenance calls in the MWSD service area were as follows; 4/8 - Seal cove #1, power loss alarm, high winds at this time. Cleared alarms and checked station for normal operation. 4/8 - Seal cove #2, power loss alarm, high winds at this time. Cleared alarms and checked station for normal operation. 4/17 – Seal cove #4, Scada alarm response. There were no alarms showing upon arrival, contacted Calcon for follow up if it was an HMI issue. There was a slight adjustment needed better now. 4/22 – Kanoff street power fail while doing monthly genny test. Genny ran for an additional 27 minutes after normal test run was completed. Reset alarms and checked for normal operation. 4/22 – Seal cove #2, power failure in area. Reset alarm after power was restored. 4/22 - Cali lift station, station alarm due to power failure in area. Genny ran for approximately 19 minutes. Reset alarms after power restored and checked station for normal operation. 4/22 - Niagara station alarm due to power failure in area, station was powered from the Montara station generator. Checked station after power was

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restored, all good. 4/22 - Vallemar station in alarm due to power failure, genny ran about 24 minutes. Reset alarms after power was restored and checked for normal operation. 4/22 - 7th street lift station alarm, power loss in area. Reset alarms after power was restored and checked station for normal operation. 4/22 - 5th street lift station alarm, power loss in area. Reset alarms after power was restored and checked station for normal operation. 4/26 – Airport lift station, high level alarm. Upon arrival there was a high alarm, but the station was operating normally. Possible power glitch, reset alarms and checked station for normal operation. 4/28 – Airport lift station High level alarm, reset alarms upon arrival and checked station for normal operation. 4/29 - Airport high level float alarm, again found no obvious issue. Reset alarms and checked station for normal operation. Possible power glitch.

The April 2024 collection system data report is provided for the Board’s information. There were zero (0) Category 1, zero (0) Category 2’s, zero (0) Category 3’s, and zero category 4 SSO’s, during the month of April 2024.

Staff Recommendation

Staff recommends that the Board receive the Manager’s Report for April 2024.

Supporting Documents

- Attachment A: Monthly Flow Report April 2024
- Attachment B: Monthly NPDES Report April 2024
- Attachment C: Collection System Data April 2024
- Attachment D: Contract Collection Service Report April 2024

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Attachment A

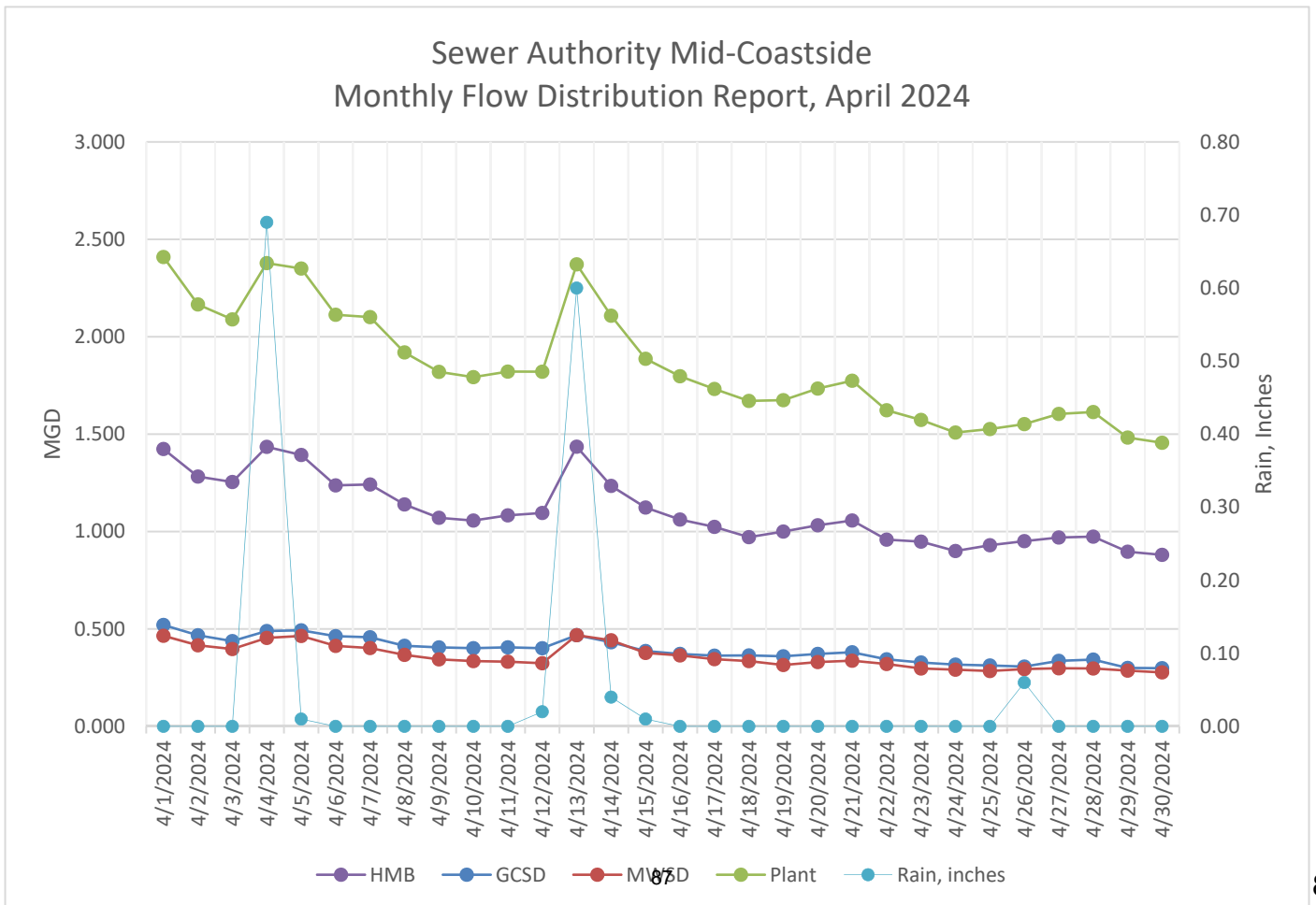
Flow Distribution Report Summary for April 2024

The daily flow report figures for the month of April 2024 have been converted to an Average

