

AVILA BEACH COMMUNITY SERVICES DISTRICT

Post Office Box 309, Avila Beach, CA. 93424
Meeting Room and Office – 191 San Miguel Street, Avila Beach
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AGENDA

REGULAR BOARD MEETING
7:00 pm Tuesday, Sept 12th, 2017
BOARD MEETING LOCATION
AVILA BEACH CIVIC ASSOCIATION
191 SAN MIGUEL STREET
AVILA BEACH, CALIFORNIA

CALL TO ORDER: 7:00 P.M.

1. ROLL CALL: Board Members:

Pete Kelley, President
Lynn Helenius, Vice President
Eric DeWeese, Director
Ara Najarian, Director
Kristin Berry, Director

2. PUBLIC COMMENT

Members of the public wishing to comment or bring forward any items concerning District operations **which do not appear on tonight's agenda** may address the Board now. Please state name and address before addressing the Board and **limit presentations to 3 minutes**. State law does not allow Board action on items not appearing on the agenda.

3. INFORMATION AND DISCUSSION ITEMS

Items of District interest which may be placed on later agendas, or where staff needs to inform Board.

A. County Reports

1. SLO County Sheriff Department
2. CalFire/County Fire Department

B. Reports on Attended Conferences, Meetings, and General Communications of District Interest

4. CONSENT ITEMS:

These items are approved with one motion. Directors may briefly discuss any item, or may pull any item, which is then added to the business agenda.

- A. Minutes of Aug 8th, 2017 Regular Meeting
- B. Corrected Minutes of June 13, 2017 Regular Meeting
- C. Monthly Financial Review
- D. General Manager and District Engineer Report
- E. Water and Wastewater Superintendent Report

5. DISCUSSION OF PULLED CONSENT ITEMS

At this time, items pulled for discussion from the Consent Agenda, if any, will be heard.

6. BUSINESS ITEMS: Items where Board action is called for.

- A. District Financial Reserve Policy
(Action Required: Receive Report and Consider Adopting Revised Resolution No. 2017-09, to include Exhibit A, Funding levels)
- B. Water Valve Replacement Project Status Report
(Action Required: Receive Report and Provide Direction to Staff)
- C. Update Banking Accounts to Reflect New Board Members and Pacific Premier's purchase of Heritage Oaks Bank.
(Action Required: Consider Adopting Resolution No. 2017-10 and Letter Updating Authorized Signatories on Banking Accounts)

7. COMMUNICATIONS/ CORESPONDENCE

At this time, any Director or Staff, may ask questions for clarification, make any announcements, or report briefly on any activities or suggest items for future agendas.

8. Adjourn to next regularly scheduled meeting on Oct 10th, 2017

Any writing or document pertaining to an open session item on this agenda which is distributed to a majority of the Board after the posting of this agenda will be available for public inspection at the time the subject writing or document is distributed. The writing or document will be available for public review in the District Administration Office, 191 San Miguel Street, Avila Beach, CA during normal business hours. Consistent with the Americans with Disabilities Act and California Government Code Section 54954.2 requests for disability related modification or accommodation, including auxiliary aids or services may be made by a person with a disability who requires the modification or accommodation in order to participate at the above referenced public meeting by contacting the District at 805-595-2664.

**AVILA BEACH COMMUNITY SERVICES DISTRICT
MINUTES OF REGULAR MEETING
August 8th, 2017**

1. CALL TO ORDER

President Pete Kelley called the regular meeting of the Board of Directors of the Avila Beach Community Services District, to order at 7:00 p.m. on the above date, in the Avila Beach Civic Center.

2. ROLL CALL

Board Members Present: Pete Kelley
 Lynn Helenius
 Eric DeWeese
 Kristin Berry

Board Members Absent: Ara Najarian

Staff Present: Brad Hagemann, General Manager and District Engineer
 Kristi Dibbern, Accounting Clerk
 Mike Seitz, Legal Counsel
 Carinna Butler, Operations Manager FRM

3. PUBLIC COMMENTS

Anne Brown Avila Beach, commented that the County is resurfacing all the streets in Avila this month.

4. INFORMATION AND DISCUSSION ITEMS

A. County Reports

1. SLO Sheriff:

Sheriff Voge reported 61 calls for service including, 12 suspicious subjects, two dogs were reported to be locked in two separate vehicles, both dogs were reported safe after officers investigated. Two burglaries occurred at Bob Jones trailhead, both incidents were due to purses being visible through the cars' windows. Sheriff Voge reported an incident at Pirates Cove regarding a man sitting on a rock 25 feet out in the ocean. Officers responded with an ocean vessel and apprehended the man for being under the influence of drugs. Avila Hot Springs reported a car break in. Other reported incidents included: drug abuse at the Bob Jones Trailhead late at night; a man was reportedly seen chasing people with a pitchfork in the Pirates Cove area. In response to a question from the public, Sheriff Voge reported there is no regular bike patrol in Avila Beach due to lack of staffing.

2. Cal Fire Report:

Cal Fire Battalion Chief Paul Lee was unable to attend the meeting. However, Chief Lee did provide a written report to GM Hagemann that was read into the record. There were sixty-five calls for service this month, 32 were medical related. Cal Fire has received funding and put into service a Helitanker (Skycrane Helicopter) at the Paso Robles Air Attack Base. This helicopter has

great ability to drop 1000's of gallons of water at one time with quick turnaround time using the ocean and nearby creeks to refill. Chief Lee is requesting the community's help in reporting any activity that could start a fire by calling 911. Cal Fire is focusing their efforts on creating awareness of vehicles dragging chain/metal or that are in poor running condition. The state has incurred many fire starts statewide due to vehicular issues.

B. Reports on Conferences, Meetings and General Communications – None Reported

5. CONSENT ITEMS

President Kelley introduced the consent items and inquired if any member of the Board or public wished to address any items.

- A. Minutes of July 11th, 2017 Regular Meeting
- B. Monthly Financial Review for July
- C. General Manager and District Engineer Report
- D. Water and Wastewater Superintendent Report July Report

Director Helenius made the motion to adopt the consent items. Director DeWeese seconded the motion and it passed with a roll call vote 4-0.

AYES: Lynn Helenius
Eric DeWeese
Pete Kelley
Kristin Berry

NOES: None

ABSENT: Ara Najarian

6. DISCUSSION OF PULLED CONSENT ITEMS.

None

7. BUSINESS ITEMS: Items where Board action is called for.

A. Brown Act Workshop at Port San Luis Harbor District

GM Hagemann reminded the Board members that they needed to contact the office if they plan to attend the Workshop. Legal counsel Seitz stated that CSDA staff advised him that the Workshop is full, but there is a waiting list. Staff agreed to contact CSDA to regarding options for the Workshop.

Ara Najarian joined the meeting at 7:30 p.m.

B. Award Contract for Water Tank #1 Maintenance

GM Hagemann summarized the Staff Report, reminding the Board members that Advanced Technical Services (ATS) completed water tank inspection & cleaning in Feb 2017 and their reports included maintenance recommendations for both Tanks. Hagemann stated that tank #1 is much newer and is in considerably better condition than tank #2. ATS owner, William Bellis and Hagemann met in late July and Bellis provided an estimate for maintenance work on Tank #1. The proposal includes two days of spot repairs (internal and external), confined space entry and a fully sanitized dive team. Hagemann explained that the work is expensive since it requires specialized training and capabilities in order to complete the work while the tank is full.

Work on Tank #2 will be more comprehensive and we will bring that project to the Board at a future Board meeting.

Director DeWeese made the motion to award the contract for Water Tank #1 maintenance. Director Helenius seconded the motion and it passed with a roll call vote 5-0.

AYES: Eric DeWeese
Lynn Helenius
Kristin Berry
Ara Najarian
Pete Kelley

NOES: None

C. Purchase of Back-Up Power Generator for First Street Lift Station

GM Hagemann explained that when power is lost, FRM staff must respond quickly to the First St Lift Station to get the “trash pump” running to avoid a sanitary sewer overflow (SSO). Fortunately, we have not had an SSO in recent past, but the District has spent a considerable amount of money on emergency response and overtime due to power outages and rental of a back-up generator. Hagemann stated that purchase of a back-up generator and switchgear is a significant expenditure, but not uncommon in the wastewater industry. The back-up generator will pay for itself over time and if the District experienced a sewage spill (with no back-up power) the penalties imposed by the regulatory agencies could easily exceed the cost of the project. Director Najarian made the motion to purchase a back-up power generator for the First Street Lift Station at a not to exceed amount of \$27,750. Director Kelley seconded the motion and it passed with a roll call vote 5-0.

AYES: Ara Najarian
Pete Kelley
Lynn Helenius
Eric DeWeese
Kristin Berry

NOES: None

D. Consider Adoption of District Financial Reserve Policy

GM Hagemann summarized the Staff Report and explained that the California Special Districts Association (CSDA) and other local government advocates recommend Special District's adopt a Financial Reserve Policy. Hagemann explained that having a Reserve Fund Policy would, among other things, provide a structure and document the District's Reserve Funds and intended uses. The Reserve Policy helps educate and demonstrate the long-term expenses of a District and allow the Board to plan accordingly. Components of District's proposed Policy Include:

- Operating Fund
- Capital Replacement Fund
- Capacity Reserve Fund
- Emergency Capital Reserve Fund (currently part of CIP)
- Rate Stabilization Fund

The Reserve Fund Policy is at the discretion of the Board. The Board will review the Reserve Fund Targets and Balances as part of the annual budget adoption process. Funding of the Reserve Funds would come from the existing Local Agency Investment Fund (LAIF) reserve account.

James Orth, of Avila Beach commented that the need for a Reserve Policy seems to be a sound business practice, with the ability to determine the amounts within the policy at a later date.

After much discussion and input from Legal Counsel, Director Najarian made the motion to Adopt Resolution No. 2017-09, adopting a Financial Reserve Policy, but omitting the paragraph regarding "Exhibit A" regarding "fund amounts". The amounts to be distributed between each fund will be determined later with input from the Finance Committee. Director Kelley seconded the motion and it passed with a roll call vote 5-0.

AYES: Ara Najarian
Pete Kelley
Eric DeWeese
Kristin Berry
Lynn Helenius

NOES: None

E. Avila Beach Recycled Water Facilities Plan

GM Hageman reminded the Board that this project is being 50% funded by a grant by the State Water Resources Control Board and the District and San Miguelito Mutual Water Company are equally sharing the remaining 50%. The overall report is over 120 pages so staff only provided the Executive Summary in the Board packet. Staff will post the entire Draft Report on the District web page.

The goals of the study included: identifying, evaluating and prioritizing new drought resistant RW supply alternative; Evaluating RW projects; and identifying a preferred location or locations for a regional RW plant. The Board to considered the options and discussed the pros and cons of each. After some discussion, the Board concluded that implementing any of the recycled water options appeared to be cost prohibitive at this time.

The Board directed Staff to: complete the Recycled Water Facilities Plan; request grant reimbursement from the State Board; attend San Miguelito Mutual Water Company Board Meeting when they consider the report; and request reimbursement from SMMWC.

8. COMMUNICATIONS:

ADJOURNMENT: The meeting was adjourned at 8:45 p.m.

The next regular meeting of the Avila Beach Community Services District is scheduled for Tuesday, Sept 12th, 2017 at 7:00 pm.

These minutes are not official nor a permanent part of the records until approved by the Board of Directors at their next meeting.

Respectfully submitted,

Brad Hagemann, PE
General Manager

**AVILA BEACH COMMUNITY SERVICES DISTRICT
MINUTES OF REGULAR MEETING
June 13th, 2017**

1. CALL TO ORDER

President Pete Kelley called the regular meeting of the Board of Directors of the Avila Beach Community Services District, to order at 7:00 p.m. on the above date, in the Avila Beach Civic Center.

2. ROLL CALL

Board Members Present: Pete Kelley
 Lynn Helenius
 Eric DeWeese

Staff Present: Brad Hagemann, General Manager and District Engineer
 Kristi Dibbern, Accounting Clerk
 Mike Seitz, Legal Counsel
 Carinna Butler, Operations Manager FRM

Absent: Ara Najarian (Director Najarian joined the meeting at 7:05 p.m.)

3. PUBLIC COMMENTS

4. INFORMATION AND DISCUSSION ITEMS

A. County Reports

1. SLO Sheriff:

Sheriff Voge introduced himself as the new commander representing the San Luis County Sheriff's Office. Sheriff Voge offered his direct phone line at 781-4630; please contact him if you have questions or concerns. Sheriff Voge reported 73 calls for service including 4 threats, 3 arrests, 4 burglaries from vehicles at Bob Jones trailhead. Voge stated that they are working on installing a second camera at the Bob Jones Trailhead. The parking lot for this trailhead is problematic since it is very close to the freeway making access easy for theft. Activity this month included a cave landing suicidal subject with a shotgun. The Department apprehended the subject, but he threw the gun over the cliff into the ocean. The weapon was not located after an exhausted search. Sheriff Voge warned the Board and public about phone scams related to the "IRS" and Target gift cards.

2. Cal Fire Report:

Cal Fire Battalion Chief Paul Lee reported 50 calls for service this month. Twenty- one of those calls were for medical assistance. Chief Lee reported that fire season begun May 15th and all stations are fully staffed and ready. Four aircraft, three bulldozers and five additional engines are available for response. Lee stated the Department is enforcing the Weed Abatement Program and reminded folks to abate weeds around their property.

Chief Lee stated the Cave Landing Road vegetation maintenance project is complete and the Department has \$75,000 to widen the Wild Cherry Canyon road. Chief Lee also reminded folks that as of June 13, no outdoor burning is allowed with the exception of Agricultural burning.

B. Reports on Conferences, Meetings and General Communications

GM Hagemann reminded the Board members to complete their ethics training. The California Special District's Association (CSDA) training office has created individual logins and passwords for each board member and sent them an email with instructions. Emily Cha from CSDA sent the Directors an email in late January that provided them a login and password to access the free training webinars. Directors should turn in their Certificates of Completion into the District office for our official files.

5. CONSENT ITEMS

President Kelley introduced the consent items and inquired if any member of the Board or public wished to address any items.

- A. Minutes of April 11th, 2017 Regular Meeting
- B. Monthly Financial Review for April & May
- C. General Manager and District Engineer Report
- D. Water and Wastewater Superintendent Report April & May Report
- E. Appointment of a Districts Representative to the San Luis Obispo County Water Resources Advisory Committee.
- F. Sanitary Sewer Management Plan Audit

GM Hagemann reported that Lopez Lake is holding steady at 62% capacity (30,500AF) but will soon start dropping as run-off curtails. Hagemann also reported that State Water Project deliveries will be 85% of the Table "A" entitlements. Hagemann also reported that the Sanitary Sewer Management Plan (SSMP) Audit, was completed and staff will be implementing the audit recommendations over the next 8-12 months. Finally, Liberty Composting will likely be taking over the District's sludge disposal since the City of Soledad WWTP is cutting back on the amount of sludge they are accepting.

In response to a Board member question, GM Hagemann explained that the rented road plates were used to support the effluent repair line project for a prolonged period. Director Helenius made the motion to adopt the consent items. Director Najarian seconded the motion and it passed with a roll call vote 4-0.

AYES: Lynn Helenius
Ara Najarian
Eric DeWeese
Pete Kelley

NOES: None

6. DISCUSSION OF PULLED CONSENT ITEMS.

None

7. BUSINESS ITEMS: Items where Board action is called for.

A. Resolution of Appreciation for former Board Member, Mr. Ken San Filippo.

Former Director Ken San Filippo was present for the reading of Resolution No. 2017-02 by President Kelley. President Kelley made the motion to adopt Resolution No. 2017-02 honoring Mr. San Filippo and his service on the Board. Director Najarian seconded the motion and it passed with a roll call vote 4-0.

AYES: Pete Kelley
 Ara Najarian
 Eric DeWeese
 Lynn Helenius

NOES: None

B. Fats, Oil and Grease Program Services Contract. GM Hagemann summarized the Staff Report and restated that the District's SSMP requires the District to implement an active FOG program. The District has routinely retained Wallace Group to conduct the District's FOG Program. Staff recommended the Board retain Wallace Group to conduct the FY 2017/18 FOG inspection and reporting program. Director Najarian asked if the Directors should be concerned about retaining W/G in light of the recent District Attorney charges against John Wallace. GM Hagemann commented that District staff is confident that he W/G staff will continue to effectively implement the District's FOG program. Anne Brown, Avila Beach commented that the entire firm should not be penalized for one person. Director DeWeese made the motion to approve a Contract with W/G for FY 2017/18 Fats, Oil and Grease Program Services Contract. Director Helenius seconded the motion and it passed with a roll call vote 4-0.

AYES: Eric DeWeese
 Lynn Helenius
 Ara Najarian
 Pete Kelley

NOES: None

C. 2017 Weed Abatement Program. GM Hagemann summarized the staff report noting that each year the District works with Cal Fire to coordinate the weed abatement and fire protection program. Cal Fire staff will inspect properties to ensure weeds and trash are cleared; if work is needed they will post the property requesting the owner clear weeds and/or trash; if not cleared then District will make

arrangements and bill the property owner. Chief Lee confirmed Hagemann's summary and responded to Director questions.

Director Kelley made the motion to adopt Resolution No. 2017-03 declaring weeds a nuisance. Director Helenius seconded the motion and it passed with a roll call vote 4-0.

AYES: Pete Kelley
 Lynn Helenius
 Ara Najarian
 Eric DeWeese

NOES: None

D. Resolution No. 2017-04 to Adopt the San Luis Obispo County Integrated Regional Water Management Plan (IRWMP) – GM Hagemann summarized the staff report by stating the IRWMP Act was initially adopted in 2002 and supported by a series of voter approved propositions that provided grant funds for regional projects. The Program is administered by SLO County Public Works Department. Agencies must formally adopt the IRWMP Plan in order to be eligible for project funding. To date the County has awarded almost \$25 million

Director Kelley made the motion to adopt Resolution No. 2017-04 adopting the San Luis Obispo Integrated Regional Water Management Plan. Director Najarian seconded the motion and it passed with a roll call vote 4-0.

AYES: Pete Kelley
 Ara Najarian
 Eric DeWeese
 Lynn Helenius

NOES: None

E. Water Resource Analysis Tech Memo

GM Hagemann reminded the Board that the District had retained Water Systems Consulting Inc. (WSC) to evaluate historic and projected water supply & demand based on the District's most recent data and conditions. The last evaluation of this type was completed in coordination with the May 2010 Water Master Plan. This Tech Memo (TM) includes sections on the District's historic water demand; projected water demand; water supply portfolio; and historical supply reliability including the most recent extended drought cycle. The TM concludes with an analysis of three scenarios: normal year, single dry year and multiple dry years. WSC's recommendation is the District should continue to assess opportunities to increase water entitlements, in order to supplement and diversify its water portfolio. Director Helenius wanted to know the District's water entitlement and how would the use of the full entitlement potentially affect the wastewater treatment plant. Director Helenius also asked if the District could reduce the utility rates based on the above scenarios. President Kelley explained that the water and sewer rates typically do not go down with lower use due to the District's fixed costs of operating the systems. The Board directed

staff to continue to assess opportunities to increase the District's water entitlements/supply and diversify its water portfolio.

F. Discharge of Treated Groundwater Water to the District Collection System & WWTP – GM Hagemann summarized the staff report explaining that Chevron Environmental Management Company (CEMC) is continuing to conduct ground water (GW) cleanup at the former Unocal tank site. CEMC is evaluating disposal alternatives to trucking the treated wastewater off-site including discharging the treated water to the District's sewer system. District staff has conducted a preliminary review of the treated GW quality and it appears all the parameters are well within the District's permit limitations. Carinna Butler, from Fluid Resource Management Operations Team, commented that the water should be tested extensively to ensure it does not have a negative impact on the operation of the WWTP. President Kelley wanted to know the cost and the benefit to the District. Anne Brown also commented regarding her concern about contaminants that could be coming into our wastewater plant. GM Hagemann commented that the District would only agree to accept the treated GW if it did not have a negative affect on the WWTP and the sludge disposal options. The Board directed Staff to continue their analysis and initiate negotiations with the CEMC on the logistics and cost of accepting the treated GW.

G. Facilities Committee Report re: Former Fire Station Lease. Hagemann reported that the Facilities Committee inspected the building on May 1st, 2017 and generated the staff report in the Board packet. Director Najarian reported that the current tenants are not willing to share the space and confirmed that the existing District office space is not adequate and storage is inadequate for record retention and staff office space. The Board directed Staff to notify the District's current tenants (Vizdom Software, Inc.) and the District's current property owner (Avila Beach Civic Association) that the District Administrative Office will be relocating to the former fire station at 100 San Luis Street, Avila Beach.

H. PUBLIC HEARING: Fiscal Year 2017/18 Budget

GM Hagemann used a series of slides to summarize the proposed FY 2017/18 budget and responded to questions from the Board. President Kelley opened the Public Hearing on the budget. No comments were received from the public so President Kelley closed the Public Hearing and brought the item back to the Board. After some additional discussion, President Kelley made the motion to adopt Resolution No. 2017-05 Adopting, Appropriations Limitations. Director DeWeese seconded the motion and it passed with a roll call vote 4-0.

AYES: Pete Kelley
 Eric DeWeese
 Ara Najarian
 Lynn Helenius
NOES: None

President Kelley then made the motion to adopt Resolution No. 2017-06 adopting the Final FY 2017/18 Budget. Director Najarian seconded the motion and it passed with a roll call vote 4-0.

AYES: Pete Kelley
 Ara Najarian
 Eric DeWeese
 Lynn Helenius
NOES: None

I. Board Vacancy. GM Hagemann commented that Staff has received only one application for the vacant Director position. Hagemann provided a copy of Ms. Kristen Berry's application. After some discussion and an opportunity for public comment, President Kelley made the motion to appoint Kristen Berry to the Board of Directors of the Avila Beach CSD to fill the vacancy through December 2018. Director Najarian seconded the motion and it passed with a roll call vote 4-0.

AYES: Pete Kelley
 Ara Najarian
 Eric DeWeese
 Lynn Helenius
NOES: None

8. COMMUNICATIONS:

ADJOURNMENT: The meeting was adjourned at 9:25 p.m.

The next regular meeting of the Avila Beach Community Services District is scheduled for Tuesday, July 11th, 2017 at 7:00 pm.

These minutes are not official nor a permanent part of the records until approved by the Board of Directors at their next meeting.


Respectfully submitted,

Brad Hagemann, PE
General Manager

AVILA BEACH
COMMUNITY SERVICES DISTRICT
Post Office Box 309, Avila Beach, CA 93424

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: Sept 12th, 2017

SUBJECT: Monthly Financial Review for August 2017

Recommendation:

Receive and file report.

Overall Monthly Summary

During August the District made deposits in the amount of \$96,218.05 and experienced \$204,332.10 in expenses (cash basis). The deposits by fund and checks by fund are provided as an attachment to this report. Income in August included \$6,201.55 in County tax income and \$96,593.17 in monthly water and sewer fees.

Detailed financial reports including a Balance Sheet, Deposits by Fund, Checks by Fund, as well as, a Profit and Loss Sheet for August are provided for your information.

During the month of August the District incurred Cal Fire's semi-annual payment of \$91,571.00 in agreement with our Fire Protection contract. Also \$36,755.36 was paid to Water Systems Consulting for the recycled water facilities planning study.

Utility Service Billing

For the month of August the District billed approximately \$101,320.33 in water and sewer service charges. Customer Rate Assistance amounted in a reduction of billing charges to the District in the amount of \$516.36.

Operation and Maintenance

The Fluid Resource Management (FRM) Statement for August 2017 is included. The remaining balance of the effluent line repair project invoice is still being negotiated.

Avila Beach Community Services District
Profit & Loss
August 2017

	<u>Aug 17</u>
Ordinary Income/Expense	
Income	
4000 · Income Summary	
4010 · Operating Revenue	96,593.17
4012 · Solid Waste Franchise Fee	2,138.56
4030 · County Taxes	6,201.55
4050 · Harbor Charges	
4052 · Front Street Lighting	255.10
4053 · WWTP O&M	14,536.00
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Total 4050 · Harbor Charges	14,791.10
4090 · Rental Income	3,260.00
4100 · Misc Income	300.00
	<hr/>
Total 4000 · Income Summary	123,284.38
	<hr/>
Total Income	123,284.38
	<hr/>
Gross Profit	123,284.38
	<hr/>
Expense	
5100 · Merchant Credit Card Fees TIB	213.56
5200 · Payroll Expenses	
5210 · Gross Wages	
5211 · Regular Pay	3,037.32
5012 · Holiday Pay	0.00
5014 · Sick Pay	194.00
5016 · Vacation Pay	0.00
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Total 5210 · Gross Wages	3,231.32
5230 · Payroll Taxes	55.56
5240 · Health & Medical Exp.	
5242 · Health Ins / Other	600.00
	<hr/>
Total 5240 · Health & Medical Exp.	600.00
5250 · PERS Company Pd Expense	
5254 · PERS Co Pd Kathy	8,655.00
5256 · PERS Co Pd Kristi	200.84
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Total 5250 · PERS Company Pd Expense	8,855.84
5280 · Payroll Administration & Misc.	150.32
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Total 5200 · Payroll Expenses	12,893.04
	<hr/>
6000 · Administrative Overheads	
6102 · Accounting	990.00

Avila Beach Community Services District
Profit & Loss
August 2017

	<u>Aug 17</u>
6120 · Dues & Subscriptions	700.00
6135 · Legal	751.60
6140 · Office Supplies & Postage	75.03
6150 · Rate Assistance	516.36
6155 · Rent	820.66
6160 · Training	100.00
6170 · Website	400.00
Total 6000 · Administrative Overheads	4,353.65
6500 · Operating Expenses	
6503 · Chemicals	4,929.15
6505 · Contract Labor O & M	109,407.80
6506 · Contract Labor GM	11,000.00
6515 · Engineering	1,500.00
6520 · Equipment Repair & Maint.	
6522 · Equip. Rep. & Maint-Avila & HD	3,867.32
6524 · Equip. Rep. & Maint. Avila Only	1,948.38
Total 6520 · Equipment Repair & Maint.	5,815.70
6525 · Fat Oil & Grease (FOG)	1,449.27
6535 · Insurance	2,380.83
6540 · Lab Tests	3,448.50
6567 · Repairs	825.00
6580 · Solids Handling	2,581.25
6585 · Telephone / Internet	726.67
6590 · Utilities	3,590.56
Total 6500 · Operating Expenses	147,654.73
Total Expense	165,114.98
Net Ordinary Income	-41,830.60
Other Income/Expense	
Other Income	
7200 · Non-Operating Income	
7220 · CIP Harbor	21,082.00
Total 7200 · Non-Operating Income	21,082.00
Total Other Income	21,082.00
Other Expense	
8200 · Non-Operating Expenses	
8230 · Capital Purchases in Prog Sani	
8241 · WW - 2017/18 - 5 Misc. Projects	8,177.31
8231 · WW-1 WWTP Upgrade	36,755.36

Avila Beach Community Services District
Profit & Loss
August 2017

	<u>Aug 17</u>
8237 · WW-7 Misc. Wastewater Projects	-40.66
Total 8230 · Capital Purchases in Prog Sani	44,892.01
8270 · Capital Purchases in Prog Water	
8272 · W-2 Water System Valve/ Meter	591.25
Total 8270 · Capital Purchases in Prog Water	591.25
Total 8200 · Non-Operating Expenses	45,483.26
Total Other Expense	45,483.26
Net Other Income	-24,401.26
Net Income	<u><u>-66,231.86</u></u>

Avila Beach Community Services District
Balance Sheet
As of August 31, 2017

	<u>Aug 31, 17</u>
ASSETS	
Current Assets	
Checking/Savings	
1000 · Cash Summary	
1005 · Customer Cash	337.20
1008 · Petty Cash	153.52
1010 · Heritage Oaks General Checking	539,903.15
1025 · Pooled Cash	2,671,663.57
1030 · B of A - Payroll	2,749.58
1050 · LAIF	2,239,232.42
1099 · Cash Balance	-2,671,663.57
	<hr/>
Total 1000 · Cash Summary	2,782,375.87
	<hr/>
Total Checking/Savings	2,782,375.87
Accounts Receivable	
1200 · *Accounts Receivable	210,326.79
	<hr/>
Total Accounts Receivable	210,326.79
Other Current Assets	
1250 · Receivables	
1255 · Interest Receivable	3,019.76
1270 · Taxes Receivable	8,787.45
1280 · Water & Sewer Billings	139,564.11
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Total 1250 · Receivables	151,371.32
1400 · Prepaid Summary	
1410 · Prepaid Insurance	10,218.13
1400 · Prepaid Summary - Other	-0.01
	<hr/>
Total 1400 · Prepaid Summary	10,218.12
	<hr/>
Total Other Current Assets	161,589.44
	<hr/>
Total Current Assets	3,154,292.10
Fixed Assets	
1600 · Fixed Assets & Acc. Depr.	
1605 · Office Equipment	
1606 · Copier Samsung 2012	8,233.58
1609 · Office Equipment Accum Depr	-6,861.31
	<hr/>
Total 1605 · Office Equipment	1,372.27
1610 · Fixed Asset -Office & Admin.	
1612 · Office Furniture cost	4,526.21
1614 · Office Furniture Accum Dep.	-4,526.21
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Avila Beach Community Services District
Balance Sheet
 As of August 31, 2017

	Aug 31, 17
Total 1610 · Fixed Asset -Office & Admin.	0.00
1620 · Fixed Assets - Sanitary	
1622 · Land	60,314.10
1626 · Collection Assets	
1627 · Collection Assets Cost	1,318,875.26
1628 · Collect Assets Accum Depr	-352,639.07
Total 1626 · Collection Assets	966,236.19
1630 · Disposal Equipment	
1631 · Disposal Equip Cost	523,122.64
1632 · Disposal Equip Accum Depr	-264,042.83
Total 1630 · Disposal Equipment	259,079.81
1635 · Treatment Plant	
1636 · Treatment Plant Original	105,000.00
1637 · Treatment Plant Addition	1,909,250.75
1638 · Treatment Plant Accum Dep	-886,106.88
Total 1635 · Treatment Plant	1,128,143.87
1642 · Treatment Equipment	
1643 · Treatment Equip Cost	1,000,455.00
1644 · Treatment Equip Accum Depr	-524,698.87
1642 · Treatment Equipment - Other	205,485.61
Total 1642 · Treatment Equipment	681,241.74
Total 1620 · Fixed Assets - Sanitary	3,095,015.71
1650 · Fixed Assets - Water	
1652 · Equipment	
1653 · Equipment Cost	21,136.28
1654 · Equipment Accum Depr	-21,136.28
Total 1652 · Equipment	0.00
1656 · Distribution Assets	
1657 · Distribution Assets Cost	1,109,466.00
1658 · Dist Assets Accum Depr	-562,263.35
Total 1656 · Distribution Assets	547,202.65
Total 1650 · Fixed Assets - Water	547,202.65
1680 · Structures - Fixed Asset	
1681 · Structures GFAAG - Sani & FA	29,810.00
1682 · Gen / Fire Accum Dep	-29,810.00

Avila Beach Community Services District
Balance Sheet
As of August 31, 2017

	<u>Aug 31, 17</u>
Total 1680 · Structures - Fixed Asset	0.00
1690 · Construction in Progress	17,812.74
Total 1600 · Fixed Assets & Acc. Depr.	3,661,403.37
Total Fixed Assets	3,661,403.37
Other Assets	
1800 · Deferred Outflows of Resources	7,850.00
Total Other Assets	7,850.00
TOTAL ASSETS	<u>6,823,545.47</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2100 · Accounts Payable	78,340.71
Total Accounts Payable	78,340.71
Other Current Liabilities	
2200 · Payroll Liabilities	
2260 · Vacation Payable	1,236.90
2262 · Sick Pay Accrued	2,194.50
2240 · Health Insurance	
2241 · Employee	0.01
Total 2240 · Health Insurance	0.01
2250 · PERS Liability	379.68
Total 2200 · Payroll Liabilities	3,811.09
2300 · Deposits Held	
2303 · Water Deposits Held	7,680.00
2304 · Fire Station Deposit	2,000.00
2305 · Capacity Fees Held	252,907.16
Total 2300 · Deposits Held	262,587.16
Total Other Current Liabilities	266,398.25
Total Current Liabilities	344,738.96
Long Term Liabilities	
2400 · Net Pension Liability	115,049.00
2500 · Deferred Inflows of Resources	15,115.00

Avila Beach Community Services District
Balance Sheet
As of August 31, 2017

	<u>Aug 31, 17</u>
Total Long Term Liabilities	130,164.00
Total Liabilities	474,902.96
Equity	
3900 · Retained Earnings	6,479,760.59
Net Income	-131,118.08
Total Equity	6,348,642.51
TOTAL LIABILITIES & EQUITY	<u>6,823,545.47</u>

Avila Beach Community Services District
Deposits by Fund
 August 2017

09/05/17

Type	Date	Memo	Split	Amount	Balance
General / Admin					
Deposit	08/14/2017	Rent Income Fire Station Vizdom	1010 · Heritage Oaks Gene...	-3,260.00	-3,260.00
Total General / Admin					
				-3,260.00	-3,260.00
Sanitary					
Deposit	08/02/2017	Sani Rec	1010 · Heritage Oaks Gene...	-3,137.46	-3,137.46
Deposit	08/02/2017	Rate Assistance	1010 · Heritage Oaks Gene...	49.65	-3,087.81
Deposit	08/02/2017	1/2 Other 1	1010 · Heritage Oaks Gene...	50.53	-3,037.28
Deposit	08/02/2017	1/2 Other 2	1010 · Heritage Oaks Gene...	-43.40	-3,080.68
Deposit	08/03/2017	Sani Rec	1010 · Heritage Oaks Gene...	-7,754.94	-10,835.62
Deposit	08/03/2017	Rate Assistance	1010 · Heritage Oaks Gene...	23.82	-10,811.80
Deposit	08/03/2017	1/2 Other 1	1010 · Heritage Oaks Gene...	0.00	-10,811.80
Deposit	08/03/2017	1/2 Other 2	1010 · Heritage Oaks Gene...	-702.82	-11,514.62
Deposit	08/03/2017	adj (1.01) to El Dorado & bank	1010 · Heritage Oaks Gene...	0.50	-11,514.12
Deposit	08/03/2017	000162 Community Park Restroom 6/27 - 7/24/17	1010 · Heritage Oaks Gene...	-1,074.23	-12,588.35
Deposit	08/07/2017	Sani Rec	1010 · Heritage Oaks Gene...	-3,278.13	-15,866.48
Deposit	08/07/2017	Rate Assistance	1010 · Heritage Oaks Gene...	8.27	-15,858.21
Deposit	08/07/2017	1/2 Other 1	1010 · Heritage Oaks Gene...	0.00	-15,858.21
Deposit	08/07/2017	1/2 Other 2	1010 · Heritage Oaks Gene...	-33.11	-15,891.32
Deposit	08/07/2017	Booked 8/3/17 000162 Community Park Restroom 6/27 - 7/24/17	1010 · Heritage Oaks Gene...	1,074.23	-14,817.09
Deposit	08/08/2017	Sani Rec	1010 · Heritage Oaks Gene...	-5,084.92	-19,902.01
Deposit	08/08/2017	Rate Assistance	1010 · Heritage Oaks Gene...	24.82	-19,877.19
Deposit	08/08/2017	1/2 Other 1	1010 · Heritage Oaks Gene...	0.00	-19,877.19
Deposit	08/08/2017	1/2 Other 2	1010 · Heritage Oaks Gene...	-38.62	-19,915.81
Deposit	08/10/2017	Sani Rec	1010 · Heritage Oaks Gene...	-4,413.36	-24,329.17
Deposit	08/10/2017	Rate Assistance	1010 · Heritage Oaks Gene...	24.82	-24,304.35
Deposit	08/10/2017	1/2 Other 1	1010 · Heritage Oaks Gene...	0.00	-24,304.35
Deposit	08/10/2017	1/2 Other 2	1010 · Heritage Oaks Gene...	-175.57	-24,479.92
Deposit	08/14/2017	Sani Rec	1010 · Heritage Oaks Gene...	-7,276.48	-31,756.40
Deposit	08/14/2017	Rate Assistance	1010 · Heritage Oaks Gene...	8.27	-31,748.13
Deposit	08/14/2017	1/2 Other 1	1010 · Heritage Oaks Gene...	0.00	-31,748.13
Deposit	08/14/2017	1/2 Other 2	1010 · Heritage Oaks Gene...	-404.20	-32,152.33
Deposit	08/15/2017	Sani Rec	1010 · Heritage Oaks Gene...	-9,342.13	-41,494.46
Deposit	08/15/2017	Rate Assistance	1010 · Heritage Oaks Gene...	8.27	-41,486.19
Deposit	08/15/2017	1/2 Other 1	1010 · Heritage Oaks Gene...	0.00	-41,486.19
Deposit	08/15/2017	1/2 Other 2	1010 · Heritage Oaks Gene...	-954.68	-42,440.87
Deposit	08/16/2017	Sani Rec	1010 · Heritage Oaks Gene...	-1,819.53	-44,260.40
Deposit	08/16/2017	Rate Assistance	1010 · Heritage Oaks Gene...	0.00	-44,260.40
Deposit	08/16/2017	1/2 Other 1	1010 · Heritage Oaks Gene...	0.00	-44,260.40

Avila Beach Community Services District

Deposits by Fund

August 2017

09/05/17

Type	Date	Memo	Split	Amount	Balance
Deposit	08/16/2017	1/2 Other 2	1010 · Heritage Oaks Gene...	-78.06	-44,338.46
Deposit	08/17/2017	Sani Rec	1010 · Heritage Oaks Gene...	-168.45	-44,506.91
Deposit	08/17/2017	Rate Assistance	1010 · Heritage Oaks Gene...	8.27	-44,498.64
Deposit	08/17/2017	1/2 Other 1	1010 · Heritage Oaks Gene...	0.00	-44,498.64
Deposit	08/17/2017	1/2 Other 2	1010 · Heritage Oaks Gene...	-3.02	-44,501.66
Deposit	08/22/2017	Sani Rec	1010 · Heritage Oaks Gene...	-1,330.95	-45,832.61
Deposit	08/22/2017	Rate Assistance	1010 · Heritage Oaks Gene...	8.27	-45,824.34
Deposit	08/22/2017	1/2 Other 1	1010 · Heritage Oaks Gene...	0.00	-45,824.34
Deposit	08/22/2017	1/2 Other 2	1010 · Heritage Oaks Gene...	-16.44	-45,840.78
Deposit	08/25/2017	Sales Tax Refund Multi Systems, Inc.	1010 · Heritage Oaks Gene...	-40.66	-45,881.44
Deposit	08/25/2017	Sani Rec	1010 · Heritage Oaks Gene...	-977.10	-46,858.54
Deposit	08/25/2017	Rate Assistance	1010 · Heritage Oaks Gene...	36.41	-46,822.13
Deposit	08/25/2017	1/2 Other 1	1010 · Heritage Oaks Gene...	0.00	-46,822.13
Deposit	08/25/2017	1/2 Other 2	1010 · Heritage Oaks Gene...	-110.55	-46,932.68
Deposit	08/29/2017	Sani Rec	1010 · Heritage Oaks Gene...	-350.74	-47,283.42
Deposit	08/29/2017	Rate Assistance	1010 · Heritage Oaks Gene...	8.27	-47,275.15
Deposit	08/29/2017	1/2 Other 1	1010 · Heritage Oaks Gene...	0.00	-47,275.15
Deposit	08/29/2017	1/2 Other 2	1010 · Heritage Oaks Gene...	-204.24	-47,479.39
Deposit	08/30/2017	Sani Rec	1010 · Heritage Oaks Gene...	-160.08	-47,639.47
Deposit	08/30/2017	Rate Assistance	1010 · Heritage Oaks Gene...	16.55	-47,622.92
Deposit	08/30/2017	1/2 Other 1	1010 · Heritage Oaks Gene...	0.00	-47,622.92
Deposit	08/30/2017	1/2 Other 2	1010 · Heritage Oaks Gene...	0.00	-47,622.92
Deposit	08/31/2017	Sani Rec	1010 · Heritage Oaks Gene...	-123.53	-47,746.45
Deposit	08/31/2017	Rate Assistance	1010 · Heritage Oaks Gene...	0.00	-47,746.45
Deposit	08/31/2017	1/2 Other 1	1010 · Heritage Oaks Gene...	0.00	-47,746.45
Deposit	08/31/2017	1/2 Other 2	1010 · Heritage Oaks Gene...	-206.45	-47,952.90
Total Sanitary					-47,952.90
Solid Waste					
Deposit	08/22/2017	7-2017 July 2017 Waste Connections Franchise Fee SW	1010 · Heritage Oaks Gene...	-2,138.56	-2,138.56
Total Solid Waste					-2,138.56
Water					
Deposit	08/02/2017	Water Rec	1010 · Heritage Oaks Gene...	-2,382.77	-2,382.77
Deposit	08/02/2017	Rate Assistance	1010 · Heritage Oaks Gene...	49.65	-2,333.12
Deposit	08/02/2017	1/2 Other 1	1010 · Heritage Oaks Gene...	50.54	-2,282.58
Deposit	08/02/2017	1/2 Other 2	1010 · Heritage Oaks Gene...	-43.40	-2,325.98
Deposit	08/03/2017	Water Rec	1010 · Heritage Oaks Gene...	-5,379.05	-7,705.03