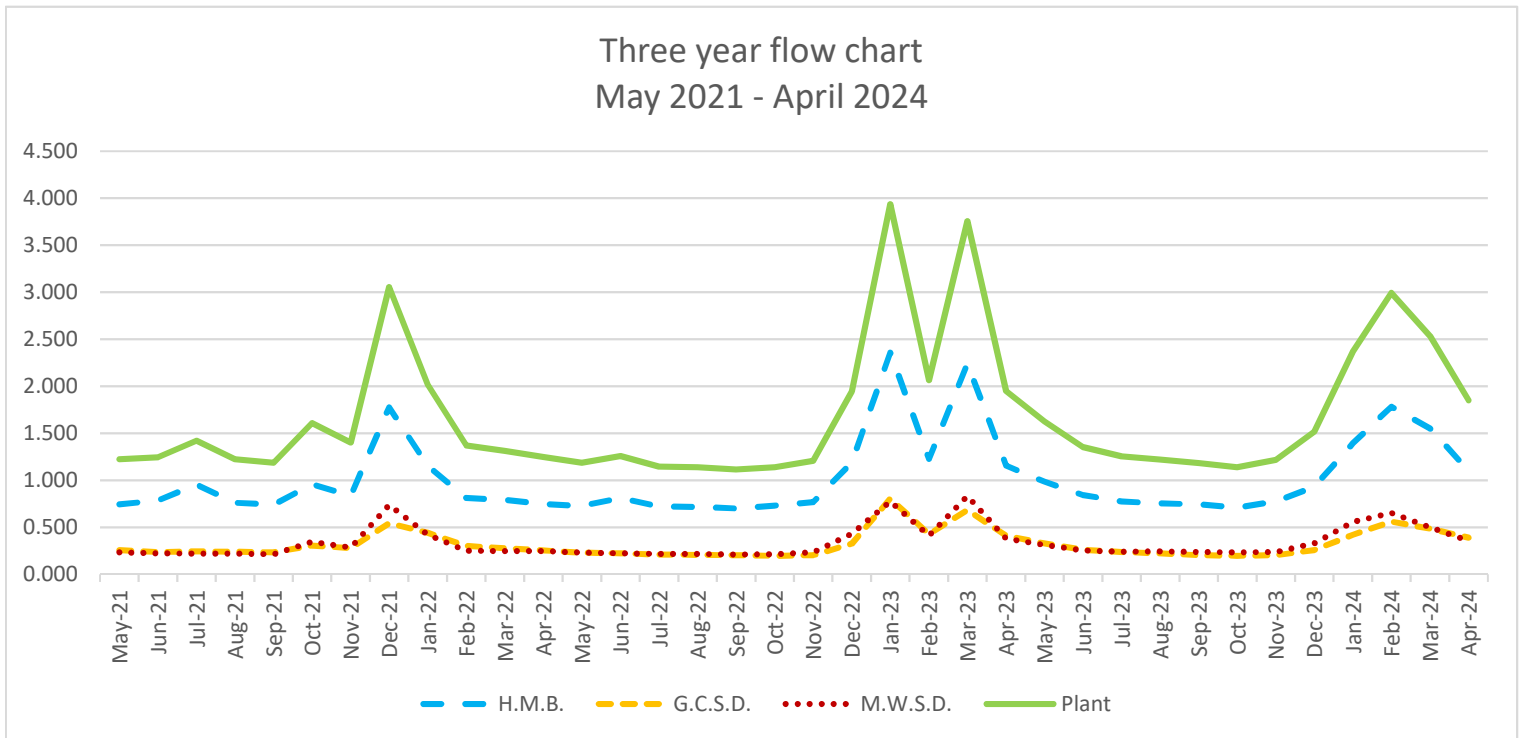
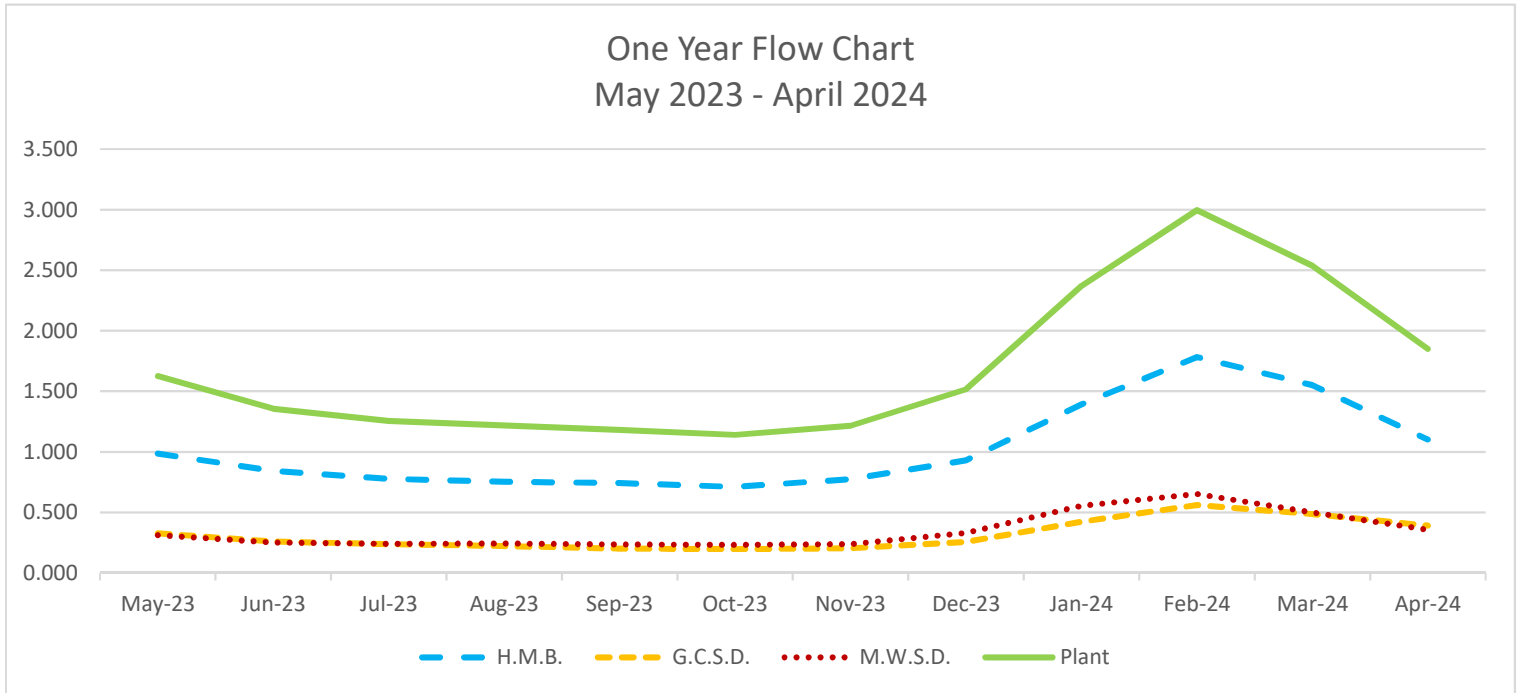
Daily Flow (ADF) for each Member Agency.
The results are attached for your review.

The summary of the ADF information is as follows:

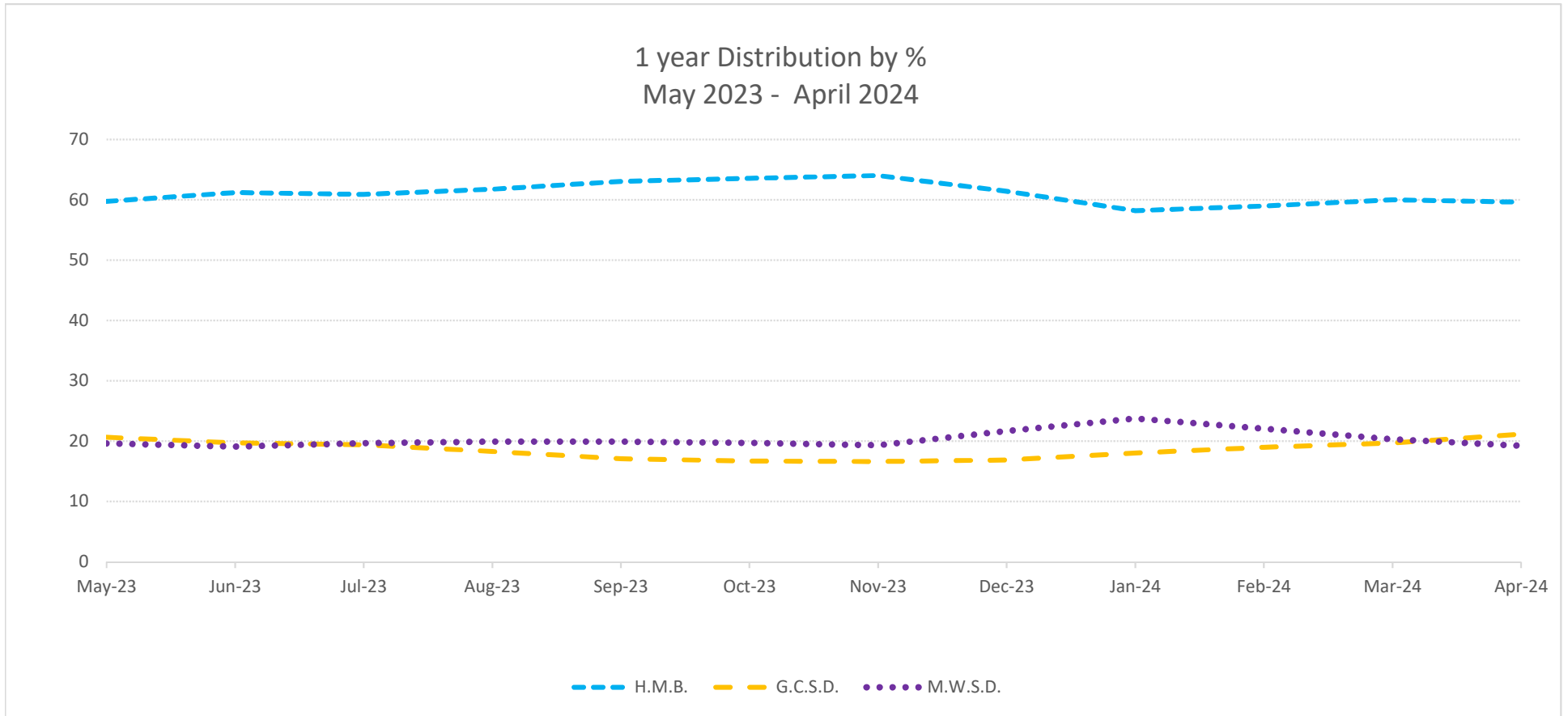
	<u>MGD</u>	<u>%</u>
The City of Half Moon Bay	1.102	59.60%
Granada Community Services District	0.391	21.16%
Montara Water and Sanitary District	<u>0.356</u>	<u>19.24%</u>
Total	1.849	100.0%



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



Flow based percent distribution based for past year



SAM E-001 April 2024

Date	Inf TSS mg/l	Eff TSS mg/l	Eff TSS Weekly Avg	TSS % Removal	Inf BOD mg/l	I° Eff BOD mg/l	Eff BOD mg/l	Eff BOD Weekly Avg mg/l
4/1/2024								
4/2/2024	250	2.40		99.0%	130	96	4.8	
4/3/2024	190	3.60		98.1%	120	92	4.8	
4/4/2024								
4/5/2024								
4/6/2024			3.00					4.80
4/7/2024								
4/8/2024								
4/9/2024								
4/10/2024	270	15.00		94.4%	140	110	25.0	
4/11/2024	270	19.00		93.0%	110	99	17.0	
4/12/2024								
4/13/2024			17.00					21.00
4/14/2024	180	13.00		92.8%	110	87	11.0	
4/15/2024	240	6.60		97.3%	120	95	7.6	
4/16/2024								
4/17/2024								
4/18/2024								
4/19/2024								
4/20/2024			9.80					9.30
4/21/2024								
4/22/2024	260	6.20		97.6%	190	150	6.6	
4/23/2024	280	6.20		97.8%	150	130	8.4	
4/24/2024								
4/25/2024								
4/26/2024								
4/27/2024			6.20					7.50
4/28/2024								
4/29/2024								
4/30/2024	300	5.20		98.3%	150	150	5.7	
Count	9	9	4	9	9	9	9	4
Minimum	180	2.40	3.00	92.8%	110	87	4.8	4.8
Average	249	8.58	9.00	96.5%	136	112	10.1	10.7
Maximum	300	19.00	17.00	99.0%	190	150	25.0	21.0
Percent Removal				85				
5 Sample Median								
High								
Low								
Daily Max								
Weekly Max			45					45
Monthly Average		30					30	

Sewer Authority Mid-Coastside

Monthly Collection System Activity/SSO Distribution Report, April 2024

April 2024

	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	0	0	0	0	0
Total	0	0	0	0	0

12 Month Moving Total

	Total	12 month rolling Number			
		HMB	GCSO	MWSD	SAM
Roots	1	0	0	1	0
Grease	0	0	0	0	0
Mechanical	0	0	0	0	0
Wet Weather	0	0	0	0	0
Other	1	1	0	0	0
Total	2	1	0	1	0
		50%	0%	50%	0%

Reportable SSOs

	Total	Reportable Number of S.S.O.'s			
		HMB	GCSO	MWSD	SAM
April 2024	0	0	0	0	0
12 Month Moving Total	2	1	0	1	0

SSOs / Year / 100 Miles

	Total	Number of S.S.O.'s /Year/100 Miles			
		HMB	GCSO	MWSD	SAM
April 2024	0.0	0.0	0.0	0.0	0.0
12 Month Moving Total	1.9	2.7	0.0	3.7	0.0
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	1.9	2.7	0.0	3.7	0.0
Category 4	0.0	0.0	0.0	0.0	0.0
Miles of Sewers	104.5	37.0	33.2	27.0	7.3
		35.4%	31.8%	25.8%	7.0%

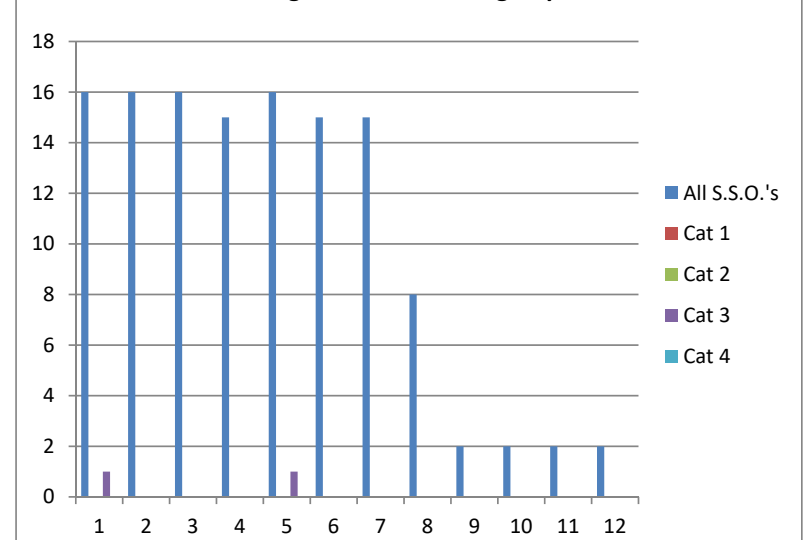
12 Month Rolling Total Sewer Cleaning Summary