Avila Beach Community Services District
Deposits by Fund
 August 2017

09/05/17

Type	Date	Memo	Split	Amount	Balance
Deposit	08/03/2017	Rate Assistance	1010 · Heritage Oaks Gene...	24.83	-7,680.20
Deposit	08/03/2017	1/2 Other 1	1010 · Heritage Oaks Gene...	0.00	-7,680.20
Deposit	08/03/2017	1/2 Other 2	1010 · Heritage Oaks Gene...	-702.82	-8,383.02
Deposit	08/03/2017	adj (1.01) to El Dorado & bank	1010 · Heritage Oaks Gene...	0.51	-8,382.51
Deposit	08/03/2017	001483 Front St Irrigation 6/27 - 7/24/17	1010 · Heritage Oaks Gene...	-1,495.92	-9,878.43
Deposit	08/03/2017	001622 San Juan Park Irrigation 6/27 - 7/24/17	1010 · Heritage Oaks Gene...	-2,861.76	-12,740.19
Deposit	08/03/2017	000162 Community Park Restroom 6/27 - 7/24/17	1010 · Heritage Oaks Gene...	-769.64	-13,509.83
Deposit	08/07/2017	Water Rec	1010 · Heritage Oaks Gene...	-6,576.83	-20,086.66
Deposit	08/07/2017	Rate Assistance	1010 · Heritage Oaks Gene...	8.28	-20,078.38
Deposit	08/07/2017	1/2 Other 1	1010 · Heritage Oaks Gene...	0.00	-20,078.38
Deposit	08/07/2017	1/2 Other 2	1010 · Heritage Oaks Gene...	-33.11	-20,111.49
Deposit	08/07/2017	Booked 8/3/17 001483 Front St Irrigation 6/27 - 7/24/17	1010 · Heritage Oaks Gene...	1,495.92	-18,615.57
Deposit	08/07/2017	Booked 8/3/17 001622 San Juan Park Irrigation 6/27 - 7/24/17	1010 · Heritage Oaks Gene...	2,861.76	-15,753.81
Deposit	08/07/2017	Booked 8/3/17 000162 Community Park Restroom 6/27 - 7/24/17	1010 · Heritage Oaks Gene...	769.64	-14,984.17
Deposit	08/08/2017	Water Rec	1010 · Heritage Oaks Gene...	-2,772.79	-17,756.96
Deposit	08/08/2017	Rate Assistance	1010 · Heritage Oaks Gene...	24.83	-17,732.13
Deposit	08/08/2017	1/2 Other 1	1010 · Heritage Oaks Gene...	0.00	-17,732.13
Deposit	08/08/2017	1/2 Other 2	1010 · Heritage Oaks Gene...	-38.63	-17,770.76
Deposit	08/10/2017	Water Rec	1010 · Heritage Oaks Gene...	-3,677.87	-21,448.63
Deposit	08/10/2017	Rate Assistance	1010 · Heritage Oaks Gene...	24.83	-21,423.80
Deposit	08/10/2017	1/2 Other 1	1010 · Heritage Oaks Gene...	0.00	-21,423.80
Deposit	08/10/2017	1/2 Other 2	1010 · Heritage Oaks Gene...	-175.57	-21,599.37
Deposit	08/14/2017	Water Rec	1010 · Heritage Oaks Gene...	-4,979.85	-26,579.22
Deposit	08/14/2017	Rate Assistance	1010 · Heritage Oaks Gene...	8.28	-26,570.94
Deposit	08/14/2017	1/2 Other 1	1010 · Heritage Oaks Gene...	0.00	-26,570.94
Deposit	08/14/2017	1/2 Other 2	1010 · Heritage Oaks Gene...	-404.20	-26,975.14
Deposit	08/15/2017	Water Rec	1010 · Heritage Oaks Gene...	-9,396.55	-36,371.69
Deposit	08/15/2017	Rate Assistance	1010 · Heritage Oaks Gene...	8.28	-36,363.41
Deposit	08/15/2017	1/2 Other 1	1010 · Heritage Oaks Gene...	0.00	-36,363.41
Deposit	08/15/2017	1/2 Other 2	1010 · Heritage Oaks Gene...	-954.69	-37,318.10
Deposit	08/16/2017	Water Rec	1010 · Heritage Oaks Gene...	-1,452.51	-38,770.61
Deposit	08/16/2017	Rate Assistance	1010 · Heritage Oaks Gene...	0.00	-38,770.61
Deposit	08/16/2017	1/2 Other 1	1010 · Heritage Oaks Gene...	0.00	-38,770.61
Deposit	08/16/2017	1/2 Other 2	1010 · Heritage Oaks Gene...	-78.07	-38,848.68
Deposit	08/17/2017	Water Rec	1010 · Heritage Oaks Gene...	-162.40	-39,011.08
Deposit	08/17/2017	Rate Assistance	1010 · Heritage Oaks Gene...	8.28	-39,002.80
Deposit	08/17/2017	1/2 Other 1	1010 · Heritage Oaks Gene...	0.00	-39,002.80
Deposit	08/17/2017	1/2 Other 2	1010 · Heritage Oaks Gene...	-3.03	-39,005.83
Deposit	08/22/2017	Water Rec	1010 · Heritage Oaks Gene...	-802.16	-39,807.99

Avila Beach Community Services District
Deposits by Fund
 August 2017

09/05/17

Type	Date	Memo	Split	Amount	Balance
Deposit	08/22/2017	Rate Assistance	1010 · Heritage Oaks Gene...	8.28	-39,799.71
Deposit	08/22/2017	1/2 Other 1	1010 · Heritage Oaks Gene...	0.00	-39,799.71
Deposit	08/22/2017	1/2 Other 2	1010 · Heritage Oaks Gene...	-16.45	-39,816.16
Deposit	08/25/2017	Water Rec	1010 · Heritage Oaks Gene...	-840.88	-40,657.04
Deposit	08/25/2017	Rate Assistance	1010 · Heritage Oaks Gene...	36.41	-40,620.63
Deposit	08/25/2017	1/2 Other 1	1010 · Heritage Oaks Gene...	0.00	-40,620.63
Deposit	08/25/2017	1/2 Other 2	1010 · Heritage Oaks Gene...	-110.55	-40,731.18
Deposit	08/29/2017	Water Rec	1010 · Heritage Oaks Gene...	-959.00	-41,690.18
Deposit	08/29/2017	Rate Assistance	1010 · Heritage Oaks Gene...	8.28	-41,681.90
Deposit	08/29/2017	1/2 Other 1	1010 · Heritage Oaks Gene...	0.00	-41,681.90
Deposit	08/29/2017	1/2 Other 2	1010 · Heritage Oaks Gene...	-204.25	-41,886.15
Deposit	08/30/2017	Water Rec	1010 · Heritage Oaks Gene...	-97.17	-41,983.32
Deposit	08/30/2017	Rate Assistance	1010 · Heritage Oaks Gene...	16.55	-41,966.77
Deposit	08/30/2017	1/2 Other 1	1010 · Heritage Oaks Gene...	0.00	-41,966.77
Deposit	08/30/2017	1/2 Other 2	1010 · Heritage Oaks Gene...	0.00	-41,966.77
Deposit	08/31/2017	Water Rec	1010 · Heritage Oaks Gene...	-693.37	-42,660.14
Deposit	08/31/2017	Rate Assistance	1010 · Heritage Oaks Gene...	0.00	-42,660.14
Deposit	08/31/2017	1/2 Other 1	1010 · Heritage Oaks Gene...	0.00	-42,660.14
Deposit	08/31/2017	1/2 Other 2	1010 · Heritage Oaks Gene...	-206.45	-42,866.59
Total Water				-42,866.59	-42,866.59
TOTAL				-96,218.05	-96,218.05

Avila Beach Community Services District
Checks by Fund w/Accounts

09/05/17

August 2017

Type	Date	Num	Name	Memo	Account	Amount	Balance
General / Admin							
Check	08/01/2017	1279	Maria Angeles Marquez	Office Cleaning 7/17/17	6505 · Contract Labor O & M	40.00	40.00
Check	08/01/2017	1280	Avila Beach Civic Association	August Rent 2017	6155 · Rent	820.66	860.66
Check	08/01/2017	1280	Avila Beach Civic Association	Quarterly Billing (April, May, June)	6590 · Utilities	319.99	1,180.65
Check	08/02/2017		Bankcard MTOT Disc		5100 · Merchant Credit Card Fe...	213.56	1,394.21
Check	08/02/2017		Borah's Awards	Inv # BA-15341 Kristin Berry name plate	6140 · Office Supplies & Postage	44.08	1,438.29
Check	08/04/2017	1282	Hagemann & Associates	Inv. 93 July 23rd - Aug 5th, 2017	6506 · Contract Labor GM	5,500.00	6,938.29
Check	08/04/2017	1288	SLO CO Fire Department	Fire Protection July - Dec. 2017 1st Semi Annual...	6505 · Contract Labor O & M	91,571.00	98,509.29
Check	08/04/2017	1289	Business Card Visa	Office Supplies	6522 · Equip. Rep. & Maint-Avli...	273.22	98,782.51
Check	08/04/2017	1291	Nikki Engle Bookkeeping & Teaching	Inv. 1625 7/27/17	6102 · Accounting	220.00	99,002.51
Check	08/04/2017	1291	Nikki Engle Bookkeeping & Teaching	Inv. 1628 8/3/17	6102 · Accounting	247.50	99,250.01
Check	08/04/2017		Digital Deployment	monthly ABCSD Streamline	6170 · Website	200.00	99,450.01
Check	08/04/2017		U.S. Postal Service		6140 · Office Supplies & Postage	15.96	99,465.97
Check	08/05/2017		Adobe.com		6140 · Office Supplies & Postage	14.99	99,480.96
Check	08/10/2017		Cal Tec Computers		6524 · Equip. Rep. & Maint. Avila...	40.00	99,520.96
Check	08/15/2017		Charter	computer repairs	6585 · Telephone / Internet	189.95	99,710.91
Check	08/17/2017	1294	Charter	Acct #. 8245100980033571	6585 · Telephone / Internet	189.95	99,900.86
Check	08/17/2017	1292	Hagemann & Associates	Acct #. 8245100980033571	6506 · Contract Labor GM	5,500.00	105,400.86
Check	08/21/2017	1297	Maria Angeles Marquez	August 6th - August 19th 2017	6505 · Contract Labor O & M	40.00	105,440.86
Check	08/21/2017	1298	Nikki Engle Bookkeeping & Teaching	Office Cleaning 8/18/17	6102 · Accounting	247.50	105,688.36
Check	08/21/2017	1298	Nikki Engle Bookkeeping & Teaching	Inv. 1636 8/16/17	6102 · Accounting	275.00	105,963.36
Check	08/21/2017	1299	Shipsev & Seitz	Inv. 1637 8/17/17	6135 · Legal	80.00	106,043.36
Check	08/21/2017	1299	Shipsev & Seitz	Law Library	6135 · Legal	390.00	106,433.36
Check	08/21/2017	1299	Shipsev & Seitz	Meeting Prep. & Attendance	6135 · Legal	281.60	106,714.96
Check	08/23/2017		Public Employees Retirement System	Meeting Change Review & Member Attending by ...	5254 · PERS Co Pd Kathy	8,655.00	115,369.96
Check	08/23/2017		Public Employees Retirement System	Unfunded liability Kathy	5256 · PERS Co Pd Kristi	11.00	115,380.96
Check	08/23/2017		PERS	ID: 1674878206 Unfunded liability Kristi Dibbern	6120 · Dues & Subscriptions	700.00	116,080.96
Check	08/24/2017		Calif Special Districts Association	GASB Report Customer # 1674878206	6160 · Training	25.00	116,105.96
Check	08/24/2017		Calif Special Districts Association	Inv # 40019 Brown Act - Lynn Helenius	6160 · Training	25.00	116,130.96
Check	08/24/2017		Calif Special Districts Association	Inv # 40020 Brown Act - Eric DeWeese	6160 · Training	25.00	116,155.96
Check	08/24/2017		Calif Special Districts Association	Inv # 40117 Brown Act - Ara Najarian	6160 · Training	25.00	116,180.96
Check	08/24/2017		Calif Special Districts Association	Inv # 40018 Brown Act - Kristi Dibbern	6170 · Website	200.00	116,380.96
Check	08/29/2017		Digital Deployment	monthly ABCSD Streamline			
Total General / Admin							
Lights							
Check	08/03/2017		PG&E	Town Lights acct # 0690976984-3	6590 · Utilities	470.97	470.97
Check	08/03/2017		PG&E	Colony Lights acct # 5992155362-0	6590 · Utilities	91.25	562.22
Check	08/21/2017		PG&E	Front St. Lights acct# 5796765606-7	6590 · Utilities	404.92	967.14
Total Lights							
Sanitary							
Check	08/01/2017	1281	Under the Sun Painting Co.	Inv. 82 8.1.17 Lift Station (Exterior Paint)	6567 · Repairs	825.00	825.00
Check	08/02/2017	ADJ	BALANCE ADJUSTMENT	ADJ \$ 684.55 cc's clrd by 7/31, w/8/2 El Dorado	1280 · Water & Sewer Billings	342.27	1,167.27
Check	08/03/2017	1283	Brenntag Pacific, Inc.	Inv. BPI 2798303 7/27/17	6503 · Chemicals	1,228.65	2,395.92
Check	08/04/2017	1285	Speed's, Inc.	Inv. 57117 Solid Waste Hauling 7/18/17	6580 · Solids Handling	1,350.00	3,745.92
Check	08/04/2017	1286	Abalone Coast Analytical, Inc.	Lab Testing	6540 · Lab Tests	3,448.50	7,194.42
Check	08/04/2017	1290	Fluid Resource Management, Inc.	July Ops Inv. #F16095	6505 · Contract Labor O & M	12,400.80	19,595.22
Check	08/04/2017	1290	Fluid Resource Management, Inc.	Wastewater Maintenance Inv. #A16019	6522 · Equip. Rep. & Maint-Avli...	562.95	20,158.17

Avila Beach Community Services District
Checks by Fund w/Accounts

09/05/17

August 2017

Type	Date	Num	Name	Memo	Account	Amount	Balance
Check	08/04/2017	1290	Fluid Resource Management, Inc.	Influent Pumps VFD Install Inv. #W15633	8241 · WW - 2017/18 - 5 Misc. ...	8,177.31	28,335.48
Check	08/04/2017	1290	Fluid Resource Management, Inc.	Internet Connection Issue Inv. #W15867	6522 · Equip. Rep. & Maint-Avil...	232.18	28,567.66
Check	08/04/2017	1290	Fluid Resource Management, Inc.	PID Loop #W15896	6522 · Equip. Rep. & Maint-Avil...	1,908.18	30,475.84
Check	08/04/2017	1290	Fluid Resource Management, Inc.	Chlorine Alarm Response Inv.#W15926	6522 · Equip. Rep. & Maint-Avil...	329.18	30,805.02
Check	08/04/2017	1290	Fluid Resource Management, Inc.	Supernate Cleaning Inv.#W15960	6524 · Equip. Rep. & Maint. Avila...	448.10	31,253.12
Check	08/04/2017	1290	Fluid Resource Management, Inc.	Wet Well High Alarms Inv.#16033	6522 · Equip. Rep. & Maint-Avil...	110.93	31,364.05
Check	08/04/2017	1290	Fluid Resource Management, Inc.	SCADA Computer Issues Inv.#16043	6522 · Equip. Rep. & Maint-Avil...	450.68	31,814.73
Check	08/16/2017		AT&T	acct # x 0885 Internet	6585 · Telephone / Internet	75.48	31,890.21
Check	08/21/2017	1293	Wallace Group	Inv. 44269	6525 · Fat Oil & Grease (FOG)	1,449.27	33,339.48
Check	08/21/2017	1294	Speed's, Inc.	Inv. 57209 Solid Waste Hauling 8/1/17	6580 · Solids Handling	1,231.25	34,570.73
Check	08/21/2017	1295	Tuckfield & Associates	Reserve Policy Development Inv. 463	6515 · Engineering	750.00	35,320.73
Check	08/21/2017	1296	Brenntag Pacific, Inc.	Inv. BPI 2810876 8/10/17	6503 · Chemicals	1,160.95	36,481.68
Check	08/21/2017	1300	South County Sanitary Service	2 Yd Dumpster	6590 · Utilities	117.84	36,599.52
Check	08/21/2017	1301	Brenntag Pacific, Inc.	Inv. BPI 2810873 8/3/17	6503 · Chemicals	1,362.74	37,962.26
Check	08/21/2017	1301	Brenntag Pacific, Inc.	Inv. BPI 2798302 7/20/17	6503 · Chemicals	1,176.81	39,139.07
Check	08/21/2017	1302	Water Systems Consulting, Inc.	WW-2017/18 -1 WWTP Upgrade/ RW Analysis	8231 · WW-1 WWTP Upgrade	18,222.11	57,361.18
Check	08/21/2017		PG&E	Waste Water Plant acct # 6380034236-0 3rd & ...	6590 · Utilities	1,960.05	59,321.23
Check	08/21/2017		PG&E	Lift Station acct# 6338432238-2	6590 · Utilities	68.58	59,389.81
Check	08/29/2017		AT&T	acct # 805 595-7619 618 0	6585 · Telephone / Internet	116.98	59,506.79
Check	08/29/2017		AT&T	acct # 805 595-9416 904 5	6585 · Telephone / Internet	154.31	59,661.10
Check	08/31/2017	ADJ	BALANCE ADJUSTMENT	ADJ \$ 132.88 Deposits	1280 · Water & Sewer Billings	66.44	59,727.54
Total Sanitary							
Water							
Check	08/02/2017	ADJ	BALANCE ADJUSTMENT	ADJ \$ 684.55 cc's clrd by 7/31, w/8/2 El Dorado	1280 · Water & Sewer Billings	342.28	342.28
Check	08/04/2017	1284	Water Systems Consulting, Inc.	WW-2017/18 -1 WWTP Upgrade/ RW Analysis	8231 · WW-1 WWTP Upgrade	18,533.25	18,875.53
Check	08/04/2017	1287	Michael Nunley & Assoc.	W- 2017/18 -2 C.I.P. Water Meter/ Water Valve ...	8272 · W-2 Water Systm Valve/...	591.25	19,466.78
Check	08/04/2017	1290	Fluid Resource Management, Inc.	July Ops Inv. #F16095	6505 · Contract Labor O & M	5,356.00	24,822.78
Check	08/04/2017	1290	Fluid Resource Management, Inc.	Add Services Water #A16018	6524 · Equip. Rep. & Maint. Avila...	1,460.28	26,283.06
Check	08/21/2017	1295	Tuckfield & Associates	Reserve Policy Development Inv. 463	6515 · Engineering	750.00	27,033.06
Check	08/23/2017		PG&E	Water Tank acct # 4807713956-5	6590 · Utilities	156.96	27,190.02
Check	08/31/2017	ADJ	BALANCE ADJUSTMENT	ADJ \$ 132.88 Deposits	1280 · Water & Sewer Billings	66.44	27,256.46
Total Water							
TOTAL						204,332.10	204,332.10



FLUID RESOURCE MANAGEMENT

2385 Precision Drive
 Arroyo Grande, CA 93420
 www.frm-ops.com CA Lic #937346

Statement

Date
8/31/17

Phone # 805.597.7100 Fax # 805.597.7171

California Certified Small Business #1120142

To:
Avila Beach Community Services District P.O. Box 309 191 San Miguel Street Avila Beach, CA 93424

Amount Due	Amount Enc.
\$28,955.80	

Date	Transaction	Amount	Balance
08/30/17	348F11001 Monthly OPS/Maint- INV #F16194. Orig. Amount \$17,756.80.	17,756.80	17,756.80
07/31/17	348F11001 Monthly OPS/Maint:348FW11001 Water:348AW17001 Add Services water- INV #A16122. Orig. Amount \$500.50.	500.50	18,257.30
03/31/17	W15253 WW-2 Effluent Line Repair- INV #W15253-3. Orig. Amount \$50,623.50.	10,623.50	28,880.80
08/17/17	W16068 Prepare June DMR 07/18/2017- INV #W16068. Orig. Amount \$75.00.	75.00	28,955.80

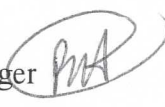
CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	Amount Due
17,831.80	500.50	0.00	0.00	10,623.50	\$28,955.80

AVILA BEACH
COMMUNITY SERVICES DISTRICT

Post Office Box 309, Avila Beach, CA. 93424

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: September 12th, 2017

SUBJECT: General Manager/District Engineer Report

Zone 3 Technical and Advisory Committee Meetings

The Zone 3 Technical Advisory Committee (TAC) met on Thursday, September 7, 2017, at the Arroyo Grande City Hall. The Agenda for the TAC meeting is provided as an attachment to this report. The August 3 TAC meeting was cancelled due to the unavailability of many of the Committee members. One of the primary items of discussion for the TAC will be an update on the Lopez Dam Spillway. Due to the severe damage on the spillway at the Oroville Dam this past February, the Governor ordered detailed evaluations of other dams and spillways in the state. The Public Works Department's draft report to the Zone 3 Advisory Committee is provided as an attachment. As of this writing Lopez Lake is at an elevation of 495 feet, 57% capacity and has approximately 28,350 acre feet of water in storage.