Month	HMB	GCSO	MWSD	Total Feet	Total Miles
May - 23	12,239	11,619	5,356	29,214	5.5
June - 23	11,096	10,472	5,375	26,943	5.1
July - 23	9,325	10,286	4,744	24,355	4.6
Aug - 23	22,726	8,469	9,951	41,146	7.8
Sep - 23	13,355	14,640	5,960	33,955	6.4
Oct - 23	16,290	9,765	10,161	36,216	6.9
Nov - 23	10,835	9,620	10,746	31,201	5.9
Dec - 23	5,717	10,633	8,268	24,618	4.7
Jan - 24	4,029	14,785	12,144	30,958	5.9
Feb - 24	11,024	12,840	7,193	31,057	5.9
Mar - 24	10,744	6,990	6,117	23,851	4.5
Apr - 24	10,392	12,822	8,043	31,257	5.9

Annual ft	137,772	132,941	94,058	364,771	
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Annual Mi.	26.1	25.2	17.8		69.1
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12 Month Moving SSO Totals Through April 2024



Attachment C

TASK SUMMARY- GCSD 2023-2024

Task	Target Total	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Total to Date	% Complete
Sewer Line Cleaning	87,000	10,235	6,242	11,056	9,984	8,489	9,131	14,170	12,392	6,651	11,548				
Hot Spot Cleaning	5,400	294	3,321	3,974	-	290	1,382	613	667	-	-				
Lift Station Inspection - Daily	52	4	4	4	4	4	4	4	4	4	4				
Lift Station Inspection - Annually	3	-	-	-	-	-	-	-	-	-	-				
Maint. Work Orders - Completed	-	4	4	4	4	4	4	4	4	4	4				
Maint. Work Orders - Incomplete	-	-	-	-	-	-	-	-	-	-	-				
Manhole Inspection	879	57	44	71	43	45	51	71	67	32	58				
USA Markings	372	76	81	78	56	53	20	31	24	33	45				
F.O.G. Inspections Completed	10	-	22	-	-	-	-	-	-	-	-				
F.O.G. Inspections Passed	10	-	15	-	-	-	-	-	-	-	-				
F.O.G. Inspection Failed	-	-	7	-	-	-	-	-	-	-	-				
Lateral Inspections	-	-	-	-	-	-	-	-	-	-	-				
Customer Service Call - Reg	-	1	-	-	-	1	1	-	2	1	1				
Customer Service Call - OT	-	-	-	-	-	-	1	1	2	1	-				
SSO Response - Category 1	-	-	-	-	-	-	-	-	-	-	-				
SSO Response - Category 2	-	-	-	-	-	-	-	-	-	-	-				
SSO Response - Category 3	-	-	-	-	-	-	-	-	-	-	-				
Insurance Claims Filed	-	0	0	0	0	0	0	0	0	0	0				

GRANADA COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 2024-03

**A RESOLUTION APPROVING THE SEWER AUTHORITY MID-COASTSIDE
GENERAL BUDGET FOR FISCAL YEAR 2024/24**

WHEREAS, the Sewer Authority Mid-Coastside, pursuant to Article III, Section (F) (3) of the Joint Powers Agreement, dated February 3, 1976, as amended, creating said Authority, has submitted its General Budget for fiscal year 2024/25 to its member agencies for review and approval; and

WHEREAS, the Sewer Authority Mid-Coastside General Budget consists of the Administrative Services division, the Treatment division, the Environmental Compliance division, and the Infrastructure division for Fiscal Year 2024/25;

WHEREAS, the Board of Directors of the Granada Community Services District has duly reviewed and considered said General Budget and desires to signify its approval thereof;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Granada Community Services District, as follows:

1. The Board of Directors of the Granada Community Services District has approved the Sewer Authority Mid-Coastside General Budget for Fiscal Year 2024/25 at the GCSD April 18, 2024 Board Meeting, and consents to the final approval of said General Budget by the Sewer Authority Mid-Coastside.
2. The Board Secretary shall transmit a copy of this Resolution to the Sewer Authority Mid-Coastside.

This Resolution was duly and regularly adopted at a meeting of the Board of Directors of the Granada Community Services District held on the 20th day of June 2024, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Approved:

Nancy Marsh, Board President

Attest:

Hope Atmore, Board Secretary

GRANADA COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 2024-04

A RESOLUTION APPROVING THE SEWER AUTHORITY MID-COASTSIDE CONTRACT COLLECTION SERVICES BUDGET FOR FISCAL YEAR 2024/25

WHEREAS, the Sewer Authority Mid-Coastside (SAM) and the Granada Community Services District (District) entered into an agreement dated April 25, 1988 titled *Agreement for Maintenance and Operations Services between the Granada Sanitary District and Sewer Authority Mid-Coastside* (Agreement);

WHEREAS, the Agreement provides for the District to contract with SAM whereby SAM provides cleaning and minor operations and maintenance of the District’s sewerage collection system on behalf of the District;

WHEREAS, the Agreement provides that SAM shall prepare a collection services budget for each fiscal year the Agreement is in force, and that the District shall review and subsequently approve said budget for each fiscal year;

WHEREAS, the Board of Directors of the Granada Community Services District has duly reviewed the Contract Collection Services Budget for Fiscal Year 2024/25 as submitted by SAM and desires to signify its approval thereof;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Granada Community Services District, as follows:

1. The Board of Directors of the Granada Community Services District has approved the Sewer Authority Mid-Coastside Contract Collection Services Budget for Fiscal Year 2024/25 at the GCSD April 18, 2024 Board Meeting.

This Resolution was duly and regularly adopted at a meeting of the Board of Directors of the Granada Community Services District, San Mateo County, California, held on the 20th day of June, 2024, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Approved:

Nancy Marsh, Board President

Attest:

Hope Atmore, Board Secretary



GRANADA COMMUNITY SERVICES DISTRICT

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

April 18, 2024

This meeting was held in person and via Zoom.

CALL REGULAR MEETING TO ORDER

The Regular Meeting as called to order at 7:01 p.m.

ROLL CALL

President Nancy Marsh, Director Matthew Clark, and Director Jen Randle. Director Barbara Dye participated via teleconference from 1076 Columbus Street, El Granada, and Director Jill Grant participated via teleconference from 128 Coronado St., El Granada, pursuant to Government Code Section 54953(b).

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

GENERAL PUBLIC PARTICIPATION

Virginia Chang Kiraly thanked the GCSO Board for supporting her as one of two Special District Representatives to LAFCO. Ms. Kiraly stated that many Coastsides Special Districts will undergo Municipal Service Reviews (MSR) in the coming years.

Sandi Winter, Executive Director of Senior Coastsiders, gave an overview of the Age Friendly Half Moon Bay Coastsides Group.

REGULAR MEETING AGENDA

1. Parks and Recreation Activities.

- a. Report on Granada Community Park and Recreation Center – Project Manager Ray Razavi gave an overview of previous discussions with San Mateo County Planning Department staff as well as San Mateo County Resource Conservation District. Mr. Razavi stated that the project team intends to release the IS/MND in early May for public review. Mr. Razavi clarified that the Board will see the Draft IS/MND at the same time the documents are released for public review and comment. Mr. Razavi stated that notice of the IS/MND would be published in a local newspaper and will be available on the District website. Director Dye reiterated that the notice should be published in the San Mateo Daily Journal. Michelle Dragony commented on the upcoming CalTrans project and the removal of parking along the highway being proposed by that project.

b. Report on planned Recreation Program Events – Ms. Atmore gave updates on recent events including the Egg Hunt, Dog Costume Contest, and Harbor Walk, as well as upcoming events including the Recology Recycling Day, Earth Day Event and Nature Walk.

2. Draft Sewer Authority Mid-Coastside General Budget for Fiscal Year 2024/25.

Mr. Duffy explained that the SAM Board approved the SAM budget for circulation to the member agencies, and that the budget shows an operations increase of approximately 15%. He went on to emphasize that past SAM budgets hovered around \$3.1 million as recently as 2017 and that they are now around \$6.3M, showing a significant increase over 7 years. Director Dye reported that the finance committee reviewed the budget and highlighted a need for more accurate budgeting based on previous year's increases. Director Marsh noted that the budgeted amount for legal services was the not to exceed amount as opposed to being based on historical actual amounts. She stated that in future years, SAM should use realistic numbers based on prior year's actual spending since the budget serves as an invoice to member agencies. Director Clark pointed out that the personnel subtotal, and almost all items, were increasing beyond inflation.

ACTION: Director Randle moved to approve the SAM Draft General Budget for Fiscal Year 2024/25. (Randle/Marsh). Approved 5-0.

3. Draft Sewer Authority Mid-Coastside Contract Collection Services Budget for Fiscal Year 2024/25.

Mr. Duffy explained that the Collections Budget is a totally separate budget that remains somewhat steady from year to year at around \$600,000 and covers the four man crew out in the field. He went on to explain that unlike the general budget, the amounts paid are not based on flow and that some unused monies collected from GCSD will actually carry over to next year's budget as a credit. Mr. Duffy commended the work and communications of the collections crew.

ACTION: Director Clark moved to approve the SAM Collection Services Budget for Fiscal Year 2024/25. (Clark/Randle). Approved 5-0.

4. Engineer's Report. Director Clark asked for clarification on the 6 Year CIP Project delay. Mr. Duffy explained that this would be the third phase of the 6 Year CIP but that because of upcoming costs associated with the SAM IPS, the project will be delayed a year. He went on to note that the District has done a good job replacing pipes and that waiting a year will not pose any issues.

5. Report on Sewer Authority Mid-Coastside Meetings. Directors Clark and Dye stated that everything had been covered during the budget discussion.

CONSENT AGENDA

6. March 21 Regular Meeting Minutes.

7. April 2024 Warrants.

8. February 2024 Financial Statements.

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

COMMITTEE REPORTS

9. Report on seminars, conferences, or committee meetings.

INFORMATION CALENDAR

10. Attorney's Report. (Parkin)

11. General Manager's Report. (Duffy)

12. Administrative Staff Report. (Atmore)

13. Future Agenda Items.

Director Grant suggested that RCD be invited to do a presentation and update on the Vegetation Management Plan for a future meeting. She also requested that Recology come for an update.

ADJOURN REGULAR MEETING

The meeting was adjourned at 8:07 p.m.

ATTEST:

Hope Atmore, Board Secretary

Date Approved by the Board: June 20, 2024.

Granada Community Services District
May 2024 Warrants
For the May 16, 2024 Board of Director's Meeting

Date	Num	Name	Memo	Account	Amount
04/18/24	9977	AT&T	Inv dtd 04/05/24	6170 Utilities	119.16
04/18/24	9978	BKF Engineers	Park Engineering Svcs-Mar2024	5130 Parks & Rec Professional Svcs	11,300.00
04/18/24	9979	CliftonLarsonAllen LLP	03/16/24-04/14/24 Accounting Svcs	6152 Accounting	5,685.23
04/18/24	9980	Dudek	02/24/24-03/29/24 Prof. Svcs	6151 General Manager	8,970.00
04/18/24	9981	Edgewood Partners Ins. Center	2024 Cyber Liab	6080 Insurance	2,812.69
04/18/24	9982	Horizon Water and Environment	Inv dtd 04/12/24	5130 Parks & Rec Professional Svcs	3,117.50
04/18/24	9983	KBA Document Solutions, LLC	Inv dtd 04/16/24	6140 Office Supplies	51.21
05/16/24	9984-	9991 VOID - checks misprinted			
05/16/24	9992	Alhambra & Sierra Springs	April 2024 Invoice	6140 Office Supplies	48.46
05/16/24	9993	Barbara Dye	04/18/24 GCSD	6040 Directors' Compensation	190.00
05/16/24	9994	Bartle Wells Associates	Water & WW Rate Study	6150 Professional Services	9,070.00
05/16/24	9995	C.J. Brown & Associates	Prof Svcs through 03/31/24	6010 Auditing	1,480.00
05/16/24	9996	Calcad	CCWD Water Data for 23/24 Tax Roll	6150 Professional Services	600.00
05/16/24	9997	Comcast	05/13/24-06/12/24 Svcs	6170 Utilities	323.96
05/16/24	9998	Dudek	03/30/24-04/26/24 Prof. Svcs	6151 General Manager	6,825.00
05/16/24	9999	Hue & Cry, Inc	Jun 2024 Pump Stn Alarm	6170 Utilities	35.59
05/16/24	10000	Jen Randle	04/18/24 GCSD	6040 Directors' Compensation	190.00
05/16/24	10001	Jill Grant	04/18/24 GCSD	6040 Directors' Compensation	190.00
05/16/24	10002	Kennedy Jenks	02/24/24-03/29/24 Svcs, Sum 198	6070 Engineering Services	7,945.60
05/16/24	10003	Kikuchi & Kankel Design Group	Prof Svcs through 04/30/24	5130 Parks & Rec Professional Svcs	2,110.00
05/16/24	10004	Matthew Clark	04/18/24 GCSD	6040 Directors' Compensation	190.00
05/16/24	10005	Nancy Marsh	04/18/24 GCSD	6040 Directors' Compensation	190.00
05/16/24	10006	Pacifica Community TV	04/18/24 GCSD	6180 Video Taping	400.00
05/16/24	10007	PG&E	Office Inv dtd 04/24/24	6170 Utilities	24.29
05/16/24	10008	PG&E	Pump Stn Inv dtd 04/17/24	6170 Utilities	858.61
05/16/24	10009	Rodolfo Romero	May Cleaning	6130 Office Maintenance & Repairs	220.00
05/16/24	10010	SMC Harbor District	Office Lease-Jun 2024	6120 Office Lease	5,050.00
05/16/24	10011	SDRMA	SDRMA Med Ben Premiums-Jun 2024	6062 Medical	4,991.78
05/16/24	10012	Sewer Authority Mid-Coastside	May 2024 Collections & Asmts	5010 SAM - General	219,528.33
05/16/24	10013	Streamline	Streamline Flex May 1 - Jun 1, 2024	6190 Computers	350.00
05/16/24	10014	Townsend Public Affairs Inc.	Consulting Svcs Jan & May 2024	5130 Parks & Rec Professional Svcs	7,000.00
05/16/24	10015	US Bank Equipment Finance	May 2024 Svcs	6020 Copier lease	252.28

TOTAL \$ 300,119.69

Granada Community Services District
June 2024 Warrants
For the June 20, 2024 Board of Director's Meeting