WWTP Permit Renewal Hearing

The Central Coast Regional Water Quality Control Board (Water Board) has scheduled a hearing on September 21, 2017, in Santa Barbara to adopt an updated NPDES permit for the District's WWTP. Staff submitted comments on the draft permit in July, but as of this writing the Water Board staff has yet to publish their final staff report. The permit (along with several other NPDES permit renewals) is on the Water Board's "Uncontested Items" agenda. Staff will attend the hearing in case the permit comes off the consent agenda or if the Water Board members have any specific comments or questions. The Water Board meeting Agenda notice is provided as an attachment to the report.

Little Hoover Commission Report on Special Districts

As discussed previously, the Little Hoover Commission, formally known as the Milton Marks Commission of California State Government Organization and Economy, has been conducting a yearlong review on Special Districts. The Commission issued their findings and recommendations in an August 30, 2017 report. The entire report is quite lengthy, but I have included the Letter from the Chair and the Executive Summary of the Report as an attachment to this Staff Report. I would encourage the Board members to read through the report, but I am pleased to report that the Commission concluded that local institutions are best served by local decision-making. Let Kristi or I know if you would like a copy of the complete report.

FY 2016/17 Financial Audit

On August 16 and 17, Brown and Fedak staff completed their field auditing work at the District. They are currently "crunching the numbers" and developing their findings and recommendations. We anticipate they will be presenting their report at the November 14, 2017, Board meeting.

**ZONE 3
TECHNICAL ADVISORY COMMITTEE**



**Thursday September 7, 2017
9:00-11:00 AM
ARROYO GRANDE CITY HALL
300 BRANCH STREET
2nd FLOOR CONFERENCE ROOM**



1. Announcements <ul style="list-style-type: none"> • LRRP Resolution • Rodriguez Waterline Bridge 	All
2. Update on Stormwater Resources Planning – Prop 1 Planning Grant Efforts	Jen Nix Coastal SLRCD
3. General Operations and Water Report <ul style="list-style-type: none"> • Monthly Operations Report • Lopez Dam Storage Projections (two versions) • Summary Notes/Action Items - July 	Jill
4. Capital Improvement Project Update	Jill
5. Santa Maria Groundwater Basin Modeling – Funding <ul style="list-style-type: none"> • Cost sharing Agreement with City of Pismo/and Budget Adjustment to BOS 	Jill
6. ECORPS Contract Change Modeling	All
7. Spillway Assessment Update	Jill
8. Agenda items next month?	All

Attachments:

- A. Lopez Monthly Operations Report – Distributed at meeting
- B. Lopez Reservoir Storage Projections – Distributed at meeting

Next Meeting October 5, 2017



TO: Zone 3 Advisory Committee

FROM: Mark Hutchinson, Deputy Director
David Spiegel, Project Manager

DATE: September 21, 2017

SUBJECT: Update on the Lopez Spillway

Discussion

On February 7, 2017, the main spillway at the Oroville Dam suffered severe damage during a moderate flow release, eventually necessitating use of the emergency spillway. By February 12 high inflows combined with damage to both the main and emergency spillways triggered an emergency evacuation order that affected over 150,000 people. An independent review panel has been convened by the Federal Energy Regulatory Commission to investigate the Oroville event. The panel's report is expected in the fall.

Both the Governor and the Legislature have responded to the Oroville event with Executive Orders and new legislation. The Governor has ordered detailed evaluations of dam appurtenant structures, such as spillways, to strengthen the State's inspection program. The Legislature has passed, and the Governor signed, amendments to the California Water Code that change the Hazard Classification of dams across the State, requires updated inundation maps, and the preparation of Emergency Action Plans (EAP).

Executive Order

On June 12, 2017, the Flood Control District received a letter from the California Department of Water Resources Division of Safety of Dams (DSOD) (copy attached), directing actions to implement the Governor's order. At this time, there is no specific information on any issues associated with the spillway at Lopez Dam. The identical letter was sent to 93 State regulated dams throughout California (list attached). Based on a "reconnaissance-level assessment" the letter notes that Lopez "may have potential geologic, structural, or performance issues that could jeopardize its ability to safely pass a flood event." No specific issues are identified.

The letter required a Work Plan to be prepared and submitted by September 1, 2017. The scope of the site investigation required in the work plan is to focus on “characterization of the foundation materials underlying and adjacent to the spillway and their susceptibility to erosion and instability”. Although not yet documented in any final official reports, it is evident that the foundation materials underlying the Oroville spillway likely contributed to the failure of that structure in a significant way. Therefore, one key focus of the investigation is to determine if such a failure mode could occur at Lopez.

The Department of Public Works has formed a Project Team to respond to the spillway order. Team members and their respective roles are:

Project Manager – David Spiegel, Staff Engineer. Coordinate project activities, conduct document reviews, consult with DSOD, ensure communication with management, staff and stakeholders. Control scope, schedule and budget. Prepare required Work Plan.

Consulting Engineer – John Hollenbeck. Review documents, participate in site investigations, participate in Work Plan development and provide an independent professional review of project team actions.

Management Oversight – Mark Hutchinson, Deputy Director of Public Works. Provide overall team direction, ensure availability of resources, timely and efficient completion of team work efforts and appropriate communication. Act as agency contact person for the public and the media.

Principal Engineer – Wade Horton, Director of Public Works. Ensure consistency with all County, Department, and professional engineering best practices.

In addition, the team may seek assistance on specific issues from Department staff who have expertise and/or experience with specific issues that may need to be addressed in the Work Plan.

The required Work Plan was submitted to DSOD on September 1, 2017 (attached). We expect that DSOD may request modifications to the submitted Work Plan and will respond to those requests as they occur. Once the Work Plan is approved, a more detailed scope, schedule and budget will be developed to move the project forward.

As part of the development of the Work Plan the Department of Public Works, together with outside consultant assistance, has conducted a preliminary field assessment of the spillway. We noted no significant issues of concern relative to the spillway's ability to safely pass a flood event. The concrete spillway, basin, and discharge chute appears in good condition. Recent inspections of the subdrain system verified that it is in good functional condition. We noted no erosion surrounding the spillway structure and verified that all items identified during the annual inspections have been addressed.

Water Code Amendments

Effective July 1, 2017, the Division of Safety of Dams (DSOD) updated the hazard potential classifications for all State jurisdictional dams in accordance with newly enacted state law in Sections

6160 and 6161 of the California Water Code. This classification is being used, in part, to prioritize the development of inundation maps and emergency action plans.

The classifications are based solely on downstream hazard potential, not the actual condition of the dam or its major appurtenances. DSOD considered the number of persons within the inundation area, expected flood wave characteristics, and warning times to evaluate the potential for loss of human life. The downstream land usage, impacted infrastructure, incremental flood risk, and environmental impacts were all considered for the economic, environmental, and lifeline losses.

As shown below, DSOD’s hazard potential classifications are based on Federal guidelines published by the Federal Emergency Management Agency (FEMA). FEMA recommends a three-step rating system that defines low, significant, and high-hazard potential classifications, which are determined from the potential for loss of life, economic loss, and environmental damage resulting from a hypothetical dam failure. DSOD further subdivides FEMA’s “High” classification into an “Extremely High” classification to identify dams upstream of highly populated areas or extensive development and dams with short evacuation warning times. Whenever the population at risk within the inundation area is 1,000 persons or more, the dam is generally assigned an “Extremely High” classification. Consequently, the Hazard Classification for Lopez Dam has been changed from “High” to “Extremely High”.

Effective July 1, 2017		
Criteria for DSOD’s Downstream Hazard Potential Classification		
Downstream Hazard Potential Classification	Loss of Human Life	Economic, Environmental, and Lifeline Losses
Low*	None expected	Low and principally limited to dam owner’s property
Significant*	None expected	Yes
High*	Probable (One or more expected)	Yes (but not necessary for this classification)
Extremely High	Considerable	Yes – major impacts to critical infrastructure or property
*Reference FEMA P-946, July 2013, Federal Guidelines for Inundation Mapping of Flood Risks Associated with Dam Incidents and Failures		

The Water Code Amendments also required that Inundation Maps and EAPs be updated every ten years. The Lopez Inundation Map, although accurate and well-done, was last updated in 1999. Also, in lieu of an EAP the County uses the Countywide Dam and Levee Failure Evacuation Plan (updated 2016) as the emergency plan for Lopez. Although the Plan contains information specific to Lopez, a separate EAP may need to be prepared to fully respond to the Water Code amendments. In addition, and for the first time, the State has issued a separate requirement for an Inundation Map and EAP for the Lopez Terminal Reservoir and Dam. Staff is working to fully understand the State’s requirements for the Terminal Reservoir as the facility does not appear to meet size requirements for inclusion in the updated requirements.

Financial Implications

Costs associated with production of the Work Plan are not expected to exceed \$25,000. It should be noted that Zone 3's District Funded Reserves contain approximately \$300,000 designated to fund "public safety related to water quality and quantity" efforts. The funding approach to the Work Plan was reviewed and confirmed with the Technical Advisory Committee at their regular meeting on July 6.

Costs associated with the implementation of the Work Plan are dependent on DSOD's final approval of the effort. Once those costs are known staff will work with the Technical Advisory Committee to develop a funding approach for review by your committee. Costs associated with updating the Inundation Map and EAP should fall within existing operational budgets for the Lopez project.

Next Steps

The project team will continue to coordinate with DSOD to finalize the Work Plan and will work with the Technical Advisory Committee on the details of scope and cost and then report back to your Committee as the process moves forward.

Attachments:

- DSOD June 12, 2017 Spillway Letter
- DSOD July 14, 2017 Hazard Classification Letter
- DSOD July 27, 2017 Spillway Re-Evaluation Program Letter w/list of dams
- September 1, 2017 Lopez Spillway Work Plan

Central Coast Regional Water Quality Control Board

NOTICE OF PUBLIC MEETING
Thursday, September 21, 2017, 9:00 a.m. - 5:00 p.m.
Friday, September 22, 2017, 9:00 a.m. - 5:00 p.m.

Santa Barbara County Offices
Planning & Development Hearing Room - 1st Floor
105 East Anapamu Street, Santa Barbara

Thursday, September 21, 2017, 9:00 a.m.

Items are numbered for identification purposes only and may be considered out of order. Items scheduled for the first day of a multi-day meeting may be delayed or continued to the next day of the meeting. Closed session items may be considered on either or both days.

BOARD BUSINESS

1. Roll Call
[Tammie Olson, Clerk to the Board, 805/549-3140, Tammie.Olson@Waterboards.ca.gov]
2. Introductions, Staff Recognition, and Awards
[John Robertson, Executive Officer, 805/549-3140, John.Robertson@waterboards.ca.gov]
3. Approval of July 13-14, 2017 Board Meeting minutes
4. Report by Regional Board Members
5. Report by State Water Resources Control Board Liaison [Dorene D'Adamo, 916/641-5609]
6. Blank

Uncontested Items

7. Items on the uncontested items calendar are expected to be routine and noncontroversial. Recommended action will be taken without discussion. Items may be removed at the request of any board member or person, and if removed, will be taken up during the meeting at a time specified by the Chair. If an item is removed from the uncontested items calendar, it will only be voted on at this meeting if the board accepts the staff recommendation for the agenda item. Otherwise, the item will be continued to a subsequent board meeting to allow input by interested persons. Item numbers 8 to 15 are uncontested.

8. Termination of Waste Discharge Requirements and NPDES Permit for Cuyama CSD WWTP, New Cuyama, Santa Barbara County, Order No. R3-2007-0020
[Sheila Soderberg, 805/549-3592, sheila.soderberg@waterboards.ca.gov]
9. Revision of Waste Discharge Requirements and Reissuance of NPDES Permit for Goleta Sanitary District, Goleta, Santa Barbara County, Order No. R3-2017-0021
[Peter von Langen, 805/549-3688, Peter.vonLangen@waterboards.ca.gov]
10. Revision of Waste Discharge Requirements and Reissuance of NPDES Permit for Avila Beach Community Services District Wastewater Treatment Plant, Avila Beach, San Luis Obispo County, Order No. R3-2017-0025
[Katie Disimone, 805/542-4638, katie.disimone@waterboards.ca.gov]
11. Revision of Waste Discharge Requirements and Reissuance of NPDES Permit for Heritage Ranch Community Services District Wastewater Treatment Plant, Paso Robles, San Luis Obispo County, Order No. R3-2017-0026
[Katie Disimone, 805/542-4638, katie.disimone@waterboards.ca.gov]
12. Revision of Waste Discharge Requirements and Reissuance of NPDES Permit for Arthur R. Wilson Quarry, Aromas, San Benito County, Order No. R3-2017-0027
[Katie Disimone, 805/542-4638, katie.disimone@waterboards.ca.gov]
13. Revision of Waste Discharge Requirements and Reissuance of NPDES Permit for South County Regional Wastewater Authority Treatment and Reclamation Facility, Santa Clara County, Order No. R3-2017-0028
[Harvey Packard, 805/542-4639, Harvey.packard@waterboards.ca.gov]
14. Revision of Waste Discharge Requirements and Reissuance of NPDES Permit for Carpinteria Sanitary District, Carpinteria, Santa Barbara County, Order No. R3-2017-0032
[Steve Saiz, 805/549-3879, Steve.Saiz@waterboards.ca.gov]
15. Renewal of Waste Discharge Requirements - Order No. R3-2017-0020, General Waste Discharge Requirements for Discharges of Winery Waste and Categorical Waiver of Waste Discharge Requirements and Waiver of Requirement to Submit Report of Waste Discharge for Certain Small Wineries, Central Coast Region.
[Howard Kolb, 805/549-3332, howard.kolb@waterboards.ca.gov]

Discussion/Informational Items

16. Update on Agricultural Order 4.0.
[Chris Rose, 805/ 542-4770, chris.rose@waterboards.ca.gov,
Arwen Wyatt-Mair, 805/ 542-4695, arwen.wyattmair@waterboards.ca.gov]

Public Forum

17. Public forum will be heard directly after the lunch break, **not before 1:30 p.m.** Any person may address the Board regarding a matter within the Board's jurisdiction that is not related to an item on this meeting agenda. Comments will generally be limited to three minutes, unless otherwise directed by the Chair. Any person wishing to make a longer presentation should contact the Executive Officer at least one week prior to the meeting. Comments regarding pending adjudicatory matters will not be permitted.
18. Blank

Friday, September 22, 2017, 9:00 a.m.

BOARD BUSINESS

19. Roll Call / Introductions

[Tammie Olson, Clerk to the Board, 805/549-3140, Tammie.Olson@Waterboards.ca.gov]

Public Forum

20. Any person may address the Board regarding a matter within the Board's jurisdiction that is not related to an item on this meeting agenda. Comments will generally be limited to three minutes, unless otherwise directed by the Chair. Any person wishing to make a longer presentation should contact the Executive Officer at least one week prior to the meeting. Comments regarding pending adjudicatory matters will not be permitted.

21. Blank

Enforcement

22. Enforcement Report

[Thea Tryon 805/542-4776, Thea.Tryon@waterboards.ca.gov]

Discussion/Informational Items

23. Recycled Water Policy Discussion

[Staff from State Water Board's Divisions of Drinking Water and Water Quality, Harvey Packard, 805/542-4639, Harvey.packard@waterboards.ca.gov]

Administrative Items

24. Executive Officer's Report

[John Robertson, Executive Officer 805/549-3140, John.Robertson@waterboards.ca.gov]

25. Board Calendar 2018

[John Robertson, Executive Officer 805/549-3140, John.Robertson@waterboards.ca.gov]

Closed Session

26. Discussion of Cases in Litigation [Staff Counsel Jessica Jahr]

The Board will meet in closed session to discuss pending litigation, as authorized by Government Code (GC) Section 11126[e][2][A], in the cases of:

1. *Monterey Coastkeeper, et al. v. California Regional Water Quality Control Board and the State Water Resources Control Board (Superior Court of the State of California, Case No. 34-2017-80002655)*
2. *Monterey Coastkeeper, et al. v. California Regional Water Quality Control Board, Central Coast Region (Monterey County Superior Court Case No. M111983)(Extension of 2004 Ag Order)*
3. *Petition of Monterey Coastkeeper, Santa Barbara Channelkeeper and San Luis Obispo Coastkeeper (Resolution No. R3-2011-0208, Executive Officer Extension of the 2004 Agricultural Order No. R3-2004-0117)*
4. *Petition of William Elliott (Resolution No. R3-2011-0208, Executive Officer Extension of the 2004 Agricultural Order No. R3-2004-0117)*

5. *Casmalia Hazardous Waste Site Litigation: U.S. v. State of California and Related Matters*
6. *Petition of Levon Investments, LLC; Rose Marie Towle (trustee); John L. DeMourkas (trustee); John Ridell (trustee); Stephanie Marie Redding (trustee); Elisa Anna Redding (trustee); and Wells Fargo Bank (trustee) for Renco Encoders, 26 Coromar Drive, Goleta (Water Code Section 13267 Order dated May 13, 2011, Revising Monitoring and Reporting Program No. R3-2005-0143), SWRCB/OCC File No. A-2168*
7. *Carmen Zamora and Environmental Law Foundation vs. Regional Water Quality Control Board, Central Coast Region (San Luis Obispo County Superior Court, Case No. 15CV-0247) (Central Coast Groundwater Coalition cooperative monitoring program)*
8. *Pyrethroid Working Group v. California Regional Water Quality Control Board, Central Coast Region, State Water Resources Control Board (Sacramento County Superior Court, Case No. 34-2015-80002177)(Santa Maria Watershed TMDL for Toxicity and Pesticides)*
9. *U.S. et al. v. HVI Cat Canyon, Inc., f/k/a Greka Oil & Gas, Inc. (U.S. District Court, Central District of California Case No. CV 11-05097 FMO (PLAx))*
10. *Plains Pipeline, LP, Refugio Oil Spill, Gaviota, Santa Barbara County. Resolution Order No. R3-2015-0026.*
11. *Rava Ranches, et al. v. California Regional Water Quality Control Board, Central Coast Region (Monterey Superior Court Case No. 16CV000255) (Request for Preliminary Injunction regarding PRA for Total Nitrogen Applied Forms)*
12. *Triangle Farms, Inc. v. California Regional Water Quality Control Board, Central Coast Region (Monterey Superior Court Case No. 16CV000257) (Request for Preliminary Injunction regarding PRA for Total Nitrogen Applied Forms)*
13. *Petition of Grower Shipper Association of Central California et al. for review of Revised MRP Order Nos. R3-2012-0011-01, R3-2012-0011-02, and R3-2012-0011-03, SWRCB/OCC File A-2503.*

The Board may discuss significant exposure to litigation as authorized by GC Section 11126[e][2][B]. The Board may also decide whether to initiate litigation as authorized by GC Section 11126[e][2][C]. The Board is not required to allow public comment on closed session items. (See GC Section 11125.7(d).

Deliberation on Decision after Hearing

The Board may meet in closed session to deliberate on a decision to be reached based upon evidence introduced in a hearing, as authorized by GC Section 11126(c) (3).

Personnel Issues

The Board may meet in closed session to discuss the appointment, evaluation of performance, or dismissal of a public employee or to hear complaints or charges brought against that employee by another employee unless the employee requests a public hearing. (This closed session is authorized under Government Code section 11126, subd. (a)(1).)

The next scheduled Board meeting is December 7-8, 2017, in San Luis Obispo.

IMPORTANT INFORMATION!!

If you have questions about the agenda, contact Tammie Olson at (805) 549-3140.

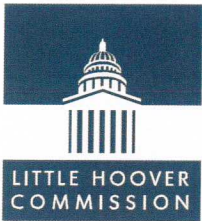
Written comments must generally be received prior to the Board meeting by the comment deadline for the specific agenda item. Written comments that are received after deadlines set by item-specific Notices and/or Hearing Procedures will not generally be admitted. Any person requesting to submit late materials must demonstrate good cause, and the Chair must find that the admission of the late materials would not prejudice the Central Coast Water Board or any designated party. The Chair may modify this rule to avoid severe hardship. Unless otherwise specified, all parties and interested persons must submit presentation materials, and requests for extra time to speak to the Board for agenda items by 12:00pm on Monday, September 18, 2017. A late request for extra time will not prevent the party from speaking to the Board for the three minutes given to all members of the public.

Submittals are to be sent via e-mail to the Clerk to the Board at Tammie.Olson@waterboards.ca.gov. Please indicate in the subject line, "**9/21-9/22/17 BOARD MEETING** (fill in bolded subject from appropriate item)." If you have questions about the agenda, contact the Clerk to the Board at (805) 549-3140.

Agenda and items are available electronically at:
http://www.waterboards.ca.gov/centralcoast/board_info/agendas/index.shtml

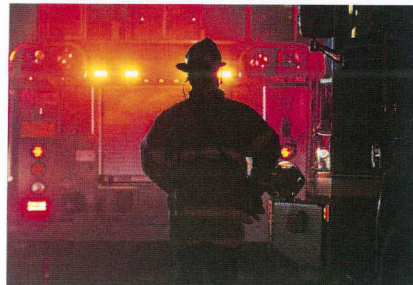
Instructions regarding board meeting conduct and procedures can be found on the Central Coast Water Board's website:
http://www.swrcb.ca.gov/centralcoast/board_info/agendas/board_meeting_conduct.pdf

If you require an interpreter, please contact the Clerk of the Board by Tammie Olson at (805) 549-3140 or email Tammie.Olson@waterboards.ca.gov by **12:00pm on Monday, September 18, 2017**



Special Districts: Improving Oversight & Transparency

Report #239, August 2017



Little Hoover Commission

Pedro Nava
Chairman

Sean Varner
Vice Chairman

David Beier

Iveta Brigis

Anthony Cannella
Senator

Joshua LaFarga

Chad Mayes
Assemblymember

Don Perata

Bill Quirk
Assemblymember

Richard Roth
Senator

Janna Sidley

Helen Iris Torres

Former Commissioners Who Served During The Study

Scott Barnett

Jack Flanigan

Sebastian Ridley-Thomas
Assemblymember

Jonathan Shapiro

Commission Staff

Carole D'Elia
Executive Director

Terri Hardy
Deputy Executive Director

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Dedicated to Promoting Economy and Efficiency in California State Government

The Little Hoover Commission, formally known as the Milton Marks "Little Hoover" Commission on California State Government Organization and Economy, is an independent state oversight agency.

By statute, the Commission is a bipartisan board composed of five public members appointed by the governor, four public members appointed by the Legislature, two senators and two assemblymembers.

In creating the Commission in 1962, the Legislature declared its purpose:

...to secure assistance for the Governor and itself in promoting economy, efficiency and improved services in the transaction of the public business in the various departments, agencies and instrumentalities of the executive branch of the state government, and in making the operation of all state departments, agencies and instrumentalities, and all expenditures of public funds, more directly responsive to the wishes of the people as expressed by their elected representatives...

The Commission fulfills this charge by listening to the public, consulting with the experts and conferring with the wise. In the course of its investigations, the Commission typically empanels advisory committees, conducts public hearings and visits government operations in action.

Its conclusions are submitted to the Governor and the Legislature for their consideration. Recommendations often take the form of legislation, which the Commission supports through the legislative process.

Contacting the Commission

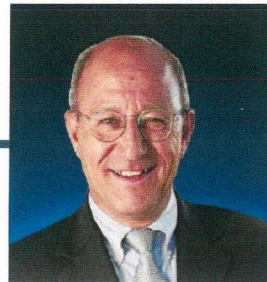
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Letter From The Chair

August 30, 2017



The Honorable Kevin de León
President pro Tempore of the Senate
and members of the Senate

The Honorable Patricia Bates
Senate Minority Leader

The Honorable Anthony Rendon
Speaker of the Assembly
and members of the Assembly

The Honorable Chad Mayes
Assembly Minority Leader

Dear Governor and Members of the Legislature:

California's most prevalent form of government – special districts – is often its least visible. In a year-long review, the Commission looked at how California's more than 2,000 independent special districts provide vital services ranging from fire protection to healthcare, cemeteries to sewers. It wanted to better understand if California taxpayers were well-served through this additional layer of specialized bureaucracy and to analyze whether consolidation or dissolution of some special districts could lead to improved efficiency in governance and operations.

The Commission found no one-size-fits-all answer. The districts are as diverse as the geographic locations they serve and the millions of Californians who support them through taxes and fees. What might provide an appropriate pathway for five small water districts in rural Northern California who want to consolidate but need help sorting out water rights, likely would not make sense for their powerhouse counterparts, the Metropolitan Water District or Santa Clara Valley Water District, who serve millions of customers in Southern California and the Bay Area. And water districts are just one of 29 types of independent special districts ranging from airport districts to veterans memorial districts.

As part of this study, the Commission considered the role of the Legislature, which gave life to this form of local government in 1877 and retains the power to create or dissolve districts and amend the practice acts that guide district activities. As California began its rapid growth and urbanization after World War II, the Legislature realized that decision-making over local government growth was best done by local officials. In 1963, the Legislature and Governor Edmund G. "Pat" Brown created a local mechanism for overseeing local boundary decisions – and formed 58 Local Agency Formation Commissions (LAFCOs). LAFCOs have the authority to initiate special district consolidations or dissolutions.

In 2000, the Legislature expanded the authority of LAFCOs to conduct Municipal Service Reviews. These reviews provide information to guide districts in performance improvement and can serve as a catalyst for LAFCOs to initiate consolidations or dissolutions. Like many great ideas in government, particularly in a state as large and diverse as California, these 58 different commissions are not uniformly effective.

The Commission also used this review to assess the progress of its recommendations from a 2000 report, *Special Districts: Relics of the Past or Resources for the Future?* In that study, the Commission found an expansive government sector, largely invisible, serving constituents who know little about them or how the money they provide is used.

The Commission found some progress but also saw a missed opportunity for special districts – many have a great story to tell. Very rarely are taxpayer dollars so closely tied to services provided in the community. And still people do not seem to know much about these local governments and their locally-elected boards.

As much as the Commission wanted to find a magic bullet to ensure these 2,000 districts were performing efficiently and effectively, it didn't. The LAFCO process may not be working as it could and should in every corner of the state, but special districts remain best served by local decision-making. To that end, the Commission recommends the Legislature curtail its practice of bypassing the local process. Additionally, the Commission offers a number of common-sense recommendations to help LAFCOs exercise their authority. Two ideas have already resulted in legislation, AB 979 (Lackey) and SB 448 (Wieckowski). The Commission recommends the Legislature enact SB 448 and requests the Governor's signature on AB 979 and SB 448. This report also includes a rare recommendation to infuse a small one-time grant fund to pay to initiate the most urgent consolidations or dissolutions, which should lead to taxpayer savings in improved government efficiency.

The Commission heard extensive testimony on reserve funding – a thorny issue first raised in its 2000 report. The State Controller's Office has convened a task force to standardize reporting on reserves, a necessary first step before anyone can assess the adequacy of each district's rainy day fund. The Commission also urges special districts to adopt prudent reserve policies and make these policies public.

The Commission found significant improvements since its last review in the way that districts communicate their activities and finances with their constituents although not every district has a website. All districts should have a website with basic information including how to participate in decision-making and an easy guide to revenue sources and expenditures.

The Commission did not evaluate every type of special district, but it did take a deeper look at one type – healthcare districts. Originally formed in the 1940s to build hospitals where none existed, less than half of the current healthcare districts run hospitals today. But even within healthcare districts, the Commission found significant differences. In rural communities, districts largely continue to fulfill their original mission – providing a hospital that otherwise would not exist. Among healthcare districts no longer operating hospitals, the Commission found some districts assessing local needs and filling a void in preventative healthcare service. But this was not consistent and the Commission suspects that in some locations, LAFCOs should do more to assess whether every healthcare district should continue to operate. To guide this work, an essential step for the Legislature is an update to the 1945 practice act to reflect the modern healthcare landscape.

As part of the vigorous discussion on reserves, special districts were asked how they were planning and using their reserves to adapt to climate change, particularly those districts with large infrastructure investments. Building on its 2014 report, *Governing California Through Climate Change*, the Commission in this report recommends special districts and their associations take more active roles in existing state government process and in sharing best practices.

During its study process, the Commission discussed some rather extreme solutions that generated intense interest. Through a very robust public process, however, the Commission ultimately concluded that local institutions are best served by local decision-making. The important recommendations in this report will lead to improved efficiency. The Commission stands ready to assist.



Pedro Nava
Chair, Little Hoover Commission

Contents

5	Executive Summary	
13	Introduction	
	The Commission’s Study Process	13
16	Background	
	Numbers Rising Nationally, but Declining in California	18
	What Californians Can Find Online About Special Districts	19
	A Brief Recap: The Commission’s 2000 Study and Changes Since	20
23	Appropriate State Oversight	
	It Begins with Local Agency Formation Commissions (LAFCOs)	23
	Dealing with Property Tax Inequities	26
	The Prickly Question of Reserves	28
	Recommendations 1 – 8	29
31	Improving Transparency	
	Improving Transparency on Websites	31
	Low Visibility = Public Engagement Challenges	35
	Recommendations 9 – 11	38
40	What Role for Healthcare Districts?	
	Nearly Half of Districts Still Operate Hospitals	41
	California Healthcare Districts: A Brief Introduction and History	41
	Dissolution Has Proved Itself a Persistent Question	44
	Seeking a New Paradigm for Healthcare Districts	46
	Advisory Meeting: What Makes Healthcare Districts Special? Are They?	47
	How to Avoid Redundancies in Services Provided by Counties and Special Districts	47
	Making Healthcare Districts Better	47
	Start with One Thing (and Share it)	48
	What Should LAFCOs Decide about Healthcare Districts?	49
	Recommendations 12 – 14	49

Contents

51 Readyng California for Climate Change

As Imported Water Dwindles, a Climate-Driven Rush to New Sources	54
The Rancho California Water District (Riverside County)	55
The East Bay Municipal Utility District (Alameda County)	57
The Wastewater World Already is Complicated; Now Comes Climate Change	58
The East Bay Municipal Utilities District (Wastewater Division)	59
Sanitation Districts of Los Angeles County	60
When Faraway Imported Water Runs Short	60
Humans vs. Wildlife: The Regulatory Conflicts of Too Little Water	61
A Rising Ocean and 1,000-Year Storms: What Awaits Flood District Managers?	62
Fresno Metropolitan Flood Control District	62
Santa Clara Valley Water District	63
Recommendations 15 – 20	65

67 Appendices

Appendix A: Public Hearing Witnesses	67
Appendix B: Meeting Participants	68
Appendix C: Cover Photo Credits	70

71 Notes

Executive Summary

Special districts, the workhorses of public service delivery created by the California Legislature during the earliest days of statehood, represent the most common form of local government. They have prevailed through endless upheaval as California morphed from a state of rural open spaces into one of the world's most powerful economic engines and home to nearly 40 million people. Today special districts generate some \$21 billion in annual revenues and employ more than 90,000 local government workers.¹

In 2016 and 2017, the Little Hoover Commission reviewed and analyzed California's 2,071 independent special districts and the State of California's role and responsibility in overseeing them.² The Legislature not only created special districts and enacted the practice acts by which they are governed, but it retained the power to create new districts and also to dissolve them. In the early 1960s, the Legislature had the foresight to develop a local oversight mechanism, Local Agency Formation Commissions (LAFCOs) tasked with bringing more rational planning practices and reining in inappropriate growth by considering local government boundary decisions. LAFCOs have the authority to initiate dissolutions and consolidations of special districts, although ultimately local voters have the final say. The process is slow -- intentionally slow according to some --and occasionally frustrated parties attempt to bypass the local process by taking issues directly to the Legislature. This tension, in part, prompted the Commission to update its 2000 review of special districts to consider whether the local oversight process works as intended or whether a different process or a greater role for the Legislature would be more effective.

The Commission's review broke new ground, but also revisited issues first identified in its May 2000 report, *Special Districts: Relics of the Past or Resources for the Future?* The 2000 report declared that California's expansive special district sector often amounted to a poorly overseen and largely invisible governing sector serving residents who know little about who runs them or

what they pay in taxes to sustain them. The Commission nearly two decades ago questioned the soundness of special districts' financial management and asked if their numbers might be pared back through consolidations. Yet Commissioners also acknowledged in their 2000 analysis that special districts provide Californians valuable services and are "physically closest to their communities." The Commission concluded that despite its range of criticisms, special districts should remain, in the end, local institutions best served by local decision-making.

In its newest review the Commission heard from some who still contend that special districts are ripe for consolidation and represent convoluted, dispersed, under-the-radar government. Frustrated with the local oversight process, various local special district issues percolated up into bills in the 2015-16 legislative session as the Commission began its study, potentially signifying that the current system of oversight fails to work as well as intended.

In this review, the Commission found special districts themselves could do a better job of telling their own story to overcome the stigma that they function as hidden government. During an advisory committee meeting, Chair Pedro Nava encouraged special districts to "tell your story." There are very few government entities in a position to let people know that they work directly for the public and that the taxes and fees they collect fund local services, he said.

In testimony, the Commission also learned that despite the perception that special districts continue to proliferate in California, the number of special districts has declined 5 percent since 1997, while the number nationally increased by 10 percent.³ Thirty-three states have more special districts per capita than California. Despite frequent calls for dissolving or consolidating these local governments, special districts seem to have pluses that render them tolerable to those they govern and able to forestall movements to purge them or fold their work into city and county governments.

The Commission's 2016-2017 review delved into four primary arenas concerning special districts:

- Oversight of special districts, specifically, opportunities to bolster the effectiveness of Local Agency Formation Commissions (LAFCOs).
- The continued need for districts to improve transparency and public engagement.
- The frequently-controversial evolution of California's healthcare special districts, which in the 1940s and 1950s built a far-ranging system of hospitals that are mostly now gone due to a tremendous transformation in healthcare from hospitalization to preventive care.
- The urgency of climate change adaptation in California and the front-line roles that special districts, particularly water, wastewater treatment and flood control districts, play in preparing their communities and defending them from harm.

Toward Higher-Quality Local Control

As in 2000, the Commission held fast to the concept that special districts are essentially local institutions. Whether their individual endeavors are praised or panned, special districts seemingly reflect the wishes of local voters. They also reflect the politics of LAFCOs, unique oversight bodies in each county with authority to judge their performances and recommend whether they should continue to exist. The Commission again determined that LAFCOs should be the leading voice on the status of special districts in California – and that they need more tools to do the job well.

Commissioners perplexed by the seemingly slow progress in dissolutions and consolidations at one point during the study asked if a lack of money prevented LAFCOs and special districts from initiating consolidations or conducting the mandated Municipal Service Reviews that can identify opportunities for improved efficiency in service delivery. A chorus of stakeholders suggested a small, one-time infusion of grant funding, tied to specified outcomes to ultimately improve efficiency and save taxpayer dollars, was indeed warranted. They also called for various statutory changes that could bolster the effectiveness of LAFCOs.

Clearly, special districts can be improved. Given the routine front-line services they provide, the historic climate challenges these districts face in keeping California stable, as well as the need to provide the best possible healthcare to millions of residents, LAFCOs and the state have obligations to see that they succeed. To that end, the Commission offers 20 recommendations to guide the Legislature and Governor going forward. The first eight of those recommendations address the basic structure and governing issues revolving around special districts:

Recommendation 1: The Legislature and the Governor should curtail a growing practice of enacting bills to override LAFCO deliberative processes and decide local issues regarding special district boundaries and operations.

The Legislature and Governor have reason to be frustrated with slow and deliberative LAFCO processes. But these are local institutions of city, county and special district members often better attuned to local politics than those in the State Capitol. Exemptions where the Legislature gets involved should be few, and in special cases where the local governing elites are so intransigent or negligent – or so beholden to entrenched power structures – that some higher form of political authority is necessary.

Recommendation 2: The Legislature should provide one-time grant funding to pay for specified LAFCO activities, to incentivize LAFCOs or smaller special districts to develop and implement dissolution or consolidation plans with timelines for expected outcomes. Funding should be tied to process completion and results, including enforcement authority for corrective action and consolidation.

The Commission rarely recommends additional funding as a solution. However, a small one-time infusion of \$1 million to \$3 million in grant funding potentially could save California taxpayers additional money if it leads to streamlined local government and improved efficiency in service delivery. This funding could provide an incentive for LAFCOs or smaller districts to start a dissolution or consolidation process. Participants in the Commission's public process suggested the Strategic Growth Council or Department of Conservation could administer this one-time funding.

Recommendation 3: The Legislature should enact and the Governor should sign SB 448 (Wieckowski) which would provide LAFCOs the statutory authority to conduct reviews of inactive districts and to dissolve them without the action being subject to protest and a costly election process.

There has been no formal review to determine the number of inactive special districts – those that hold no meetings and conduct no public business. Rough estimates gauge the number to be in the dozens. Simplifying the LAFCOs’ legal dissolution process would represent a significant step toward trimming district rolls in California. The Commission supports SB 448 and encourages the Legislature to enact the measure and for the Governor to sign the bill.

Recommendation 4: The Governor should sign AB 979 (Lackey), co-sponsored by the California Special Districts Association and the California Association of Local Agency Formation Commissions. The bill would strengthen LAFCOs by easing a process to add special district representatives to the 28 county LAFCOs where districts have no voice.

The Cortese-Knox-Hertzberg Reorganization Act of 2000 (AB 2838, Hertzberg) provided the option to add two special district members to county LAFCOs to broaden local governing perspectives. Nearly two decades later, 30 counties have special district representatives on their LAFCOs alongside city council members and county supervisors. This change provides LAFCOs a more diverse decision-making foundation and stronger finances. But 28 counties, mostly in rural California have not added special district representatives to their LAFCO governing boards, citing scarce resources. Presently, a majority of a county’s special districts must pass individual resolutions within one year supporting a change. This has repeatedly proved itself a formidable obstacle to broadening the outlook of local LAFCOs. AB 979 (Lackey) would allow a simple one-time election process where districts could easily – and simultaneously – decide the question.

Recommendation 5: The Legislature should adopt legislation to give LAFCO members fixed terms, to ease political pressures in controversial votes and enhance the independence of LAFCOs.

The California Association of Local Agency Formation Commissions (CALAFCO) testified on August 25, 2016, that

individual LAFCO members are expected to exercise their independent judgment on LAFCO issues rather than simply represent the interests of their appointing authority. But this is easier said than done when representatives serve on an at-will basis. The CALAFCO hearing witness said unpopular votes have resulted in LAFCO board members being removed from their positions. Fixed terms would allow voting members to more freely exercise the appropriate independence in decision-making.

Recommendation 6: The Legislature should convene an advisory committee to review the protest process for consolidations and dissolutions of special districts and to develop legislation to simplify and create consistency in the process.

Complicated and inconsistent processes potentially impact a LAFCO’s ability to initiate a dissolution or consolidation of a district. If 10 percent of district constituents protest a LAFCO’s proposed special district consolidation, a public vote is required. If a special district initiates the consolidation, then a public vote is required if 25 percent of the affected constituents protest. Additionally, the LAFCO must pay for all costs for studies and elections if it initiates a consolidation proposal, whereas the district pays these costs if it proposes or requests the consolidation. Various participants in the Commission’s public process cautioned against setting yet another arbitrary threshold and advised the issue warranted further study before proposing legislative changes. They called for more consistency in the process.

Recommendation 7: The Legislature should require every special district to have a published policy for reserve funds, including the size and purpose of reserves and how they are invested.

The Commission heard a great deal about the need for adequate reserves, particularly from special districts with large infrastructure investments. The Commission also heard concerns that reserves were too large. To better articulate the need for and the size of reserves, special districts should adopt policies for reserve funds and make these policies easily available to the public.

Recommendation 8: The State Controller’s Office should standardize definitions of special district financial reserves for state reporting purposes.

Presently, it is difficult to assess actual reserve levels held by districts that define their numbers one way and the State Controller's Office which defines them another way. The State Controller's Office is working to standardize numbers following a year-long consultation with a task force of cities, counties and special districts. To improve transparency on reserves, a subject that still eludes effective public scrutiny, they should push this project to the finish line as a high priority.

Improving Transparency and Public Involvement

Because there are thousands of special districts in California, performing tasks as varied as managing water supply to managing rural cemeteries, the public has little practical ability to ascertain the functionality of special districts, including the scope of services these local districts provide, their funding sources, the use of such funds and their governance structure. Although publicly elected boards manage independent special districts, constituents lack adequate resources to identify their local districts much less the board members who collect and spend their money.

The Commission saw a number of opportunities for special districts to do a better job communicating with the public, primarily through improvements to district websites and more clearly articulating financing policies, including adopting and making publicly available fund reserve policies. Existing law requires special districts with a website to post meeting agendas and to post or provide links to compensation reports and financial transaction reports that are required to be submitted to the State Controller's Office. The State Controller's Office – despite having a software platform from the late 1990s – attempts to make all the information it receives as accessible as possible.

Many special districts already utilize their websites to effectively communicate with their constituents and voluntarily follow the nonprofit Special District Leadership Foundation's transparency guidelines and receive the foundation's District Transparency Certificate of Excellence. But often, these districts are the exception and not the rule. The Commission makes three recommendations to improve special district transparency and to better engage the public served by the districts:

Recommendation 9: The Legislature should require that every special district have a website.

Key components should include:

- **Name, location, contact information**
- **Services provided**
- **Governance structure of the district, including election information and the process for constituents to run for board positions**
- **Compensation details – total staff compensation, including salary, pensions and benefits, or a link to this information on the State Controller's website**
- **Budget (including annual revenues and the sources of such revenues, including without limitation, fees, property taxes and other assessments, bond debt, expenditures and reserve amounts)**
- **Reserve fund policy**
- **Geographic area served**
- **Most recent Municipal Service Review**
- **Most recent annual financial report provided to the State Controller's Office, or a link to this information on the State Controller's website**
- **Link to the Local Agency Formation Commission and any state agency providing oversight**

Exemptions should be considered for districts that fall under a determined size based on revenue and/or number of employees. For districts in geographic locations without reliable Internet access, this same information should be available at the local library or other public building open and accessible to the public, until reliable Internet access becomes available statewide.

Building on this recommendation, every LAFCO should have a website that includes a list and links to all of the public agencies within each county service area and a copy of all of the most current Municipal Service Reviews. Many LAFCOs currently provide this information and some go further by providing data on revenues from property taxes

and user fees, debt service and fund balance changes for all the local governments within the service area. At a minimum, a link to each agency would enable the public to better understand the local oversight authority of LAFCOs and who to contact when a problem arises.

Recommendation 10: The State Controller’s Office should disaggregate information provided by independent special districts from dependent districts, nonprofits and joint powers authorities.

Over the course of this study, the Commission utilized data available on the State Controller’s website to attempt to draw general conclusions about independent special districts, such as overall revenues, number of employees and employee compensation. Presently, it is difficult to do this without assistance as information for independent districts is mixed with various other entities.

Recommendation 11: The California Special Districts Association, working with experts in public outreach and engagement, should develop best practices for independent special district outreach to the public on opportunities to serve on boards.

The Commission heard anecdotally that the public does not understand special district governance, does not often participate or attend special district board meetings and often does not know enough about candidates running to fill board positions. Often, the public fails to cast a vote for down-ballot races. Two county registrars provided the Commission information that showed in many instances those who voted for federal or statewide offices did not vote for local government officials at the same rate, whether they were city council positions, special district positions or local school or community college district positions.

What is the Role for Healthcare Districts?

The Commission found in its review that special districts were as diverse as the services provided and the millions of Californians served. To gain deeper insight on one type of local government service provider, the Commission took a closer look at an often-controversial group: healthcare districts that no longer operate hospitals. These entities struggle to explain their relevance within the rapidly evolving healthcare industry,

which emphasizes preventative care over hospitalization. Amid uncertainty about the future of the Affordable Care Act, many of these districts claim they are carving out new roles in preventative care. Yet the Legislature, local grand juries, LAFCOs and healthcare analysts continue to question their relevance and need to exist. Presently, just 37 of 79 California healthcare districts operate 39 hospitals, mostly in rural areas with few competitors or other alternatives – and few suggest the need to dissolve those districts.

Controversy tends to afflict districts in former rural areas that became suburbanized in recent decades and grew into competitive healthcare markets. The 2015-16 legislative session included a rash of legislation that considered whether to force district dissolutions or modify district boundaries – even though those decisions are the responsibility of LAFCOs. Nonetheless, most healthcare districts officials continue to maintain they are more flexible than counties in defining priorities and are pioneering a new era of preventative care under the umbrella of “wellness.” Officials say their districts are misunderstood by critics who lack understanding about how much the healthcare landscape is changing. They also say that local voters generally support their local missions and how they allocate their share of property taxes in the community.

As part of its special districts review, the Commission convened a two-hour advisory committee with experts to shed light on healthcare districts. During the course of the Commission’s study, the Association of Healthcare Districts convened a workgroup to develop recommendations, in part, in response to legislative scrutiny. These recommendations were considered and discussed during the November advisory committee meeting. Participants analyzed whether counties or healthcare districts are best positioned as local and regional healthcare providers and discussed the role of LAFCOs in consolidating, dissolving or steering healthcare districts toward more relevant roles. During the meeting Commissioners also pushed districts to share and adopt best practices and define better metrics to measure what they are accomplishing with their shares of local property taxes. Three Commission recommendations arose from the discussion as well as numerous interviews with experts during the study:

Recommendation 12: The Legislature should update the 1945 legislative “practice acts” that enabled voters to create local hospital districts, renamed healthcare districts in the early 1990s.

Experts widely agree that statutory language in the acts no longer reflects the evolution of healthcare during the past seventy years, particularly the shift from hospital-based healthcare to modern preventive care models.

Recommendation 13: The Legislature, which has been increasingly inclined to override local LAFCO processes and authority to press changes on healthcare districts, should defer these decisions to LAFCOs.

LAFCOs have shown successes in shaping the healthcare district landscape and should be the primary driver of change. Given the controversies over healthcare districts, the California Association of Local Agency Formation Commissions and LAFCOs should be at the forefront of studying the relevance of healthcare districts, potential consolidations and dissolutions of districts. To repeat a theme of Recommendation 1, the Legislature should retain its authority to dissolve healthcare districts or modify boundaries, but this authority should be limited to cases in which local political elites are so intransigent or negligent – or so beholden to local power structures – that some form of higher political authority is deemed necessary.

Recommendation 14: The Association of California Healthcare Districts and its member districts should step up efforts to define and share best practices among themselves.

A Commission advisory committee meeting discussion clearly showed that not enough thought or interest has been assigned to sharing what works best in rural, suburban and urban areas among members. The association should formally survey its members and collectively define their leading best practices and models for healthcare, as well as guidelines to improve the impacts of grantmaking in communities.

Front-line Roles for Climate Change Adaptation

At the Commission’s August 25, 2016, hearing, Chair Pedro Nava asked a simple question of special district attendees vigorously defending their need for robust reserve funds:

How are they assessing future climate change impacts when amassing reserves for long-range infrastructure spending? That question, rooted in the Commission’s 2014 climate adaptation report *Governing California Through Climate Change*, became the genesis of a deeper exploration of awareness of and preparations for climate change among special districts. In an October 27, 2016, hearing focused on special districts efforts to adapt to climate change, the Commission learned that:

- Special districts, even while vastly outnumbering cities and counties in California, have generally not participated at the levels of cities and counties in the state’s emerging climate adaptation information gathering and strategizing. Often that is because they lack land-use authority. Nonetheless, it is critical that their experienced voices be at the table.
- Many larger infrastructure-intensive water, wastewater and flood control districts stand at the forefront nationally in preparing for the varying, changing precipitation patterns – too much or too little water – at the heart of anticipated climate change impacts.

The Commission found it encouraging that many special districts are reducing the need for imported water by diversifying supplies and producing vastly more recycled water. Districts also are steering more stormwater runoff in wet years into groundwater recharge basins for use in dry years. The actions that all agencies must eventually take are already being done by some. The Commission agreed that these leading-edge actions and infrastructure spending strategies represent models for other districts to follow. Accordingly, the Commission makes six recommendations focused on climate change adaptation:

Recommendation 15: The Legislature should place a requirement that special districts with infrastructure subject to the effects of climate change should formally consider long-term needs for adaptation in capital infrastructure plans, master plans and other relevant documents.

Most special districts, especially the legions of small districts throughout California, have their hands full meeting their daily responsibilities. Many have few resources and little staff time to consider long-range issues, particularly those with the heavy uncertainty of

climate change adaptation. Making climate change a consideration in developing capital infrastructure plans and other relevant planning documents would formally and legally elevate issues of adaptation and mitigation, especially for districts where immediate concerns make it too easy to disregard the future.

Recommendation 16: The California Special Districts Association (CSDA), in conjunction with its member districts, should document and share climate adaptation experiences with the Integrated Climate Adaptation and Resilience Program's adaptation information clearinghouse being established within the Governor's Office of Planning and Research (OPR). Similarly, CSDA and member districts should step up engagement in the state's current Fourth Assessment of climate threats, a state research project designed to support the implementation of local adaptation activities. The CSDA also should promote climate adaptation information sharing among its members to help districts with fewer resources plan for climate impacts and take actions.

The OPR clearinghouse promises to be the definitive source of climate adaptation planning information for local governments throughout California. At the Commission's October 27, 2016, hearing, an OPR representative invited more district participation in state climate adaptation processes. It is critical that special districts and their associations assume a larger participatory role – both within state government and among their memberships – to expand the knowledge base for local governments statewide.

Recommendation 17: The state should conduct a study – by either a university or an appropriate state department – to assess the effect of requiring real estate transactions to trigger an inspection of sewer lines on the property and require repairs if broken.

The responsibility to safeguard California and adequately adapt to climate change impacts falls on every resident of California. This begins at home with maintenance and upgrading of aging sewer laterals. Requiring inspections and repairs during individual property transactions is an optimum way to slowly rebuild a region's collective wastewater infrastructure in the face of climate change. At the community level, repairs will help prevent excess stormwater during major climate events from overwhelming wastewater systems and triggering sewage

spills into public waterways. The Oakland-based East Bay Municipal Utility District has instituted an ordinance that requires property owners to have their private sewer laterals inspected if they buy or sell a property, build or remodel or increase the size of their water meter. If the lateral is found to be leaking or damaged, it must be repaired or replaced. The state should consider implementing this policy statewide.

Recommendation 18: State regulatory agencies should explore the beginnings of a new regulatory framework that incorporates adaptable baselines when defining a status quo as climate impacts mount.

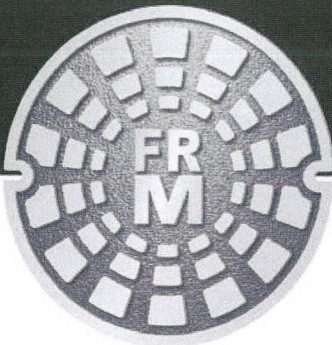
With climate change what has happened historically will often be of little help in guiding regulatory actions. State regulations designed to preserve geographical or natural conditions that are no longer possible or no longer exist already are creating problems for special districts. Wastewater agencies, for example, face conflicting regulations as they divert more wastewater flows to water recycling for human needs and less to streams historically home to wildlife that may or may not continue to live there as the climate changes. While it is not easy for regulators to work with moving targets or baselines, climate change is an entirely new kind of status quo that requires an entirely new approach to regulation.

Recommendation 19: The California Special Districts Association, and special districts, as some of the closest-to-the-ground local governments in California, should step up public engagement on climate adaptation, and inform and support people and businesses to take actions that increase their individual and community-wide defenses.

Special districts are uniquely suited to communicate with and help prepare millions of Californians for the impacts of climate change. Nearly all have public affairs representatives increasingly skilled at reaching residents through newsletters, social media and public forums. District staff grapple constantly with new ways to increase their visibility. Many will find they can build powerful new levels of public trust by helping to prepare their communities for the uncertainty ahead.

Recommendation 20: The California Special Districts Association and special districts should lead efforts to seek and form regional partnerships to maximize climate adaptation resources and benefits.

Water, wastewater and flood control districts are already bringing numerous agencies to the table to pool money, brainpower and resources for big regional projects. The East Bay Municipal Utility District has arrangements with many Bay Area and Central Valley water agencies to identify and steer water to where it is most needed for routine demands and emergencies alike. The Metropolitan Water District and Sanitation Districts of Los Angeles County also increasingly pool their joint resources to steer more recycled water to groundwater recharge basins for dry years. Likewise, the Santa Clara Valley Water district and other state and federal agencies are collectively planning and funding 18 miles of levees to protect the region from sea level rise. These partnerships among special districts and other government agencies clearly hint at what will be increasingly necessary as climate impacts begin to mount.



September 6, 2017

Avila Beach Community Services District
191 San Miguel Street
Avila Beach, CA 93424

SUBJECT: AUGUST 2017 MONTHLY FACILITY REPORT FOR THE AVILA BEACH COMMUNITY SERVICES DISTRICT WASTEWATER TREATMENT PLANT, WATER SYSTEM AND COLLECTION SYSTEM

WASTEWATER TREATMENT PLANT

Areas within the wastewater plant that are known to accumulate solids continue to be manually cleaned on a regular basis. The Chlorine Contact Chamber floor is vacuumed out on a weekly basis. These solids, if left to decompose, can have a negative effect on the effluent quality leaving the facility.

On August 17th around 11:50 PM Staff responded to the SCADA computer being offline due to no Internet. In the afternoon of the 18th Staff responded to two more call outs for the same reason. Last month the wiring was replaced but Internet reception is still intermittent. Staff asked for AT&T to come back out to replace the modem and any other hardware they own to see if that will help. ABCSD worked with AT&T and AT&T ran a system update test and reset the modem remotely. ABCSD is going to work with Charter to see if they can supply Internet for a more reliable solution. When the Internet goes out the SCADA system cannot send out alarms and the SCADA computer cannot be accessed remotely.

WATER SYSTEM

The small water storage tank continues to be used as standby, with FRM Staff monitoring the water quality in the tank and flushing as needed. FRM Staff continues to monitor the chlorine residuals and shock the system with additional chlorine as needed.

Staff assisted with the valve replacement project that Brough was performing for ABCSD. This included attending the pre-con meeting, exercising valves prior to the project starting, closing and opening valves as requested, flushing the distribution system, taking samples after each repair was made, responding to a high-level alarm at the tank site and responding to a call out for no water at a residence. Staff also assisted with managing the project while ABCSD staff were on vacation to ensure the project was completed on time.

COMPLIANCE RECORD AND PLANT PERFORMANCE

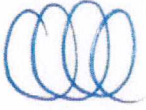
Plant Design for Influent BOD is 270 mg/L. The permit limit for Effluent TSS and BOD is a Monthly Average of 40 mg/L with a Daily Maximum of 90 mg/L.

Staff compiled the data to complete the monthly Self-Monitoring Report and Discharge Monitoring Report (DMR) in Central Integrated Water Quality Service (CIWQS). Once approved, the reports are uploaded into CIWQS and certified by ABCSD Staff.

Sample results for August 31st were not available at the time this report was compiled.

Sincerely,

FLUID RESOURCE MANAGEMENT



Carinna Butler
Operations Manager

ATTACHMENTS

- Self-Monitoring Report
- ABCSD Average Daily WWTP Effluent Flow (2015-2017)
- ABCSD Monthly Total WWTP Effluent Flow (2015-2017)
- Port San Luis Monthly Total Flow (2015-2017)
- Monthly Average Influent BOD (2015-2017)
- Monthly Average Effluent BOD (2015-2017)
- Monthly Water Purchased From Lopez (2015-2017)
- ABCSD Monthly Water Sold (2015-2017)

Avila Beach CSD Wastewater Treatment Facility

Monthly report due last day of following month
Annual report due January 30

Month: AUGUST 2017

Effluent and Influent Monitoring

Date	Daily Flow (MGD)			Effluent Monitoring		
	Total	Max (gpm)	Avg (gpm)	Biweekly Total Coliform	Biweekly Fecal Coliform	Daily Chlorine Residual
1	0.059010	100	41	<2	<2	<0.02
2	0.057608	97	40			<0.02
3	0.063524	99	44	<2	<2	<0.02
4	0.070015	117	49			<0.02
5	0.081467	114	57			<0.02
6	0.080138	132	55			<0.02
7	0.065344	114	45			<0.02
8	0.058372	119	41	<2	<2	<0.02
9	0.056325	92	39			<0.02
10	0.057991	101	40	<2	<2	<0.02
11	0.065951	105	46			<0.02
12	0.075602	109	53			<0.02
13	0.070441	117	49			<0.02
14	0.049498	85	34			<0.02
15	0.051472	119	36	<2	<2	<0.02
16	0.045850	80	32			<0.02
17	0.050806	94	35	<2	<2	<0.02
18	0.060004	87	42			<0.02
19	0.072616	112	51			<0.02
20	0.065022	105	45			<0.02
21	0.047764	100	33			<0.02
22	0.044261	87	31	<2	<2	<0.02
23	0.045948	73	32			<0.02
24	0.050337	88	35	<2	<2	<0.02
25	0.055937	97	39			<0.02
26	0.067940	102	47			<0.02
27	0.070313	113	48			<0.02
28	0.051314	96	35			<0.02
29	0.045336	125	32	<2	<2	<0.02
30	0.044643	73	31			<0.02
31	0.047766	79	33			
Min	0.044261	73	31	<2	<2	<0.02
Mean	0.058988	101	41	<2	<2	<0.02
Max	0.081467	132	57	<2	<2	<0.02
Total	1.828615	<i>Effluent daily (dry weather) flow NTE 0.2 MGD (mean).</i>				

Date	Biweekly Effluent BOD (24 HC)	Biweekly Effluent TSS (24 HC)	Biweekly Influent BOD (24 HC)	Biweekly Influent TSS (24 HC)	Monthly Effluent Oil & Grease (Grab)
8/3/17	24	26	386	320	1.7 DNQ
8/6/17	28	27	407	300	
8/10/17	20	17	384	400	
8/13/17	28	28	480	248	
8/17/17	22	11	348	412	
8/20/17	32	24	341	256	
8/24/17	22	13	316	248	
8/27/17	30	24	466	356	
8/31/17					
Min	20	11	316	248	1.7 DNQ
Mean	26	21	391	318	1.7 DNQ
Max	32	28	480	412	1.7 DNQ
BOD Removal: 93.4%			TSS Removal: 93.3%		

Effluent Monitoring

Date	Weekly Set. Solids (Grab)	Weekly Turbidity (Grab)	Weekly pH (Grab)	Weekly Temp °F (Grab)
8/3/17	<0.1	22.9	6.5	76
8/10/17	0.1	20.3	6.6	74
8/17/17	<0.1	15.8	6.4	73
8/24/17	<0.1	15.0	6.3	74
8/24/17			6.3	
8/31/17				
Min	<0.1	15.0	6.3	73
Mean	<0.1	18.5	6.4	74
Max	0.1	22.9	6.6	76

Effluent Limits

Parameter	Units	Monthly Avg	Weekly Avg	Daily Max
BOD	mg/L	40	60	90
Suspended Solids	mg/L	40	60	90
Oil and Grease	mg/L	25	40	75
Turbidity	NTU	75	100	225
Total Coliform	MPN/100 mL	7 Sample Median: 23		
		More than once in 30 days: 240		
		Daily Maximum: 2,400		
Chlorine Residual	mg/L	6 Month Median: 0.3		1.2
pH	pH units	Between 6.0 - 9.0		
Settleable Solids	mL/L	1.0	1.5	3.0
BOD/TSS Removal	%	≥ 75%	***	***

Sludge Removal

Date	Gallons (Est.)
8/1/17	4,500
8/15/17	4,500
8/29/17	4,500

I certify under penalty of perjury that the foregoing is true and accurate and that the sampling procedure and analysis used are as specified in the Waste Discharge Order for this facility.

SIGNATURE: _____

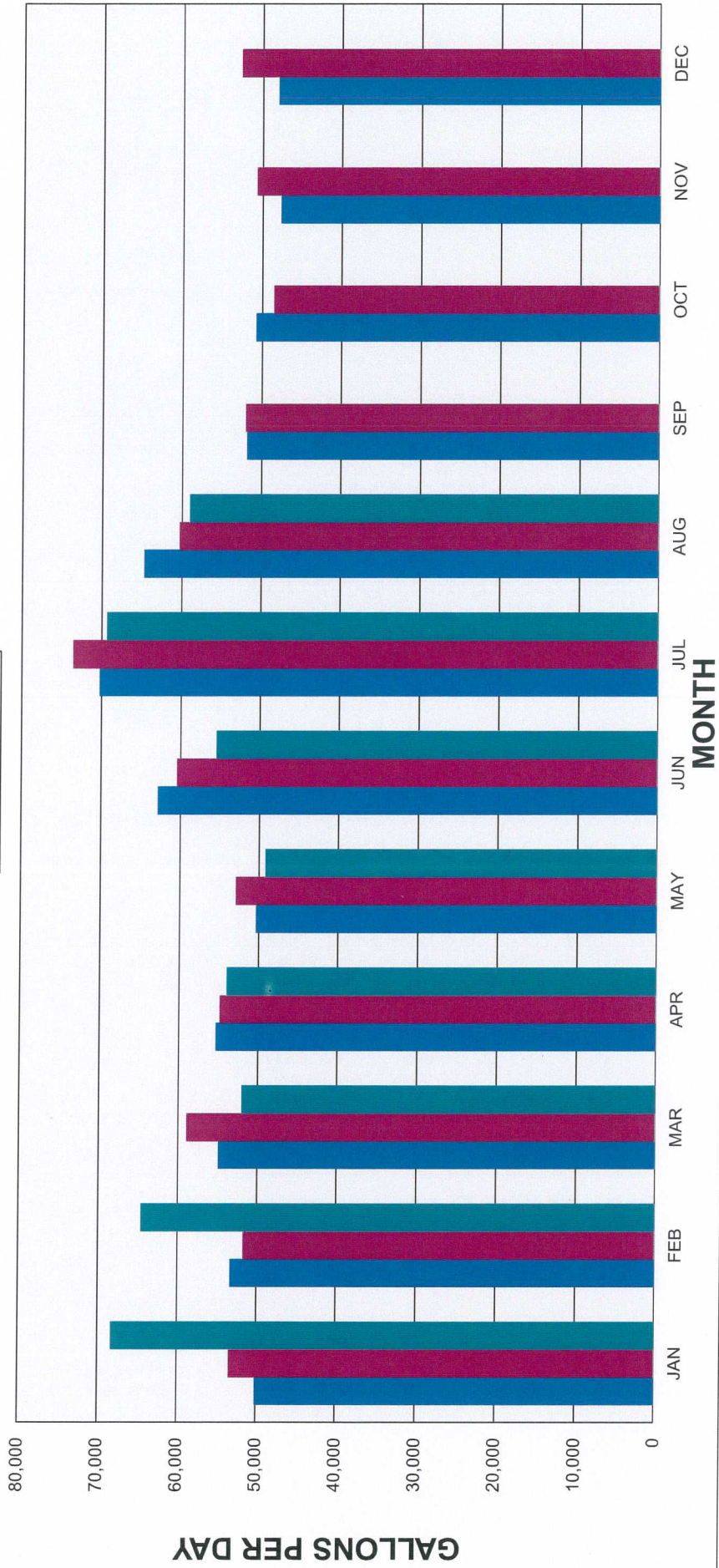
DATE: _____

PRINTED NAME: _____

TITLE: _____

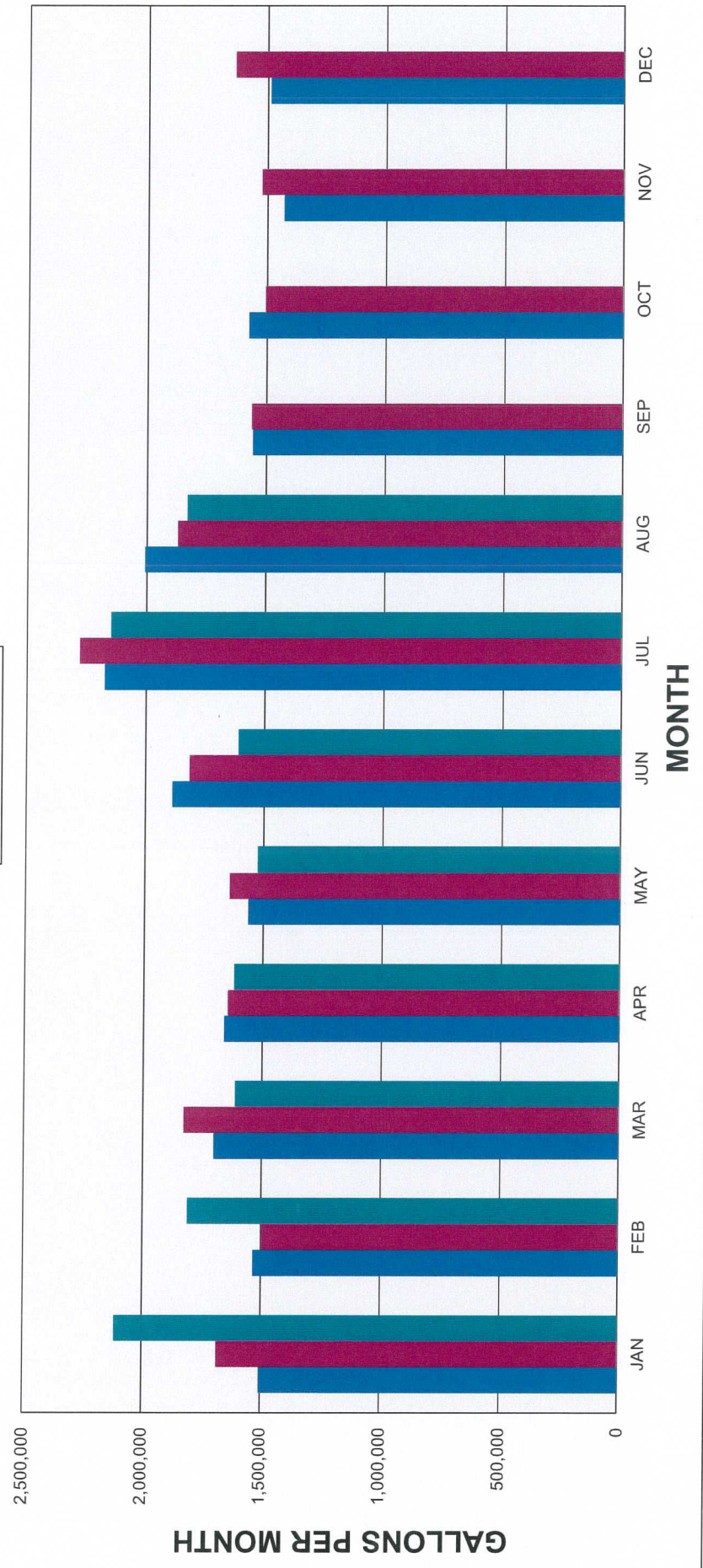
ABCSD AVERAGE DAILY WWTP EFFLUENT FLOW (2015 - 2017)

■ 2015 ■ 2016 ■ 2017



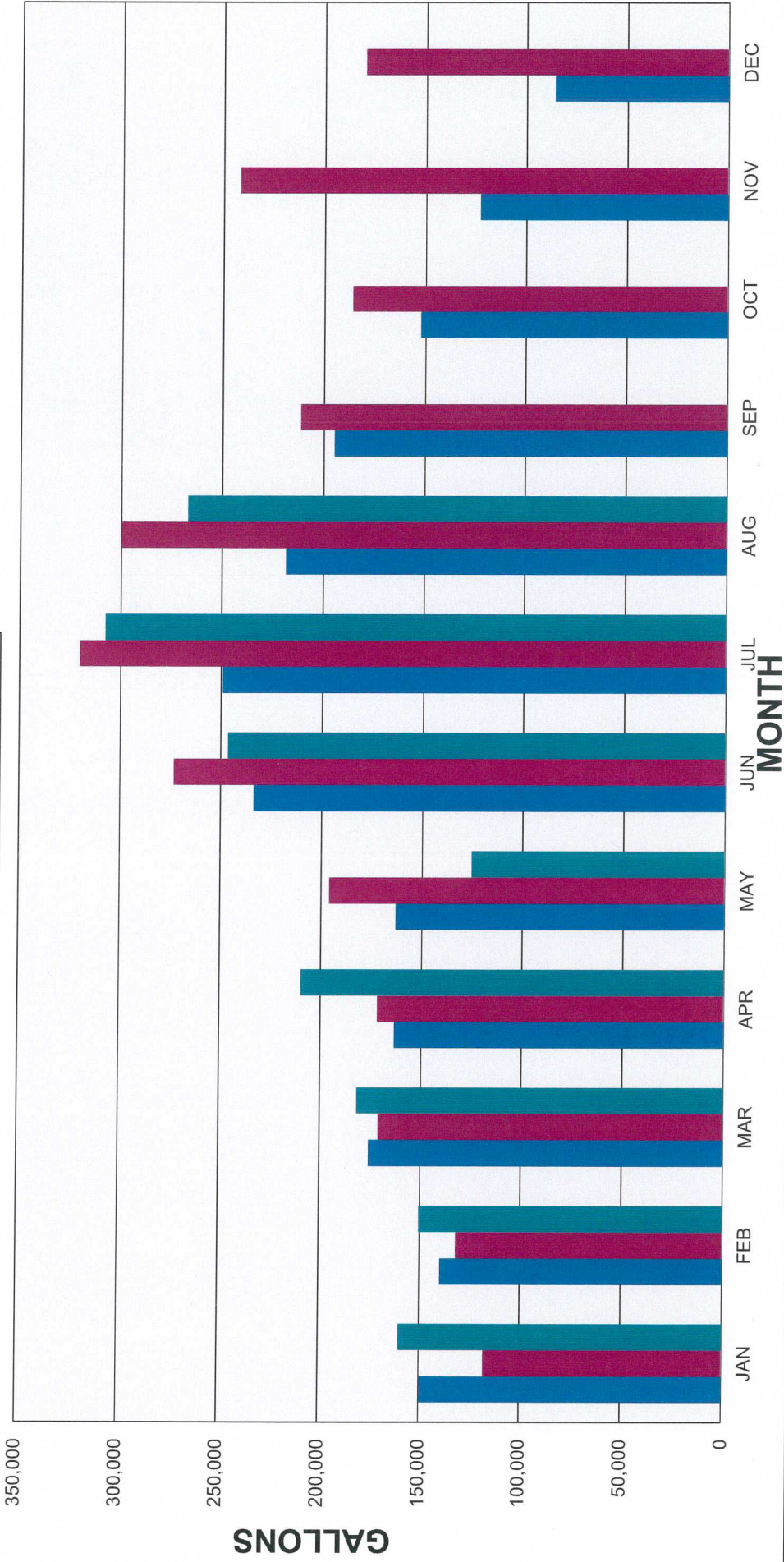
ABCSD MONTHLY TOTAL WWTP EFFLUENT FLOW (2015 - 2017)

■ 2015 ■ 2016 ■ 2017

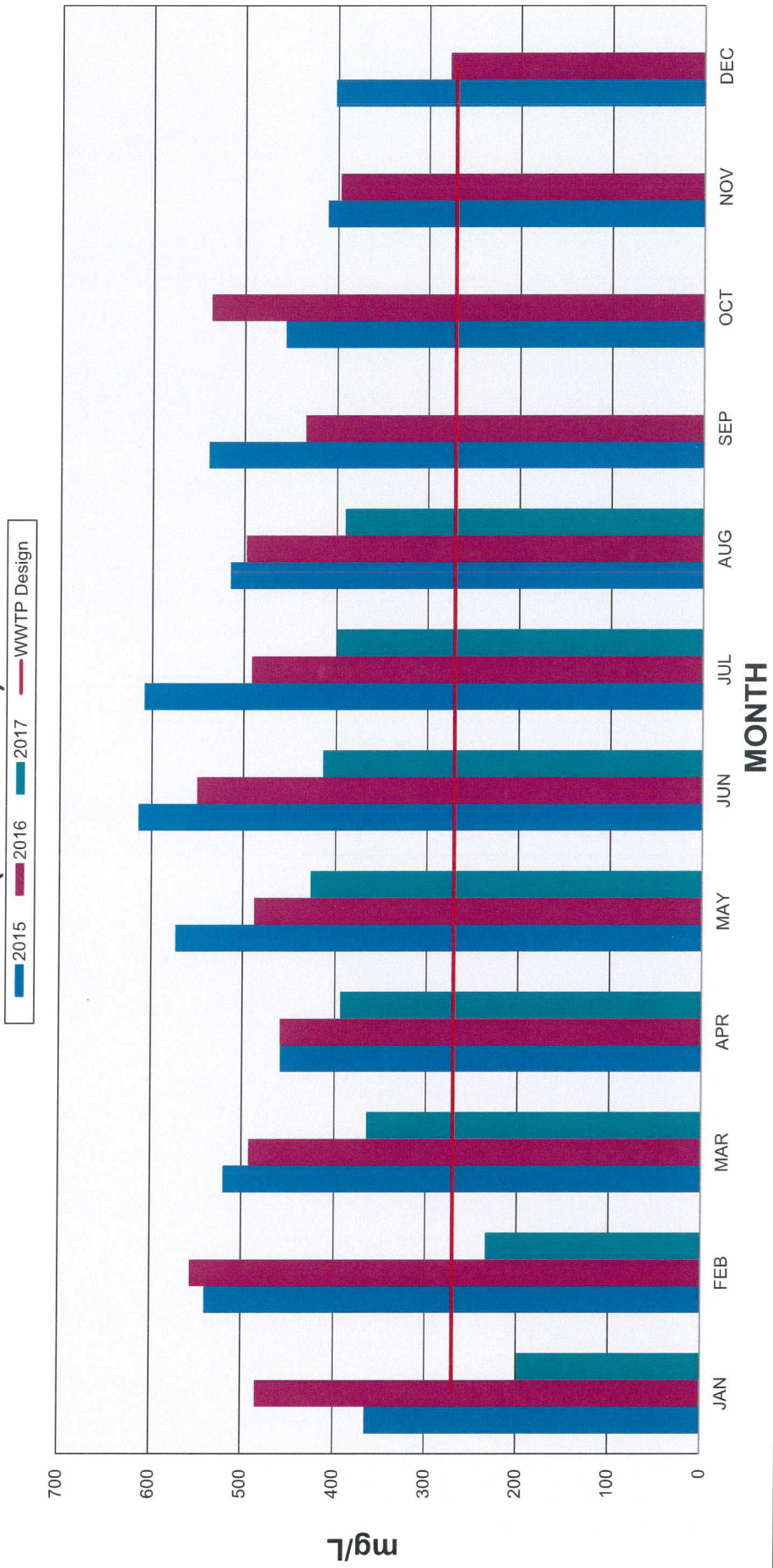


PORT SAN LUIS MONTHLY TOTAL FLOW (2015 - 2017)

■ 2015
 ■ 2016
 ■ 2017

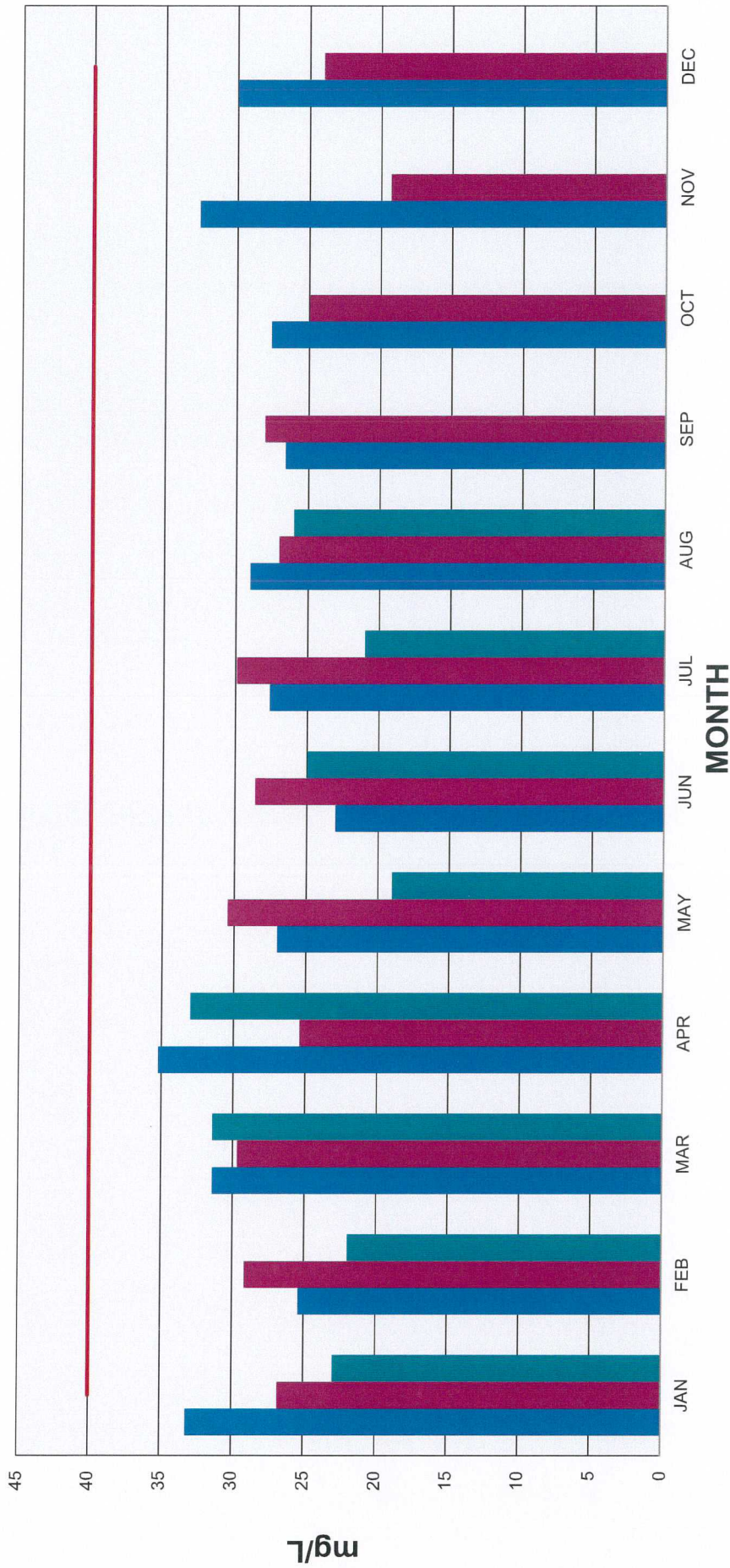


ABCSD MONTHLY AVERAGE INFLUENT BOD (2015 - 2017)



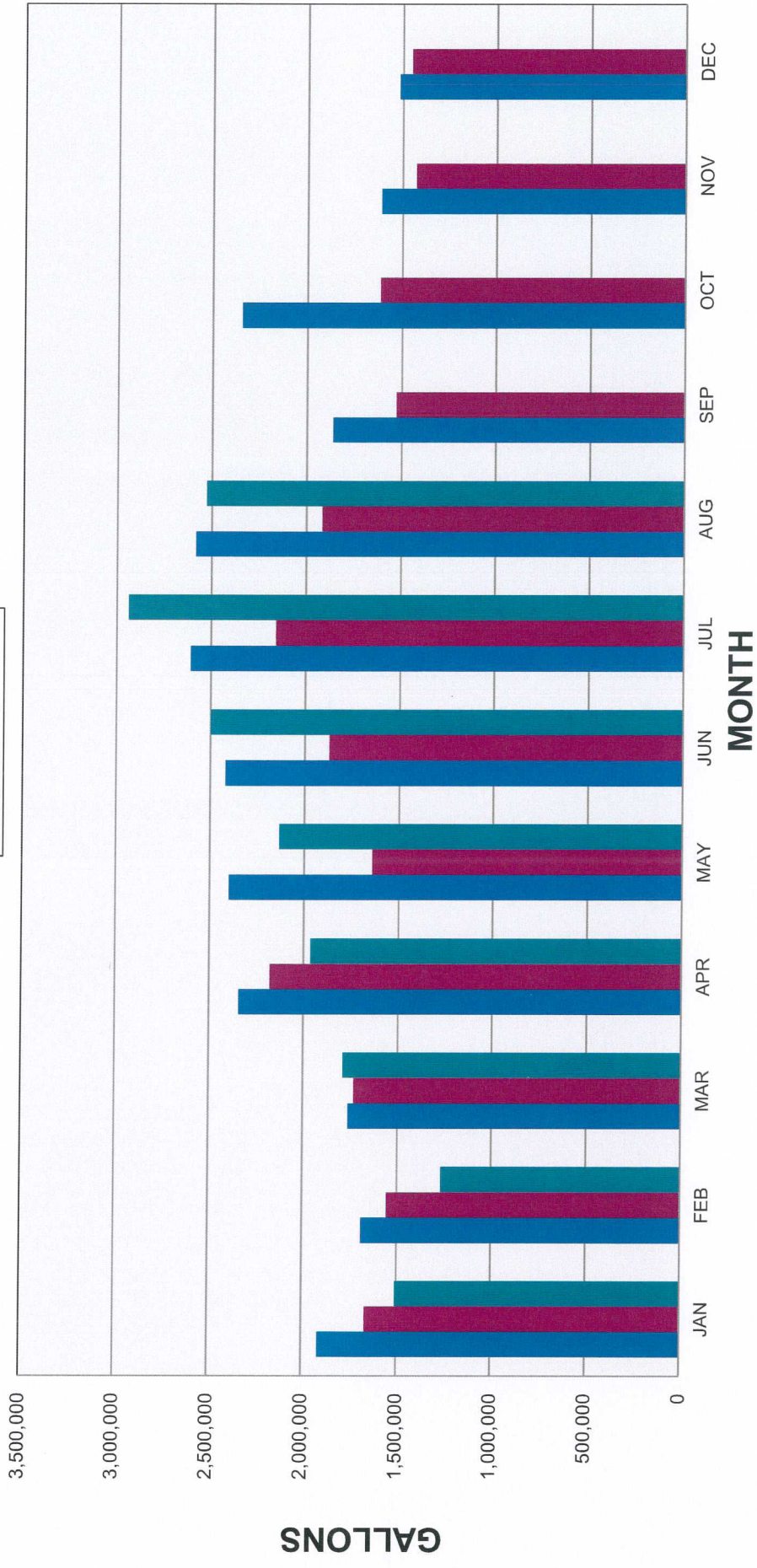
ABCSD MONTHLY AVERAGE EFFLUENT BOD (2015 - 2017)

■ 2015
 ■ 2016
 ■ 2017
 — 30 Day Average Limit



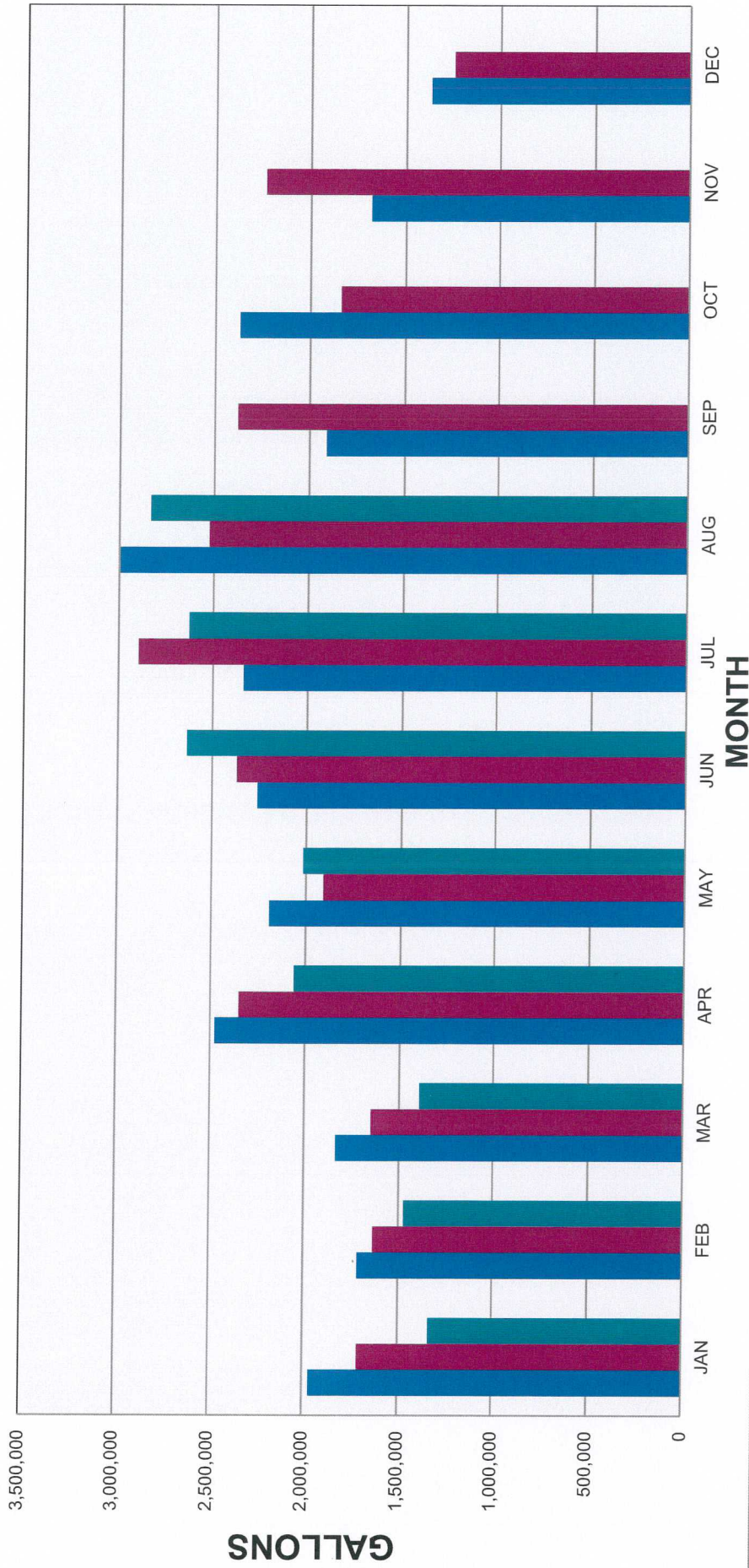
ABCSD MONTHLY WATER PURCHASED FROM LOPEZ (2015 - 2017)

■ 2015 ■ 2016 ■ 2017



ABCSD MONTHLY WATER SOLD (2015 - 2017)

■ 2015 ■ 2016 ■ 2017



**AVILA BEACH
COMMUNITY SERVICES DISTRICT**

Post Office Box 309, Avila Beach, CA. 93424

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: September 12, 2017

SUBJECT: District Financial Reserve Policy – Resolution No 2017-09 (Amended)

Recommendation:

Receive Report, consider any public comment and adopt amended Resolution No. 2017-09 adopting a District Financial Reserve Policy that includes target reserve funding levels

Discussion:

At the August 12 Board meeting the Board of Directors adopted Resolution No. 2017-09 which established the Board's intent to adopt a Reserve Fund Policy that included the Reserve Fund categories for the water and sewer enterprises noted below.

- Operating Reserve Fund
- Capital Replacement Reserve Fund
- Capacity Reserve Fund
- Emergency Capital Reserve Fund and
- Rate Stabilization Reserve Fund

However, the Board wanted additional time to review the specific reserve fund target levels and referred that part of the Policy to the Finance Committee for further review and a recommendation. The Finance Committee met on August 17, with staff and Mr. Clayton Tuckfield to get clarification on the recommended fund types and additional information on the recommended reserve funding levels.

Exhibit A of the proposed Resolution summarizes each of the reserve funds purpose and proposes a target funding level. Initial funding of the reserve funds will be accomplished by transferring funds from the District's LAIF general reserve funds. Reserve fund balances and target reserve funding levels will be reviewed and adjusted (if necessary) as part of the annual budget adoption process.

Based on the clarification and information received during the Finance Committee meeting, the Committee recommends the following Reserve Fund Target Levels:

Reserve Type	Reserve Target
Water System	
Operating Reserve	\$114,000
Capital Replacement Reserve	\$300,000
Capacity Reserve	n/a
Emergency Capital Reserve	\$55,000
Rate Stabilization Reserve	\$60,000
Total Water	\$529,000
Wastewater System	
Operating Reserve	\$156,000
Capital Replacement Reserve	\$520,000
Capacity Reserve	n/a
Emergency Capital Reserve	\$155,000
Rate Stabilization Reserve	\$80,000
Total Wastewater	\$911,000

This initial Reserve Fund Target Levels has been incorporated in to Exhibit A of amended Resolution No. 2017-09.

**AVILA BEACH COMMUNITY SERVICES DISTRICT
RESOLUTION No. 2017-09**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE AVILA BEACH
COMMUNITY SERVICES DISTRICT REGARDING WATER AND WASTEWATER
ENTERPRISE FUNDS INCLUDIGN: OPERATING RESERVE, CAPITAL RESERVE,
CAPACITY RESERVE, EMERGENCY CAPITAL RESERVE, AND RATE
STABILIZATION RESERVE**

WHEREAS, it appropriate and necessary for the Avila Beach Community Services District (the "District") to set goals for its reserve balances for long range financial and strategic planning; and,

WHEREAS, the District has reviewed its reserve requirements and determined that it is necessary to establish certain reserve funds and cash balances;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED by the Board of Directors, Avila Beach Community Services District, San Luis Obispo County, California, as the following findings and establish the reserve funds for each of water and sewer enterprises as listed below.

- Operating Reserve Fund
- Capital Replacement Reserve Fund
- Capacity Reserve Fund
- Emergency Capital Reserve Fund
- Rate Stabilization Reserve Fund

Each of these reserves are defined in Exhibit A Reserve Policy attached to this Resolution. The Board of Directors shall review the Reserve Policy and the level of reserves in each fund on an annual basis.

ON MOTION of Director _____ seconded by Director _____, and on the following roll call vote to wit:

AYES:

NOES:

ABSENT:

The foregoing resolution is hereby adopted this 12th day of September, 2017.

Peter Kelley, President

ATTEST:

Secretary to the Board of Directors

AVILA BEACH COMMUNITY SERVICES DISTRICT

RESOLUTION No. 2017-09

RESERVES POLICY

EXHIBIT A

Purpose

The purpose of the Avila Beach Community Services District's Reserve Policy ("Reserve Policy") is to ensure that the District has sufficient funding available at all times to meet its operating, capital, and debt service obligations. Reserves should be managed in a manner to fund costs consistent with its annual capital improvement program, forward-looking financial plan, and other long-term plans while avoiding significant rate fluctuations due to changes in cash flow requirements.

Policy

The Board of Directors ("Board") of the Avila Beach Community Services District ("District") may establish reserve funds and reserve minimum balances as it determines to be in the best interest of the District. The reserve balances are intended to ensure that the District has sufficient reserves to meet current and future needs. Such balances shall be reviewed by the Board and District staff on an annual basis as part of the budget process.

With this Policy, the District establishes and segregates several reserve funds to protect the investment in various assets and to meet its financial, regulatory, and contractual obligations. The proper management of these reserves will provide additional assurance that the current levels of service quality and reliability will be met now and into the future.

This Reserve Policy establishes the reserve funds and the level of reserves necessary for adequately providing for the following.

- Funding infrastructure replacement
- Cash flow requirements
- Loss of revenue due to loss of the largest customer, reduced capacity charges, drought conditions, heavy rainfall, or other condition
- Economic uncertainty
- Local disasters or catastrophic events
- Unfunded mandates and regulatory changes and requirements

Reserve Funds

The District's reserve funds may be generally classified as operating, capital, and restricted funds. A "fund" is a segregation within the District's accounting system to keep sources and uses of funds easily identifiable and reportable. The funds established with this Reserve Policy are for water and wastewater service separately.

The cash reserve balances are to be maintained in separate funds within the accounting system in a manner that ensures accurate tracking of transactions and transparency to the District's ratepayers. The District will follow standardized methods of financial reporting such as Governmental Accounting Standards Board (GASB) No. 34 and/or No. 54.

The target reserve levels are considered to be the minimum levels for each fund. The minimum reserve balances are intended to support a sustainable financial condition, recognizing the risk and long-range financial planning perspective that is acceptable to the District. It is intended that interest income generated from any specific restricted reserve fund remain in such fund until any regulatory or contractual maximum is achieved. Once such maximum is achieved, interest income will be allocated to the Operating Fund until it's maximum is reached as stated in this Reserve Policy. Reserves over the maximum are transferred to the associated Capital Replacement Fund.

The following funds and reserve targets are established with this Reserve Policy.

Operating Fund Reserve

Purpose: The purpose of the Operating Fund Reserve is to provide working capital to meet cash flow needs during normal operations and to support the operation, maintenance and administration of the utility. The reserve is intended to reduce impacts from unforeseen events such as increased purchased water cost, loss of the District's largest customer, severe drought, heavy rainfall, replacement of rolling stock, litigation, and legislative actions. This reserve ensures that operations can continue should there be significant events that impact cash flows.

Target Reserve: The Target Reserve for this fund is established as a range between a minimum of 90 days (3 months) of annual operation and maintenance ("O&M") expense and a maximum of 270 days (9 months) of O&M. Reserves over 270 days will be transferred to the Capital Replacement Fund Reserve at the end of a fiscal year.

Capital Replacement Fund Reserve

Purpose: The Capital Replacement Fund Reserve is used to fund future replacement of system capital assets and capital projects and to provide a cushion for inaccuracy in the long-range capital replacement program. The reserve provides for timely repair and replacement of system capital facilities.

Target Reserve: The Target Reserve for the water system is 2 times the average annual 5-year Capital Improvement Program expenditures. For the wastewater system, the Target Reserve is equal to the average annual 5-year Capital Improvement Program expenditures.

Capacity Fund Reserve

Purpose: The purpose of the Capacity Fund Reserve is to receive and accumulate Capacity Charge revenue which is used to fund new development capital projects identified in the District's capital improvement plans.

Target Reserve: There is no specific target reserve amount established for this fund.

Emergency Capital Fund Reserve

Purpose: The purpose of the Emergency Capital Fund Reserve is to provide for recovery from natural disasters, such as earthquakes, floods, and other catastrophic events, and allow for timely repair of capital infrastructure.

Target Reserve: The Target Reserve amount established for this fund is 10 percent of fixed asset value for the water system and 5 percent of fixed asset value for the wastewater system.

Rate Stabilization Fund Reserve

Purpose: The purpose of the Rate Stabilization Fund Reserve is to assist in providing a buffer and to smooth rate increases for District customers during any period where there are unexpected increases in operating costs or decreases in revenues. Reserves from the Rate Stabilization Fund may be withdrawn to reduce rate increases and to ensure any minimum debt service coverage requirements are met.

Target Reserve: The Target Reserve is established to approximately equal 10 percent of annual rate revenues, currently about \$60,000 for the water system and \$80,000 for the wastewater system.

Target Reserve Summary

Reserve Type	Reserve Target
Water System	
Operating Reserve	\$114,000
Capital Replacement Reserve	\$300,000
Capacity Reserve	n/a
Emergency Capital Reserve	\$55,000
Rate Stabilization Reserve	\$60,000
Total Water	\$529,000
Wastewater System	
Operating Reserve	\$156,000
Capital Replacement Reserve	\$520,000
Capacity Reserve	n/a
Emergency Capital Reserve	\$155,000
Rate Stabilization Reserve	\$80,000
Total Wastewater	\$911,000

**AVILA BEACH
COMMUNITY SERVICES DISTRICT**

Post Office Box 309, Avila Beach, CA. 93424

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager



DATE: September 12, 2017

SUBJECT: Status Report on Water Valve Replacement Project

Recommendation:

Receive Report and Provide Direction to Staff

Discussion:

At the July 11, 2017, meeting, the Board awarded a contract to Brough Construction for the replacement of four water valve clusters in the water distribution system. Staff issued the Notice to Proceed in early August and work started the week of August 14. Fluid Resource Management operations and maintenance staff provided support in turning off water valves to isolate the work areas and trouble shooting. We had some issues in isolating the first work area at the top of San Rafael Street but, once that valve cluster was replaced, the project proceeded fairly smoothly. District staff and the contractor made every effort to provide customers at least 24 hours' notice of the water shut-downs and we tried to limit the shut-down to four hours or less.

Staff approved three change orders on the project due to changes that were discovered in the field and/or not included in the initial scope of work. Those change orders included:

Change Order # 1 – Cost: \$4,873.97

Area 1 – Adding a Saddle and Corp for the service connection

Area 3 – Removing 20 LF of existing pipe, fire hydrant valve and tee, installing 20 LF of new 6” PVC pipe.

Change Order # 2 – Cost: \$19,760, plus asphalt repair cost.

This change order added replacing the four valve cluster at the intersection of First St and San Luis Street (new Area 5). As part of the work area isolation process for Work Area 4, we discovered that three of the four valves in this cluster were not closing properly. Staff determined that it would be most cost effective for the District to change out this cluster with the

existing contractor (since they were already mobilized and on-site) than separately re-bidding just this cluster.

Change Order #3 – Cost \$5,634.08

The scope of this change order included: the contractor providing a total of 15 hours of labor and equipment to locate the existing water lines and valves up-stream of work Area 1 (Top of San Rafael Street); and providing approximately 30 hours of labor and equipment to repair a water service connection leak at 150 San Rafael Street. The leak occurred in an area where AT&T has several main trunk lines, so the crew needed to cut the asphalt and primarily hand dig around the water main. The existing service connection and meter was very dated, so we installed a new service connection from the main and installed a new water meter.

The contract award project cost, based on the advertised scope of work, was \$68,280 (engineer's estimate was \$65,000). Staff does not normally like to see such a significant amount of change orders on a project. However, with the amount of uncertainty regarding the integrity and location of the valves and distribution system, staff believes that these change orders were justified, appropriate and provided the most cost-effective solution for making needed repairs to the District's water distribution system.


The project is 90% - 95% complete. As of this writing, the remaining tasks include: finishing the paving and cementing in the valve collars for new work area 5 (First and San Luis Street); and final clean-up of the "lay-down" area on lower San Rafael Street. Brough Construction management and work crews did a good job on this project. They were sensitive to and worked hard to minimize service disruptions and implementing collaborative field solutions.

**AVILA BEACH
COMMUNITY SERVICES DISTRICT**

Post Office Box 309, Avila Beach, CA. 93424

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: September 12, 2017

SUBJECT: Resolution No. 2017-10, Authorizing signer for District Banking Services at Pacific Premier Bank

Recommendation:

Adopt Resolution No. 2017-10 formally authorizing signers for Pacific Premier Bank Accounts

Discussion:

As the Board is aware, Pacific Premier Bank recently purchased the District's primary banking establishment, Heritage Oaks Bank. With the new bank and with a two Board members recently retiring from the Board, it is appropriate for the Board to adopt a Resolution recognizing the new Board members and authoring them to be a signer on the District's accounts.

Banking industry regulators now require that the District adopt a formal resolution that identifies the District signers. The attached Resolution and letter formalizes and completes this process. We will also need each signer to fill-out a Customer Information Sheet that we will file with the Bank.

RESOLUTION NO. 2017 – 10

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
AVILA BEACH COMMUNITY SERVICES DISTRICT
AUTHORIZING SIGNATORS FOR PACIFIC PREMIERE BANKING ACCOUNTS**

WHEREAS, the Avila Beach Community Services District (herein "District") is a Special District with active powers that include Water, Sewer, Solid Waste, Street Lighting and Fire Protection; and

WHEREAS, the District had established District banking accounts with Heritage Oaks Bank and Pacific Premiere purchased Heritage Oaks Bank; and

WHEREAS, the purpose of this Resolution is to update authorized signers for the District's bank accounts at Pacific Premiere Bank; and

WHEREAS, Mr. John Janowicz has retired his position on the Board and Mr. Ara Najarian has been appointed to the Board of Directors, and

WHEREAS, Mr. Ken San Filippo has retired his position on the Board and Ms. Kristin Berry has been appointed to the Board of Directors, and

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Board of Directors of the Avila Beach Community Services District as follows:

The following District Officers and staff are authorized signers who may sign and transact on the District bank accounts at Heritage Oaks Bank:

<u>Title</u>	<u>Name</u>
President	Mr. Peter Kelley
Vice President	Ms. Lynn Helenius
Director	Mr. Eric DeWeese
Director	Mr. Ara Najarian
Director	Ms. Kristin Berry
General Manager	Mr. Brad Hagemann

PASSED AND ADOPTED by the Board of Directors of the Avila Beach Community Services District this 12th day of September, 2017 on the following roll call vote:

ON MOTION of Director _____, seconded by Director _____ and on the following roll call vote to wit:

AYES:
NOES:
ABSENT:

The foregoing resolution is hereby adopted this 12th day of September, 2017

Peter Kelley, President

ATTEST:

Brad Hagemann, Secretary to the Board of Directors



AVILA BEACH COMMUNITY SERVICES DISTRICT

Post Office Box 309, Avila Beach, CA 93424
Office and Meeting Room - 191 San Miguel Street, Avila Beach
Telephone (805) 595-2664 FAX (805) 595-7623
E-Mail Avilacsd@gmail.com

September 12, 2017

Ms. Liz Summers
Pacific Premiere Bank
1530 E. Grand Avenue
Arroyo Grande, CA 93420

Dear Ms. Summers,

The Avila Beach Community Services District opened a checking account with Heritage Oaks Bank in July 2015. In July 2017, Pacific Premiere purchased Heritage Oaks Bank. The purpose of this letter is to update the District's authorized signers. Director John Janowicz has retired from our Board and Mr. Najarian has been appointed to replace him. Mr. Ken San Filippo has retired from our Board and Ms. Kristin Berry has been appointed to replace him. Please remove Mr. Janowicz and Mr. San Filippo as authorized signers and add Mr. Najarian and Ms. Berry as authorized signers.

The following persons are authorized signers, who may sign and transact on the account subject to restrictions outlined in this letter

Authorized Signers:

Name	Title	Signature
Peter Kelley	President	_____
Lynn Helenius	Vice President	_____
Eric DeWeese	Director	_____
Ara Najarian	Director	_____
Kristin Berry	Director	_____
Brad Hagemann	General Manager	_____

The above signers may sign checks, make transfers, conduct transactions and inquiries over the phone, and establish online accounts.

Authorized individuals to make deposits, inquiries and other administrative matters:

Kristina Dibbern
Administrative Secretary

Sincerely,

Pete Kelley
President



Welcome to Pacific Premier Bank. We realize your time is very important. To make the most of your time, please take a minute to fill out the information below.

Primary Account Holder

First Name	Middle Initial	Last Name		Birth Date
Social Security Number		Driver's License Number	Issuing State	Issue Date
Street Address		Home Phone		Cell Phone
City		State	Zip Code	
Mailing Address (if different from Street Address)				
City		State	Zip Code	
Work Phone	Employer		Occupation	
E-mail	Mother's Maiden Name		Place of Birth (City and State)	
High School Attended	Name of First Pet		First Employer	
Hospital Where Born	Favorite Color			

Secondary Account Holder

First Name	Middle Initial	Last Name		Birth Date
Social Security Number		Driver's License Number	Issuing State	Issue Date
Street Address		Home Phone		Cell Phone
City		State	Zip Code	
Mailing Address (if different from Street Address)				
City		State	Zip Code	
Work Phone	Employer		Occupation	
E-mail	Mother's Maiden Name		Place of Birth (City and State)	
High School Attended	Name of First Pet		First Employer	
Hospital Where Born	Favorite Color			

IMPORTANT INFORMATION ABOUT OPENING A NEW ACCOUNT To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. **What this means for you:** When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents. We may verify this information through use of a consumer reporting agency. By completing this application, you authorize the use of documentary and non-documentary verification procedures. You further understand that in some instances, negative information may affect your ability to open or sign on an account at Pacific Premier Bank.