Date	Num	Name	Memo	Account	Amount
05/17/24	10016	AT&T	Inv dtd 05/05/24	6170 Utilities	\$ 139.19
05/17/24	10017	CliftonLarsonAllen LLP	04/16/24-05/14/24 Accounting Svcs	6152 Accounting	3,791.03
05/17/24	10018	Edgewood Partners Ins. Center	2024 Insurance Renewal	6080 Insurance	56,444.00
05/17/24	10019	Group 4 Architecture	Reimb & prof svcs through 04/30/24	5130 Parks & Rec Professional Svcs	3,172.50
05/17/24	10020	KBA Document Solutions	Inv dtd 05/13/24	6140 Office Supplies	27.95
05/17/24	10021	Mary Cahart & Steven Fitz	SSC Refund 2021-2024 APN 047-036-010	4020 Sewer Service Charges-SMC	1,995.00
05/17/24	10022	Peninsula Municipal Engineering	Inv dtd 05/08/24	5130 Parks & Rec Professional Svcs	3,990.00
05/17/24	10023	Wittwer & Parkin	Apr 2024 Svcs	6090 Legal Services	6,198.00
05/17/24	10024	Tri Counties Bank	Apr 2024 Card Charges	6220 Miscellaneous	729.93
05/20/24	10025	Fidelity National Title Group	Title Report for GranComParkProj.	5130 Parks & Rec Professional Svcs	900.00
06/20/24	10026	Alhambra & Sierra Springs	Invoice dtd 05/28/24	6140 Office Supplies	59.95
06/20/24	10027	AT&T	Inv dtd 06/05/24	6170 Utilities	109.20
06/20/24	10028	C.J. Brown & Associates	Prof Svcs through 05/31/24	6010 Auditing	4,440.00
06/20/24	10029	Comcast	06/13/24-07/12/24 Svcs	6170 Utilities	339.12
06/20/24	10030	Dudek	04/27/24-05/24/24 Prof. Svcs	6151 General Manager	3,900.00
06/20/24	10031	Horizon Water & Environment	Invs dtd 05/29/24	5130 Parks & Rec Professional Svcs	29,637.95
06/20/24	10032	Hue & Cry, Inc	Ofc Alarm Jul-Sep 2024, Pump Stn Alarm Jul 2024	6170 Utilities	132.88
06/20/24	10033	Kennedy Jenks	03/30/24-04/26/24 Svcs, Sum 199	6070 Engineering Services	5,012.80
06/20/24	10034	Kikuchi & Kankel Design Group	Prof Svcs through 05/31/24	5130 Parks & Rec Professional Svcs	1,955.00
06/20/24	10035	Nora Mayen	Misc Reimb Jan 2024 - Jun 2024	6050 Education & Travel Reimb	113.30
06/20/24	10036	PG&E	Office Inv dtd 05/23/24	6170 Utilities	67.86
06/20/24	10037	PG&E	Pump Stn Inv dtd 05/16/24	6170 Utilities	650.45
06/20/24	10038	Riordan Consulting	Apr 2024 IT Svcs	6190 Computers	100.00
06/20/24	10039	Rodolfo Romero	June Cleaning	6130 Office Maintenance & Repairs	220.00
06/20/24	10040	San Mateo County Harbor District	Office Lease-Jul 2024	6120 Office Lease	5,050.00
06/20/24	10041	San Mateo Daily Journal	SMD ads, 05/16/24, 06/06/24	6160 Publications & Notices	1,428.00
06/20/24	10042	SDRMA	SDRMA Medical Benefit Premiums - July 2024	6062 Medical	4,991.78
06/20/24	10043	Sewer Authority Mid-Coastside	Jun 2024 Collections, Asmts	5010 SAM - General	219,528.33
06/20/24	10044	Streamline	Streamline Flex 06/01/24-07/01/24	6190 Computers	350.00
06/20/24	10045	Townsend Public Affairs Inc.	Consulting Svcs June 2024	5130 Parks & Rec Professional Svcs	3,500.00
06/20/24	10046	US Bank Equipment Finance	Jun 2024 Svcs	6020 Copier lease	252.28
06/20/24	10047	Wittwer & Parkin	May 2024 Svcs	6090 Legal Services	3,339.00
TOTAL \$					362,565.50



Financial Statements

Granada Community Services District
March 2024

PRELIMINARY DRAFT

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PRELIMINARY DRAFT

Financial Statements

Granada Community Services District Statement of Net Position (Unaudited) As of March 31, 2024

ASSETS	Mar 2024
Cash & Equivalents	
Petty Cash	\$ 192
Tri Counties Bank - Gen Op	282,220
Tri Counties Bank - Deposit	24,956
LAIF	2,106,048
CalTrust Liquidity Fund #0010	1,904,378
Total Cash & Equivalents	4,317,794
Accounts Receivable	
Accounts Receivable from Customers	2,519
Other Current Assets	
Interest Receivable	38,896
Prepaid Expenses	10,175
Excess ERAF Receivable	238,642
Total Other Current Assets	287,713
Total Current Assets	4,608,026
Fixed Assets	
Collections System	12,833,176
Equipment	41,930
Land	2,862,979
Accumulated Depreciation	(8,097,630)
Total Fixed Assets	7,640,455
Investments or Other Non-Current Assets	
Investment in SAM	5,036,039
ERAF 5% Retention Receivable	26,516
Total Investments or Other Non-Current Assets	5,062,555
Total Non-Current Assets	12,703,010
Total Assets	17,311,036
DEFERRED OUTFLOWS OF RESOURCES	88,433

(Continued on next page)

Granada Community Services District
Statement of Net Position (Unaudited)
As of March 31, 2024
(Continued)

LIABILITIES	Mar 2024
Accounts Payable	
Accounts Payable	67,197
Other Current Liabilities	
Accrued Vacation	3,283
Deposits Payable	23,055
Due to AD	6,252
Payroll Liabilities	12,393
Recology-Delinquent Garbage Payable	33,127
Total Other Current Liabilities	78,110
Total Current Liabilities	145,307
Other Non-Current Liabilities	
Net Pension Liability	86,607
Total Other Non-Current Liabilities	86,607
Total Liabilities	231,914
DEFERRED INFLOWS OF RESOURCES	
	86,394
NET POSITION	
Net Investment in Capital Assets	7,640,456
Net Position - Unrestricted	9,440,705
Total Net Position	\$ 17,081,161

**Granada Community Services District
Statement of Revenues, Expenses, and Changes in Net Position (Unaudited)
For the Nine Months Ended March 31, 2024**

	Jul-Mar 2024	Expected to Date	Variance YTD	FY 2023/2024 Budget
Revenue				
Operating Revenue				
Park Tax Allocation	\$ 558,278	\$ 690,000	\$ (131,723)	\$ 920,000
Sewer Service Charges-SMC	1,652,709	1,830,000	(177,291)	2,440,000
Sewer Service Charges-Pro-rated	9,628	-	9,628	-
AD OH Reimbursement	36,000	27,000	9,000	36,000
Recology Franchise Fee	32,546	33,750	(1,204)	45,000
Delinquent Garbage Fee	1,495	-	1,495	-
Total Operating Revenue	2,290,656	2,580,750	(290,094)	3,441,000
Non Operating Revenue				
Interest on Reserves	98,475	83,250	15,225	111,000
Unrealized gain(loss) FV LAIF	40,613	-	40,613	-
Connection Fees	15,275	28,500	(13,225)	38,000
SAM Refund from Prior Yr	-	750	(750)	1,000
ERAF Refund	782,339	300,000	482,339	400,000
Misc Income	2,586	4,500	(1,914)	6,000
Lease Revenue	45,000	45,000	-	60,000
Total Non Operating Revenue	984,288	462,000	522,288	616,000
Total Revenue	3,274,944	3,042,750	232,193	4,057,000
Expenses				
Operations				
SAM - General	852,224	801,484	50,740	1,068,645
SAM - Pass Through Costs	18,866	-	18,866	-
SAM - Collections	164,136	162,950	1,185	217,267
Depreciation Expense	225,679	-	225,679	-
Lateral Repairs	489	18,000	(17,511)	24,000
CCTV	-	11,250	(11,250)	15,000
Pet Waste Station	286	-	286	-
RCD - Parks	-	7,500	(7,500)	10,000
Half Moon Bay Reimb - Parks	-	23,250	(23,250)	31,000
Parks & Rec Professional Svcs	199,164	112,500	86,664	150,000
Total Operations	1,460,844	1,136,934	323,909	1,515,912
Administration				
Auditing	11,760	17,250	(5,490)	23,000
Copier lease	2,782	3,750	(968)	5,000
Directors' Compensation	6,960	7,500	(540)	10,000
Education & Travel Reimb	2,284	1,500	784	2,000
Employee Compensation	295,346	262,500	32,846	350,000
Engineering Services	52,170	22,500	29,670	30,000
Insurance	139	39,000	(38,861)	52,000
Legal Services	50,547	56,250	(5,703)	75,000
Memberships	7,980	7,425	555	9,900
Office Lease	43,200	48,000	(4,800)	64,000
Office Maintenance & Repairs	1,637	6,375	(4,738)	8,500
Other Property Maint.	2,355	-	2,355	-
Office Supplies	6,871	-	6,871	-
Professional Services	97,926	107,250	(9,324)	143,000
Publications & Notices	3,468	7,500	(4,032)	10,000
Utilities	10,745	12,000	(1,255)	16,000
Video Taping	4,000	3,750	250	5,000
Computers	6,449	6,000	449	8,000
Miscellaneous	6,509	6,750	(241)	9,000
Bank Service Charges	260	-	260	-
Park Related Misc Expenses	15,762	7,500	8,259	10,000
Total Administration	629,150	622,800	6,348	830,400

Granada Community Services District
Statement of Revenues, Expenses, and Changes in Net Position (Unaudited)
For the Nine Months Ended March 31, 2024
(Continued)

	Jul-Mar 2024	Expected to Date	Variance YTD	FY 2023/2024 Budget
Capital Projects				
Medio Creek Xing/Mirada Sewer	1,310	-	1,310	-
6-yr CIP Phase 2	3,562	48,750	(45,188)	65,000
Mainline System Repairs	-	7,500	(7,500)	10,000
SAM - Infrastructure	245,745	500,063	(254,318)	666,750
Total Capital Projects	250,617	556,313	(305,695)	741,750
Total Expenses	2,340,611	2,316,047	24,562	3,088,062
Change in Net Position	934,333	726,703	207,631	968,938
Beginning Net Position	16,146,828	16,146,828		16,146,828
Ending Net Position	\$ 17,081,161	\$ 16,873,531		\$ 17,115,766

PRELIMINARY DRAFT

Selected Information

Granada Community Services District Selected Information – Substantially All Required Disclosures Are Omitted For the Nine Months Ended March 31, 2024

Note 1 - Departures From Reporting Framework

The accompanying financial statements include the following departures from accounting principles generally accepted in the United States of America:

Historical:

- These financial statements omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America.
- The activities of the Assessment District, a *blended component unit* of the Granada Community Services District, have not been included in these financial statements.
- The following accounts have not been adjusted during the interim periods presented and will be adjusted as of and for the year ended June 30, 2024:
 - Capital assets and Construction in Progress, Investment in SAM, Accrued Vacation, Relief Refund Advance, Net Pension Liability and the related deferred inflows and/or deferred outflows of resources.
- The following accounts have been estimated for the interim periods presented:
 - Depreciation expense, interest income receivable from LAIF
- GASB Statements No. 87 (Lease) and No. 96 (Subscription-Based Information Technology Arrangements) have not been evaluated or implemented (if required) for the interim periods presented. Accordingly, assets and liabilities could be understated as a result. These standards will be evaluated and implemented as necessary at fiscal year-end.
- The statement of revenues, expenses, and changes in net position (unaudited) is presented using a simplified single-step approach, rather than subtotaling operating revenues with operating expenses and non-operating revenues with non-operating expenses separately. These presentation matters prescribed by GASB Statement No. 34 ¶100-101 are implemented for the fiscal year-end audited financial statements only.

Forecast (Budget):

The forecasted (budgetary) financial information presented on the statement of revenues and expenses (unaudited) omits substantially all of the disclosures required by accounting principles generally accepted in the United States of America.

The effects of these departures have not been determined.

Note 2 - Summary of Significant Assumptions

The budgetary information included on the statement of revenues and expenses (unaudited) presents, to the best of management's knowledge and belief, the District's expected results of operations for the fiscal year ending June 30, 2024. Accordingly, the budget reflects management's judgment as of June 15, 2023, the date the budget was approved, of the expected conditions and management's expected course of action. The assumptions disclosed herein are those that management believes are significant to the budget. There will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

(Continued on next page)

**Granada Community Services District
Selected Information (Continued)
For the Nine Months Ended March 31, 2024**

Note 2 - Summary of Significant Assumptions (Continued)

Budgetary Assumptions - Statement of Revenues, Expenses and Changes in Net Position (Unaudited)

- Projected Sewer Revenues assumes 8 new connections at \$4,700 per connection, and 3,232 ERUs of sewer service charges at \$755 per ERU.
- Operational and Administrative costs are expected to increase by approximately 5.7%.
- A return of 4% interest on average yearly invested reserves is expected. Management projects \$111,000 in interest revenues for the fiscal year.

Note 3 - Other Matters

The financial statements are pending completion of the financial statement audit for the fiscal year ended June 30, 2023. There could be changes to these financial statements which could be material.

Subtotals and totals throughout this report may not exactly equal the sum of their components where decimals are not displayed.

PRELIMINARY DRAFT



Financial Statements

Granada Community Services District
April 2024

PRELIMINARY DRAFT

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PRELIMINARY DRAFT

Financial Statements

Granada Community Services District Statement of Net Position (Unaudited) As of April 30, 2024

ASSETS	Apr 2024
Cash & Equivalents	
Petty Cash	\$ 192
Tri Counties Bank - Gen Op	50,528
Tri Counties Bank - Deposit	17,344
LAIF	2,144,718
CalTrust Liquidity Fund #0010	2,589,014
Total Cash & Equivalents	4,801,796
Accounts Receivable	
Accounts Receivable from Customers	8,208
Other Current Assets	
Interest Receivable	7,500
Prepaid Expenses	5,086
Excess ERAF Receivable	238,642
Total Other Current Assets	251,228
Total Current Assets	5,061,232
Fixed Assets	
Collections System	12,833,176
Equipment	41,930
Land	2,862,979
Accumulated Depreciation	(8,121,654)
Total Fixed Assets	7,616,432
Investments or Other Non-Current Assets	
Investment in SAM	5,036,039
ERAF 5% Retention Receivable	26,516
Total Investments or Other Non-Current Assets	5,062,555
Total Non-Current Assets	12,678,987
Total Assets	17,740,219
Deferred Outflows of Resources	132,898
LIABILITIES	
Accounts Payable	
Accounts Payable	121,106
Other Current Liabilities	
Accrued Vacation	3,516
Deposits Payable	23,055
Due to AD	1,850
Payroll Liabilities	6,218
Recology-Delinquent Garbage Payable	36,995
Total Other Current Liabilities	71,634
Total Current Liabilities	192,740
Other Non-Current Liabilities	
Net Pension Liability	185,455
Total Other Non-Current Liabilities	185,455
Total Non-Current Liabilities	185,455
Total Liabilities	378,195
Deferred Inflows of Resources	16,758
NET POSITION	
Net Investment in Capital Assets	7,616,432
Net Position - Unrestricted	9,861,732
Total Net Position	\$ 17,478,164

Granada Community Services District
Statement of Revenues, Expenses, and Changes in Net Position (Unaudited)
For the Ten Months Ended April 30, 2024

Revenue	Jul-Apr 2024	Expected to Date	Variance YTD	FY 2023/2024 Budget
Operating Revenue				
Park Tax Allocation	\$ 791,766	\$ 766,667	\$ 25,099	\$ 920,000
Sewer Service Charges-SMC	2,191,590	2,033,333	158,256	2,440,000
Sewer Service Charges-Pro-rated	9,628	-	9,628	-
AD OH Reimbursement	36,000	30,000	6,000	36,000
Recology Franchise Fee	37,981	37,500	481	45,000
Total Operating Revenue	3,066,965	2,867,500	199,465	3,441,000
Non Operating Revenue				
Interest on Reserves	115,611	92,500	23,111	111,000
Unrealized gain(loss) FV LAIF	40,387	-	40,387	-
Connection Fees	19,975	31,667	(11,692)	38,000
SAM Refund from Prior Yr	-	833	(833)	1,000
ERAF Refund	530,316	333,333	196,983	400,000
Misc Income	3,486	5,000	(1,514)	6,000
Lease Revenue	50,000	50,000	-	60,000
Total Non Operating Revenue	759,775	513,333	246,442	616,000
Total Revenue	3,826,740	3,380,833	445,907	4,057,000
Expenses				
Operations				
SAM - General	941,277	890,538	50,740	1,068,645
SAM - Pass Through Costs	18,866	-	18,866	-
SAM - Collections	182,241	181,056	1,185	217,267
Depreciation Expense	249,703	-	249,703	-
Lateral Repairs	489	20,000	(19,511)	24,000
CCTV	-	12,500	(12,500)	15,000
Pet Waste Station	286	-	286	-
RCD - Parks	-	8,333	(8,333)	10,000
Half Moon Bay Reimb - Parks	-	25,833	(25,833)	31,000
Parks & Rec Professional Svcs	233,957	125,000	108,957	150,000
Total Operations	1,626,820	1,263,260	363,560	1,515,912
Administration				
Auditing	11,760	19,167	(7,407)	23,000
Copier lease	3,035	4,167	(1,132)	5,000
Directors' Compensation	7,910	8,333	(423)	10,000
Education & Travel Reimb	2,284	1,667	618	2,000
Employee Compensation	331,137	291,667	39,471	350,000
Engineering Services	57,183	25,000	32,183	30,000
Insurance	59,396	43,333	16,062	52,000
Legal Services	56,745	62,500	(5,755)	75,000
Memberships	7,980	8,250	(270)	9,900
Office Lease	48,250	53,333	(5,083)	64,000
Office Maintenance & Repairs	2,077	7,083	(5,006)	8,500
Other Property Maint.	3,155	-	3,155	-
Office Supplies	6,970	-	6,970	-
Professional Services	120,007	119,167	840	143,000
Publications & Notices	3,468	8,333	(4,865)	10,000

(Continued on next page)

Granada Community Services District
Statement of Revenues, Expenses, and Changes in Net Position (Unaudited)
For the Ten Months Ended April 30, 2024
(Continued)

Administration (Continued)	Jul-Apr 2024	Expected to		FY 2023/2024
		Date	Variance YTD	Budget
Utilities	12,204	13,333	(1,129)	16,000
Video Taping	4,400	4,167	233	5,000
Computers	6,549	6,667	(117)	8,000
Miscellaneous	7,239	7,500	(261)	9,000
Bank Service Charges	283	-	283	-
Park Related Misc Expenses	15,759	8,333	7,425	10,000
Total Administration	767,791	692,000	75,791	830,400
Capital Projects				
Medio Creek Xing/Mirada Sewer	1,310	-	1,310	-
6-yr CIP Phase 2	3,562	54,167	(50,605)	65,000
Mainline System Repairs	-	8,333	(8,333)	10,000
SAM - Infrastructure	358,114	555,625	(197,511)	666,750
Total Capital Projects	362,986	618,125	(255,139)	741,750
Total Expenses	2,757,597	2,573,385	184,212	3,088,062
Change in Net Assets	1,069,144	807,448	261,695	968,938
Beginning Net Position	\$ 16,409,020	\$ 16,409,020		\$ 16,409,020
Ending Net Position	\$ 17,478,164	\$ 17,216,469		\$ 17,377,958

June 4, 2024

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

Subject: Class 3 Sewer Mainline Extension
239 Cortez Ave.
Irfan Mainline Extension Dedication
APN 048-032-070
KJ 015011*10

Dear Board Members:

We reviewed the plans and construction of the Irfan Sewer Mainline Extension to serve 239 Cortez Ave. The sewer main extension was constructed in accordance with GCSD Standard Details and Specifications. We therefor recommend that GCSD approve dedication of the sewer into its collection system.

Please let me know if you have any questions.

Very truly yours,

Kennedy/Jenks Consultants, Inc.



John H Rayner PE
GCSD District Engineer

GRANADA COMMUNITY SERVICES DISTRICT

Administrative Staff Report

Period: April 13, 2024 to June 14, 2024
To: Board of Directors
From: Hope Atmore, Assistant General Manager
Date: June 20, 2024

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

Table with 4 columns: Date, Requestor, Documents Requested, Response. Row 1: 05/20/24, C. Rogers, Several records pertaining to the BioMaAs BRA and related communication for Burnham Strip., 05/23/24

APPLICATIONS RECEIVED

There were two applications received during this period:

Table with 7 columns: Date, Class, Owner/Agent, APN, Address, Sq. Ft., Zone. Multiple rows listing various applications with shaded cells.

Shaded items were previously reported.

PERMITS ISSUED

There were three permits issued this period:

Table with 8 columns: Permit No., Class, Date, Owner/Agent, APN, Address, Sq. ft., Zone. Rows listing permit details.

3254	CL3	10/26/23	Irfan & Moin	048-032-070	0	Cortez Ave, Miramar	4,400	S-94
3255	ADU	05/21/24	Skerry	047-181-650	114	Del Monte Rd, EG	7,557	R1/S17
3256	1A	05/30/24	Irfan & Moin	048-032-070	239	Cortez Ave, Miramar	4,400	S-94
3257	ADU	06/07/24	Rzepski	048-033-270	301	Alameda Ave, Miramar	1,148	R1/S9

Shaded items were previously reported.

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

Date	Class	Permit #	Issued	Owner	APN	Address
08/10/23	1A	3245	03/28/23	Oulton	047-292-320	950 Malaga St, EG
08/16/23	1A	3231	07/11/22	Ralston	047-217-110	340 Ave Del Oro, EG
10/27/23	1A	3233	10/27/22	Agranov	048-054-220	345 Miramar Dr, Miramar
11/17/23	1A	3198	12/10/19	Seaman	047-243-060	448 Portola, El Granada
02/28/24	1A	3249	08/03/23	Carey	048-013-790	167 Cortez Ave, Miramar
04/04/24	2D	3239	11/04/22	Point Pillar	047-081-430	100 Capistrano, Princeton
05/01/23	1A	3236	09/19/22	515 Hermosa LLC	048-063-420	515 Hermosa, EG

Shaded items were previously reported.

SPECIAL NOTES:

