

AVILA BEACH COMMUNITY SERVICES DISTRICT

Post Office Box 309, Avila Beach, CA. 93424
Meeting Room and Office – 100 San Luis Street, Avila Beach
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REGULAR BOARD MEETING

1 PM Tuesday, April 9th, 2024

STAFF AND PUBLIC MAY PARTICIPATE IN THIS MEETING IN PERSON AT THE ADDRESS ABOVE OR, VIA TELECONFERENCE AND/OR ELECTRONICALLY.

ZOOM MEETING: <https://us02web.zoom.us/j/4111787571>

Meeting ID: 411 178 7571

Password: No Password Required.

BY PHONE: 1-669-900-9128

In accordance with Government Code Section 54953(b), this agenda will be posted at the above teleconference location and this location will be accessible to the public.

1. CALL TO ORDER: 1:00 P.M.

2. ROLL CALL: Board Members:

Pete Kelley, President
Ara Najarian, Vice President
Kristin Berry, Director
Howie Kennett, Director
John Janowicz, Director

3. PUBLIC COMMENT

Members of the public wishing to comment or bring forward any items concerning District operations **which do not appear on today'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.

4. INFORMATION AND DISCUSSION ITEMS

County Reports

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

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

5. 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 February 13th, 2024, Regular Board Meeting
- B. Monthly Financial Review for February & March 2024
- C. General Manager and District Engineer Report
- D. Water and Wastewater Operations Reports for February & March 2024
- E. Consideration of Request from Avila Beach Fish & Farmers' Market for Sponsorship

6. DISCUSSION OF PULLED CONSENT ITEMS

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

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

- A. Audit Report District Financial Audit for Fiscal Year FY 2022/23
(Action Required: Receive draft report and presentation by Fedak and Brown, LLC, the District's independent Auditor; Adopt Audit Report or provide other direction to staff)
- B. Weed Abatement Resolution No 2024-04
(Action Required: Receive Report and Consider Adopting Resolution No. 2022-04 or Provide Other Direction to Staff)
- C. FY 2023/2024 Preliminary Budget
(Action Required: Receive Report and Provide Direction to staff)
- D. Revision to County Long Term Encroachment Permit for Maintenance of the "Welcome to Avila Sign" on San Miguel Street.
(Action Required: Receive Report and Provide Direction to staff)

8. COMMUNICATIONS/ CORRESPONDENCE

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.

9. ADJOURN

The May 14th Regular Board meeting is cancelled and we will have a Special Meeting on Tuesday, May 21, 2024 at 1:00 P.M.

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, 100 San Luis 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.

MINUTES OF BOARD OF DIRECTORS MEETING
Avila Beach Community Services District
Tuesday, February 13th, 2024
1:00 P.M.

1. CALL TO ORDER

President Kelley called the meeting of the Board of Directors of the Avila Beach Community Services District, to order at 1:03 P.M. on the above date, in the Avila Beach Community Services District Building, 100 San Luis Street, Avila Beach, California.

All Board Members agreed that John Janowicz could join the meeting via Zoom due to illness to ensure a quorum.

2. ROLL CALL

Board Members Present	Pete Kelley Howie Kennett
Board Members Absent:	Ara Najarian Kristin Berry
Board Members via Zoom:	John Janowicz
Staff Present:	Brad Hagemann, General Manager & District Engineer Kristi Dibbern, Office Manager
Operations:	Shawn Powell, Chief Plant Operator
Legal Counsel:	Not Present

3. PUBLIC COMMENTS

None.

4. INFORMATION AND DISCUSSION ITEMS

A. County Reports

Sheriff's Report: Sheriff MacDonald reported 26 calls for service last month. Six preventive patrol stops and 2 burglaries, and three suspicious circumstances were investigated. One vehicle was vandalized at the Bob Jones trailhead.

Cal Fire: Chief Lee reported 40 calls for service 23 were medically related. During the recent storms CalFire dispatched to the Guadalupe area with equipment to assist with storm related issues. Strategic planning is underway as well as grant writing for fire breaks and clearing.

5. CONSENT ITEMS

Director Kennett made a motion to approve the Consent Items. It was seconded by Director Janowicz and passed with a roll call vote 3-0.

AYES: Howie Kennett
 John Janowicz
 Pete Kelley

NOES: None

ABSENT: Kristin Berry
 Ara Najarian

6. DISCUSSION OF PULLED CONSENT ITEMS: None

7. BUSINESS ITEMS:

A. Mid-Year Budget Review. Informational Item Only.

GM Hagemann reported that District remains in a consistent and secure financial position. Estimated fiscal year tax revenues are anticipated to come in slightly above budget; water and sewer revenues are projected to come in on budget; and interest income is projected to come in at approximately \$60,000 over the budgeted amount due to the higher interest rates.

Total operating expenses are slightly below the benchmark for the first half of the fiscal year. Staff anticipates operating expenses for wages and benefits will be above budget. However, those increased costs will be off-set by a significant decrease in contract operations and maintenance costs.

This was an information only item. No action was taken by the Board.

B. Annual Review of the District By-laws.

In accordance with District Policy, the Board reviews the District By-Laws each year to ensure that the By-Laws comply with any new legal requirements, and that they meet the current needs of the District. Additionally, the District's insurance carrier (SDRMA) also provides "Credit Incentives" to our liability insurance premium if the Board conducts an annual review of the By-Laws. District legal counsel suggested a couple minor changes to the By-Laws and the Board had no suggested changes. A motion was made by Director Janowicz to adopt the changes recommended by Legal Counsel. The motion was seconded by Director Kennett and passed with a roll call vote 3 – 0.

AYES: John Janowicz
 Howie Kennett
 Pete Kelley

NOES: None

ABSENT: Kristin Berry
Ara Najarian

C. Summary Report of the WWTP Improvement Project. Informational Item Only.

GM Hagemann summarized the staff report noting that the engineering and construction cost of the Membrane Bioreactor Unit (MBR) project was:

Total Project Construction and Engineering Costs: \$3,937,000

Hagemann also noted that the MBR unit has been delivering a very high-quality effluent. Cloacina is still working on completing a few punch-list and warranty items. The MBR unit effluent quality greatly exceeds the District's current permit effluent discharge limits. In addition, these improvements will likely provide opportunities for the District to recycle the treated wastewater on the nearby golf course and/or other potential irrigation uses.

COMMUNICATIONS/CORRESPONDENCE.

South County Sanitation Clean Up Weeks: March 18th – 22nd & October 21st-25th, 2024.

ADJOURNMENT: The meeting was adjourned at approximately 1:47 PM.

The next meeting is scheduled for Tuesday, March 12th, 2024, at 1:00 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: April 9th, 2024

SUBJECT: Monthly Financial Review for February & March

Recommendation:

Receive and file report.

Overall Monthly Summary

During the month of February, the District deposited \$111,898.21 and incurred \$101,844.95 in expenses (cash basis). A large portion of those expenses are for fire protection services to Cal Fire in the amount of \$86,981.65. Water and sewer revenue for the month of February was \$54,732.54. In March the District deposited \$115,659.08 and incurred \$155,672.10 in expenses (cash basis). Water and sewer revenue for March was \$74,328.00.

Detailed financial reports including a Balance Sheets, Checks by Fund and Profit and Loss Sheets are provided for your information for February & March.

Utility Service Billing

The District billed approximately \$53,776.06 in water and sewer service charges in February and \$74,178.00 in March. Customer Rate Assistance reduced billing charges to the District in the amount of \$806.48 for the month of February and \$813.53 in March.

Avila Beach Community Services District
Balance Sheet
As of February 29, 2024

	Feb 29, 24
ASSETS	
Current Assets	
Checking/Savings	
1000 · Cash Summary	
1005 · Customer Cash	814.15
1008 · Petty Cash	112.72
1010 · Pacific Premier Checking	208,560.92
1015 · Five Star Bank Checking	755,393.05
1017 · Five Star Bank MM	204,197.75
1050 · LAIF	4,063,719.84
Total 1000 · Cash Summary	5,232,798.43
Total Checking/Savings	5,232,798.43
Accounts Receivable	
1200 · *Accounts Receivable	193,578.64
Total Accounts Receivable	193,578.64
Other Current Assets	
1250 · Receivables	
1255 · Interest Receivable	7,280.62
1270 · Taxes Receivable	57,104.14
1280 · Water & Sewer Billings	
1282 · Other 2 El Dorado Billings	-19,861.05
1281 · Other 1 El Dorado Billings	-4,154.42
1280 · Water & Sewer Billings - Other	84,849.16
Total 1280 · Water & Sewer Billings	60,833.69
Total 1250 · Receivables	125,218.45
1400 · Prepaid Summary	
1410 · Prepaid Insurance	-475.60
Total 1400 · Prepaid Summary	-475.60
Total Other Current Assets	124,742.85
Total Current Assets	5,551,119.92
Fixed Assets	
1670 · Vehicles - Admin	
1671 · 2023 Ford F150 Cost	53,960.62
1672 · 2023 Ford F150 Acc Depr	-10,792.12
1670 · Vehicles - Admin - Other	1,140.00
Total 1670 · Vehicles - Admin	44,308.50

Avila Beach Community Services District
Balance Sheet
 As of February 29, 2024

	Feb 29, 24
1600 · Fixed Assets & Acc. Depr.	
1605 · Office Equipment	
1606 · Copier Samsung 2012	8,233.58
1609 · Office Equipment Accum Depr	-16,373.00
Total 1605 · Office Equipment	-8,139.42
1610 · Fixed Asset -Office & Admin.	
1612 · Office Furniture cost	4,526.21
1614 · Office Furniture Accum Dep.	-4,526.21
Total 1610 · Fixed Asset -Office & Admin.	0.00
1620 · Fixed Assets - Sanitary	
1622 · Land	60,334.10
1626 · Collection Assets	
1627 · Collection Assets Cost	1,517,267.58
1628 · Collect Assets Accum Depr	-593,752.02
Total 1626 · Collection Assets	923,515.56
1630 · Disposal Equipment	
1631 · Disposal Equip Cost	611,174.66
1632 · Disposal Equip Accum Depr	-376,478.88
Total 1630 · Disposal Equipment	234,695.78
1634 · Other Equipment	
1634a · Other Equipment Cost	6,973.40
Total 1634 · Other Equipment	6,973.40
1635 · Treatment Plant	
1636 · Treatment Plant Original	105,000.00
1637 · Treatment Plant Addition	2,049,098.30
1638 · Treatment Plant Accum Dep	-1,519,694.40
Total 1635 · Treatment Plant	634,403.90
1642 · Treatment Equipment	
1643 · Treatment Equip Cost	1,087,410.54
1644 · Treatment Equip Accum Depr	-787,343.49
1642 · Treatment Equipment - Other	205,485.61
Total 1642 · Treatment Equipment	505,552.66
Total 1620 · Fixed Assets - Sanitary	2,365,475.40

Avila Beach Community Services District
Balance Sheet
 As of February 29, 2024

	Feb 29, 24
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	1,270,572.25
1658 · Dist Assets Accum Depr	-755,498.34
Total 1656 · Distribution Assets	515,073.91
Total 1650 · Fixed Assets - Water	515,073.91
1680 · Structures - Fixed Asset	
1681 · Structures GFAAG - Sani & FA	164,414.58
1682 · Gen / Fire Accum Dep	-109,252.42
Total 1680 · Structures - Fixed Asset	55,162.16
1690 · Construction in Progress	2,220,035.96
Total 1600 · Fixed Assets & Acc. Depr.	5,147,608.01
Total Fixed Assets	5,191,916.51
Other Assets	
1800 · Deferred Outflows of Resources	28,724.00
Total Other Assets	28,724.00
TOTAL ASSETS	10,771,760.43
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
2140 · Five Star MC Control x0557	
2141 · FS MC BH x8624	24,150.36
2142 · FS MC SP x6340	10,726.35
2143 · FS MC KD x3018	341.25
2140 · Five Star MC Control x0557 - Other	-26,545.93
Total 2140 · Five Star MC Control x0557	8,672.03
Total Credit Cards	8,672.03

Avila Beach Community Services District
Balance Sheet
As of February 29, 2024

	Feb 29, 24
Other Current Liabilities	
2200 · Payroll Liabilities	
2240 · Health Insurance	
2241 · Employee	1,680.00
Total 2240 · Health Insurance	1,680.00
2250 · PERS Liability	1,916.26
2255 · Accrued Interest FB Auditor	71,347.50
2260 · Vacation Payable	5,441.96
2262 · Sick Pay Accrued	12,335.12
Total 2200 · Payroll Liabilities	92,720.84
2300 · Deposits Held	
2303 · Water Deposits Held	7,640.00
Total 2300 · Deposits Held	7,640.00
Total Other Current Liabilities	100,360.84
Total Current Liabilities	109,032.87
Long Term Liabilities	
2400 · Net Pension Liability	92,927.00
2450 · U.S. Bank Loan WWTP	2,608,366.02
2500 · Deferred Inflows of Resources	86,221.00
2999 · Unbalanced Classes	-3,637,745.91
Total Long Term Liabilities	-850,231.89
Total Liabilities	-741,199.02
Equity	
3000 · Opening Bal Equity	-17,611.15
3900 · Retained Earnings	11,138,529.18
Net Income	392,041.42
Total Equity	11,512,959.45
TOTAL LIABILITIES & EQUITY	10,771,760.43

Avila Beach Community Services District
Checks by Fund w/Accounts
February 2024

03/06/24

Type	Date	Num	Name	Memo	Account	Amount	Balance
General / Admin							
Check	02/01/2024	EFT	Public Employees Retir...	152.18 x 2 Kristi	2250 · PERS Liability	304.36	304.36
Check	02/01/2024	EFT	Public Employees Retir...	351 x 2 Shawn	2250 · PERS Liability	702.00	1,006.36
Check	02/01/2024	EFT	Public Employees Retir...	Addtl Co Pd Kristi & Shawn	5250 · PERS Compan...	51.67	1,058.03
Check	02/02/2024	EFT	PG&E	100 San Luis St. District Office	6590 · Utilities	204.63	1,262.66
Check	02/05/2024	3770	Nikki Engle Bookkeeping	Inv. 3520 1/31/24 Bookkeeping/ Audit	6102 · Accounting	2,600.00	3,862.66
Check	02/05/2024		American Express Disc...		5110 · Amex	11.00	3,873.66
Check	02/06/2024	3774	Teresa Klostermann	Invoice: 1001 January 31, 2024	5050 · Subcontractors...	412.50	4,286.16
Check	02/06/2024	3775	Scott O'Brien Fire Safet...	Inv. 131 2.6.24 Fire Extinguisher Service...	6570 · Safety Gear	50.00	4,336.16
Check	02/06/2024	3776	Hagemann & Associates	Contract Labor Inv. 1237 Jan. 14th - 27th, ...	6506 · Contract Labor ...	1,350.00	5,686.16
Check	02/07/2024		InvoiceCloud	Invoice Cloud merchant fees	5140 · Invoice Cloud	400.31	6,086.47
Check	02/13/2024	3777	Hagemann & Associates	Sanitary System	6506 · Contract Labor ...	3,450.00	9,536.47
Check	02/13/2024		Acct Analysis Fee		6115 · Bank Service C...	45.83	9,582.30
Check	02/20/2024	3779	Creative Technologies, I...	Customer Number 849 Inv. 8796 Run Dat...	6142 · Postage & Ship...	184.43	9,766.73
Check	02/20/2024	3779	Creative Technologies, I...	Inv. 2024 2.16.24	6142 · Postage & Ship...	169.32	9,936.05
Check	02/20/2024	3783	CJ Brown & Company ...	State Controllers Report (June 2023)	6103 · Accounting Audit	645.00	10,581.05
Check	02/20/2024	3784	Nikki Engle Bookkeeping	Inv. 3540 2.14.24 Bookkeeping/ Audit	6102 · Accounting	1,300.00	11,881.05
Check	02/20/2024	3785	Mission Linen	318913 1.31.24	6167 · Uniforms	0.00	11,881.05
Check	02/20/2024	3786	Scott O'Brien Fire Safet...	Inv. 131 2.6.24 Fire Extinguisher Service...	6570 · Safety Gear	0.00	11,881.05
Check	02/22/2024	ACH	SDRMA Health	March Health Ins Member # 7017 Ref # H...	5242 · Health Ins / Ot...	5,157.57	17,038.62
Check	02/22/2024	3788	Teresa Klostermann	Invoice: 1002 February 28th, 2024	5050 · Subcontractors...	1,140.00	18,178.62
Check	02/26/2024	EFT	Five Star Mastercard	FS MC	2140 · Five Star MC C...	9,703.46	27,882.08
Check	02/29/2024	3789	Nikki Engle Bookkeeping	Inv. 3554 2/28/24 Bookkeeping/ Audit	6102 · Accounting	1,267.50	29,149.58
Total General / Admin						29,149.58	29,149.58
Lights							
Check	02/02/2024	EFT	PG&E	Town Lights acct # 0690976984-3	6590 · Utilities	492.47	492.47
Check	02/02/2024	EFT	PG&E	Colony Lights acct # 5992155362-0	6590 · Utilities	142.36	634.83
Check	02/22/2024	EFT	PG&E	Front St. L-ights acct# 5796765606-7	6590 · Utilities	602.13	1,236.96
Total Lights						1,236.96	1,236.96
Sanitary							
Check	02/05/2024	3769	Abalone Coast Analytic...	Inv. 6355 Date: 2.2.24	6540 · Lab Tests	3,960.00	3,960.00
Check	02/05/2024	3773	SLO Co Health	AR0008015 Facility Id FA0001868 Haz Mat.	6555 · Permits & Fees	557.00	4,517.00
Check	02/06/2024	3776	Hagemann & Associates	Contract Labor Sani System	6507 · Contract Labor ...	2,850.00	7,367.00
Check	02/13/2024	3777	Hagemann & Associates	Inv. 1238 Contract Labor Jan 28th - Feb 1...	6507 · Contract Labor ...	1,650.00	9,017.00
Check	02/13/2024	3778	Pro 3 Automation, Inc.	SCADA Upgrade Inv. 4325	8245e · WWTP Const...	40,925.39	49,942.39
Check	02/15/2024	EFT	AT&T	acct # x 0885 Internet	6585 · Telephone / Int...	127.00	50,069.39
Check	02/20/2024	EFT	AT&T	Inv #72001 1.31.24 Solids Handling	6585 · Telephone / Int...	74.90	50,144.29
Check	02/20/2024	3780	Speed's, Inc.		6580 · Solids Handling	2,517.75	52,662.04

Avila Beach Community Services District
Checks by Fund w/Accounts
February 2024

03/06/24

Type	Date	Num	Name	Memo	Account	Amount	Balance	
Check	02/20/2024	3781	Brenntag Pacific, Inc.	BPI 404490 1/25/24	6503 · Chemicals	1,154.58	53,816.62	
Check	02/20/2024	3781	Brenntag Pacific, Inc.	BPI409251 2.16.24	6503 · Chemicals	1,130.83	54,947.45	
Check	02/20/2024	3782	Miners Ace Hardware	1.31.24 Statement	6550 · Operating Sup...	185.16	55,132.61	
Check	02/22/2024	3787	Kathleen Schroeder	Overpayment for water services 1.2.24 & 2...	9990 · Refund	117.65	55,250.26	
Check	02/22/2024	EFT	PG&E	Waste Water Plant acct # 0404279997-5 2...	6590 · Utilities	6,160.26	61,410.52	
Check	02/22/2024	EFT	PG&E	Lift Station acct# 6338432238-2	6590 · Utilities	240.67	61,651.19	
Check	02/22/2024	EFT	Paymenttech	NSF Pierfront acct 001502 2/22/24	1280 · Water & Sewer...	1,056.05	62,707.24	
Check	02/29/2024	ADJ	BALANCE ADJUSTME...	CC BALANCE ADJ CCs	1280 · Water & Sewer...	250.72	62,957.96	
Check	02/29/2024		AT&T		6585 · Telephone / Int...	90.00	63,047.96	
Total Sanitary							63,047.96	63,047.96
Water								
Check	02/02/2024	EFT	PG&E	1717 Cave Landing	6590 · Utilities	243.12	243.12	
Check	02/02/2024		Paymenttech		5120 · Chase Paymen...	1.37	244.49	
Check	02/05/2024	3771	SWRCB	Drinking Water SM-1045092 System #: 40...	6555 · Permits & Fees	3,895.52	4,140.01	
Check	02/05/2024	3772	Ferguson Enterprises	Probe & Curb Key	6575 · Small Tools	0.00	4,140.01	
Check	02/05/2024	3772	Ferguson Enterprises	Curb Key Pipe	6575 · Small Tools	0.00	4,140.01	
Check	02/05/2024		Paymenttech		5120 · Chase Paymen...	15.98	4,155.99	
Check	02/06/2024	3776	Hagemann & Associates	Contract Labor Water Sytem	6507 · Contract Labor ...	1,050.00	5,205.99	
Check	02/06/2024		Paymenttech		5120 · Chase Paymen...	6.37	5,212.36	
Check	02/07/2024		Paymenttech		5120 · Chase Paymen...	2.04	5,214.40	
Check	02/08/2024		Paymenttech		5120 · Chase Paymen...	3.79	5,218.19	
Check	02/12/2024		Paymenttech		5120 · Chase Paymen...	2.15	5,220.34	
Check	02/13/2024		Paymenttech		5120 · Chase Paymen...	1.03	5,221.37	
Check	02/13/2024	3777	Hagemann & Associates	Water System	6507 · Contract Labor ...	1,200.00	6,421.37	
Check	02/14/2024		Paymenttech		5120 · Chase Paymen...	1.01	6,422.38	
Check	02/14/2024		Paymenttech		5120 · Chase Paymen...	1.60	6,423.98	
Check	02/15/2024		Paymenttech		5120 · Chase Paymen...	1.26	6,425.24	
Check	02/16/2024		Paymenttech		5120 · Chase Paymen...	4.54	6,429.78	
Check	02/22/2024	3787	Kathleen Schroeder	Overpayment for water services after mov...	9990 · Refund	78.43	6,508.21	
Check	02/22/2024		Paymenttech		5120 · Chase Paymen...	5.31	6,513.52	
Check	02/22/2024	EFT	Paymenttech	NSF Pierfront acct 001502 2/22/24	1280 · Water & Sewer...	1,569.67	8,083.19	
Check	02/22/2024		Paymenttech		5120 · Chase Paymen...	73.30	8,156.49	
Check	02/27/2024		Paymenttech		5120 · Chase Paymen...	1.34	8,157.83	
Check	02/29/2024		Paymenttech		5120 · Chase Paymen...	1.90	8,159.73	
Check	02/29/2024	ADJ	BALANCE ADJUSTME...	CC BALANCE ADJ CCs	1280 · Water & Sewer...	250.72	8,410.45	
Total Water							8,410.45	8,410.45
TOTAL							101,844.95	101,844.95

	<u>Feb 24</u>
Ordinary Income/Expense	
Income	
4000 · Income Summary	
4010 · Operating Revenue	54,732.54
4012 · Solid Waste Franchise Fee	3,547.48
4030 · County Taxes	29,671.67
4050 · Harbor Charges	
4052 · Front Street Lighting	304.00
4053 · WWTP O&M	22,995.00
	<hr/>
Total 4050 · Harbor Charges	23,299.00
4600 · Interest Income	647.52
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Total 4000 · Income Summary	111,898.21
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Total Income	111,898.21
Cost of Goods Sold	
5050 · Subcontractors Expenses	1,552.50
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Total COGS	1,552.50
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Gross Profit	110,345.71
Expense	
5100 · Merchant Credit Card Fees	
5110 · Amex	11.00
5120 · Chase Paymentech	122.99
5140 · Invoice Cloud	400.31
	<hr/>
Total 5100 · Merchant Credit Card Fees	534.30
5200 · Payroll Expenses	
5210 · Gross Wages	
5213 · Overtime Pay	247.50
5211 · Regular Pay	10,756.86
5212 · Holiday Pay	728.46
5214 · Sick Pay	90.00
5216 · Vacation Pay	540.00
	<hr/>
Total 5210 · Gross Wages	12,362.82
5230 · Payroll Taxes	192.37
5240 · Health & Medical Exp.	
5242 · Health Ins / Other	6,567.57
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	<u>Feb 24</u>
Total 5240 · Health & Medical Exp.	6,567.57
5250 · PERS Company Pd Expense	
5255 · PERS Co Pd Shawn	581.84
5256 · PERS Co Pd Kristi	376.29
5250 · PERS Company Pd Expense - Ot...	51.67
Total 5250 · PERS Company Pd Expense	1,009.80
5265 · Gas & Oil, Co Pd	437.20
5280 · Payroll Administration & Misc.	117.28
Total 5200 · Payroll Expenses	20,687.04
6000 · Administrative Overheads	
6102 · Accounting	5,167.50
6103 · Accounting Audit	645.00
6115 · Bank Service Charges	45.83
6120 · Dues & Subscriptions	68.00
6135 · Legal	1,472.00
6140 · Office Supplies & Postage	
6142 · Postage & Shipping	380.54
6143 · Supplies, Office	31.77
Total 6140 · Office Supplies & Postage	412.31
6150 · Rate Assistance	806.48
6160 · Training	720.00
6167 · Uniforms	178.36
6170 · Website	498.00
Total 6000 · Administrative Overheads	10,013.48
6500 · Operating Expenses	
6503 · Chemicals	2,709.47
6505 · Contract Labor O & M	295.00
6506 · Contract Labor GM	4,800.00
6507 · Contract Labor Civil Engineer	6,750.00
6520 · Equipment Repair & Maint.	
6524 · Equip. Rep. & Maint. Avila Only	721.88
Total 6520 · Equipment Repair & Maint.	721.88
6535 · Insurance P/L	5,706.93
6540 · Lab Tests	3,960.00
6542 · Maintenance	527.25
6543 · Management Expense	31.64

	<u>Feb 24</u>
6550 · Operating Supplies	1,416.46
6555 · Permits & Fees	4,452.52
6567 · Repairs, Building	247.20
6570 · Safety Gear	50.00
6572 · Security	700.20
6575 · Small Tools	565.41
6580 · Solids Handling	2,517.75
6585 · Telephone / Internet	514.85
6590 · Utilities	8,275.33
Total 6500 · Operating Expenses	<u>44,241.89</u>
Total Expense	<u>75,476.71</u>
Net Ordinary Income	34,869.00
Other Income/Expense	
Other Income	
7200 · Non-Operating Income	
7220 · CIP Harbor	44,790.00
Total 7200 · Non-Operating Income	<u>44,790.00</u>
Total Other Income	44,790.00
Other Expense	
9990 · Refund	196.08
8200 · Non-Operating Expenses	
8230 · Capital Purchases in Prog Sani	
8245 · WWTP Improvement Project	
8245e · WWTP Construction	40,925.39
Total 8245 · WWTP Improvement Project	<u>40,925.39</u>
Total 8230 · Capital Purchases in Prog Sani	<u>40,925.39</u>
Total 8200 · Non-Operating Expenses	<u>40,925.39</u>
Total Other Expense	<u>41,121.47</u>
Net Other Income	<u>3,668.53</u>
Net Income	<u><u>38,537.53</u></u>

Avila Beach Community Services District
Balance Sheet
As of March 31, 2024

	<u>Mar 31, 24</u>
ASSETS	
Current Assets	
Checking/Savings	
1000 · Cash Summary	
1005 · Customer Cash	279.47
1008 · Petty Cash	105.12
1010 · Pacific Premier Checking	209,218.78
1015 · Five Star Bank Checking	683,568.81
1017 · Five Star Bank MM	204,910.13
1050 · LAIF	4,063,719.84
Total 1000 · Cash Summary	<u>5,161,802.15</u>
Total Checking/Savings	5,161,802.15
Accounts Receivable	
1200 · *Accounts Receivable	193,428.64
Total Accounts Receivable	<u>193,428.64</u>
Other Current Assets	
1250 · Receivables	
1255 · Interest Receivable	7,280.62
1270 · Taxes Receivable	57,104.14
1280 · Water & Sewer Billings	
1282 · Other 2 El Dorado Billings	-19,861.05
1281 · Other 1 El Dorado Billings	-4,154.42
1280 · Water & Sewer Billings - Other	102,910.83
Total 1280 · Water & Sewer Billings	<u>78,895.36</u>
Total 1250 · Receivables	143,280.12
1400 · Prepaid Summary	
1410 · Prepaid Insurance	-6,182.53
Total 1400 · Prepaid Summary	<u>-6,182.53</u>
Total Other Current Assets	<u>137,097.59</u>
Total Current Assets	5,492,328.38
Fixed Assets	
1670 · Vehicles - Admin	
1671 · 2023 Ford F150 Cost	53,960.62
1672 · 2023 Ford F150 Acc Depr	-10,792.12
1670 · Vehicles - Admin - Other	1,140.00
Total 1670 · Vehicles - Admin	<u>44,308.50</u>

Avila Beach Community Services District
Balance Sheet
As of March 31, 2024

	<u>Mar 31, 24</u>
1600 · Fixed Assets & Acc. Depr.	
1605 · Office Equipment	
1606 · Copier Samsung 2012	8,233.58
1609 · Office Equipment Accum Depr	-16,373.00
	<hr/>
Total 1605 · Office Equipment	-8,139.42
1610 · Fixed Asset -Office & Admin.	
1612 · Office Furniture cost	4,526.21
1614 · Office Furniture Accum Dep.	-4,526.21
	<hr/>
Total 1610 · Fixed Asset -Office & Admin.	0.00
1620 · Fixed Assets - Sanitary	
1622 · Land	60,334.10
1626 · Collection Assets	
1627 · Collection Assets Cost	1,517,267.58
1628 · Collect Assets Accum Depr	-593,752.02
	<hr/>
Total 1626 · Collection Assets	923,515.56
1630 · Disposal Equipment	
1631 · Disposal Equip Cost	611,174.66
1632 · Disposal Equip Accum Depr	-376,478.88
	<hr/>
Total 1630 · Disposal Equipment	234,695.78
1634 · Other Equipment	
1634a · Other Equipment Cost	6,973.40
	<hr/>
Total 1634 · Other Equipment	6,973.40
1635 · Treatment Plant	
1636 · Treatment Plant Original	105,000.00
1637 · Treatment Plant Addition	2,049,098.30
1638 · Treatment Plant Accum Dep	-1,519,694.40
	<hr/>
Total 1635 · Treatment Plant	634,403.90
1642 · Treatment Equipment	
1643 · Treatment Equip Cost	1,087,410.54
1644 · Treatment Equip Accum Depr	-787,343.49
1642 · Treatment Equipment - Other	205,485.61
	<hr/>
Total 1642 · Treatment Equipment	505,552.66
Total 1620 · Fixed Assets - Sanitary	2,365,475.40

2:37 PM
04/03/24
Accrual Basis

Avila Beach Community Services District
Balance Sheet
As of March 31, 2024

	<u>Mar 31, 24</u>
1650 · Fixed Assets - Water	
1652 · Equipment	
1653 · Equipment Cost	21,136.28
1654 · Equipment Accum Depr	<u>-21,136.28</u>
Total 1652 · Equipment	0.00
1656 · Distribution Assets	
1657 · Distribution Assets Cost	1,270,572.25
1658 · Dist Assets Accum Depr	<u>-755,498.34</u>
Total 1656 · Distribution Assets	<u>515,073.91</u>
Total 1650 · Fixed Assets - Water	515,073.91
1680 · Structures - Fixed Asset	
1681 · Structures GFAAG - Sani & FA	164,414.58
1682 · Gen / Fire Accum Dep	<u>-109,252.42</u>
Total 1680 · Structures - Fixed Asset	55,162.16
1690 · Construction in Progress	<u>2,220,035.96</u>
Total 1600 · Fixed Assets & Acc. Depr.	<u>5,147,608.01</u>
Total Fixed Assets	5,191,916.51
Other Assets	
1800 · Deferred Outflows of Resources	<u>28,724.00</u>
Total Other Assets	<u>28,724.00</u>
TOTAL ASSETS	<u><u>10,712,968.89</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
2140 · Five Star MC Control x0557	
2141 · FS MC BH x8624	28,406.66
2142 · FS MC SP x6340	12,105.20
2143 · FS MC KD x3018	341.25
2140 · Five Star MC Control x0557 - Other	<u>-34,453.77</u>
Total 2140 · Five Star MC Control x0557	<u>6,399.34</u>
Total Credit Cards	6,399.34

Avila Beach Community Services District
Balance Sheet
As of March 31, 2024

	<u>Mar 31, 24</u>
Other Current Liabilities	
2200 · Payroll Liabilities	
2240 · Health Insurance	
2241 · Employee	2,520.00
Total 2240 · Health Insurance	<u>2,520.00</u>
2255 · Accrued Interest FB Auditor	71,347.50
2260 · Vacation Payable	5,441.96
2262 · Sick Pay Accrued	12,335.12
Total 2200 · Payroll Liabilities	<u>91,644.58</u>
2300 · Deposits Held	
2303 · Water Deposits Held	7,640.00
Total 2300 · Deposits Held	<u>7,640.00</u>
Total Other Current Liabilities	<u>99,284.58</u>
Total Current Liabilities	105,683.92
Long Term Liabilities	
2400 · Net Pension Liability	92,927.00
2450 · U.S. Bank Loan WWTP	2,608,366.02
2500 · Deferred Inflows of Resources	86,221.00
2999 · Unbalanced Classes	-3,637,745.91
Total Long Term Liabilities	<u>-850,231.89</u>
Total Liabilities	-744,547.97
Equity	
3000 · Opening Bal Equity	-17,611.15
3900 · Retained Earnings	11,138,529.18
Net Income	336,598.83
Total Equity	<u>11,457,516.86</u>
TOTAL LIABILITIES & EQUITY	<u><u>10,712,968.89</u></u>

**Avila Beach Community Services District
Checks by Fund w/Accounts
March 2024**

04/03/24

Type	Date	Num	Name	Memo	Account	Amount	Balance	
General / Admin								
Check	03/04/2024	EFT	PG&E	100 San Luis St. District Office	6590 · Utilities	327.53	327.53	
Check	03/05/2024		American Express Disc...		5110 · Amex	11.00	338.53	
Check	03/07/2024	ACH	SDRMA Health	March Health Ins Member # 7017 Ref # H...	5242 · Health Ins / Ot...	5,157.57	5,496.10	
Check	03/08/2024		InvoiceCloud	Invoice Cloud merchant fees	5140 · Invoice Cloud	427.78	5,923.88	
Check	03/11/2024	3796	SLO CO Fire Department	FY 2022/23 3rd & 4th Quarter	6600 · Cal Fire Contra...	86,981.65	92,905.53	
Check	03/11/2024	Auto...	Coastline Cleaning Co.	Office Maintenance	6542 · Maintenance	165.00	93,070.53	
Check	03/11/2024	Auto...	Coastline Cleaning Co.	Exterior Cleaning	6542 · Maintenance	25.00	93,095.53	
Check	03/12/2024	3797	Creative Technologies, I...	Customer Number 849 Inv. 2024/00150	6170 · Website	1,190.00	94,285.53	
Check	03/12/2024	EFT	Public Employees Retir...	202.99 x 2 Kristi	2250 · PERS Liability	405.98	94,691.51	
Check	03/12/2024	EFT	Public Employees Retir...	202.28 x 2 Shawn	2250 · PERS Liability	404.56	95,096.07	
Check	03/12/2024	EFT	Public Employees Retir...	Addtl Co Pd Kristi & Shawn	5250 · PERS Compan...	-1.67	95,094.40	
Check	03/12/2024	EFT	Public Employees Retir...	173.30 x 2 Kristi	2250 · PERS Liability	346.60	95,441.00	
Check	03/12/2024	EFT	Public Employees Retir...	379.56 x 2 Shawn	2250 · PERS Liability	759.12	96,200.12	
Check	03/12/2024	EFT	Public Employees Retir...	Addtl Co Pd Kristi & Shawn	5250 · PERS Compan...	-2.99	96,197.13	
Check	03/12/2024	3799	Nikki Engle Bookkeeping	Inv. 3565 3/13/24	6102 · Accounting	1,300.00	97,497.13	
Check	03/13/2024		Michael's	frame	6143 · Supplies, Office	7.60	97,504.73	
Check	03/13/2024		Acct Analysis Fee		6115 · Bank Service C...	48.22	97,552.95	
Check	03/25/2024	EFT	PG&E	100 San Luis St. District Office	6590 · Utilities	257.45	97,810.40	
Check	03/25/2024	3803	Hagemann & Associates	Inv. 1239 2.11.24 - 2.24.24 General Mana...	6506 · Contract Labor ...	3,300.00	101,110.40	
Check	03/25/2024	3803	Hagemann & Associates	Inv. 1240 2.25.24--3.9.24 General Manager	6506 · Contract Labor ...	2,850.00	103,960.40	
Check	03/25/2024	EFT	Five Star Mastercard	FS MC AutoPay	2140 · Five Star MC C...	8,294.84	112,255.24	
Check	03/25/2024	3805	Creative Technologies, I...	Customer Number 849 Inv. 2024-00196 R...	6142 · Postage & Ship...	177.48	112,432.72	
Check	03/25/2024		Staples		6143 · Supplies, Office	5.66	112,438.38	
Check	03/27/2024	3807	Teresa Klostermann	Invoice: 1003 March 28th, 2024	6504 · Admin Contrac...	1,305.00	113,743.38	
Check	03/28/2024	EFT	Public Employees Retir...	164.48 x 2 Kristi	2250 · PERS Liability	328.96	114,072.34	
Check	03/28/2024	EFT	Public Employees Retir...	402.23 x 2 Shawn	2250 · PERS Liability	804.46	114,876.80	
Check	03/28/2024	EFT	Public Employees Retir...	Addtl Co Pd Kristi & Shawn	5250 · PERS Compan...	-3.13	114,873.67	
Check	03/28/2024	EFT	Public Employees Retir...	179.72 x 2 Kristi	2250 · PERS Liability	359.44	115,233.11	
Check	03/28/2024	EFT	Public Employees Retir...	201.11 x 2 Shawn	2250 · PERS Liability	402.22	115,635.33	
Check	03/28/2024	EFT	Public Employees Retir...	Addtl Co Pd Kristi & Shawn	5250 · PERS Compan...	-1.43	115,633.90	
Total General / Admin							115,633.90	115,633.90
Lights								
Check	03/04/2024	EFT	PG&E	Colony Lights acct # 5992155362-0	6590 · Utilities	153.37	153.37	
Check	03/04/2024	EFT	PG&E	Town Lights acct # 0690976984-3	6590 · Utilities	516.48	669.85	
Check	03/25/2024	EFT	PG&E	Front St. L-rights acct# 5796765606-7	6590 · Utilities	546.63	1,216.48	
Check	03/25/2024	3801	Schwind Electric, Inc.	Street Lights Plug Replacement Repair Inv...	6520 · Equipment Rep...	375.00	1,591.48	
Total Lights							1,591.48	1,591.48

Avila Beach Community Services District
Checks by Fund w/Accounts
March 2024

04/03/24

Type	Date	Num	Name	Memo	Account	Amount	Balance
Sanitary							
Check	03/07/2024	3790	Miners Ace Hardware	Acct: 126380 3.1.24 Operating Supplies	6550 · Operating Sup...	373.52	373.52
Check	03/07/2024	3792	Abalone Coast Analytic...	Inv. 6391 Date: 3.1.24	6540 · Lab Tests	3,649.00	4,022.52
Check	03/07/2024	3793	San Luis Powerhouse, I...	Inv. 50836 Testing Kohler Generator WWTP	6530 · Generator Mai...	1,286.39	5,308.91
Check	03/07/2024	3794	USA Bluebook	Inv. 00282657 2.20.24 Hach Reagent Test...	6522 · Equip. Rep. & ...	443.12	5,752.03
Check	03/12/2024	3798	Brenntag Pacific, Inc.	BPI 413899 3/7/24	6503 · Chemicals	649.88	6,401.91
Check	03/15/2024	EFT	AT&T	acct # x 0885 Internet	6585 · Telephone / Int...	127.00	6,528.91
Check	03/20/2024	EFT	AT&T	Waste Water Plant acct # 0404279997-5 2...	6585 · Telephone / Int...	74.90	6,603.81
Check	03/25/2024	EFT	PG&E	Lift Station acct# 633843238-2	6590 · Utilities	6,305.77	12,909.58
Check	03/25/2024	EFT	PG&E	Inv. 2024-0197 3/20/24 Mooring Repairs	6590 · Utilities	332.41	13,241.99
Check	03/25/2024	3800	Port San Luis Harbor Di...	Inv. #72180 3.5.24 Solids Handling	6522 · Equip. Rep. & ...	442.34	13,684.33
Check	03/25/2024	3802	Speed's, Inc.	Inv. #72219 3.12.24 Solids Handling	6580 · Solids Handling	2,238.00	15,922.33
Check	03/25/2024	3802	Speed's, Inc.	Inv. #72219 3.12.24 Solids Handling	6580 · Solids Handling	2,479.80	18,402.13
Check	03/25/2024	3803	Hagemann & Associates	Sewer	6507 · Contract Labor ...	1,350.00	19,752.13
Check	03/25/2024	3803	Hagemann & Associates	Sewer	6507 · Contract Labor ...	600.00	20,352.13
Check	03/25/2024	3804	NVIRO	Wastewater Plant Operations 2.23.24 & 3...	6505 · Contract Labor ...	715.00	21,067.13
Check	03/26/2024	3806	San Luis Powerhouse, I...	Inv. 50993 Generator -Lift Station	6530 · Generator Mai...	1,004.36	22,071.49
Check	03/27/2024	3808	Fluid Resource Manage...	Inv. #A36604 MRE & SCADA	6505 · Contract Labor ...	200.00	22,271.49
Check	03/27/2024	3808	Fluid Resource Manage...	Inv. A23539 Sludge Haul through FRM	6505 · Contract Labor ...	2,638.14	24,909.63
Check	03/27/2024	3808	Fluid Resource Manage...	Inv. A3954.01 Contracted Ops	6505 · Contract Labor ...	3,954.01	28,863.64
Check	03/27/2024	3808	Fluid Resource Manage...	Inv. T26557 Contracted Ops	6505 · Contract Labor ...	460.00	29,323.64
Check	03/27/2024	3808	Fluid Resource Manage...	Inv. T26556 Compliance	6565 · Regulatory Co...	3,660.00	32,983.64
Check	03/27/2024	3808	Fluid Resource Manage...	Inv. T26556 Contracted Ops	6505 · Contract Labor ...	1,584.74	34,568.38
Check	03/27/2024	3808	Fluid Resource Manage...	Inv. W22851 Repairs & Mtn.	6520 · Equipment Rep...	1,712.77	36,281.15
Total Sanitary							36,281.15
Water							
Check	03/01/2024		Paymentech		5120 · Chase Paymen...	3.38	3.38
Check	03/04/2024	EFT	PG&E	1717 Cave Landing	6590 · Utilities	294.51	297.89
Check	03/04/2024		Paymentech		5120 · Chase Paymen...	2.76	300.65
Check	03/05/2024		Paymentech		5120 · Chase Paymen...	10.73	311.38
Check	03/06/2024		Paymentech		5120 · Chase Paymen...	3.31	314.69
Check	03/07/2024	3791	Ferguson Enterprises	Custom House Meter Change Out	6550 · Operating Sup...	14.52	329.21
Check	03/07/2024		Paymentech		5120 · Chase Paymen...	2.03	331.24
Check	03/08/2024		Paymentech		5120 · Chase Paymen...	2.03	333.27
Check	03/11/2024	3795	SLO Co Health	Cross Connection IN0149954 1.31.24	6565 · Regulatory Co...	80.10	413.37
Check	03/12/2024		Paymentech		5120 · Chase Paymen...	1.35	414.72
Check	03/13/2024		Paymentech		5120 · Chase Paymen...	1.65	416.37
Check	03/13/2024		Paymentech		5120 · Chase Paymen...	1.51	417.88
Check	03/15/2024		Paymentech		5120 · Chase Paymen...	5.29	423.17

Avila Beach Community Services District
Checks by Fund w/Accounts
 March 2024

04/03/24

Type	Date	Num	Name	Memo	Account	Amount	Balance	
Check	03/19/2024		Paymenttech		5120 · Chase Paymen...	3.80	426.97	
Check	03/20/2024		Paymenttech		5120 · Chase Paymen...	4.67	431.64	
Check	03/21/2024		Paymenttech		5120 · Chase Paymen...	67.11	498.75	
Check	03/22/2024		Paymenttech		5120 · Chase Paymen...	1.23	499.98	
Check	03/25/2024	EFT	PG&E	1717 Cave Landing	6590 · Utilities	285.64	785.62	
Check	03/25/2024	3803	Hagemann & Associates	Water	6507 · Contract Labor ...	900.00	1,685.62	
Check	03/25/2024	3803	Hagemann & Associates	Water	6507 · Contract Labor ...	450.00	2,135.62	
Check	03/25/2024		Paymenttech		5120 · Chase Paymen...	1.53	2,137.15	
Check	03/26/2024		Paymenttech		5120 · Chase Paymen...	1.82	2,138.97	
Check	03/27/2024	3808	Fluid Resource Manage...	Inv A23636 MRE & SCADA	6580 · Solids Handling	26.60	2,165.57	
Total Water							2,165.57	2,165.57
TOTAL							155,672.10	155,672.10

Avila Beach Community Services District
Profit & Loss
March 2024

	<u>Mar 24</u>
Ordinary Income/Expense	
Income	
4000 · Income Summary	
4010 · Operating Revenue	74,328.00
4012 · Solid Waste Franchise Fee	3,377.61
4020 · Contract Services-Ambulance	1,197.71
4030 · County Taxes	36,043.38
4600 · Interest Income	712.38
	<hr/>
Total 4000 · Income Summary	115,659.08
	<hr/>
Total Income	115,659.08
	<hr/>
Gross Profit	115,659.08
Expense	
5100 · Merchant Credit Card Fees	
5110 · Amex	11.00
5120 · Chase Paymentech	114.20
5140 · Invoice Cloud	427.78
	<hr/>
Total 5100 · Merchant Credit Card Fees	552.98
5200 · Payroll Expenses	
5210 · Gross Wages	
5213 · Overtime Pay	405.00
5211 · Regular Pay	10,724.30
5212 · Holiday Pay	0.00
5214 · Sick Pay	60.00
5216 · Vacation Pay	1,036.92
	<hr/>
Total 5210 · Gross Wages	12,226.22
5230 · Payroll Taxes	173.69
5240 · Health & Medical Exp.	
5242 · Health Ins / Other	6,697.57
	<hr/>
Total 5240 · Health & Medical Exp.	6,697.57
5250 · PERS Company Pd Expense	
5255 · PERS Co Pd Shawn	603.34
5256 · PERS Co Pd Kristi	344.20
5250 · PERS Company Pd Expense - Ot...	-9.22
	<hr/>
Total 5250 · PERS Company Pd Expense	938.32

Avila Beach Community Services District
Profit & Loss
 March 2024

	<u>Mar 24</u>
5265 · Gas & Oil, Co Pd	306.91
5280 · Payroll Administration & Misc.	130.28
Total 5200 · Payroll Expenses	20,472.99
6000 · Administrative Overheads	
6102 · Accounting	1,300.00
6115 · Bank Service Charges	48.22
6120 · Dues & Subscriptions	68.00
6135 · Legal	207.00
6140 · Office Supplies & Postage	
6142 · Postage & Shipping	187.33
6143 · Supplies, Office	-76.99
Total 6140 · Office Supplies & Postage	110.34
6150 · Rate Assistance	813.53
6167 · Uniforms	349.62
6170 · Website	1,439.00
Total 6000 · Administrative Overheads	4,335.71
6500 · Operating Expenses	
6528 · Gas & Oil	89.15
6504 · Admin Contract Services	1,305.00
6503 · Chemicals	649.88
6505 · Contract Labor O & M	9,551.89
6506 · Contract Labor GM	6,150.00
6507 · Contract Labor Civil Engineer	3,300.00
6518 · Equipment Expense	158.57
6520 · Equipment Repair & Maint.	
6522 · Equip. Rep. & Maint-Avila & HD	885.46
6524 · Equip. Rep. & Maint. Avila Only	225.00
6520 · Equipment Repair & Maint. - Other	2,087.77
Total 6520 · Equipment Repair & Maint.	3,198.23
6530 · Generator Maintenance	2,290.75
6535 · Insurance P/L	5,706.93
6540 · Lab Tests	3,649.00
6542 · Maintenance	847.25
6550 · Operating Supplies	731.03
6555 · Permits & Fees	2,210.69
6565 · Regulatory Compliance	3,740.10
6572 · Security	342.10
6575 · Small Tools	473.05
6580 · Solids Handling	4,744.40

2:39 PM
04/03/24
Accrual Basis


Avila Beach Community Services District
Profit & Loss
March 2024

	<u>Mar 24</u>
6585 · Telephone / Internet	424.85
6590 · Utilities	<u>9,195.47</u>
Total 6500 · Operating Expenses	58,758.34
6600 · Cal Fire Contract Labor	<u>86,981.65</u>
Total Expense	<u>171,101.67</u>
Net Ordinary Income	<u>-55,442.59</u>
Net Income	<u><u>-55,442.59</u></u>

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

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: April 9, 2024

SUBJECT: General Manager/District Engineer Report

Zone 3 Technical Advisory Committee (TAC)

The Zone 3 Technical Advisory Committee last met on March 13th, 2024. The agenda packet for the meeting is provided as an attachment to this Staff Report. The TAC's next meeting is scheduled for April 10, 2024. As of this writing (April 3, 2024), the Lopez reservoir is at 100.3% of capacity with 49,640 AF in storage with a spillway discharge of 32 cubic feet per second. We have had about 25" of rain accumulation for year at the Lopez Reservoir, which is 125% of the average for this time of year. As I mentioned a couple months ago, a full reservoir, two years in a row is a great trend!!

The Zone 3 Advisory Committee last met on March 21, 2024. The agenda packet for the meeting is provided as an attachment to the Staff Report. The Advisory Committee took action to endorse the FY 2024/25 Zone 3 Budget and recommended the Board of Supervisors approve the proposed \$8,089,289 annual budget. The next Regular meeting of the Advisory Committee is scheduled for May 16, 2024.

Water and Wastewater Coordination with San Miguelito Mutual Water Company

Staff is continuing to coordinate with SMMWC on potential Water and Wastewater collaboration projects. The SMMWC Board Directors met on March 15th, 2024, and directed their General Manager to move forward with retaining a consultant to evaluate their wastewater treatment and disposal options should they be required to or decide to move off their existing WWTP site in Wild Cherry Canyon. One of the options they intend to evaluate is the feasibility of discharging a portion or 100% of their wastewater to the Avila Beach CSD wastewater treatment plant. I will continue to coordinate with SMMWC staff and consultants as this study moves forward.

As I mentioned a couple months ago, once this study gets underway, it may be advisable for the CSD to form an Ad Hoc Committee to help address this issue.

ZONE 3 TECHNICAL ADVISORY COMMITTEE
Agenda
Wednesday March 13, 2024
9:00 - 11:00 am

Join on your computer, mobile app or room device

Meeting ID: 261 220 685 070

Passcode: pjuWGG

Or call in (audio only)

[+1 831-296-4487,420020900#](tel:+18312964487420020900) United States, Salinas

Phone Conference ID: 420 020 900#

1. Announcements	All
2. General Operations and Water Report <ul style="list-style-type: none">• Summary Notes – February• Monthly Operations Report – February• Lopez Storage Projections – February	David
3. Current Reservoir Conditions	Kyle (Verbal)
4. Project Updates	David
5. 2nd Quarter budget Update	David
6. Zone 3 24/25 Budget Endorsement	David
7. Future Agenda items?	All

Attachments:

- A. Meeting Minutes - February
- B. Lopez Monthly Operations Report – February
- C. Lopez Storage Projections Chart – February
- D. Project Updates
- E. 2nd Quarter Budget

Next Meeting Date: April 10, 2024

ZONE 3

TECHNICAL ADVISORY COMMITTEE

WEDNESDAY February 14, 2024 (9:00-11:00 AM)

Via Microsoft Teams

SUMMARY NOTES

Attendees via Microsoft Teams: Gabriel Munoz-Morris (Grover Beach), Dwayne Chisam (San Miguelito), Tony Marraccino (OCSD), Brad Hagemann (ABCSD), Jim Garing (Grover Beach), John Wallace (Grover Beach), Greg Ray (Grover Beach), Vard Ikeda (Ag) Benjamin Fine (Pismo Beach), David Spiegel, Jeromy Caldera, Kyle James, Megan Schotborgh, Darla Budge & Nola Engelskirger (PW Dept)

1. Announcements

- No Announcements

2. General Operations and Water Report

- **David Spiegel (PW) reviews the January 10, 2024, Meeting Summary Notes**
 - No comments on notes
 - Question regarding the Bathymetric Study John Wallace "Were you able to send out the report or is it still being reviewed?" David Spiegel replied, "We were closing out some data gaps, the report should be ready in a week and will be sent out to the TAC."
- **David Spiegel (PW) reviews the Monthly Operations Report**
 - David Speigel states "Once we have spill quantities, we will look at what that took out of storage, and we will be crediting your usage. Your entitlement should carry over to this year due to non-usage from the spill last year. March and April are when we look at your surplus water. We should have that information available at the next TAC meeting."
- **David Spiegel (PW) reviews the Historical Storage 2017-2024 Report**
- **David Spiegel (PW) reviews the Lopez Storage Projections - January**
 - The report is one month behind and does not reflect the latest spill and will bump back up to 50,000 next month.
 - John Wallace "Why are we releasing water during a storm? How do we answer this question? David Spiegle replies, "during the time of a spill we try to maintain minimum flows." John asks, "Can the county generate a paragraph so that we can answer questions with the same talking point?" David Spiegel replied that the county should be able to generate a consistent paragraph for everyone to use regarding the spill and downstream releases".

3. Current Reservoir Conditions

- **Kyle James (PW) reports the following data:**
- Current elevation 522.77
- Storage capacity 103% @ 49,545 AF
- WTP 2.56 MGD
- SWP 1.22 MGD
- Downstream releases 2.33 MGD
- Rainfall total 16.21

- Flow over the spillway is currently at 28.6 CSF.

4. Capital Projects Update

- **Fireflow Tank Replacement**
 - Geotech work has been completed.
 - Working on 60% design plans
 - Budget ~ \$800,000
- **Membrane Module Replacement (No Change)**
 - Waiting for delivery of modules
 - PO created to purchase 2 racks.
 - Budget ~ \$600,000.”
- **Spillway Assessment and Investigation (No Change)**
 - Performed Electrical Resistivity Test
 - Scope and schedule for Non-destructive testing in Review by District.
 - Remainder of project ~ minimum of \$300,000.
- **Geotechnical Testing & Seismic Alternatives Study of Terminal Reservoir Dam (No Change)**
 - DSOD approved testing data.
 - GEI is working on the Geotechnical Engineering Report.
 - Budget ~ \$500,000.
- **Cathodic Protection Repair Project**
 - Test Stations are completed.
 - Currently working on the rectifiers
 - Project should wrap up in March.
- **Chemical Tank Replacement (No Change)**
 - Waiting for the delivery date for tanks.
 - Project Scheduled for beginning of March.
 - Lopez Water Treatment Plant will be shut down and State water will be delivered.
- **Sludge Bed Curtain Wall Rehabilitation**
 - Evaluating Alternatives to repair leaking or leaching sludge bed.
 - ~\$50,000 per initial quote.
- **DAF Building Repairs (No change)**
 - DAF building has rust damage in multiple girders and roll up doors.
 - Rafters supports safety tether for maintenance of DAF equipment.
 - Going out for quotes
 - ~95,000

Completed Projects

- Bathymetric Study

- CO2 Injection System- David Spiegel we no longer have 45,000 Gallons of HCL sitting onsite and we are transitioning to CO2 for our PH Suppressant.
- Lopez Water Treatment Plant Rack 1 Membrane Replacement
- Tesla Battery Storage
- Lopez WTP Safety Upgrades (Cancelling)
- Equipment Storage Building (Cancelling)
- Chlorine Dioxide Bulk Storage Tank

David Spiegel In regard to the CO2 Injection System we no longer have 45,000 Gallons of HCL sitting onsite and we are transitioning to CO2 for our PH Suppressant.

Dwayne Chisam asks, "Any further information on the electricity by the Tesla batter storage?"

David Spiegel replied that he will have to talk to finance and that we have been waiting for more data/bills to come in. The Tesla batteries did well in the las storm events.

Greg Ray asks "Is it a replacement of the Girders in the DAF building or just new coating. David Spiegel responded, "Due to the moisture in that building multiple girders and the roll up doors need to be replaced. This is a safety issue for the operators.

5. State Water Requests vs Usage

David Spiegel states as we work through the new contracts, we are finding that in the past any additional state water that was brought in that the agencies didn't use the district stored on the district behalf this last year it spilled, and we lost all that stored district water. I am trying to work through the contract and in the contract, there are only two ways to store state water and that is 1) District initiated Exchange and 2) Agency initiated Exchange. We need to develop a procedure that in an event that an agency requests more water than they use would be an "Agency initiated exchange" on their part. This way the taxpayer is not on the hook for the payment for the extra water that was requested. In the event of a Plant shut down, if all Agencies would like water to be delivered, we would do a "District initiated exchange" and bring in State water. This would make the agency responsible for the cost. It is not working for the district to store state water an agency brought in. Moving forward, possible solutions could be that agencies getting state water request less water than you are using and at the end of the yar we could do some sort of true up. Any water you bring in that you don't use would go into your "AIE" bucket which could be lost in a spill event. Dwayne Chisam, I have two questions.

"Assuming we go along with the contract and there is excess water Lopez Lake, would that mean as long as there is capacity left in Lopez Lake that water would be able to be tracked and maintained in Lopez Lake? Question 2 Could there be an exchange of that between other Lopez participants who would like to have additional water. David Spiegel replies "Yes to both of your questions first I would have to check the contract to see if it resets at the end of the water year. Yes, to your second question and that is what the Agency initiated exchange was for.

Greg Ray "There is no storage being developed, correct?" David Spiegle due to it spilling. Greg Ray What about forcing an exchange so instead of district carrying the undelivered water the agency who requested yet did not take delivery is forced to take stored Lopez water. The agency takes the loss. Davids Spiegel responds any unused water would be a forced agency-initiated exchange bucket.

Jim Garing Asks David is this something that is dealt with in the state water contract? David Spiegel Yes it would be dealt with there and I would need to discuss with Wes.

Jim Garing "Is the new group at the county making any progress that your aware of in working with CCWA DWR or other agencies in the Valley to store excess entitlement." David Spiegel

The board approved the positions, but we have not hired those positions yet. Nola Engleskirger Division Manager "We are refocused and back on track to pick up these discussions and move forward. David Spiegle Where do I put the extra water you are requesting. I will put a flow chart together and see how to move this forward.

6. Zone 3 24/25 Budget Endorsement

- Endorsement accepted.

7. City of AG Zone 3 AC Member Endorsement

- Endorsement accepted.

8. Future Agenda Items

- Send out the Bathymetric Study when completed.
- The talking point memo John asked for regarding downstream releases and spills.
- Tesla Battery savings.

Next Meeting Wednesday: March 13, 2024

San Luis Obispo County Flood Control and Water District
Zone 3 - Lopez Project - Monthly Operations Report
February, 2024

R	PROJECT WATER DELIVERIES											
	AVAILABLE WATER (APP-MAR)		THIS MONTH			APRIL TO PRESENT			TOTAL USAGE			
	ENTITLEMENT	STORED PWP*	SURPLUS WATER AVAILABLE PWP	TOTAL AVAILABLE PWP	ENTITLEMENT USAGE	STORDED PWP USAGE	SURPLUS PW USAGE	DELIVERIES DURING SPILL USAGE	STORDED PWP USAGE	DELIVERIES DURING SPILL USAGE		
AG	2290	0	0	2290	0.00	0.00	0.00	113.27	0.00	518.32	1757.68	77%
OCSD	303	0	0	303	0.00	0.00	0.00	0.00	0.00	96.60	399.60	13%
GB	800	0	0	800	0.00	0.00	0.00	61.37	0.00	225.54	733.45	90%
PB	892	0	0	892	0.00	0.00	0.00	0.00	0.00	459.2	459.2	51%
CSA 12	245	0	0	245	0.00	0.00	0.00	2.48	0.00	0.00	2.48	1%
SM	N/A	N/A	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL	4530	0	0	4530	0.00	0.00	0.00	177.12	0.00	1138.00	3385.04	75%

R	STATE WATER PROJECT WATER DELIVERIES											
	ANNUAL REQUEST**		THIS MONTH			JANUARY TO PRESENT			TOTAL			
	REQUEST	ALLOCATION	USAGE	%	ENTITLEMENT	STORDED PWP USAGE	SURPLUS PW USAGE	DELIVERIES DURING SPILL USAGE	STORDED PWP USAGE	DELIVERIES DURING SPILL USAGE		
AG	0.0	N/A	0.0	N/A	0.0	0.0	0.0	113.27	0.0	518.32	1757.68	77%
OCSD	187.5	0.0	62.5	33.3%	0.0	0.0	0.0	0.00	0.00	96.60	399.60	13%
GB	N/A	0.0	N/A	N/A	0.0	0.0	0.0	61.37	0.00	225.54	733.45	90%
PB	1070.0	0.0	103.0	9.6%	0.0	0.0	0.0	0.00	0.00	459.2	459.2	51%
CSA 12	96.0	0.0	6.5	6.8%	0.0	0.0	0.0	2.48	0.00	0.00	2.48	3%
SM	90.0	0.0	7.0	7.8%	0.0	0.0	0.0	N/A	N/A	N/A	N/A	N/A
TOTAL	1448.5	0.0	179.0	12.4%	0.0	0.0	0.0	177.12	0.00	1138.00	3385.04	75%

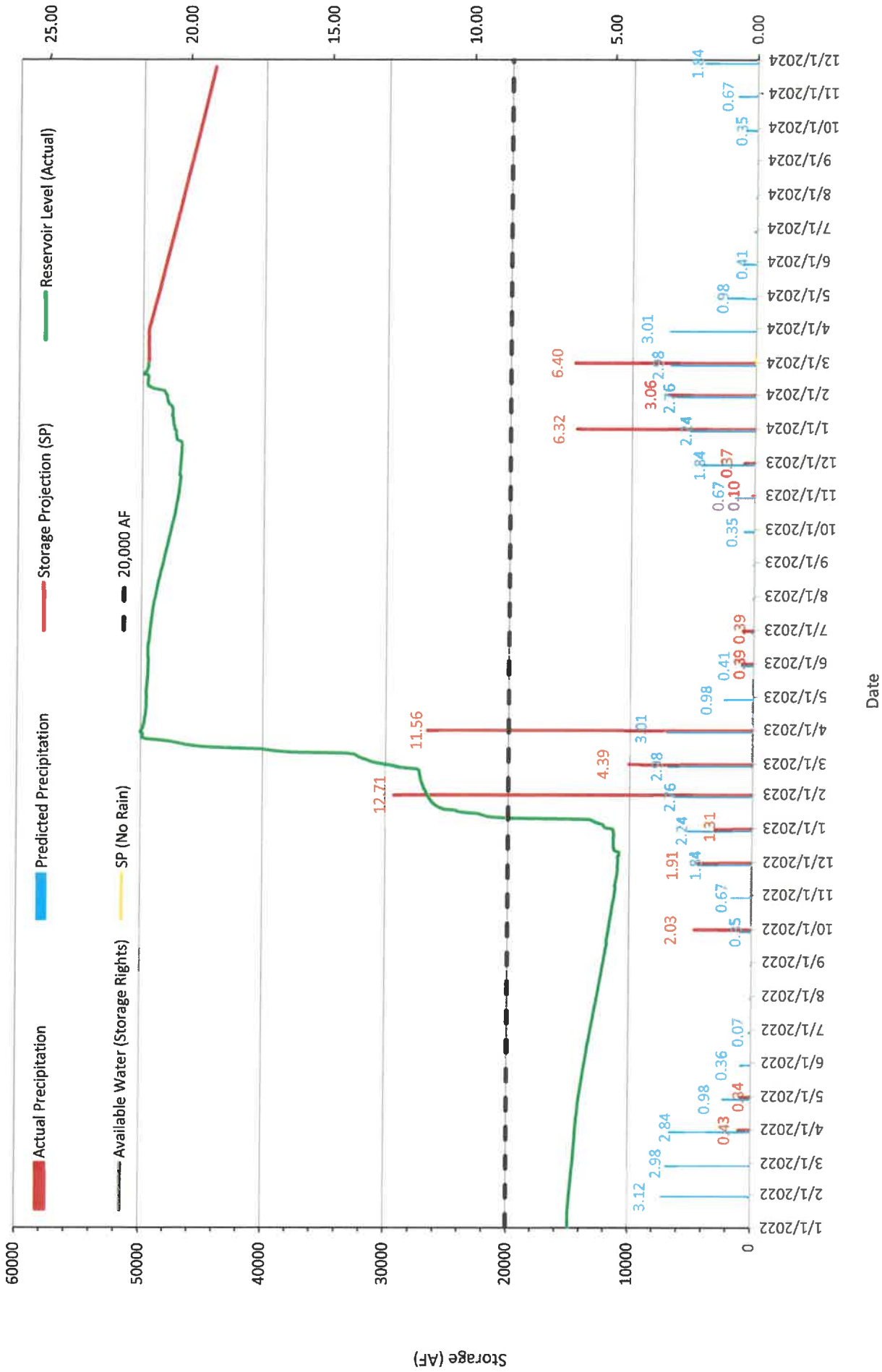
LAKE ELEVATION (ft)	THIS MONTH		WY TO DATE		MAX CAPACITY
	STORAGE (AF)	WY TO DATE	WY TO DATE	MAX CAPACITY	
MONTHLY RAINFALL (in)	8.00	18.54	N/A	N/A	
DOWNSTREAM RELEASES (AF)	195.18	2,861.41	4,200.00	4,200.00	
LAKE TO TERMINAL (AF)	172.47	3,627.42	N/A	N/A	
SPILLAGE (AF) (WY)	2,715.59	11,683.74	N/A	N/A	
AG WHEELING OCEANO WATER	1.00	N/A	N/A	N/A	

CONTRACTOR	TOTAL MONTHLY DELIVERIES	
	AG	[AF]
AG	113.27	113.27
OCSD	38.94	38.94
GB	61.37	61.37
PB	84.24	84.24
CSA 12	2.48	2.48
SM	0.00	0.00
TOTAL	3385.04	3385.04

LAKE ELEVATION (ft)	THIS MONTH		WY TO DATE		MAX CAPACITY
	STORAGE (AF)	WY TO DATE	WY TO DATE	MAX CAPACITY	
MONTHLY RAINFALL (in)	8.00	18.54	N/A	N/A	
DOWNSTREAM RELEASES (AF)	195.18	2,861.41	4,200.00	4,200.00	
LAKE TO TERMINAL (AF)	172.47	3,627.42	N/A	N/A	
SPILLAGE (AF) (WY)	2,715.59	11,683.74	N/A	N/A	
AG WHEELING OCEANO WATER	1.00	N/A	N/A	N/A	

1) In March 2023, 5489 AF of water spilled resulting in lossing all of the District SSWPW, Agency SSWPW, and Stored PWP.
2) 44.11 AF of March Project Water Deliveries will be credited to Stored PWP at the end of the water year (WY) due to March spill event.
3) 38.09 AF of April Project Water Deliveries are reported in the "Deliveries during spill" column due to April 2023 spill event.
4) 1426.5 AF of April Project Water Deliveries are reported in the "Deliveries during spill" column due to April 2023 spill event.
5) 170.59 AF of June Project Water Deliveries are reported in the "Deliveries during spill" column due to June 2023 spill event.
6) 137.12 AF of June Project Water Deliveries are reported in the "Deliveries during spill" column due to February 2024 spill event.

LOPEZ RESERVOIR STORAGE PROJECTION



Notes:

Reservoir Storage = Current Storage + Inflow - Outflow

Outflow = Agency Usage + Downstream Releases

Agency Usage: is based on 2010-2021 average monthly deliveries

Predicted Inflow: is dependent on the predicted rainfall obtained from longrangeweather.com

Inflow is affected by antecedent soil conditions and factored into the model. Rainstorms will produce less inflow during the dry months than during the rainy season when the soil is saturated.

The **Storage Projection Model** is based on a polynomial regression (concave in shape). The (concave) **Storage Projection Graph** will fall below the (linear) **Storage Projection with No Rain Graph** during months of low predicted rainfall.



ZONE 3 Lopez Project

San Luis Obispo County Flood Control and Water Conservation District

TO: Zone 3 Technical Advisory Committee

FROM: David Spiegel, PE

DATE: March 13, 2024

SUBJECT: Zone 3 Projects Update

Project Updates:

- Fireflow Tank Replacement
 - Geotech work has been completed
 - Working on 90% design plans
 - Budget ~\$800,000

- Membrane Module Replacement (No Change)
 - Waiting for delivery of modules
 - PO Created to purchase 2 racks
 - Budget ~\$600,000

- Spillway Assessment and Investigation
 - Submitting work plan for Alteration Application approval
 - Will schedule work once approved
 - Remainder of project ~ minimum of \$300,000

- Geotechnical Testing & Seismic Alternatives Study of Terminal Reservoir Dam (No Change)
 - DSOD approved testing data
 - GEI is working on Geotechnical Engineering Report
 - Budget ~\$500,000

- Cathodic Protection Repair Project
 - Project almost complete
 - Budget ~\$449,933

- Chemical Tank Replacement
 - In Construction
 - Budget ~\$350,000

- Sludge Bed Curtain Wall Rehabilitation
 - Getting additional quotes
 - ~\$50,000 per initial quote



ZONE 3 Lopez Project

San Luis Obispo County Flood Control and Water Conservation District

- DAF Building Repairs (No Change)
 - DAF building has rust damage in multiple girders and roll up doors
 - Rafters support safety tether for maintenance of DAF equipment
 - ~\$95,000

Completed Projects

- Bathymetric Study
- CO2 Injection System
- Lopez Water Treatment Plant Rack 1 Membrane Replacement
- Tesla Battery Storage
- Lopez WTP Safety Upgrades (Cancelling)
- Equipment Storage Building (Cancelling)
- Chlorine Dioxide Bulk Storage Tank



March 21, 2024

MEMORANDUM

TO: Flood Control Zone 3 Advisory Committee

FROM: Megan Schotborgh, Accountant

SUBJECT: Flood Control Zone 3, Second Quarter Budget Status, Fiscal Year 2023-24

Recommendation

The item to be received and filed.

Summary

Attached please find a comparison of the budget to actual expenses for the second quarter of fiscal year 2023-24. The \$8.5M budget is broken into three categories: Routine Operations & Maintenance, Non-Routine Operations & Maintenance, and Capital Outlay. At the end of the second quarter, 36% of the total annual budget had been expended.

Total Budget	Expenses through Q2	Balance Available	% of Budget Expended
8,514,244	3,050,736	5,463,508	36%

Routine O&M: This category has a budget of \$4.8M dollars. At the end of the second quarter, 55% of the annual budget has been expended, resulting in approximately \$2.2M available for the remainder of the year. Expenses in this category are slightly above target with budgeted levels.

Total Budget	Expenses through Q2	Balance Available	% of Budget Expended
4,896,194	2,704,356	2,191,838	55%

Non-Routine O&M: This category has a budget of approximately \$1.58M. At the end of the second quarter, 14% of the annual budget had been expended, resulting in an available balance of roughly \$1.35M for the remainder of the year. Most of the items in this category have had budget carried forward from the prior year to continue work on them.

Total Budget	Expenses through Q2	Balance Available	% of Budget Expended
1,586,928	228,305	1,358,623	14%

Capital Outlay: This category has a budget of \$2.03M. At the end of the second quarter, expenses were 6% of the annual budget, resulting in approximately \$1.9M available for the remainder of the year. The unspent budget from the prior year has been carried forward for several projects and accounts for the majority of this category's budget.

Total Budget	Expenses through Q2	Balance Available	% of Budget Expended
2,031,122	118,075	1,913,047	6%

Other Agency Involvement/Impact

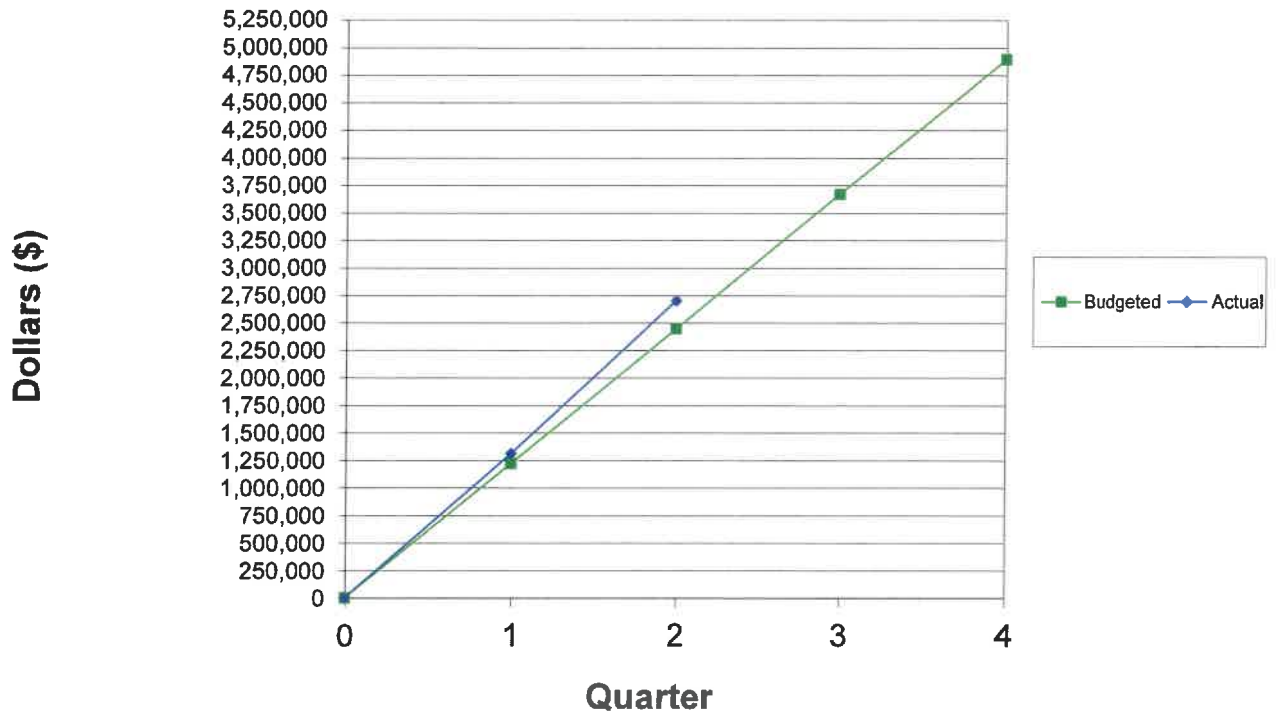
The agencies involved: City of Arroyo Grande, City of Grover Beach, City of Pismo Beach, Oceano Community Services District, and County Service Area 12. Subcontractors of CSA 12 include Port San Luis Harbor District and Avila Beach Community Services District.

Financial Consideration

All agencies are current on their payments.

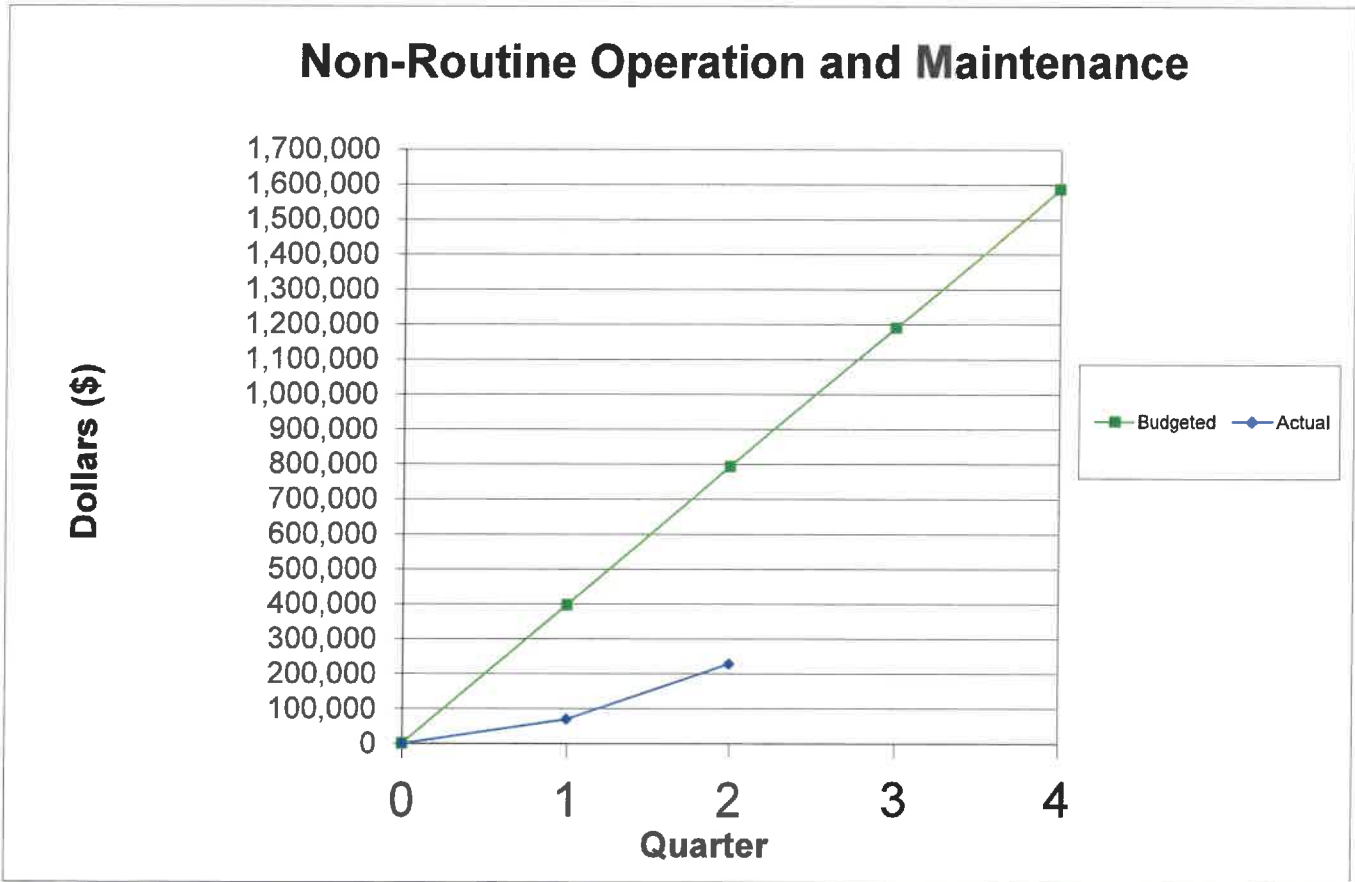
Zone 3 Budget Status
2nd Quarter FY23/24

Routine Operation and Maintenance



O&M Routine Category	Total Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	Total Exp as % of Budget	Total Balance Avail
Labor Hours	24,078	6,045	3,608	-	-	9,651	40%	
Chemicals - Water Treatment Plant	\$ 496,798	\$ 177,760	\$ 112,574	\$ -	\$ -	\$ 290,334	58%	\$ 206,464
Water Quality Testing - Treatment Plant	-	15,768	10,912	-	-	26,680	0%	(26,680)
Electricity - Water Treatment Plant	382,453	122,473	81,019	-	-	203,492	53%	178,961
All Other Costs - Water Treatment Plant	2,261,180	496,453	537,052	-	-	1,033,504	46%	1,227,675
Terminal	117,040	62,965	59,739	-	-	122,704	105%	(5,664)
Main Dam	281,009	158,574	39,383	-	-	197,957	70%	83,052
Other	1,357,714	278,926	550,759	-	-	829,685	61%	528,029
Expenses		1,312,918	1,391,438	-	-	2,704,356	55%	2,191,838
Budget	4,896,194	1,224,049	1,224,049	1,224,049	1,224,049	4,896,198		
Variance (over)/under		(88,870)	(167,390)	1,224,049	1,224,049	2,191,838		
% Variance		-7%	-14%	100%	100%			

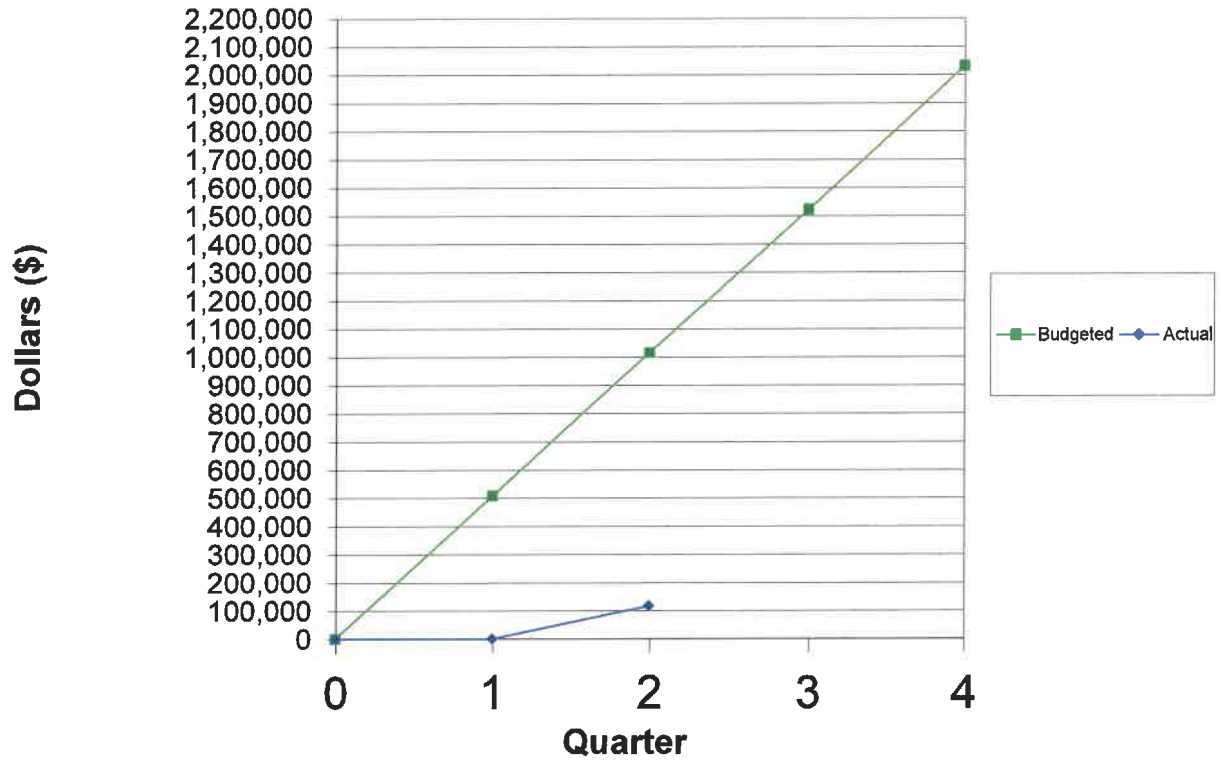
Zone 3 Budget Status
2nd Quarter FY23/24



O&M Non Routine Category	Total Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	Total Exp as % of Budget	Total Balance Avail
Lopez Water Rights /HCP	\$ 437,811	\$ 5,251	\$ 105,773	\$ -	\$ -	\$ 111,024	25%	\$ 326,787
Cathodic Protection Maint	-	\$ -	-	-	-	\$ -	0%	\$ -
Contribution to ISF/New Equip	110,931	-	5,019	-	-	\$ 5,019	-	\$ 105,912
Geotech Test/Seismic Alt Study Terminal Dam	168,738	64,181	2,167	-	-	66,348	39%	102,390
Safety Upgrades to WTP	-	-	-	-	-	-	0%	-
Replace Obsolete Hach Turbidimeters	-	-	-	-	-	-	0%	-
Water Treatment Alternatives Study	-	-	-	-	-	-	0%	-
Risk Assessment Fault Zone Left Abutment	-	-	-	-	-	-	0%	-
Cloud Seeding Program	375,495	-	-	-	-	-	0%	375,495
Domestic Tank Repair	-	-	-	-	-	-	0%	-
Spillway Physical Investigation	403,953	-	45,914	-	-	45,914	11%	358,039
Contr to FC General AG Creek Subbasin	-	-	-	-	-	-	0%	-
552TEMP03 Replace Stern Wall Sludge Bed 2 Expenses	90,000	69,432	158,873	-	-	228,305	100%	90,000
Budget	1,586,928	396,732	396,732	396,732	396,732	1,586,928		
Variance (over)/under		327,300	237,859	396,732	396,732	1,358,623		
% Variance		82%	60%	100%	100%			

Zone 3 Budget Status
2nd Quarter FY23/24

Capital Outlay



Capital Outlay Projects	Total Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	% of Budget	Avail
Improved Boat Access at Term Res	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
Fireflow Tank Repair	379,674	-	475	-	-	475	0%	379,199
Cathodic Protection Units 1-3	480,415	417	433	-	-	850	0%	479,565
Dump Trailer	-	-	-	-	-	-	0%	-
ATV, Polaris	-	-	-	-	-	-	0%	-
New Water Treatment Berge	-	-	-	-	-	-	0%	-
Upgrade EQ Pump	17,623	-	-	-	-	-	0%	17,623
Carbon Dioxide Injection System	23,316	653	57,319	-	-	57,972	249%	(34,656)
WTP-Membrance Filter Modules (2 Racks)	610,094	-	-	-	-	-	0%	610,094
Chemical Tank Replacement	520,000	-	58,778	-	-	58,778	11%	461,222
Expenses		1,070	117,005	-	-	118,075	6%	1,913,047
Budget	2,031,122	507,781	507,781	507,781	507,781	2,031,122		
Variance (over)/under		506,711	390,776	507,781	507,781	1,913,047		
% Variance		100%	77%	100%	100%			



ZONE 3 ADVISORY COMMITTEE

San Luis Obispo County Flood Control and Water Conservation District

AGENDA

Thursday, March 21, 2024 10:30 A.M.

City of Arroyo Grande Council Chambers
215 East Branch Street, Arroyo Grande, California 93420

- I. CALL TO ORDER AND ROLL CALL
- II. PUBLIC COMMENT
This is also an opportunity for members of the public to address the Committee on items that are not on the Agenda
- III. MEETING MINUTES
 - A. November 16, 2023 Meeting – [Attachment 1](#)
- IV. OPERATIONS REPORT
 - A. Water Plant Operations, Reservoir Storage, Downstream Releases - [Verbal Update](#)
 - B. Projected Reservoir Levels – [Attachment 2](#)
 - C. January and February Monthly Operations Report – [Attachment 3](#)
- V. INFORMATION ITEMS
 - A. Present 2nd Quarter FY 2022/23 Budget Status – [Attachment 4](#)
- VI. CAPITAL PROJECTS UPDATE
 - A. Bi-Monthly Update – [Attachment 5](#)
- VII. ACTION ITEMS (No Subsequent Board of Supervisors Action Required)
 - A. None
- VIII. ACTION ITEMS (Board of Supervisors Action is Subsequently Required)
 - A. Fiscal Year 2024/25 Budget Endorsement
- IX. FUTURE AGENDA ITEMS
- X. COMMITTEE MEMBER COMMENTS

Next Regular Meeting is Scheduled for
May 16, 2024 at 10:30 AM at City of Pismo Beach Council Chambers
Agendas accessible online at www.slocounty.ca.gov/pw/zone3



**SAN LUIS OBISPO COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT
ZONE 3 ADVISORY COMMITTEE
MEETING MINUTES
THURSDAY NOVEMBER 16, 2023**

I. Call to Order and Roll Call -- The Zone 3 Advisory Committee Meeting was called to order at 10:30 AM at the City of Arroyo Grande by Kristen Barneich. County Public Works Utilities Division Senior Engineer and Secretary to the Advisory Committee, David Spiegel, called roll. Quorum was present. Members in attendance were:

- Kristen Barneich, City of Arroyo Grande
- Vard Ikeda, Agriculture Member
- Ron Reilly, Member at Large Delegate
- Marcia Guthrie, City of Pismo Beach
- Shirley Gibson, Oceano Community Services District
- Daniel Rushing, City of Grover Beach
- Brad Hagemann, Community Services District 12

II. Public Comment – This is an opportunity for members of the public to address the Committee on items that are not on the Agenda. No public comment.

III. Approval of Meeting Minutes

A. September 21, 2023, Special Meeting (Attachment 1 of the Agenda Packet)
– *Member Vard Ikeda motioned to approve, Second by Member Ron Reilly. Motion passed.*

IV. Approval of 2024 Meeting Schedule (Attachment 2 of the Agenda Packet) – **Member Ron Reilly motioned to approve, Second by Brad Hagemann- All in favor Motion passed.**

V. Operations Report

A. Water Plant Operations, Reservoir Storage, Downstream Releases (Verbal Update) — Plant production is at 2.4 million gallons per day (MGD); State Water is at 2.5 million gallons per day (MGD); downstream release is at 3.2 million gallons per day (MGD), Lopez Lake elevation was 519.80 feet; storage 46,856 acre-feet (AF), which is 94.9% capacity.

B. Projected Reservoir Levels (Attachment 3 of the Agenda Packet) — Review of the Lopez Reservoir Storage Projection Chart. David Spiegel states that the graph is based off historical totals of rainfall, this is the reason behind the discrepancies in the graph. It may take a year to get a more accurate tracking.

C. September and October Monthly Operations Report (Attachment 4 of the Agenda Packet) — David Spiegel explains “As we have been developing this report, we have been noticing that it isn’t tracking, so we have added additional data. This is mostly for the project water and refers to the storage buckets”. Take about a year to sort it out and at this time we believe it is more accurate. In the future we will be working through a program “Power BI” which has a good

graphical interface. Our intention is to provide each of you with your own Power BI presentation of your usage. This would be an online portal.

- i. Brad Hagemann "With the Power BI would that be our own particular buckets? David Spiegle responds "Exactly each individual agency would have its own chart.
- ii. Member Kristen Barneich let the record show that Shirley Gibson has joined.
- iii. Member Kristen Barneich asks, "Did you say with; the rain projected we would still be at 40,000-acre feet?" David Spiegle replies "Yes, per our storage projections chart. The no rain projection is tracking your historical usage. If you continue to use water how you have used it historically you would still have 40,000-acre feet.

No public comment was given.

VI. Information Items

A. 1st Quarter Budget Status (Attachment 5 of the Agenda Packet)

Summary of overall budget.

- i. The annual budget was 8.5 million dollars, we spent \$1.4 million dollars with 16% expended.
- ii. Routine O&M budget of \$5.0 million dollars, we spent \$1.3 million dollars with 26% expended.
- iii. Non-Routine O&M budget approximately \$1.48 million, with 5% expended. This will start tracking more normal due to projects wrapping up.
- iv. Capital Outlay budget of \$2.031 million dollars, with 1% expended. Projects are being worked on now, as we progress our actuals and budget will catch up to each other. We are working on the Fireflow tank, The Cathodic Protection project is currently in progress and that is budgeted at \$480,000. We recently cut the PO for the wo (2) Membrane Filter Modules at a cost of \$590,000.

Member Brad Hagemann "How many membrane racks do we have out there?" David Spiegel replies "We have six (6) membrane racks, the 6th one was put in 2017 so it is new. We are only replacing membranes on 1 through 5. We have already done one (1) this year and we have already bought two (2) more and only have 2 racks left. Brad Hagemann "What is the life on the racks?" David Spiegel states they are warranted for 10 years. Brad Hagemann "Did we suspend cloud seeding?" David replied that yes, we suspended the cloud seeding for this year, but it was helpful because it allowed us to put those funds towards the Fireflow tank allocation.

Member Vard Ikeda "In regard to the Fireflow tank, "Why do we need one if we have all those acre feet of water? David Spiegle explains that alternatives such as a fireflow pump would require routine maintenance and a certified operator to run it, which would be expensive. Replacing the fireflow tank is the best and least expensive option.

VII. Capital Projects Update

A. Bimonthly Update (Attachment 6 of the Agenda Packet)

- **Fireflow Tank Replacement**

- Starting project execution plan
- Preparing RFP for tank design
- **Membrane Module Replacement**
 - PO created to purchase 2 racks. The cost is significantly more expensive than when we first purchased the modules. The cost was in the past \$170,000 for one rack and now the cost is \$590,000 for two (2) racks.

- Budget~ \$600,000
- **Spillway Assessment and Investigation (No change)**
 - Performed Electrical Resistivity Test
 - Scope and schedule for non-destructive testing in Review by District. Working with DSOD on non-destructive/destructive plan, waiting on final comments from DSOD to move forward.
 - Remainder of project ` minimum of \$3000,000
- **Geotechnical Testing & Seismic Alternatives Study of Terminal Reservoir Dam (no change)**
 - Draft Seismic Hazard TM has been prepared.
 - Sending to DSOD for comment
 - GEI is working on the Geotechnical Engineering Report, we should receive this by the end of the year.
 - Budget \$500,000
- **Cathodic Protection Repair Project**
 - Currently installing new test stations.
 - Rectifiers to be done next and the project should be done in a month.
 - Budget ~\$449,933
- **CO2 Injection System**
 - CO2 Tank and Carbonic Acid Skid has been delivered.
 - Long lead items are finally here, awaiting installation.
 - Budget ~\$256,000
- **Chemical Tank Replacement**
 - Ordered tanks.
 - Project Scheduled for mid-January into February
 - Budget ~\$350,000
- **Sludge Bed Curtain Wall rehabilitation**
 - PO has just been cut to have a contractor come out to dig up existing wall and figure out how to waterproof it.
- **Bathymetric Study**
 - All surveys have been completed at the reservoirs and we are just waiting for the reports.

Member Kristen Barneich "It seems like a lot of projects are going on. Is that because everything is coming due because it is old and antiquated or is this normal?" David Spiegel "It is normal, it is age, routine and being proactive.

Member Ron Reily "Regarding the Cathodic Protection, I'm noticing the budget is down to the dollar yet everything else is a round number." David Spiegler "this project was broken down into 3 separate stages and we used a cost consultant. Member Ron Reily "As far as the Geotechnical investigation, we have been working on that for a couple of years, right?" Davids Spiegel "Yes because we looked at decommissioning the terminal at one point.

VIII. Action Items (No Subsequent Board of Supervisors Action Required)

No Action items.

IX. Action Items (Board of Supervisors Actions is Subsequently Required)

No Action items.

X. Future Agenda Items

No Future Agenda Items

XI. Committee Member Comments

- A. Member "Shirley Gibson OCSD are buying new chairs.
- B. Vard Ikeda "They are pulling a gigantic hoop thing around? Who is collecting the data and why? David Spiegel "Will talk to water resource group to find out who is collecting the data and bring the information back to the next meeting.

Meeting Adjourned at 10:55 AM by Kristen Barneich; next regular meeting is scheduled for January 18, 2024, at City of Grover Beach Council Chambers

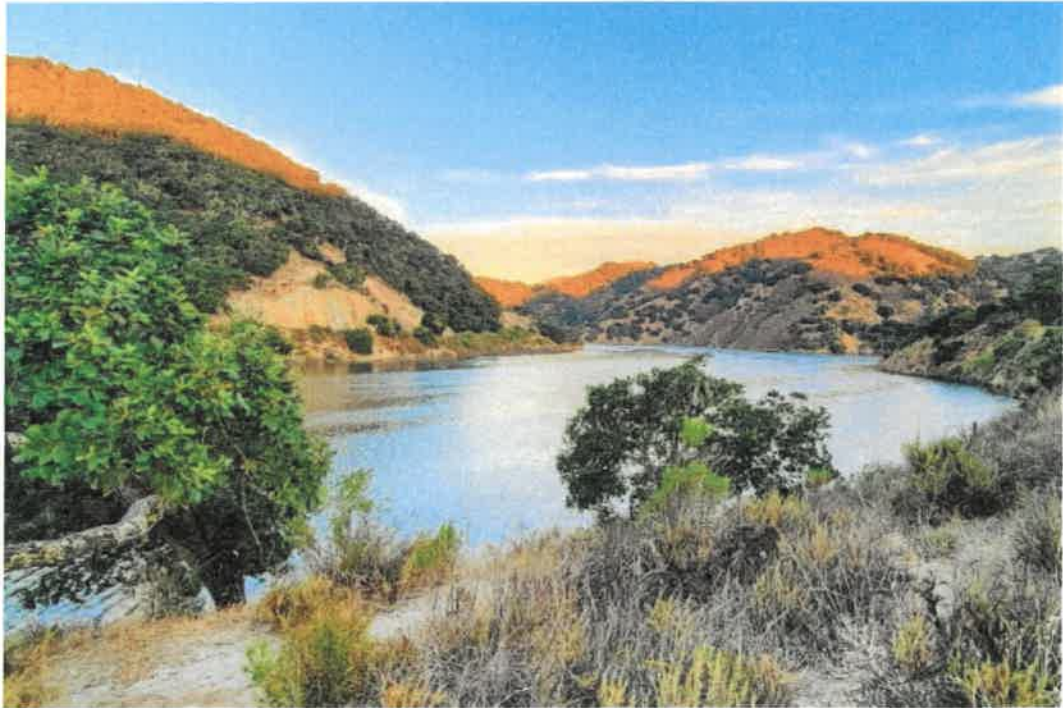
Respectfully Submitted,

Darla Budge

County of San Luis Obispo Public Works Department

Flood Control Zone 3

Proposed Budget



Fiscal Year

2024-25



FLOOD CONTROL ZONE 3 2024-25 PROPOSED BUDGET

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January 11, 2024

MEMORANDUM

TO: Flood Control Zone 3 Advisory Committee

FROM: Katie Franco, San Luis Obispo County Public Works Finance Manager

SUBJECT: Flood Control Zone 3 - Proposed Budget FY 2024-25

The 2024-25 Flood Control Zone 3 Proposed Budget has been prepared by the County Department of Public Works for your review. The proposed budget will also be mailed to the contracting agencies’ Finance Directors and Technical Advisory Committee (TAC) members and City/General Managers. An in-depth review with agency Finance Staff and Technical Staff will be held before final review by the Zone 3 Advisory Committee, scheduled for **March 21, 2024**.

A summary of changes from the 2023-24 budget to the proposed 2024-25 budget is as follows:

Description	2023-24 Budget	2024-25 Budget	Dollar Change	Percentage Change
Operations & Maintenance				
Billable Routine	4,921,200	5,024,924	103,724	2.1%
Billable Non-Routine *	300,000	221,349	(78,651)	(26.2%)
Total O&M	5,221,200	5,246,273	25,073	0.5%
Billable Capital Outlay/Reserves *	450,000	630,000	180,000	40%
Billable Debt Service	2,243,327	2,213,016	(30,311)	(1.4%)
Total Contractor Billings	\$7,914,527	\$8,089,289	\$174,762	2.21%

* Non-Routine O&M & Capital	750,000	851,349	101,349	13.5%
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Variance Discussion:

The overall contractor billings will increase by 2.21% for FY 2024-25. Overall operations and maintenance billings have increased approximately 0.5%. Documents within this booklet analyze the details related to changes between the 2024-25 and 2023-24 Proposed Budgets. On a bottom-line basis, total billings to agencies are approximately \$175,000 more than the current year.

The following further explains the major reasons for the changes.

Billable Routine O&M Expenditures - (Increase of 2.1%)

The net increase in Routine O&M is due to new increases across several line items that exceed the decreases in several other line items. The increase in Utilities Operation Staff and Environmental Staff hours are in anticipation of work for Unit repairs, tank replacements, and water treatment operations. Decreases include reduced labor hours at the main and terminal dam to better align with actual labor hours. The net difference per agency is demonstrated on page 4.

Billable Non-Routine O&M and Capital Outlay/Reserves - (Increase of 13.5%)

Non-Routine O&M items are for special projects and studies, as well as major maintenance efforts that run from one to three years. Capital expenditures are “pay-as-you-go” and are not generally funded through use of Flood Control Zone 3 reserves and/or other sources of funding such as grants or loans.

The Technical Advisory Committee (TAC) reviews and prioritizes the Non-Routine O&M projects in conjunction with the Capital projects when developing the 5-Year Capital Outlay Plan. This year’s projects have been reviewed and approved by the TAC prior to being included in this proposed budget.

The Habitat Conservation Plan (HCP) has been an ongoing effort since 2006. The HCP budget has previously been reflected in Routine O&M costs but will be included in the Non-Routine category beginning in the FY 24-25 budget.

This change will increase the proposed budget over the \$750,000 recommendation by the TAC for non-routine and capital expenses, but this change will shift budget from the routine category resulting in a net \$0 change to the overall budget. The request for this specific effort will be \$156,349 for FY 2024-25 budget.

Details of each of these projects may be found on page 15.

Billable Debt Service - (Decrease of 1.4%)

The debt service costs should remain at this level until the bonds are paid off in the year 2030 or until refinanced. Minor fluctuations in billable amounts are due to fluctuating tax estimates that are collected and dedicated toward debt service.

Reserve Policies (see pages 8-10 for projected reserve levels)

DISTRICT FUNDED RESERVES:

The balances within these reserves are derived from pre-2000 property tax revenues, and annual interest earnings and rents.

1976 – 2000: A portion of the 1% property tax established by Proposition 13 was annually apportioned to the Flood Control District. Of those Flood Control District's funds, a portion was further segregated annually into Zone 3, although the funds are not legally restricted to use within Zone 3.

2000: Pursuant to the Zone 3 Water Contracts, the above-mentioned funds annually segregated into Zone 3 were contractually restricted to paying debt service on the Lopez Dam seismic remediation project. Therefore, funds existing in Zone 3 District Reserves since 2000 are essentially a "draw down" account utilized towards Zone 3 projects and efforts, though not legally restricted to use within Zone 3.

Operating Reserves - the District will strive to maintain an operating reserve at a minimum of 50% of routine operations and maintenance expenditures.

Designated Reserves - Reserves collected and set aside for significant scheduled maintenance and capital costs will be separately identified as part of the annual proposed budget and will be incorporated in the annual final budget only after review by the Zone 3 Advisory Committee.

The Zone 3 Advisory Committee has recommended utilizing the District Funded Designated Reserves toward the efforts shown in the following chart. Specific requests by the Advisory Committee require approval by the San Luis Obispo County Board of Supervisors either via the annual budget process or mid-year requests prior to their use.

Estimated Available Balance	District Funded Designated Reserves Utilization Plan
\$50,000	HCP Planning & Resulting Projects (established in FY 11/12)
\$558,805	Public safety related to water quality and quantity purposes
\$608,805	TOTAL District Funded Designated Reserves Projected at 6/30/24

CONTRACTOR FUNDED RESERVES:

These reserves are funded by contributions from individual contractors or other participants of the District project. Addition to these reserves will be made via annual billings based on approved budgeted amounts. Any distributions of these reserves will be based on actual requirements. These reserves will be accounted for separately by contributor. The annual budget process will provide a statement of reserve activity. A portion of the costs of significant scheduled maintenance items or capital items, as identified in the long-range capital improvement plan, may be set aside in each annual budget of the District. Additionally, each agency may opt to establish reserves to be used to stabilize billings from year to year. Said reserves will be separately identified and will be incorporated in the annual final budget only after review by the Zone 3 Advisory Committee.

DEBT RESERVES:

Debt reserves are contractually mandated and are not addressed as part of this policy.



AVILA BEACH COMMUNITY SERVICES DISTRICT

SUBJECT: February and March 2024 Operations and Maintenance Report

Compliance

There were no reportable compliance issues for February & March 2024. The monthly Self-Monitoring Report and associated data tables and graphs are provided as an attachment to this report.

Wastewater Treatment Plant

Staff is splitting flow between the MBR and FFR to maximize treatment efficiency. Higher seasonal concentrations have translated into higher sludge production from the MBR. With the increased concentrations there is now enough food to adequately support both treatment processes. We have switched to Oilfield Environmental & Compliance (OEC) as the District's primary lab for required water and wastewater analysis. We estimate that this change will result in a \$6,500 annual savings. OEC provides a sample courier service that allows staff to stay in the District rather than 2 weekly trips to the lab in San Luis Obispo. Projected savings using the courier service, instead of operator time spent and wear and tear on the District vehicle, comes to an estimated additional annual savings of \$3,000.

We identified two mechanical failures in the plant. Staff performed troubleshooting, sourced parts, and made the repairs without the help of outside contractors resulting in cost savings. We continue to perform routine quarterly and monthly maintenance on pumps, motors, bearings, and all other moving parts within the plant grounds.

Wastewater Collection System

Staff has scheduled wastewater collection system "hot spot" and lift station cleaning for early May. "Hot spots" are areas in the collection system that have the potential to accumulate material that may impede the wastewater flow and could lead to a sanitary sewer overflow. We will create an internal map of hot spots to further strengthen the collections system program and document the hot spots as part of our Sanitary Sewer Management Plan (SSMP).

Water System

Staff acquired a program upgrade to our existing analysis equipment and can now measure free ammonia being sent by the State and Lopez water treatment plants. This will enable staff to better manage the nitrification issues during the summer. We also worked with our chemical supply vendor (Brenntag) to install a new bulk tank for sodium hypochlorite. Brenntag installed a 300-gallon tank, at no cost to the District. We will use this bulk tank to supply sodium hypochlorite that we use to clean the MBR membranes and at the water storage tanks. This is not only convenient but we will also realize a significant cost savings.

Avila Beach CSD Wastewater Treatment Facility

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

Month: FEBRUARY 2024

Date	Daily Flow (MGD)			Effluent Monitoring		
	Total	Max (gpm)	Avg (gpm)	Biweekly Total Coliform	Biweekly Fecal Coliform	Daily Chlorine Residual
1	0.072407	127	50	4	4	0.02
2	0.052139	100	36			0.01
3	0.056941	108	40			0.00
4	0.067377	110	47			0.07
5	0.057936	103	43	<2	<2	0.03
6	0.051248	72	36			0.12
7	0.049723	76	35			0.00
8	0.054095	81	38			0.00
9	0.046855	82	33	2	<2	0.06
10	0.050714	81	35			0.07
11	0.050216	96	35			0.01
12	0.043016	70	30	<2	<2	0.00
13	0.039435	75	27			0.00
14	0.047409	69	33			0.00
15	0.051596	75	36	<2	<2	0.00
16	0.045599	67	31			0.00
17	0.057035	105	40			0.00
18	0.064860	103	45			0.06
19	0.063723	76	37			0.00
20	0.045518	68	31	<2	<2	0.00
21	0.046218	73	32			0.00
22	0.044634	70	31	<2	<2	0.11
23	0.046113	75	32			0.08
24	0.047349	76	33			0.00
25	0.056308	100	39			0.00
26	0.038811	71	27	<2	<2	0.00
27	0.040404	73	28			0.00
28	0.040363	68	28			0.00
29	0.046304	90	32	<2	<2	0.00
30						
31						
Min	0.038811	67	27	<2	<2	0.00
Mean	0.050840	84.1	35.1	<2	<2	0.02
Max	0.072407	127	50	4	4	0.12
Total	1.474346	<i>Effluent daily (dry weather) flow NTE 0.2 MGD (mean).</i>				

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.

Effluent and Influent Monitoring

Date	Weekly Effluent BOD (24 HC)	Weekly Effluent TSS (24 HC)	Weekly Influent BOD (24 HC)	Weekly Influent TSS (24 HC)	Monthly Effluent Oil & Grease (Grab)
2/1/24	<3	<2	170	244	
2/9/24	2.56 DNQ	<2	187	88	
2/15/24	<3	<2	240	236	<5.0
2/22/24	<3	<2	252	196	
2/29/24	<3	<2	365	234	
Min	2.56 DNQ	<2	170	88	<5.0
Mean	<3	<2	242.8	199.6	<5.0
Max	<3	<2	365	244	<5.0
BOD Removal: 100.0%			TSS Removal: 100.0%		

Effluent Monitoring

Date	Weekly Set. Solids (Grab)	Weekly Turbidity (Grab)	Weekly pH (Grab)	Weekly Temp °F (Grab)
2/1/24	0.1	25.4	7.4	64
2/9/24	<0.1	1.47	7.4	60
2/15/24	<0.1	1.23	7.4	65
2/22/24	<0.1	1.34	7.4	66
2/29/24	<0.1	0.3	7.4	67
Min	<0.1	0.30	7.4	60
Mean	<0.1	5.95	7.4	64.4
Max	0.1	25.4	7.4	67

Influent Brine Received

Date	Volume (Gallons)
N/A	N/A

Sludge Removal

Date	Gallons
N/A	N/A

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%	***	***

SIGNATURE: _____



DATE: 03/29/2024

PRINTED NAME: Shawn Powell

TITLE: Chief Plant Operator

Avila Beach CSD Wastewater Treatment Facility

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

Month: FEBRUARY 2024

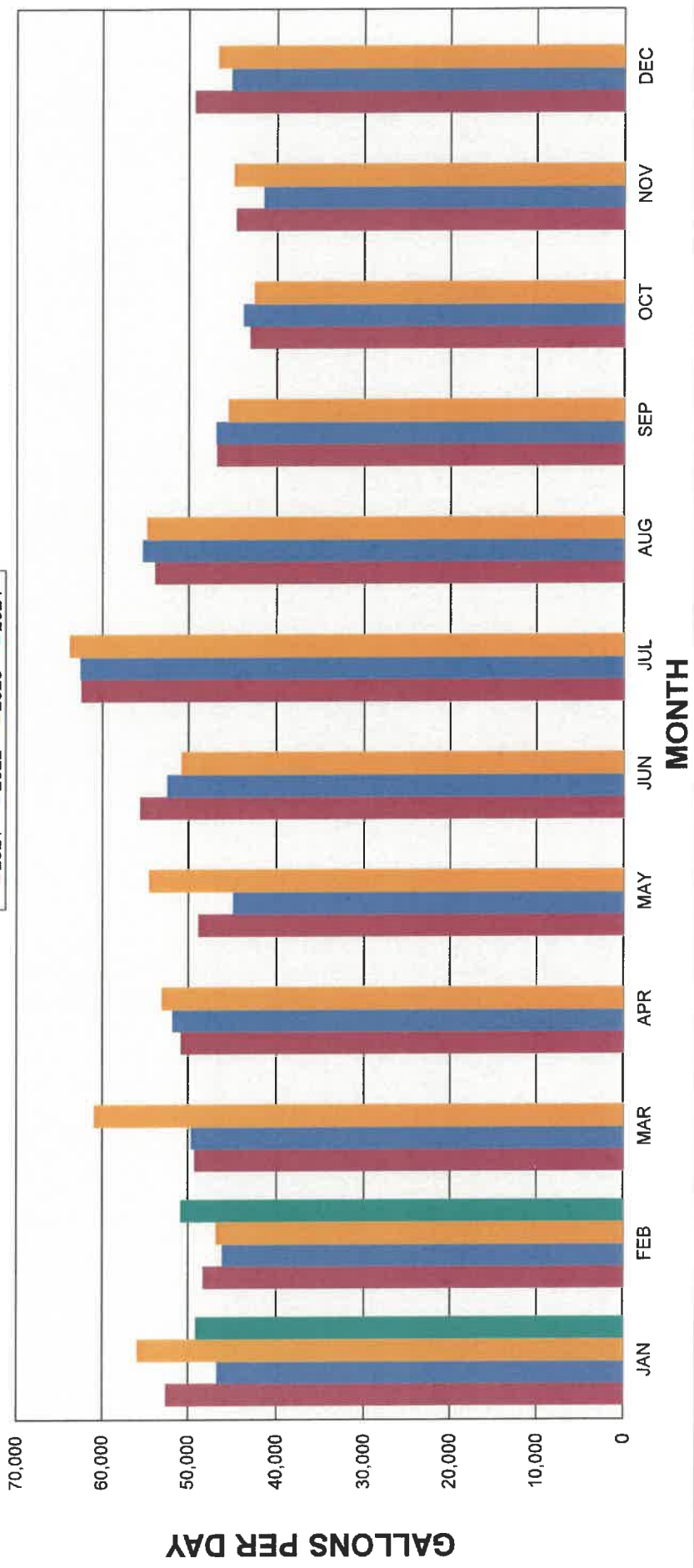
Warranty Monitoring

Parameter (mg/L)	MBR Influent (24HC)	MBR Aeration (grab)	MBR Effluent (24HC)
Date	2/15/2024	2/15/2024	2/15/2024
BOD (mg/L)	190	---	<3
Total Suspended Solids (mg/L)	89	7,500	<2
Volatile Suspended Solids (mg/L)	---	6,700	---
Total Kjeldahl Nitrogen (mg/L)	55	---	1.1
Total Nitrogen (mg/L)	---	---	5.7
Nitrate as N (mg/L)	---	---	4.6
Nitrite as N (mg/L)	---	---	<0.10
Ammonia (mg/L)	35	---	---
Total Phosphorus	7.3	---	2.6
Total Alkalinity	410	---	240
Oil and Grease	21	---	---

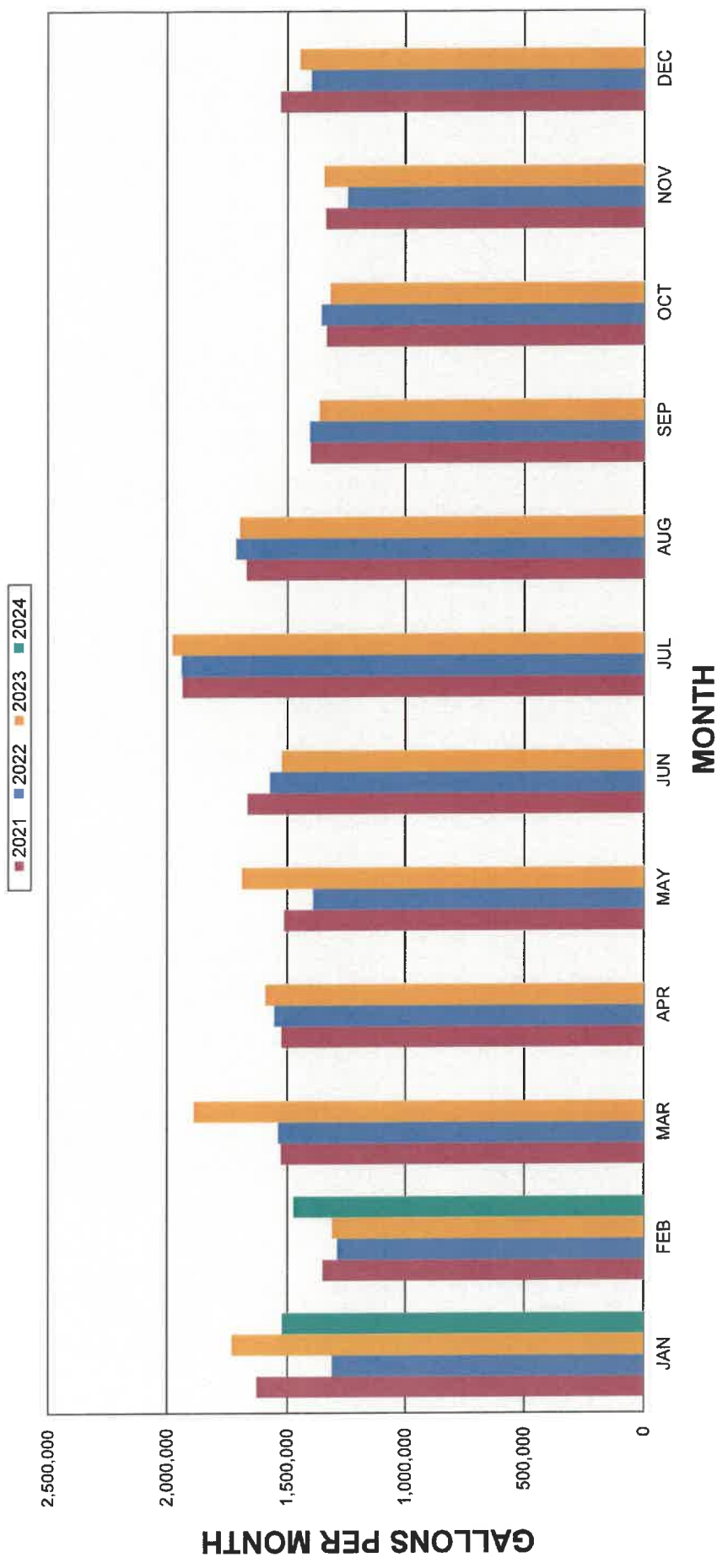
The warranty sampling results attached are required by the manufacturer for the first year of operation of the WWTP. Avila Beach CSD staff may elect to continue monthly process sampling beyond this requirement to monitor plant performance. Avila Beach CSD staff may also conduct additional process monitoring on an as-needed and discretionary basis.

ABCSD AVERAGE DAILY WWTP EFFLUENT FLOW (2021 - 2024)

■ 2021
 ■ 2022
 ■ 2023
 ■ 2024

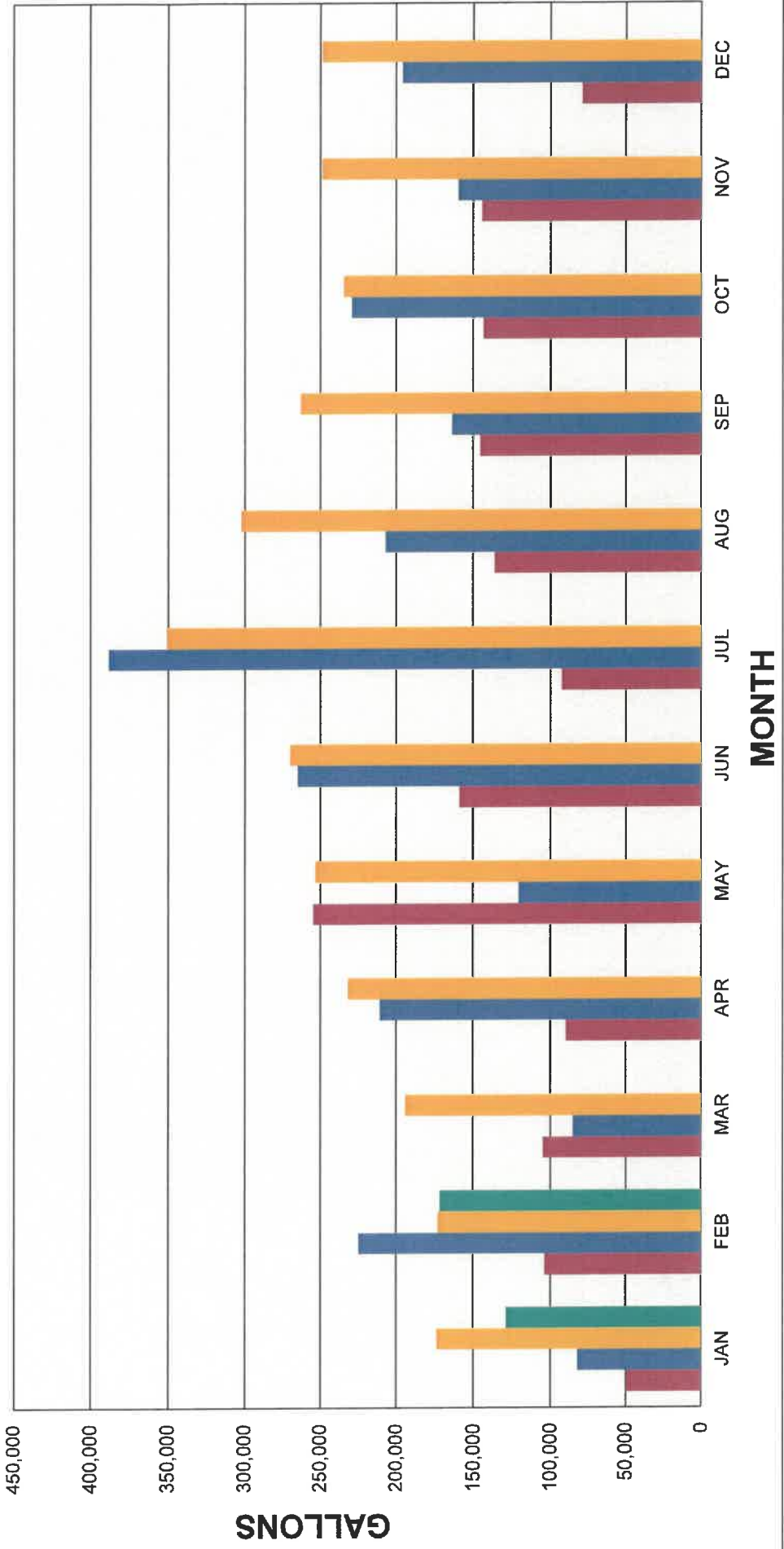


ABCSD MONTHLY TOTAL WWTP EFFLUENT FLOW (2021 - 2024)



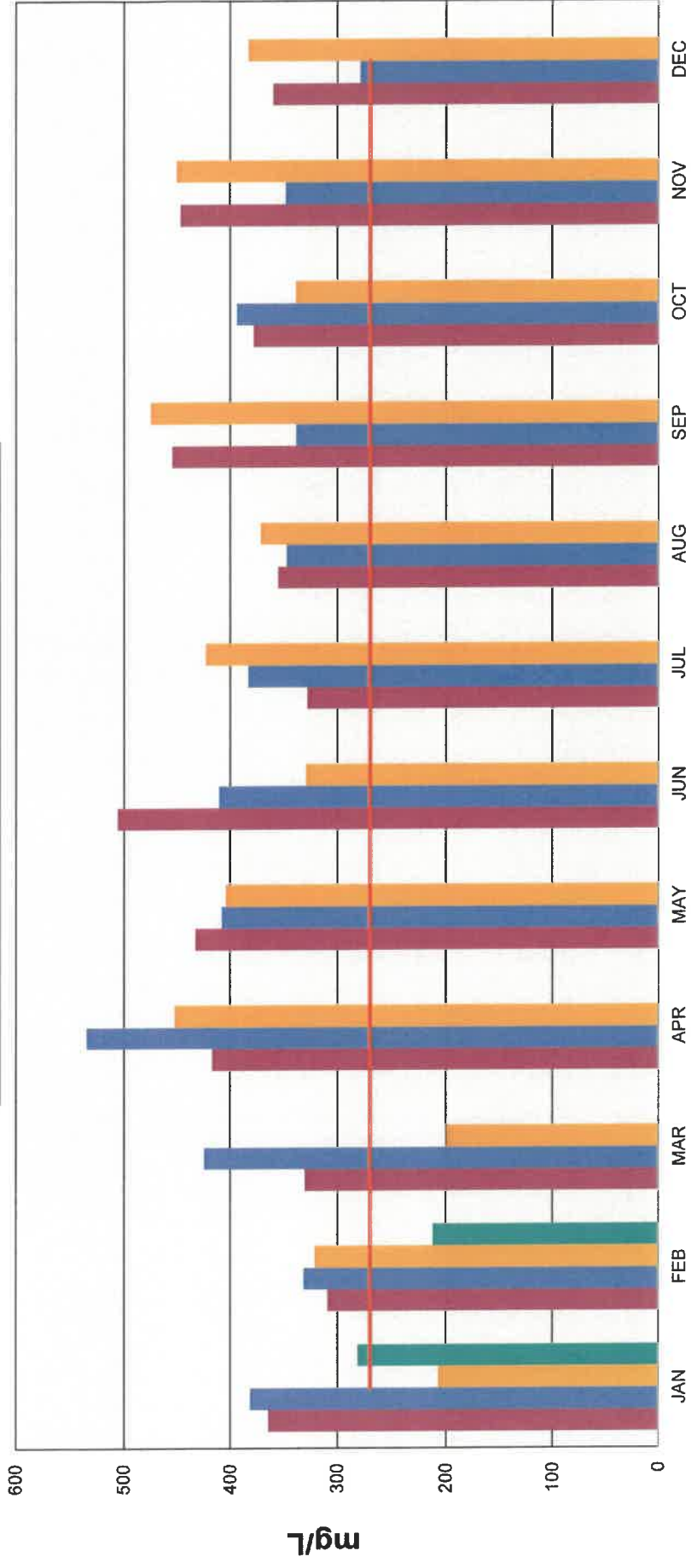
PORT SAN LUIS MONTHLY TOTAL FLOW (2021 - 2024)

■ 2021
 ■ 2022
 ■ 2023
 ■ 2024

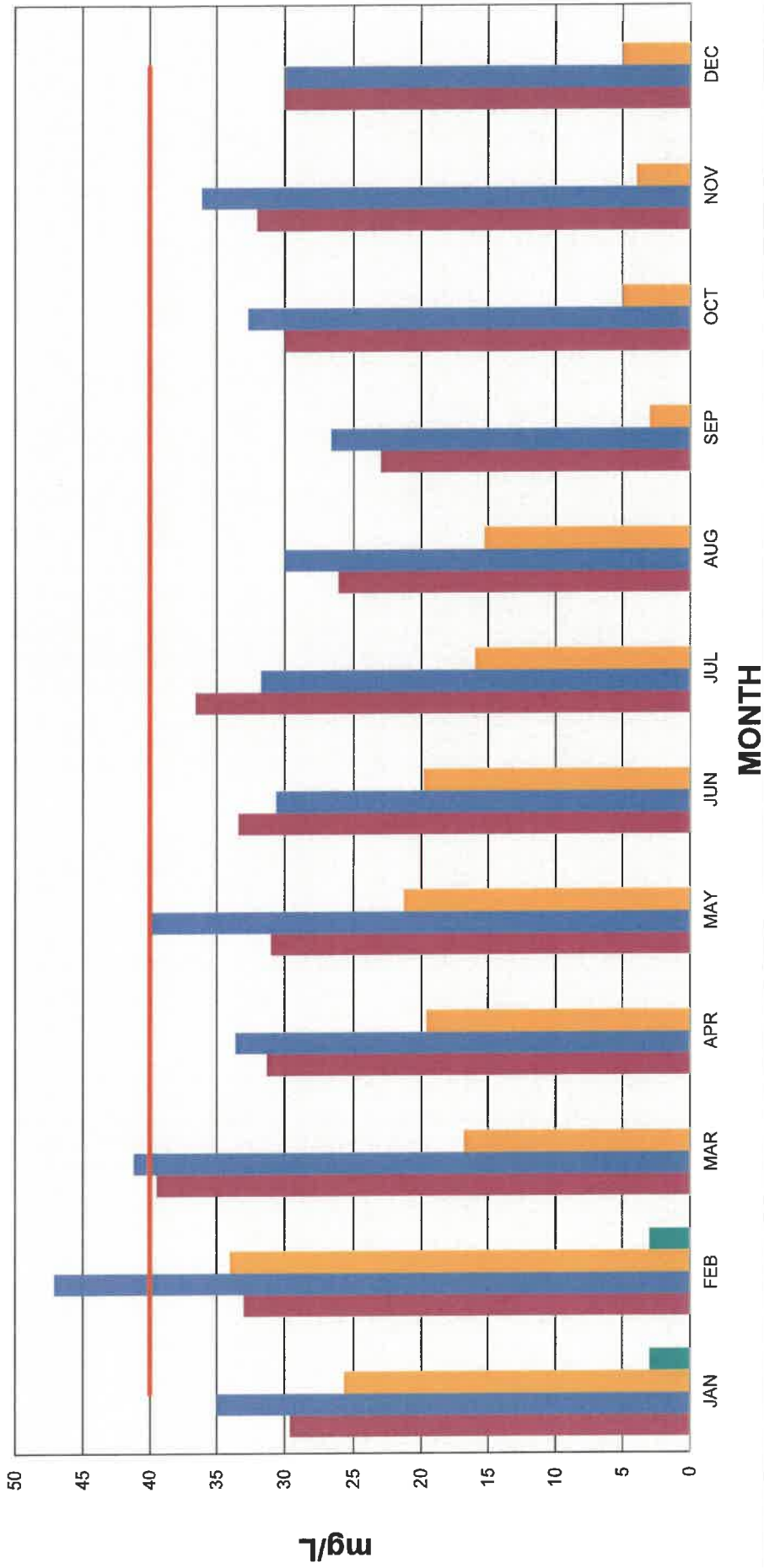


ABCSD MONTHLY AVERAGE INFLUENT BOD (2021 - 2024)

■ 2021
 ■ 2022
 ■ 2023
 ■ 2024
 — WWTP Design

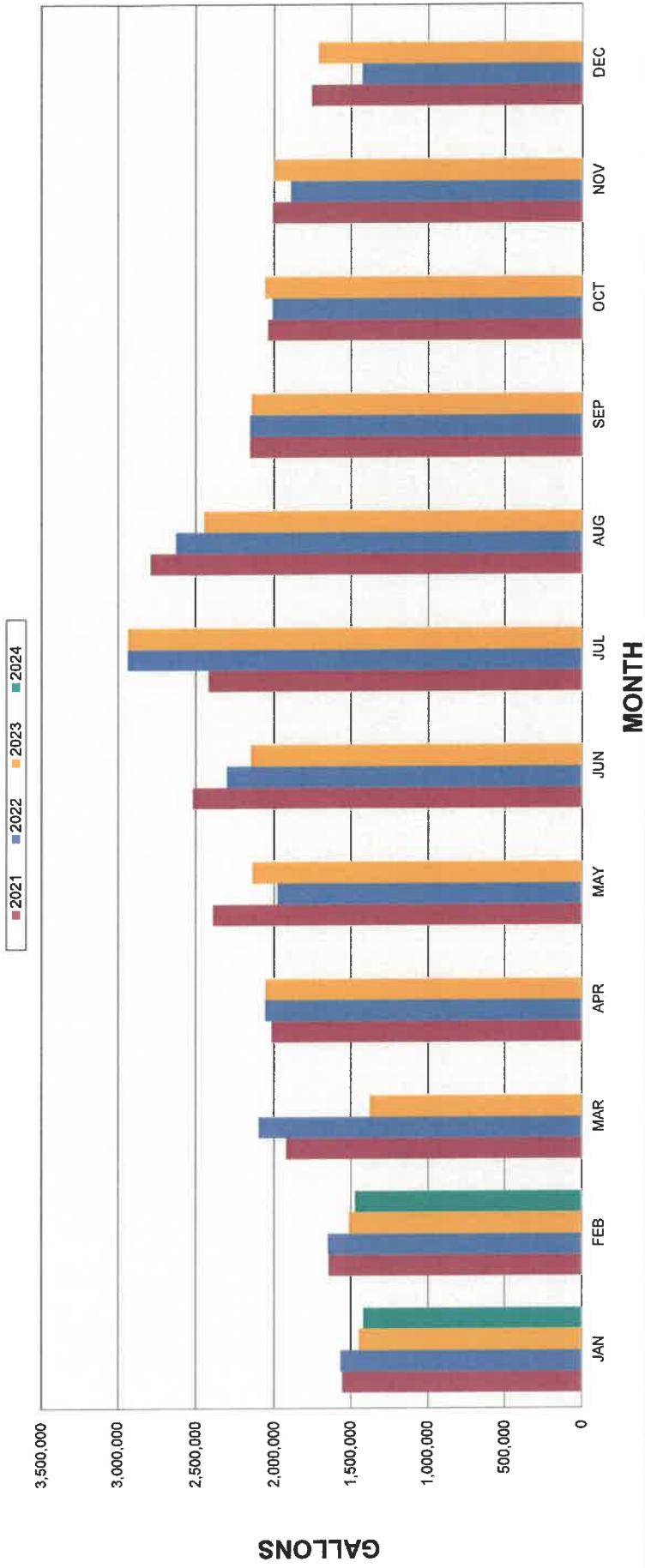


ABCSD MONTHLY AVERAGE EFFLUENT BOD (2021 - 2024)

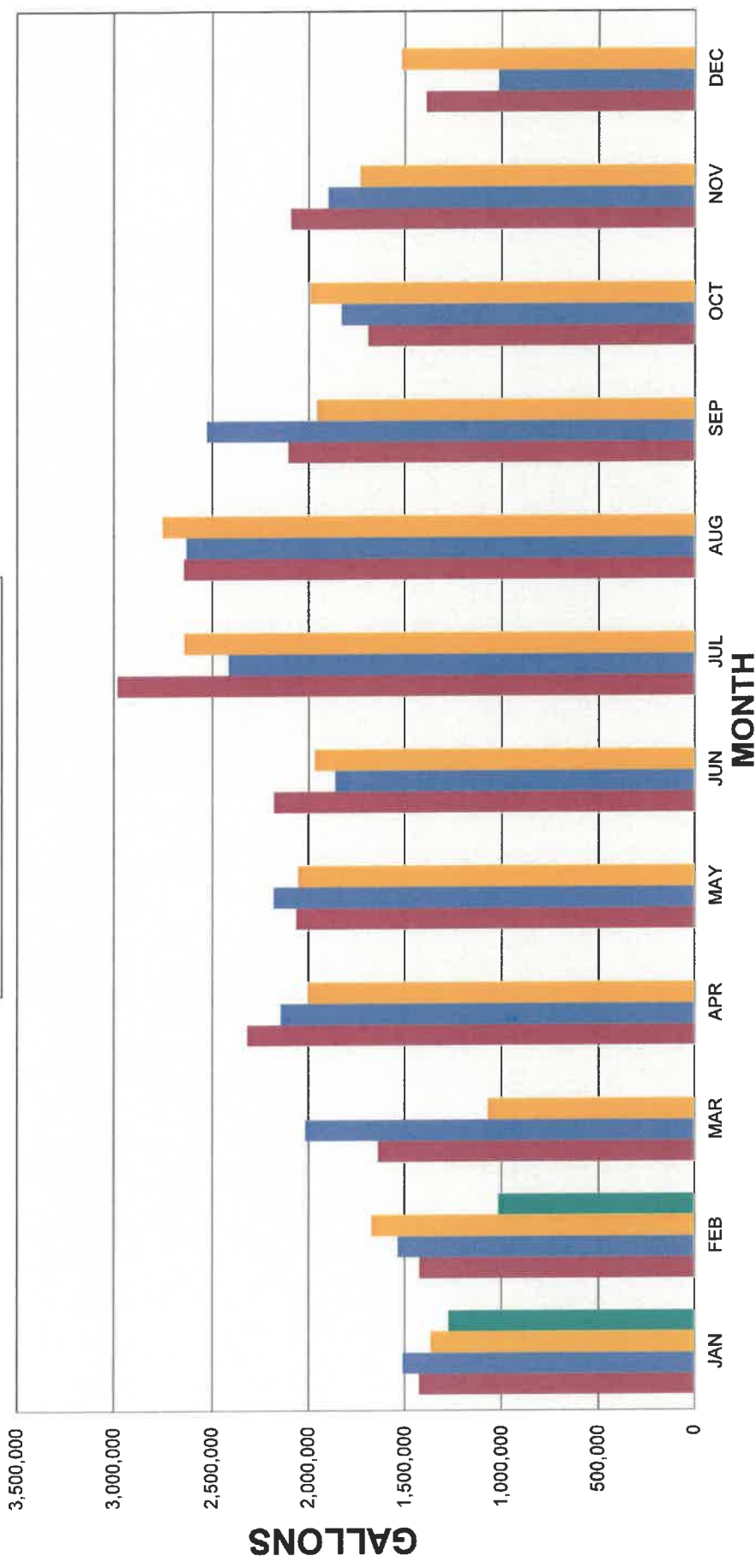


Note: Non Detect (ND) values of <3 are represented on the graph at their reporting limit (3 mg/L).

ABCSD MONTHLY WATER PURCHASED FROM LOPEZ (2021 - 2024)



ABCSD MONTHLY WATER SOLD (2021 - 2024)




**AVILA BEACH
COMMUNITY SERVICES DISTRICT**

Post Office Box 309, Avila Beach, CA. 93424

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: April 9, 2024

SUBJECT: Agreement with Avila Beach Farmers Market Association (Association) for Use of Electrical Outlets for 2024 Weekly Farmers Market Events

Recommendation

Direct General Manager to Sign Memorandum of Agreement for Use of Electrical Outlet for 2024 Weekly Farmers Market Event

Discussion:

The District has historically allowed the Association to use several power outlets to support the Weekly Farmers Market Event. The cost for allowing the Association to use District electrical outlets during the weekly Farmers Market events have been shown to be minimal. For consideration of the electrical use, the Association has included the CSD as a formal sponsor of the Farmers Market.

The draft Memorandum of Agreement for 2024, is consistent with the Agreement used in the past. Staff will ensure that the Memorandum indicates that the Association will:

1. Add the District as an “Additionally Insured Agency” on the Association’s Policy;
2. Provide a map of vendors and their respective connection to the electrical system;
3. Be responsible for maintenance of the electrical breakers and outlets;
4. Ensure all electrical power cords and connections to the outlet are placed in non-hazardous areas and properly installed to avoid any trip hazards; and
5. Initially contact Harbor Patrol and/or County Parks should they need assistance.

The District has typically agreed to support the Association in this area in years past with little or no issues. Staff recommends the Board authorize the General Manager to sign the Memorandum for the 2024 Farmers Market Season.

SUMMARY OF PROPOSED MEMORANDUM OF AGREEMENT

Name of Organizations: Avila Beach Farmers' Market Association (ABFMA), Avila Beach Community Services District (ABCSD)

Type of Organization: Non-profit Association

Primary Contact: Julie Andrews-Scott, Manager

Term of Agreement: May 3, 2024 to August 30, 2024

Purpose of Agreement: Operation of a Certified Farmers Market in Avila Beach and the electrical use by restaurant vendors.

1. The ABFFMA will provide general liability coverage additionally insuring the ABCSD.
2. The ABFFMA manager will provide a map of electrical use by vendors to the ABCSD.
3. The ABFFMA is responsible for the maintenance of the breakers and outlets, all repairs will be performed by the ABCSD and paid for by the ABFFMA.
4. The ABFFMA will ensure all cords and attachments to the outlet and placed in non-hazardous areas.
5. The procedure for calling for assistance when the outlets are overloaded include contacting the Harbor Patrol and County Parks, if available.

Required Submissions: Liability Coverage

2024 Vendor Map with Electrical Use

Contract Oversight:

Julie Andrews-Scott
ABFMA Manager

ABCSD 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: April 9, 2024

SUBJECT: Presentation of Fiscal Year 2022-23 Draft Financial Audit

Recommendation:

Receive draft Report and presentation by CJ Brown and Company, the District's independent auditor; provide comment; and consider approval of the Report.

Discussion:

Each year, the District is required by state law to provide an Independent Auditor's Report of the District's financial records. Attached for your review is the District's draft audit Report for Fiscal Year 2022-23.

A Principal from CJ Brown and Company will attend the April 9, 2024, Board of Directors meeting to present the draft Audit Report and answer any Board questions. The auditors will address the questions and if acceptable, the Board should consider adopting Audit Report as final. Following finalization, staff will provide copies of the Report to both the County and State Auditor Controller offices as required.



Avila Beach Community Services District
Avila Beach, California

Annual Financial Report

For the Fiscal Year Ended
June 30, 2023



AVILA BEACH COMMUNITY SERVICES DISTRICT

List of Elected Officials and District Staff

June 30, 2023

Elected Officials

BOARD OF DIRECTORS

President	Peter Kelley
Vice President	Ara Najarian
Director	John Janowicz
Director	Kristin Berry
Director	Howie Kennett

District Staff

General Manager	Bradley Hagemann
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Avila Beach, California 93424
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Avila Beach Community Services District
Annual Financial Report
For the Fiscal Year Ended June 30, 2023

**Avila Beach Community Services District
Annual Financial Report
For the Fiscal Year Ended June 30, 2023**

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Financial Section

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Independent Auditor's Report

Board of Directors
Avila Beach Community Services District
Avila Beach, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Avila Beach Community Services District (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the District, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Independent Auditor's Report, continued

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing our audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 and the required supplementary information on pages 41 through 45 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Independent Auditor's Report, continued

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 9, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

C.J. Brown & Company, CPAs
Cypress, California
April 9, 2024

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**Avila Beach Community Services District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

The following Management's Discussion and Analysis of activities and financial performance of the Avila Beach Community Services District (District) provide an introduction to the financial statements of the District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements and related notes, which follow this section.

Financial Highlights

- The District's net position increased 6.17% or \$513,453 from \$8,322,187 to \$8,835,640 in 2023, as a result of current year operations.
- In 2023, total revenues from all sources increased 13.18% or \$259,044 from \$1,965,803 to \$2,224,847.
- In 2023, total expenses from operations increased 0.35% or \$6,002 from \$1,705,392 to \$1,711,394.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

Statement of Net Position and Statement of Activities

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. uncollected taxes and earned, but unused, vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes, assessments, and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include general government and street lighting. The business-type activities of the District include operations for water, sanitation (sewer), and refuse (trash and solid waste).

The government-wide financial statements can be found on pages 10 and 11 of this report.

**Avila Beach Community Services District
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2023**

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental fund and enterprise fund.

Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

The District maintains two individual governmental funds: general and street lighting. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund and street lighting fund, which are considered major funds. The District maintains no non-major governmental funds.

The District adopts an annual appropriated budget for its general fund and street lighting fund. A budgetary comparison statement has been provided for the general fund and street lighting fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 12 through 15 of this report.

Statement of Net Position and Statement of Revenues, Expenses, and Changes in Fund Net Position – Enterprise Funds

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses three enterprise funds to account for its water, sanitary, and refuse activities.

Enterprise funds provide the same type of information as the government-wide financial statements, only in more detail. The enterprise fund financial statements provide separate information for all three enterprise funds.

The basic enterprise fund financial statements can be found on pages 16 through 19 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 through 40 of this report.

**Avila Beach Community Services District
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2023**

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which can be found on pages 41 through 45 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$8,835,640 at the close of the most recent fiscal year, with an increase of \$513,453 compared with the prior year.

A portion of the District's net position (80.55%) reflects its net investment in capital assets (e.g. land, water/wastewater infrastructure, and equipment). The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Statement of Net Position

Below is a summary of the statement of net position:

	Condensed Statements of Net Position					
	Governmental Activities		Business-type Activities		Total District	
	2023	2022	2023	2022	2023	2022
Assets:						
Current assets	\$ 295,445	179,638	5,211,589	6,473,126	5,507,034	6,652,764
Capital assets, net	13,495	19,464	7,103,394	5,100,546	7,116,889	5,120,010
Total assets	308,940	199,102	12,314,983	11,573,672	12,623,923	11,772,774
Deferred outflows of resources:						
Deferred pension outflows	82,628	28,724	-	-	82,628	28,724
Total deferred outflows of resources	82,628	28,724	-	-	82,628	28,724
Liabilities:						
Current liabilities	184,362	13,959	719,431	376,891	903,793	390,850
Non-current liabilities	149,160	92,927	2,795,139	2,909,313	2,944,299	3,002,240
Total liabilities	333,522	106,886	3,514,570	3,286,204	3,848,092	3,393,090
Deferred inflows of resources:						
Deferred pension inflows	22,819	86,221	-	-	22,819	86,221
Total deferred inflows of resources	22,819	86,221	-	-	22,819	86,221
Net position:						
Net investment in capital assets	13,495	19,464	7,103,394	5,100,546	7,116,889	5,120,010
Unrestricted	21,732	15,255	1,697,019	3,186,922	1,718,751	3,202,177
Total net position	\$ 35,227	34,719	8,800,413	8,287,468	8,835,640	8,322,187

The balance of unrestricted net position totaling \$1,718,751 may be used to meet the government's ongoing obligations.

Governmental activities — Governmental activities increased the District's net position by \$508 from the prior year. The increase in net position was due primarily to an increase of \$566,233 from current year operations; which was offset by a decrease of \$565,725 due to a transfer-out to support the operations of business-type activities.

Business-type activities — Business-type activities increased the District's net position by \$512,945 from the prior year. The increase in net position was due primarily to a decrease of \$52,780 from current year operations; which was offset by an increase \$565,725 due to a transfer-in from governmental activities.

**Avila Beach Community Services District
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2023**

Government-wide Financial Analysis, continued

Statement of Activities

Below is a summary of the statement of activities:

	Condensed Statements of Activities					
	Governmental Activities		Business-type Activities		Total District	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 4,008	5,392	1,369,316	1,225,836	1,373,324	1,231,228
General revenues:						
Property taxes	866,231	769,614	-	-	866,231	769,614
Investment return	(14,708)	(35,039)	-	-	(14,708)	(35,039)
Rental income	-	-	-	-	-	-
Total revenues	<u>855,531</u>	<u>739,967</u>	<u>1,369,316</u>	<u>1,225,836</u>	<u>2,224,847</u>	<u>1,965,803</u>
Expenses:						
General government	274,501	477,679	-	-	274,501	477,679
Street lighting	14,797	13,096	-	-	14,797	13,096
Water	-	-	440,413	377,987	440,413	377,987
Sanitary	-	-	957,281	835,664	957,281	835,664
Refuse	-	-	24,402	966	24,402	966
Total expenses	<u>289,298</u>	<u>490,775</u>	<u>1,422,096</u>	<u>1,214,617</u>	<u>1,711,394</u>	<u>1,705,392</u>
Income(loss) before transfers and transfers	<u>566,233</u>	<u>249,192</u>	<u>(52,780)</u>	<u>11,219</u>	<u>513,453</u>	<u>260,411</u>
Capital contributions	-	-	-	-	-	-
Transfers in/(out)	<u>(565,725)</u>	<u>(468,215)</u>	<u>565,725</u>	<u>468,215</u>	<u>-</u>	<u>-</u>
Changes in net position	<u>508</u>	<u>(219,023)</u>	<u>512,945</u>	<u>479,434</u>	<u>513,453</u>	<u>260,411</u>
Net position, beginning of year	<u>34,719</u>	<u>253,742</u>	<u>8,287,468</u>	<u>7,808,034</u>	<u>8,322,187</u>	<u>8,061,776</u>
Net position, end of year	<u>\$ 35,227</u>	<u>34,719</u>	<u>8,800,413</u>	<u>8,287,468</u>	<u>8,835,640</u>	<u>8,322,187</u>

- The District's net position increased 6.17% or \$513,453 from \$8,322,187 to \$8,835,640 in 2023, as a result of current year operations.
- In 2023, total revenues from all sources increased 13.18% or \$259,044 from \$1,965,803 to \$2,224,847, primarily due to increases of \$142,096 in charges for services, \$96,617 in property taxes, and \$20,331 in interest earnings.
- In 2023, total expenses from operations increased 0.35% or \$6,002 from \$1,705,392 to \$1,711,394, primarily due to increases of \$121,617 in sanitary, \$62,426 in water, \$23,436 in refuse, and \$1,701 in street lighting; which were offset by a decrease of \$203,178 in general government operations.

Government Fund Financial Analysis

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental fund – The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resource available for spending at the end of the fiscal year.

**Avila Beach Community Services District
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2023**

Government Fund Financial Analysis, continued

The following discussion is correlated to the Balance Sheet – Governmental Fund found on page 12.

As of the end of the current fiscal year, the District's governmental fund reported combined ending fund balance of \$111,685, a decrease of \$53,994 in comparison with the prior year. Of the total fund balance, 92.60%, or \$103,424, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remaining fund balance is assigned to indicate that it is not available for general spending because it has already been assigned for compensated absences.

The general fund is the chief operating fund of the District. As of the end of the current fiscal year, the District's general fund reported fund balance of \$88,920, a decrease of \$62,694 in comparison with the prior year. Of the general fund balance, 90.71%, or \$80,659, constitutes unassigned fund balance, which is available for spending. The remainder of fund balance is assigned to indicate that it is not available for general spending because it has already been assigned for compensated absences.

The District's general fund decrease of \$62,694 is the result of a \$522,279 income from the current year's operations; which was offset by a \$584,973 transfer-out to support the operations of the District's other funds.

The street lighting fund balance was \$22,765. The fund balance of the District's street lighting fund increased \$8,700 as a result of a \$10,548 loss from the current year's operations; which was offset by a \$19,248 transfer in from the general fund to support its operations.

Enterprise fund – The District's enterprise fund provides the same type of information found in the government-wide financial statements, but in greater detail.

Net position for all enterprise fund increased \$512,945 from the prior year. Changes in total net position from the prior year are as follows: the water enterprise fund increased by \$158,115, of which an increase of \$62,369 was a result of current year operations and \$95,746 was related to transfer-in from the general fund in support of its operations; the sanitary enterprise fund increased by \$350,817, of which a decrease of \$119,162 was a result of current year operations; which was offset by \$469,979 related to transfer-in from the general fund in support of its operations; and the refuse enterprise increased by \$4,013 as a result of current year operations.

Governmental Activities Budgetary Highlights

The final actual expenditures for the year ended June 30, 2023, were less than budgeted by \$132,048 for the General Fund and less than budgeted by \$3,952 for the Streets Lighting Fund. Actual revenues for the year ended June 30, 2023, were more than the anticipated budget by \$379,531 for the General Fund and less than the anticipated budget by \$15,000 for the Streets Lighting Fund. At June 30, 2023, there were no differences between the original and final amended budgets. (See Budgetary Comparison Schedule for the General Fund and Streets Lighting Fund under Required Supplementary Information section on pages 41 and 42).

**Avila Beach Community Services District
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2023**

Capital Asset Administration

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total District</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Capital assets:						
Non-depreciable assets	\$ 20	20	4,535,685	2,280,330	4,535,705	2,280,350
Depreciable assets	94,968	94,968	6,874,120	6,874,120	6,969,088	6,969,088
Total capital assets	94,988	94,988	11,409,805	9,154,450	11,504,793	9,249,438
Accumulated depreciation	(81,493)	(75,524)	(4,306,410)	(4,053,904)	(4,387,903)	(4,129,428)
Total capital assets, net	\$ 13,495	19,464	7,103,395	5,100,546	7,116,890	5,120,010

At the end of fiscal year 2023, the District's investment in capital assets amounted to \$7,116,890 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, and machinery and equipment. The capital assets of the District are more fully analyzed in Note 5 to the basic financial statements.

Debt Administration

The change in long-term debt amounts for 2023, was as follows:

	<u>2022</u>	<u>Additions</u>	<u>Principal Payment</u>	<u>2023</u>
Long-term debt				
Lease obligation	\$ 3,020,000	-	(110,687)	2,909,313

The District's long-term debt decreased \$110,687, primarily due to principal payments on long-term debt.

Conditions Affecting Current Financial Position

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

Requests for Information

This financial report is designed to provide the District's present users, including funding sources, customers, stakeholders, and other interested parties, with a general overview of the District's finances and to demonstrate the District's accountability with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's General Manager, Bradley Hagemann at Avila Beach Community Services District, Post Office Box 309, Avila Beach, California 93424 or (805) 835-3163.

Basic Financial Statements

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Avila Beach Community Services District
Statement of Net Position
June 30, 2023

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current assets:			
Cash and cash equivalents (note 2)	\$ 22,765	5,109,222	5,131,987
Accrued interest receivable	31,062	-	31,062
Accounts receivable – utilities, net (note 3)	-	94,433	94,433
Accounts receivable – other	-	7,934	7,934
Property taxes and assessments receivable	30,263	-	30,263
Due from other funds (note 4)	211,355	-	211,355
Total current assets	<u>295,445</u>	<u>5,211,589</u>	<u>5,507,034</u>
Non-current assets:			
Capital assets – not being depreciated (note 5)	20	4,535,685	4,535,705
Capital assets – being depreciated, net (note 5)	13,475	2,567,709	2,581,184
Total non-current assets	<u>13,495</u>	<u>7,103,394</u>	<u>7,116,889</u>
Total assets	<u>308,940</u>	<u>12,314,983</u>	<u>12,623,923</u>
Deferred outflows of resources:			
Deferred pension outflows (note 7)	82,628	-	82,628
Total deferred outflows of resources	<u>82,628</u>	<u>-</u>	<u>82,628</u>
Current liabilities:			
Accounts payable and accrued expenses	172,744	-	172,744
Accrued wages and related payables	3,357	-	3,357
Accrued interest	-	68,733	68,733
Deposits and unearned revenue	-	7,640	7,640
Due to othe fund	-	528,884	528,884
Compensated absences (note 6)	8,261	-	8,261
Long-term liabilities – due within one year:			
Certificate-of-participation	-	114,174	114,174
Total current liabilities	<u>184,362</u>	<u>719,431</u>	<u>903,793</u>
Non-current liabilities:			
Long-term liabilities – due in more than one year:			
Certificate-of-participation	-	2,795,139	2,795,139
Net pension liability (note 7)	149,160	-	149,160
Total non-current liabilities	<u>149,160</u>	<u>2,795,139</u>	<u>2,944,299</u>
Total liabilities	<u>333,522</u>	<u>3,514,570</u>	<u>3,848,092</u>
Deferred inflows of resources:			
Deferred pension inflows (note 7)	22,819	-	22,819
Total deferred inflows of resources	<u>22,819</u>	<u>-</u>	<u>22,819</u>
Net position:			
Net investment in capital assets	13,495	7,103,394	7,116,889
Unrestricted	21,732	1,697,019	1,718,751
Total net position	<u>\$ 35,227</u>	<u>8,800,413</u>	<u>8,835,640</u>

See accompanying notes to the basic financial statements

Avila Beach Community Services District
Statement of Activities
For the Fiscal Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Position		
			Governmental Activities	Business-type Activities	Total
Governmental activities:					
General government	\$ 274,501	3,008	(271,493)	-	(271,493)
Lighting	14,797	1,000	(13,797)	-	(13,797)
Total governmental activities	289,298	4,008	(285,290)	-	(285,290)
Business-type activities:					
Water	440,413	502,782	-	62,369	62,369
Sanitary	957,281	838,119	-	(119,162)	(119,162)
Refuse	24,402	28,415	-	4,013	4,013
Total business-type activities	1,422,096	1,369,316	-	(52,780)	(52,780)
Total	\$ 1,711,394	1,373,324	(285,290)	(52,780)	(338,070)
General revenues:					
Property taxes			\$ 866,231	-	866,231
Investment return			(14,708)	-	(14,708)
Total general revenues			851,523	-	851,523
Transfers in/(out) (note 4)			(565,725)	565,725	-
Changes in net position			508	512,945	513,453
Net position, beginning of year			34,719	8,287,468	8,322,187
Net position, end of year			\$ 35,227	8,800,413	8,835,640

See accompanying notes to the basic financial statements

**Avila Beach Community Services District
Balance Sheet – Governmental Fund
June 30, 2023**

	<u>General</u>	<u>Streets Lighting</u>	<u>Total Governmental Activities</u>
Assets:			
Cash and cash equivalents (note 2)	\$ -	22,765	22,765
Accrued interest receivable	31,062	-	31,062
Property taxes and assessments receivable	30,263	-	30,263
Due from other funds (note 4)	211,355	-	211,355
Total assets	\$ 272,680	22,765	295,445
Liabilities:			
Accounts payable and accrued expenses	\$ 172,142	-	172,142
Accrued wages and related payables	3,357	-	3,357
Compensated absences (note 6)	8,261	-	8,261
Total liabilities	183,760	-	183,760
Fund balance (note 9):			
Assigned	8,261	-	8,261
Unassigned	80,659	22,765	103,424
Total fund balance	88,920	22,765	111,685
Total liabilities and fund balance	\$ 272,680	22,765	295,445

Continued on next page

See accompanying notes to the basic financial statements

Avila Beach Community Services District
Reconciliation of the Balance Sheet of Governmental Fund to the Statement of Net Position
June 30, 2023

	2023
Reconciliation:	
Total fund balance of Governmental Fund	\$ 111,685
Amounts reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, not in the governmental fund balance sheet. However, the statement of net position includes those capital position among the assets of the District as a whole.	12,893
Deferred outflows of resources applicable to the consumption of resources to be used in future periods	82,628
Long-term liabilities applicable to the District are not due and payable in the current period and, accordingly, are not reported as governmental fund liabilities. All liabilities both current and long-term, are reported in the statement of net position as follows:	
Net pension liability	(149,160)
Deferred inflows of resources applicable to the aquisition of resources to be used in future periods	(22,819)
Net position of Governmental Activities	\$ 35,227

See accompanying notes to the basic financial statements

Avila Beach Community Services District
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund
For the Fiscal Year Ended June 30, 2023

	<u>General</u>	<u>Streets Lighting</u>	<u>Total Governmental Activities</u>
Revenues:			
Property taxes	\$ 866,231	-	866,231
Investment return	(14,708)	-	(14,708)
Charges for services	3,008	1,000	4,008
Total revenues	<u>854,531</u>	<u>1,000</u>	<u>855,531</u>
Expenditures:			
General government	331,578	-	331,578
Street lighting	-	11,548	11,548
Capital outlay	674	-	674
Total expenditures	<u>332,252</u>	<u>11,548</u>	<u>343,800</u>
Excess(deficiency) of revenues over expenditures	522,279	(10,548)	511,731
Other financing sources(uses):			
Operating transfers in(out) (note 4)	(584,973)	19,248	(565,725)
Net change in fund balance	(62,694)	8,700	(53,994)
Fund balance, beginning of year	<u>151,614</u>	<u>14,065</u>	<u>165,679</u>
Fund balance, end of year	<u>\$ 88,920</u>	<u>22,765</u>	<u>111,685</u>

Continued on next page

See accompanying notes to the basic financial statements.

**Avila Beach Community Services District
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of
 Governmental Fund to the Statement of Activities
 For the Fiscal Year Ended June 30, 2023**

Reconciliation:

Net change in fund balance – Governmental Fund	\$	(53,994)
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Amounts reported for governmental activities in the statement of activities are different because:
 Governmental fund reports capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense as follows:

Depreciation expense		(5,969)
Capital outlay		674

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenses in governmental fund as follows:

Net change in pension obligations for the current period		<u>59,797</u>
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Changes in net position of Governmental Activities	\$	<u>508</u>
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See accompanying notes to the basic financial statements



**Avila Beach Community Services District
Statement of Net Position – Enterprise Fund
June 30, 2023**

	<u>Water</u>	<u>Sanitary</u>	<u>Refuse</u>	<u>Total Business-type Activities</u>
Current assets:				
Cash and cash equivalents (note 2)	\$ 2,848,211	2,129,844	131,167	5,109,222
Accounts receivable – utilities, net (note 3)	57,857	36,576	-	94,433
Accounts receivable – other	7,934	-	-	7,934
Total current assets	<u>2,914,002</u>	<u>2,166,420</u>	<u>131,167</u>	<u>5,211,589</u>
Non-current assets:				
Capital assets – not being depreciated (note 5)	-	4,535,685	-	4,535,685
Capital assets – being depreciated, net (note 5)	483,583	2,084,126	-	2,567,709
Total non-current assets	<u>483,583</u>	<u>6,619,811</u>	<u>-</u>	<u>7,103,394</u>
Total assets	<u>3,397,585</u>	<u>8,786,231</u>	<u>131,167</u>	<u>12,314,983</u>
Current liabilities:				
Accrued interest	-	68,733	-	68,733
Unearned revenue	7,640	-	-	7,640
Due to other fund	60,223	468,661	-	528,884
Long-term debt – due within one year: Certificate-of-participation	-	114,174	-	114,174
Total current liabilities	<u>67,863</u>	<u>651,568</u>	<u>-</u>	<u>719,431</u>
Non-current liabilities				
Long-term debt – due after one year: Certificate-of-participation	-	2,795,139	-	2,795,139
Total non-current liabilities	<u>-</u>	<u>2,795,139</u>	<u>-</u>	<u>2,795,139</u>
Total liabilities	<u>67,863</u>	<u>3,446,707</u>	<u>-</u>	<u>3,514,570</u>
Net position:				
Net investment in capital assets	483,583	6,619,811	-	7,103,394
Unrestricted (note 9)	2,846,139	(1,280,287)	131,167	1,697,019
Total net position	<u>\$ 3,329,722</u>	<u>5,339,524</u>	<u>131,167</u>	<u>8,800,413</u>

See accompanying notes to the basic financial statements

Avila Beach Community Services District
Statement of Revenues, Expenses, and Changes in Fund Net Position – Enterprise Fund
For the Fiscal Year Ended June 30, 2023

	<u>Water</u>	<u>Sanitary</u>	<u>Refuse</u>	<u>Total Business-type Activities</u>
Operating revenues:				
Water consumption sales	\$ 502,782	-	-	502,782
Sanitary service charges	-	838,119	-	838,119
Refuse franchise charges	-	-	28,415	28,415
Total operating revenue	<u>502,782</u>	<u>838,119</u>	<u>28,415</u>	<u>1,369,316</u>
Operating expenses:				
Professional services	103,476	310,101	-	413,577
Utilities	2,806	43,354	16,408	62,568
Repairs and maintenance	3,972	134,397	-	138,369
Supplies	773	49,714	-	50,487
Insurance	7,325	8,593	-	15,918
Administrative expenses	8,297	13,132	6,210	27,639
Materials and services	282,273	11,912	1,784	295,969
Total operating expenses	<u>408,922</u>	<u>571,203</u>	<u>24,402</u>	<u>1,004,527</u>
Operating income before depreciation expense	93,860	266,916	4,013	364,789
Depreciation expense	(31,491)	(221,015)	-	(252,506)
Operating income(loss)	<u>62,369</u>	<u>45,901</u>	<u>4,013</u>	<u>112,283</u>
Non-operating expense:				
Interest expense	-	(163,863)	-	(163,863)
Debt issuance cost	-	(1,200)	-	(1,200)
Total non-operating expense	<u>-</u>	<u>(165,063)</u>	<u>-</u>	<u>(165,063)</u>
Net income(loss) before transfers	<u>62,369</u>	<u>(119,162)</u>	<u>4,013</u>	<u>(52,780)</u>
Operating transfers in (note 4)	<u>95,746</u>	<u>469,979</u>	<u>-</u>	<u>565,725</u>
Changes in net position	<u>158,115</u>	<u>350,817</u>	<u>4,013</u>	<u>512,945</u>
Net position, beginning of year	<u>3,171,607</u>	<u>4,988,707</u>	<u>127,154</u>	<u>8,287,468</u>
Net position, end of year	<u>\$ 3,329,722</u>	<u>5,339,524</u>	<u>131,167</u>	<u>8,800,413</u>

See accompanying notes to the basic financial statements

**Avila Beach Community Services District
Statement of Cash Flows – Enterprise Fund
For the Fiscal Year Ended June 30, 2023**

	2023
Cash flows from operating activities:	
Cash receipts from customers for water sales and services	\$ 1,283,508
Cash paid to vendors and suppliers for materials and services	(648,151)
Net cash provided by operating activities	635,357
Cash flows from non-capital financing activities:	
Operating transfer-in	565,725
Net cash provided by non-capital financing activities	565,725
Cash flows from capital and related financing activities	
Acquisition and construction of capital assets	(2,255,355)
Proceeds from capital grants	110,687
Interest paid on debt	(280,652)
Debt issuance cost	(1,200)
Net cash provided by capital and related financing activities	(2,426,520)
Net increase in cash and cash equivalents	(1,225,438)
Cash and cash equivalents, beginning of year	6,334,660
Cash and cash equivalents, end of year	\$ 5,109,222
 Reconciliation of cash and cash equivalents to the statement of net position:	
	2023
Cash and cash equivalents	\$ 5,109,222
Total cash and cash equivalents	\$ 5,109,222

Continued on next page

See accompanying notes to the basic financial statements

**Avila Beach Community Services District
Statement of Cash Flows – Enterprise Fund, continued
For the Fiscal Year Ended June 30, 2023**

	2023
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 112,283
Adjustment to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	252,506
Changes in asset and liabilities:	
Decrease (increase) in asset:	
Accounts receivable – water sales and services, net	28,115
Accounts receivable – other	429,669
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	(188,426)
Unearned revenue	1,210
Net cash provided by operating activities	\$ 635,357

See accompanying notes to the basic financial statements

Avila Beach Community Services District
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2023

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The Avila Beach Community Services District (District) serves as the local government for the Avila Beach community. The District is similar to a city government, supplying such services as fire protection, street lighting, potable water, wastewater treatment, and solid waste disposal. The District exists under California State law governing special districts (Government Code, Sec 61000 et. seq.). The District was formed in February 1997, with the combining of the Avila Beach County Water District and the Avila Lighting District. Previously, in 1974, the Avila Beach County Water District was formed by combining the Avila Fire Protection District and the Avila Sanitary District. The District is governed by a five-member Board of Directors who are elected at large. The directors entrust the responsibility for the efficient execution of District policies to their designated representative, the General Manager.

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

B. Basis of Accounting and Measurement Focus

The *basic financial statements* of the District are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Government-wide Financial Statements

These statements are presented on an *economic resources* measurement focus and the accrual basis of accounting for both governmental and business-type activities. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which the liability is incurred. The Statement of Activities demonstrates the degree to which program expenses of a given function are offset by program revenues. Program expenses are those that are clearly identifiable with a specific function. The types of transactions reported as program revenues for the District are reported in three categories, as applicable: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the District. Grants and contributions include revenues restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023

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

B. Basis of Accounting and Measurement Focus, continued

Fund Financial Statements

These statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balance for all major governmental funds. Accompanying these statements are schedules to reconcile and explain the differences in fund balance as presented in these statements to the net position presented in the Government-wide Financial Statements.

Governmental funds are accounted for on a spending or *current financial resources* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except those revenues subject to accrual (generally 60-days after year-end) are recognized when due. The primary sources susceptible to accrual for the District are property tax, interest earnings, investment revenue, and operating and capital grant revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, exceptions to this rule include principal and interest on debt, which are recognized when due.

The accrual basis of accounting is followed by the proprietary enterprise fund. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used; such as unbilled but utilized utility services that are recorded at year end.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place. Operating revenues and expenses, such as water sales, wastewater service, solid waste collection, and purchase of water result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories, such as interest income and interest expense, are reported as non-operating revenues and expenses.

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity with a self-balancing set of accounts established for the purpose of carrying out specific activities, or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

Funds are organized into two major categories: governmental and proprietary categories. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District, or meets the following criteria:

- a) Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or proprietary fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b) Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or proprietary fund are at least 5 percent of the corresponding total for all governmental and proprietary funds combined; or
- c) The entity has determined that a fund is important to the financial statement user.

Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023

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

B. Basis of Accounting and Measurement Focus, continued

Fund Financial Statements, continued

The funds of the financial reporting entity are described below:

Governmental Fund

- *General* – This fund acts as the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- *Lighting* – This fund accounts for the operations and maintenance of the Front Street Plaza lights and additional 27 streetlights in various locations around the community of the District.

Enterprise Fund

- *Water* – This fund accounts for the water transmission and distribution operations of the District.
- *Sanitary* – This fund accounts for the wastewater service operations of the District.
- *Refuse* – This fund accounts for the solid waste collection and disposal operations of the District.

C. Financial Reporting

The District's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

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

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

In March 2020, the GASB issued Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction.

Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023

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

C. Financial Reporting, continued

Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

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

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

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

D. Financial Statement Elements

1. Use of Estimates

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

2. Cash and Cash Equivalents

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

Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023

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

D. Financial Statement Elements, continued

3. Accounts Receivable

The District extends credit to customers in the normal course of operations. Management deems all accounts receivable as collectible at year-end. Accordingly, an allowance for doubtful accounts has not been recorded.

4. Investment and Investment Policy

The District has adopted an investment policy to deposit funds in financial institutions. Investments are to be made in the following areas:

- California Local Agency Investment Fund (LAIF)
- Checking and savings accounts at local financial institutions

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

5. Property Taxes and Assessments

The San Luis Obispo County Assessor's Office assesses all real and personal property within the County each year. The San Luis Obispo County Tax Collector's Office bills and collects the District's share of property taxes and/or tax assessments. The San Luis Obispo Treasurer's Office remits current and delinquent property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations.

Property taxes and assessments receivable at year-end are related to property taxes and special assessments collected by the San Luis Obispo County, which have not been credited to the District's cash balance as of June 30. The property tax calendar is as follows:

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

6. Prepaid Expenses

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

7. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. The District's policy has set the capitalization threshold for reporting capital assets at \$1,000. Donated assets are recorded at estimated fair market value at the date of donation and/or historical cost. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized.

Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023

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

D. Financial Statement Elements, continued

7. Capital Assets, continued

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

Governmental Activities

- Buildings and improvements – 20 to 30 years
- Furniture and equipment – 5 years

Business-Type Activities

- Sewage disposal system – 75 years
- Treatment and collection system – 10 to 50 years
- Transmission and distribution system – 20 to 50 years
- Equipment – 5 to 10 years

8. Deferred Outflows of Resources

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

9. Unearned Revenue

Unearned revenue consists of customer deposits held at year-end.

10. Compensated Absences

It is the District's policy to allow employees to accumulate earned but unused vacation time. The vesting method is used to calculate the liability and 100% of earned vacation time is payable upon separation. All vacation pay is accrued when incurred in the government-wide and enterprise fund financial statements. The entire balance of compensated absences is expected to be used within one year and is classified as a current liability. The General Fund is used to liquidate the compensated absence liabilities.

11. Deferred Inflows of Resources

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

12. Pensions

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

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

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

Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023

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

D. Financial Statement Elements, continued

13. Net Position

The government-wide financial statements utilize a net position presentation. Net position categories are as follows:

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation and reduced by any debt outstanding against the acquisition, construction, or improvement of those assets.
- *Restricted* – consists of constraints placed on net position use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted* – consists of net position that does not meet the definition of *net investment in capital assets* or *restricted* components of net position.

14. Fund Balance

The governmental fund financial statements report fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the District is bound to honor constraints on how specific amounts can be spent.

- *Nonspendable* – amounts that cannot be spent because they are either (a) not spendable in form, or (b) legally or contractually required to be maintained intact.
- *Restricted* – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – amounts that can only be used for specific purposes determined by formal action of the District's highest level of decision-making authority (the Board of Directors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- *Assigned* – amounts that are constrained by the District's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose. This is also the classification for residual funds in the District's special revenue funds.
- *Unassigned* – the residual classification for the District's general fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

Fund Balance Policy

The Board of Directors establishes, modifies, or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, followed by the unrestricted, committed, assigned, and unassigned resources as they are needed.

**Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023**

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

D. Financial Statement Elements, continued

14. Fund Balance, continued

Fund Balance Policy, continued

The District believes that sound financial management principles require that sufficient funds be retained by the District to provide a stable financial base at all times. To retain this stable financial base, the District needs to maintain an unrestricted fund balance in its funds sufficient to fund cash flows of the District and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed, assigned, and unassigned fund balance are considered unrestricted.

The purpose of the District's fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

(2) Cash and Cash Equivalents

Cash and cash equivalents as of June 30, 2023, are classified as follows:

	2023
Governmental activities:	
General fund	\$ -
Lighting fund	22,765
Total governmental activities	22,765
Business-type activities:	
Water fund	2,848,211
Sanitary fund	2,129,844
Refuse fund	131,167
Total business-type activities	5,109,222
Total cash and cash equivalents	\$ 5,131,987

Cash and cash equivalents as of June 30, 2023, consist of the following:

	2023
Deposits with financial institutions	1,235,727
Deposits held with the California Local Agency Investment Fund (LAIF)	3,896,260
Total cash and cash equivalents	\$ 5,131,987

As of June 30, 2023, the District's authorized deposits had the following maturities:

	2023
Deposits held with the California Local Agency Investment Fund (LAIF)	260 days

Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023

(2) Cash and Cash Equivalents, continued

Authorized Deposits and Investments

Under provisions of the District's investment policy, and in accordance with Section 53601 of the California Government Code, the District may invest in certain types of investments as listed in Note 1(D)(5) to the financial statements.

Investment in California Local Agency Investment Fund

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

The District's deposit and withdrawal restrictions and limitations are as follows:

- Same day transaction processing occurs for orders received before 10:00 a.m.
- Next day transaction processing occurs for orders received after 10:00 a.m.
- Maximum limit of 15 transactions (combination of deposits and withdrawals) per month.
- Minimum transaction amount requirement of \$5,000, in increments of \$1,000.
- Withdrawals of \$10 million or more require 24 hours advance.
- Prior to funds transfer, an authorized person must call LAIF to do a verbal transaction.

Custodial Credit Risk

The custodial credit risk for *deposits* is the risk that in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

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

The California Government Code and the District's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by public agencies. Of the bank balance, up to \$250,000 is federally insured. The remaining balance is to be collateralized by the bank.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rate will adversely affect the fair value of an investment. The longer the maturity an investment has the greater its fair value has sensitivity to changes in market interest rate. The District's investment policy follows the Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rate.

**Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023**

(2) Cash and Cash Equivalents, continued

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization; however, LAIF is not rated.

Concentration of Credit Risk

The District's investment policy contains no limitations on the amounts that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2023, there were no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and/or external investment pools) that represents 5% or more of total District investments.

(3) Accounts Receivable – Utilities

The accounts receivable – utilities have been determined to be 100% collectible and an allowance for doubtful accounts is deemed unnecessary.

(4) Internal Transfers

Inter-fund Operational Transfers

Inter-fund transfers are used to move financial resources from the General fund to the Streets Light fund, the Water fund, and the Sanitary fund to absorb the operating deficit and to support the operations of each respective fund.

For the year end June 30, 2023, inter-fund transfers consist of the following:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>
General	Water	\$ 95,746
General	Sanitary	469,979
Transfer to Business-type		565,725
General	Street Lighting	19,248
Transfer from General		\$ 584,973

**Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023**

(5) Capital Assets

Governmental Activities

The change in capital assets for 2023, was as follows:

	<u>Balance 2022</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2023</u>
Non-depreciable assets:				
Land and land rights	\$ 20	-	-	20
Total non-depreciable assets	<u>20</u>	<u>-</u>	<u>-</u>	<u>20</u>
Depreciable assets:				
Furniture and equipment	26,354	-	-	26,354
Street lights	10,868	-	-	10,868
Building and improvements	57,746	-	-	57,746
Total depreciable assets	<u>94,968</u>	<u>-</u>	<u>-</u>	<u>94,968</u>
Accumulated depreciation:				
Furniture and equipment	(21,642)	(2,720)	-	(24,362)
Street lights	(10,868)	-	-	(10,868)
Building and improvements	(43,014)	(3,249)	-	(46,263)
Total accumulated depreciation	<u>(75,524)</u>	<u>(5,969)</u>	<u>-</u>	<u>(81,493)</u>
Total depreciable assets, net	<u>19,444</u>	<u>(5,969)</u>	<u>-</u>	<u>13,475</u>
Total capital assets, net	<u>\$ 19,464</u>			<u>13,495</u>

There were no major capital asset additions in the governmental activities fund for the year ended June 30, 2023.

**Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023**

(5) Capital Assets, continued

Business-Type Activities

The change in capital assets for 2023, was as follows:

	<u>Balance 2022</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2023</u>
Non-depreciable assets:				
Land	\$ 60,294	-	-	60,294
Construction in progress	2,220,036	2,255,355	-	4,475,391
Total non-depreciable assets	<u>2,280,330</u>	<u>2,255,355</u>	<u>-</u>	<u>4,535,685</u>
Depreciable assets:				
Water transmission and distribution	1,291,086	-	-	1,291,086
Wastewater collection	5,583,034	-	-	5,583,034
Total depreciable assets	<u>6,874,120</u>	<u>-</u>	<u>-</u>	<u>6,874,120</u>
Accumulated depreciation:				
Water transmission and distribution	(776,014)	(31,491)	-	(807,505)
Wastewater collection	(3,277,890)	(221,015)	-	(3,498,905)
Total accumulated depreciation	<u>(4,053,904)</u>	<u>(252,506)</u>	<u>-</u>	<u>(4,306,410)</u>
Total depreciable assets, net	<u>2,820,216</u>	<u>(252,506)</u>	<u>-</u>	<u>2,567,710</u>
Total capital assets, net	<u>\$ 5,100,546</u>			<u>7,103,395</u>

Major capital asset additions in the business-type activities fund include additions for construction in progress in the amount of \$2,255,355 for the year ended June 30, 2023.

(6) Compensated Absences

Changes in compensated absence as of June 30, 2023, were as follows:

	<u>Balance 2022</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance 2023</u>
\$	<u>6,100</u>	<u>5,582</u>	<u>(3,421)</u>	<u>8,261</u>

Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023

(7) Long-term Debt

	Balance 2022	Additions	Principal Payments	Balance 2023
Lease obligation:				
Municipal Finance Corporation	\$ 3,020,000	-	(110,687)	2,909,313
Total lease obligation	3,020,000	-	(110,687)	2,909,313
Less current portion	110,687			114,174
Total non-current	\$ 2,909,313			2,795,139

Municipal Finance Corporation

On September 2021, the District entered into a lease agreement with the Municipal Finance Corporation (Corporation); whereas, the District has leased certain real property to the Corporation for the purpose of enabling the District to finance the acquisition, construction, and installation of wastewater treatment plant improvement. In consideration, the Corporation provided lease payments with an aggregate principal component in the amount of \$3,020,000. Terms of the lease call for annual principal and interest payable on September 30th of each year. The interest on the lease is stated at a rate of 3.15% and the lease is scheduled to mature on September 2041.

Annual maturity and interest on the bond as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 114,174	91,643	205,817
2025	117,770	88,047	205,817
2026	121,480	84,337	205,817
2027	125,306	80,511	205,817
2028	129,254	76,563	205,817
2029-2033	709,967	319,118	1,029,085
2034-2038	829,057	200,028	1,029,085
2039-2041	762,305	60,962	823,267
Total	2,909,313	1,001,209	3,910,522
Current	(114,174)		
Non-current	\$ 2,795,139		

(8) Defined Benefit Pension Plans

Plan Description

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

**Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023**

(8) Defined Benefit Pension Plans, continued

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. Cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. The new legislation closed the District's CalPERS 2.0% at 60 Risk Pool Retirement Plan to new employee entrants, not previously employed by an agency under CalPERS, effective December 31, 2012. All employees hired after January 1, 2013, are eligible for the District's CalPERS 2.0% at 62 Retirement Plan under PEPRA.

The District participates in the Plan's miscellaneous risk pool. The provisions and benefits for the Plan's miscellaneous pool in effect as of June 30, 2023, are summarized as follows:

	<u>New Classic</u>	<u>PEPRA</u>
Hire date	Prior to December 31, 2012	On or after January 1, 2013
Benefit formula	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years of service	
Benefit payments	monthly for life	
Retirement age	50 - 60	52 - 62
Monthly benefits, as a % of eligible compensation	1.1% to 2.4%	1.0% to 2.5%
Required employee contribution rates	N/A	6.75%
Required employer contribution rates	N/A	7.47%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that employer contribution rates for all public employers be determined on an annual basis by an actuary and shall be effective on July 1, following notice of a change in rate. Funding contribution for the Plan is determined annually on an actuarial basis as of June 30, by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended June 30, 2023, contributions to the Plan was \$18,304.

**Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023**

(8) Defined Benefit Pension Plans, continued

Net Pension Liability

As of the fiscal year ended June 30, 2023, the District reported net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	2023
Proportionate share of net pension liability	\$ 149,160

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability for the miscellaneous risk pool. As of June 30, 2023, the net pension liability of the Plan is measured as of June 30, 2022 (the measurement date). The total pension liability for the Plan's miscellaneous risk pool used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 (the valuation date), rolled forward to June 30, 2022, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's changes in the proportionate share of the net pension liability for the Plan's miscellaneous risk pool as of the measurement date June 30, 2022, was as follows:

	Proportionate Share
Proportion – June 30, 2021	0.00172 %
Proportion – June 30, 2022	0.00129
Change in proportionate share	0.00043 %

Deferred Pension Outflows(Inflows) of Resources

For the year ended June 30, 2023, the District recognized pension credit of \$61,073. As of the fiscal year ended June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 20,057	-
Differences between actual and expected experience	989	-
Changes in assumptions	15,285	-
Net difference between projected and actual earnings on plan investments	27,322	-
Differences between actual contribution and proportionate share of contribution	-	(22,819)
Net adjustment due to differences in proportions of net pension liability	18,975	-
Total	\$ 82,628	(22,819)

**Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023**

(8) Defined Benefit Pension Plans, continued

Deferred Pension Outflows(Inflows) of Resources, continued

For the year ended June 30, 2023, the District’s deferred outflows of resources related to contributions subsequent to the measurement date totaled \$18,304; and other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30,	Deferred Net Outflows / (Inflows) of Resources
2024	\$ 15,371
2025	6,906
2026	764
2027	16,711

Actuarial Assumptions

The total pension liabilities in the June 30, 2020 and 2019, actuarial valuations were determined using the following actuarial assumptions and methods:

Valuation dates	June 30, 2021 and 2020
Measurement dates	June 30, 2022 and 2021
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions	
Discount rate	6.90%
Inflation	2.30%
Salary increase	Varies by entry age and service
Mortality Table*	Derived using CalPERS membership data
Period upon which actuarial Experience survey assumptions were based	1997 – 2015
Post-retirement benefit increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on purchasing power applies

* The mortality table was developed based on CalPERS specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study that can be found on the CalPERS website.

**Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023**

(8) Defined Benefit Pension Plans, continued

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. This discount rate is not adjusted for administrative expenses. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The table below reflects the expected real rates of return by asset class.

Asset Class	New Strategic Allocation	Real Return 1-10 ^{1,2}
Global Equity - Cap-weighted	30.00%	4.54% %
Global Equity Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021-22 Asset Liability Management Study.

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

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

As of June 30, 2023, the District's net pension liability at the current discount rate, using a discount rate that is one-percentage point lower, and using a discount rate that is one-percentage point higher are as follows:

	Discount Rate - 1% 6.15%	Current Discount Rate 7.15%	Discount Rate + 1% 8.15%
District's net pension liability	\$ 214,073	149,160	95,752

Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023

(8) Defined Benefit Pension Plans, continued

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued CalPERS financial reports. See pages 43 through 45 for the Required Supplementary Information.

(9) Unrestricted Net Position

The District's policy reserves the unrestricted net position of the water and sanitary fund as follows:

- *Operating fund reserve* – a range between a minimum of 90 days and a maximum of 270 days of annual operation and maintenance expense.
- *Capital replacement fund reserve* – after reserving 270 days of annual operation and maintenance expense for the operating fund reserve, two times the average annual 5-year capital outlay expenditures for the water fund; and two times the average annual 5-year capital outlay expenditure for the sanitary fund.
- *Emergency capital fund reserve* – 10% of fixed asset value for the water fund and 5% of fixed asset value for the sanitary fund.
- *Rate stabilization fund reserve* – 10% of annual rate revenues for the water fund and the sanitary fund.

A detailed schedule of unrestricted net position at June 30, 2023, for the water fund and the sanitary fund is as follows:

Description	Water	Sanitary	Refuse	Total
Unrestricted:				
Operating fund reserve	\$ 365,685	466,680	-	832,365
Capital replacement fund reserve	200,000	-	-	200,000
Emergency capital fund reserve	55,000	155,000	-	210,000
Rate stabilization fund reserve	60,000	80,000	-	140,000
Unreserved	1,975,848	(298,445)	127,154	1,804,557
Total unrestricted	\$ 2,656,533	403,235	127,154	3,186,922

(10) Fund Balance

Fund balance is presented in the following categories: non-spendable, restricted, committed, assigned, and unassigned (See Note 1(D)(14) for a description of these categories). A detailed schedule of fund balance and their funding composition at June 30, 2023, are as follows:

Description	2023
Assigned	
Compensated absences	\$ 8,261
Unassigned	
Operations	103,424
Total fund balance	\$ 111,685

Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023

(11) Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Special District Risk Management Authority (SDRMA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California special districts. The purpose of the SDRMA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage.

At June 30, 2023, the District participated in the liability and property programs of the SDRMA as follows:

- General liability coverage up to \$5 million per occurrence for bodily injury, property damage, employment benefits, employee/public official errors and omission, and employment practices liability; coverage up to \$1 million per occurrence for employee/public official dishonesty; and coverage up to \$500,000 per occurrence for public official personal.
- Auto liability coverage up to \$5 million per occurrence for auto bodily injury and property damage; and coverage based on limits on file for uninsured motorist.
- Property coverage up to \$1 billion per occurrence for property; coverage up to \$100 million per occurrence for boiler and machinery; and coverage up to \$2 million per occurrence for pollution. Property coverage involving cyber is based on limits on file.
- Workers' compensation insurance coverage up to the statutory requirements and employer's liability coverage up to \$5 million.

Settled claims have not exceeded any of the coverage amounts in the last three fiscal years. There were no reductions in insurance coverage in fiscal years 2023, 2022 and 2021. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2023, 2022 and 2021.

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

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

Governmental Accounting Standards Board Statement No. 99

In April 2022, the GASB issued Statement No. 99 – *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

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

Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023

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

Governmental Accounting Standards Board Statement No. 100

In June 2022, the GASB issued Statement No. 100 – *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

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

Governmental Accounting Standards Board Statement No. 101

In June 2022, the GASB issued Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

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

**Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2023**

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

Governmental Accounting Standards Board Statement No. 102

In December 2023, the GASB issued Statement No. 102 – Certain Risk Disclosures. The primary objective of this Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

(13) Commitments and Contingencies

Litigation

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

Grant Awards

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

Contracts and Agreements

The District is one of the entities covered by an agreement entered in October 1992, between the Central Coast Water Authority (CCWA) and San Luis Obispo (SLO) County to treat water delivered through the State Water Project (SWP).

(14) Subsequent Events

Events occurring after June 30, 2023, have been evaluated for possible adjustment to the financial statements or disclosure as of April 9, 2024, which is the date the financial statements were available to be issued. The District is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

Required Supplementary Information

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**Avila Beach Community Services District
Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2023**

	<u>Adopted Original Budget</u>	<u>Board Approved Changes</u>	<u>Revised Budget</u>	<u>Actual Budgetary Basis</u>	<u>Vairance Positive (Negative)</u>
Revenues:					
Property taxes	\$ 460,000	-	460,000	866,231	406,231
Investment return	11,000	-	11,000	(14,708)	(25,708)
Charges for services	4,000	-	4,000	3,008	(992)
Total revenues	<u>475,000</u>	<u>-</u>	<u>475,000</u>	<u>854,531</u>	<u>379,531</u>
Expenditures:					
General government	464,300	-	464,300	331,578	132,722
Capital outlay	-	-	-	674	(674)
Total expenditures	<u>464,300</u>	<u>-</u>	<u>464,300</u>	<u>332,252</u>	<u>132,048</u>
Excess(deficiency) of revenues over expenditures	10,700	-	10,700	522,279	511,579
Other financing sources(uses):					
Operating transfers in(out)	-	-	-	(584,973)	(584,973)
Net change in fund balance	<u>10,700</u>	<u>-</u>	<u>10,700</u>	<u>(62,694)</u>	<u>(73,394)</u>
Fund balance, beginning of year	<u>151,614</u>		<u>151,614</u>	<u>151,614</u>	
Fund balance, end of year	<u>\$ 162,314</u>		<u>162,314</u>	<u>88,920</u>	

Notes to Required Supplementary Information — General Fund

(1) Budgets and Budgetary Data

The District follows specific procedures in establishing the budgetary data reflected in the financial statements. Each year the District's General Manager prepares and submits an operating budget to the Board of Directors for the General Fund no later than June of each year. The basis used to prepare the budget does not differ substantially from the modified accrual basis of accounting. The adopted budget becomes operative on July 1. The Board of Directors must approve all supplemental appropriations to the budget and transfers between major accounts.

The District presents a comparison of the annual budget to actual results for the General Fund at the functional expenditure-type major object level for financial reporting purposes. The budgeted expenditure amounts represent the adopted budget.

**Avila Beach Community Services District
Budgetary Comparison Schedule – Streets Light Fund
For the Fiscal Year Ended June 30, 2023**

	<u>Adopted Original Budget</u>	<u>Board Approved Changes</u>	<u>Revised Budget</u>	<u>Actual Budgetary Basis</u>	<u>Vairance Positive (Negative)</u>
Revenues:					
Property taxes	\$ 15,000	-	15,000	-	(15,000)
Charges for services	1,000	-	1,000	1,000	-
Total revenues	<u>16,000</u>	<u>-</u>	<u>16,000</u>	<u>1,000</u>	<u>(15,000)</u>
Expenditures:					
Street lighting	15,500	-	15,500	11,548	3,952
Total expenditures	<u>15,500</u>	<u>-</u>	<u>15,500</u>	<u>11,548</u>	<u>3,952</u>
Excess(deficiency) of revenues over expenditures	500	-	500	(10,548)	(11,048)
Other financing sources(uses):					
Operating transfers in(out)	-	-	-	19,248	19,248
Net change in fund balance	500	<u>-</u>	500	8,700	<u>8,200</u>
Fund balance, beginning of year	<u>14,065</u>		<u>14,065</u>	<u>14,065</u>	
Fund balance, end of year	<u>\$ 14,565</u>		<u>14,565</u>	<u>22,765</u>	

Notes to Required Supplementary Information — Streets Light Fund

(1) Budgets and Budgetary Data

The District follows specific procedures in establishing the budgetary data reflected in the financial statements. Each year the District's General Manager prepares and submits an operating budget to the Board of Directors for the Streets Light Fund no later than June of each year. The basis used to prepare the budget does not differ substantially from the modified accrual basis of accounting. The adopted budget becomes operative on July 1. The Board of Directors must approve all supplemental appropriations to the budget and transfers between major accounts.

The District presents a comparison of the annual budget to actual results for the Streets Light Fund at the functional expenditure-type major object level for financial reporting purposes. The budgeted expenditure amounts represent the adopted budget.

Avila Beach Community Services District
Schedules of the District's Proportionate Share of the Net Pension Liability
For the Fiscal Year Ended June 30, 2023
Last Ten Years*

Defined Benefit Pension Plan

Description	Measurement Dates									
	06/30/22	06/30/21	06/30/20	06/30/19	06/30/18	06/30/17	06/30/16	06/30/15	06/30/14	
District's proportion of the net pension liability	0.00129%	0.00172%	0.00126%	0.00128%	0.00131%	0.00138%	0.00146%	0.00171%	0.00207%	
District's proportionate share of the net pension liability	\$ 149,160	\$ 92,927	\$ 136,917	\$ 131,246	\$ 126,061	\$ 136,401	\$ 126,121	\$ 117,077	\$ 125,453	
District's covered payroll	\$ 42,243	\$ 40,687	\$ 40,000	\$ 42,387	\$ 39,321	\$ 42,741	\$ 62,301	\$ 60,480	\$ 58,718	
District's proportionate share of the net pension liability as a percentage of its covered payroll	353.10%	228.39%	342.29%	309.64%	320.59%	319.13%	202.44%	193.58%	213.65%	
Plan's proportionate share of the fiduciary net position as a percentage of total pension liability	76.68%	88.29%	75.10%	75.26%	75.26%	73.31%	74.06%	78.40%	79.82%	

Notes to the Schedules of the District's Proportionate Share of Net Pension Liability

Changes in Benefit Terms

Public agencies can make changes to their plan provisions, and such changes occur on an ongoing basis. A summary of the plan provisions that were used for a specific plan can be found in the plan's annual valuation report.

demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

In fiscal year 2021, there were no changes to actuarial assumptions or methods.

Change of Assumptions and Methods

In fiscal year 2022, the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition,

The CalPERS Board of Administration adopted a new amortization policy effective with the June 30, 2019, actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses.

Avila Beach Community Services District
Schedules of the District's Proportionate Share of the Net Pension Liability
For the Fiscal Year Ended June 30, 2023
Last Ten Years*

Notes to the Schedules of the District's Proportionate Share of Net Pension Liability, continued

Change of Assumptions and Methods, continued

These changes will apply only to new UAL bases established on or after June 30, 2019. In fiscal year 2020, no changes have occurred to the actuarial assumptions in relation to financial reporting.

In fiscal year 2020, CalPERS implemented a new actuarial valuation software system for the June 30, 2018 valuation. This new system has refined and improved calculation methodology.

In December 2017, the CalPERS Board adopted new mortality assumptions for plans participating in the PERF. The new mortality table was developed from the December 2017 experience study and includes 15 years of projected ongoing mortality improvement using 90% of scale MP 2016 published by the Society of Actuaries. The inflation assumption is reduced from 2.75% to 2.50%.

The assumptions for individual salary increases and overall payroll growth are reduced from 3.00% to 2.75%. These changes will be implemented in two steps commencing in the June 30, 2017 funding valuation. However, for financial reporting purposes, these assumption changes are fully reflected in the results for fiscal year 2018.

In fiscal year 2017, the financial reporting discount rate for the PERF C was lowered from 7.65% to 7.15%. In December 2016, the CalPERS Board approved lowering the funding discount rate used in the PERF C from 7.50% to 7.00%, which is to be phased in over a three-year period (7.50% to 7.375%, 7.375% to 7.25%, and 7.25% to 7.00%) beginning with the June 30, 2016, valuation reports. The funding discount rate includes a 15 basis-point reduction for administrative expenses, and the remaining decrease is consistent with the change in the financial reporting discount rate.

In fiscal year 2015, the financial reporting discount rate was increased from 7.50% to 7.65% resulting from eliminating the 15 basis-point reduction for administrative expenses. The funding discount rate remained at 7.50% during this period, and remained adjusted for administrative expenses.

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

Avila Beach Community Services District
Schedules of Pension Plan Contributions
As of June 30, 2023
Last Ten Years*

Defined Benefit Pension Plan

Description	Fiscal Year Ended									
	06/30/23	06/30/22	06/30/21	06/30/20	06/30/19	06/30/18	06/30/17	06/30/16	06/30/15	
Actuarially determined contribution	\$ 20,057	18,304	15,254	12,324	12,834	14,788	13,713	9,566	9,894	
Contributions in relation to the actuarially determined contribution	(20,057)	(18,304)	(15,254)	(12,324)	(12,834)	(14,788)	(13,713)	(9,566)	(9,894)	
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	
Covered payroll	\$ 48,550	42,243	40,687	40,000	42,387	39,321	42,741	62,301	60,480	
Contributions as a percentage of covered payroll	41.31%	43.33%	37.49%	30.81%	30.28%	37.61%	32.08%	15.35%	16.36%	

Notes to the Schedules of Pension Plan Contributions

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

Report on Internal Controls and Compliance

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**Independent Auditor’s Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Board of Directors
Avila Beach Community Services District
Avila Beach, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Avila Beach Community Services District (District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprises the District’s basic financial statements, and have issued our report thereon dated April 9, 2024.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Purpose of this Report

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

C.J. Brown & Company, CPAs
Cypress, California
April 9, 2024

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Avila Beach Community Services District

Management Report

June 30, 2023

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Avila Beach Community Services District

Management Report

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April 9, 2024

Board of Directors
Avila Beach Community Services District
Avila Beach, California

Dear Members of the Board:

In planning and performing our audit of the basic financial statements of the Avila Beach Community Services District (District) as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of District's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be to be significant deficiencies.

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

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

Significant Deficiency

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the entity's internal control to be significant deficiencies:

Significant Deficiency, continued

Year-end Closing Journal Entries

Throughout the year, the District records and reports expenses on a cash basis. As a result, expenditures that occur before the fiscal year and paid after the fiscal year are not reflected on the District's Government-wide financial statements. Also, for budgetary purposes, the District expenses all capital asset purchases. Consequently, capital asset purchases are not reflected as assets of the District on the District's Government-wide financial statements.

Generally accepted accounting principles (GAAP) set by the Governmental Accounting Standards Board (GASB) mandate that the Government-wide financial statements be prepared on a full accrual basis. In doing so, expenditure occurring during the fiscal year is reflected as an expense to the District and capital asset purchases are reflected as non-current assets.

We recommend that the District implement procedures to post closing journal entries to accrue expenditures occurring before its fiscal year and to reclassify capital asset purchases as an asset.

Accounts Receivable and Net Position

The District uses the El Dorado software for its utility billing. On a monthly basis, billing information is recorded in QuickBooks to reflect the charges for water sales and sewer service, and throughout the month payments received are entered into El Dorado and QuickBooks. The accounts receivable balance per El Dorado should reconcile with the accounts receivable balance in QuickBooks; however, during our audit, we noted a variance. In addition, the ending net position by fund from the 2022 audit should reconcile with the beginning net position in the 2023 audit. However, during our audit, we noted significant variances across all funds which require adjustments.

We recommend that the District implement procedures and controls to ensure the accounts receivable balance between the two software reconcile, including net position by fund. Any variance should be investigated and corrected.

Other Comment

Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the District are properly adjusted before the start of the audit. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the District's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purpose with the prior year. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

The purpose of this communication, which is an integral part of our audit, is to describe, for management and those charged with governance, the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

APPENDIX

Avila Beach Community Services District

Audit/Finance Committee Letter

June 30, 2023

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Board of Directors
Avila Beach Community Services District
Avila Beach, California

We have audited the financial statements of the Avila Beach Community Services District (District) as of and for the year ended June 30, 2023, and have issued our report thereon dated April 9, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated May 11, 2023, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

We have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated April 9, 2024.

Planned Scope and Timing of the Audit

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

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

An auditor that is not involved in the engagement performed an independent review of the financial statements that was prepared by us based on the information provided by management. This safeguard reduces the threat of self-review risk to an acceptable level.

Significant Risks Identified

We have identified the following significant risks:

- Management override of controls
- Revenue recognition

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

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

- Management's estimate of the fair value of cash and investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of cash and investments in determining that they are reasonable in relation to the financial statements taken as a whole.
- Management's estimate of capital assets depreciation is based on historical estimates of each capitalized item's useful life expectancy or cost recovery period. We evaluated the key factors and assumptions used to develop the capital asset depreciation calculation in determining that they are reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the net pension liability is based on an actuarial valuation that was conducted by a third-party actuary. We evaluated the basis, methods, and assumptions used by the actuary, to calculate the net pension liability, pension expense, and deferred pension outflows/inflows in determining that they are reasonable in relation to the financial statements taken as a whole.

Qualitative Aspects of the Entity's Significant Accounting Practices, continued

Financial Statement Disclosures

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

- The disclosure of fair value of cash and investments in Note 2 to the basic financial statements which represents amounts susceptible to market fluctuations.
- The disclosure of capital assets, net in Note 5 to the basic financial statements which is based on historical information which could differ from actual useful lives of each capitalized item.
- The disclosure of the District's defined benefit pension in Note 8 to the basic financial statements which is based on actuarial assumptions.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified as a result of our audit procedures that were brought to the attention of management:

Identified or Suspected Fraud

We have not identified or have not obtained information that indicates that fraud may have occurred.

Significant Difficulties Encountered during the Audit

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

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached schedule on pages 5 through 8 discloses all material misstatements that we identified as a result of our audit procedures that were brought to the attention of, and corrected by, management.

Disagreements with Management

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

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated April 9, 2024.

Management's Consultations with Other Accountants

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

Other Significant Matters, Findings, or Issues

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

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

C.J. Brown & Company, CPAs
Cypress, California
April 9, 2024

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**Avila Beach Community Services District
Schedule of Adjusting and Reclassifying Journal Entries
For the Year Ended June 30, 2023**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1			
To balance individual funds			
1005-99	Customer Cash	\$ 3,914.64	
1010-99	Pacific Premier Checking	2,000.00	
1210-01	Undeposited Funds	3,992,989.31	
2998-01	UNBALANCED CLASSES	293,272.27	
2998-06	UNBALANCED CLASSES	254,902.65	
2998-99	UNBALANCED CLASSES	7,927,613.46	
1005-99	Customer Cash		5,915.24
1200-99	Accounts Receivable		273,215.00
1210-06	Undeposited Funds		29,183.18
1210-99	Undeposited Funds		3,963,806.13
2100-99	Accounts Payable		193,478.86
2998-01	UNBALANCED CLASSES		4,202,718.47
2998-06	UNBALANCED CLASSES		183,187.92
2999-01	Unbalanced Classes		83,543.11
2999-06	Unbalanced Classes		42,531.55
2999-99	Unbalanced Classes		3,497,112.87
Adjusting Journal Entries JE # 2			
To reclass accumulated depreciation			
1638-06	Treatment Plant Accum Dep	201,176.03	
1640-06	Treatment Plant Accum Dep		201,176.03
Adjusting Journal Entries JE # 3			
To adjust LAIF's FMV as of June 30, 2023			
1255-01	Interest Receivable	27,896.08	
4600-01	Interest Income	110,089.89	
1050-01	LAIF		110,089.89
4600-01	Interest Income		27,896.08
Adjusting Journal Entries JE # 4			
To capitalize capital outlay and depreciated capital assets.			
1690-06	Construction in Progress	2,255,354.87	
8237-06	WW-7 Misc. Wastewater Projects		17,416.95
8245-06	WWTP Improvement Project - Other		873.85
8245b-06	WWTP Phase I Design		942.50
8245c-06	WWTP MBR Purchase		910.00
8245d-06	WWTP Wallace Group Engineering		78,711.98
8245e-06	WWTP Construction		2,044,723.86
8245g-06	WWTP Cannon CM Services	\$	111,775.73

Avila Beach Community Services District
Schedule of Adjusting and Reclassifying Journal Entries, continued
For the Year Ended June 30, 2023

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 5			
To reconcile prior year ending net position to current year			
1050-01	LAI	\$ 50,067.15	
1200-05	Accounts Receivable	64,536.00	
1200-06	Accounts Receivable	176,583.00	
1682-03	Gen / Fire Accum Dep	54,626.21	
2100-01	Accounts Payable	5,053.36	
2100-05	Accounts Payable	7,934.09	
2100-05	Accounts Payable	23,643.90	
2100-06	Accounts Payable	156,847.51	
2201-01	Accrued Payroll	445.00	
2255-06	Accrued Interest FB Auditor	71,347.50	
2260-01	Vacation Payable	1,129.48	
2262-01	Sick Pay Accrued	927.04	
2998-04	UNBALANCED CLASSES	232.16	
2998-05	UNBALANCED CLASSES	12,959.51	
2998-06	UNBALANCED CLASSES	183,187.92	
3900-01	Retained Earnings	266,605.92	
3900-03	Retained Earnings	27,601.08	
3900-05	Retained Earnings	36,019.00	
3900-06	Retained Earnings	160,404.00	
1200-05	Accounts Receivable		36,019.00
1200-06	Accounts Receivable		160,404.00
1255-01	Interest Receivable		4,114.34
1270-01	Taxes Receivable		26,841.34
1622-03	Land		20.00
1681-03	Structures GFAAG - Sani & FA		82,207.29
2998-01	UNBALANCED CLASSES		293,272.27
2999-05	Unbalanced Classes		14,558.38
3900-04	Retained earnings		232.16
3900-05	Retained Earnings		94,515.12
3900-06	Retained Earnings		587,965.93
Adjusting Journal Entries JE # 6			
To adjust compensated absences.			
2262-01	Sick Pay Accrued	8,589.42	
2260-01	Vacation Payable		1,129.48
5211-01	Regular Pay	\$	7,459.94

Avila Beach Community Services District
Schedule of Adjusting and Reclassifying Journal Entries, continued
For the Year Ended June 30, 2023

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 7			
To adjust accrued payroll			
5211-01	Regular Pay	\$ 3,210.15	
2201-01	Accrued Payroll		3,210.15
Adjusting Journal Entries JE # 8			
To accrue interest			
FB8150-06	Interest Expense	68,732.52	
2255-06	Accrued Interest FB Auditor		68,732.52
Adjusting Journal Entries JE # 9			
To adjust balance of long term debt.			
2450-06	U.S. Bank Loan WWTP	205,816.99	
6104-01	Administrative Transfer	205,816.99	
FB8150-06	Interest Expense	95,130.00	
2450-01	U.S. Bank Loan WWTP		205,816.99
2450-06	U.S. Bank Loan WWTP		95,130.00
6104-06	Administrative Transfer		205,816.99
Adjusting Journal Entries JE # 10			
To reclassify property taxes			
4030-04	County Taxes	19,248.29	
4030-05	County Taxes	96,241.61	
4030-06	County Taxes	264,695.76	
6104-01	Administrative Transfer	380,185.66	
4030-01	County Taxes		380,185.66
6104-04	Administrative Transfer		19,248.29
6104-05	Administrative Transfer		96,241.61
6104-06	Administrative Transfer		264,695.76
Adjusting Journal Entries JE # 11			
To adjust net pension liability			
1800-01	Deferred Outflows of Resources	53,904.00	
2500-01	Deferred Inflows of Resources	63,402.00	
2400-01	Net Pension Liability		56,233.00
5447-01	Pension Expense - GASB 68	\$	61,073.00

**Avila Beach Community Services District
Schedule of Adjusting and Reclassifying Journal Entries, continued
For the Year Ended June 30, 2023**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 12			
To recognize depreciation expense.			
6125-01	Depreciation	\$ 5,966.42	
6125-05	Depreciation	31,490.57	
6125-06	Depreciation	221,015.40	
1609-01	Office Equipment Accum Depr		5,966.42
1640-06	Treatment Plant Accum Dep		221,015.40
1658-05	Dist Assets Accum Depr		31,490.57
Adjusting Journal Entries JE # 13			
To reconcile retained earnings fund balances.			
1900-01	Due To / Due From General	211,354.52	
3900-04	Retained earnings	602.46	
3900-05	Retained Earnings	60,222.68	
3900-06	Retained Earnings	211,354.52	
3900-06	Retained Earnings	257,306.52	
1900-04	Due To / Due From General		602.46
1900-05	Due To / Due From General		60,222.68
1900-06	Due To / Due From General		211,354.52
1900-06	Due To / Due From General		257,306.52
3900-01	Retained Earnings	\$	211,354.52

**AVILA BEACH
COMMUNITY SERVICES DISTRICT**

Post Office Box 309, Avila Beach, CA. 93424

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager

DATE: April 9th, 2024

SUBJECT: 2024 Annual Weed Abatement Program.

Recommendation:

Adopt Resolution No. 2024-02 Declaring Weeds, Dry Grass and Trash to be a Nuisance and provide for Abatement and set June 11th, 2024, as the Public Hearing date to hear any objections to the required clearance and to coordinate with CAL Fire for their participation.

Discussion:

Each year the District coordinates an Annual Weed Abatement Program in the community to ensure that weeds, dry grass and trash are cleaned up and do not pose a fire hazard. Typically, property owners take steps to clean up trash and provide proper weed abatement. However, even after an initial request, several parcels in town typically require posting and cleanup. Most property owners comply with the posting and clean up the posted lots in a timely manner. Attached to this staff report is the Weed Abatement Notification that will be sent out with the April, water and sewer bill and Resolution No. 2024-02.

AVILA BEACH COMMUNITY SERVICES DISTRICT

RESOLUTION No. 2024-02

RESOLUTION OF THE BOARD OF DIRECTORS OF THE AVILA BEACH COMMUNITY SERVICES DISTRICT DECLARING WEEDS, DRY GRASS, AND TRASH TO BE A NUISANCE AND THREAT TO PUBLIC SAFETY AND PROVIDING FOR ABATEMENT

WHEREAS, there exists on certain lots and parcels of real property within the District, weeds, dry grass, brush, litter and other flammable material which endanger the public safety;

WHEREAS, The Board of Directors finds these conditions constitute a public nuisance and safety hazard and deem that these conditions should be abated;

WHEREAS, pursuant to law, notice shall be given to destroy and remove, and clear, dry weeds, grass brush, litter, trash and other flammable materials on certain lots and parcels of land within the District, and a hearing where concerns about such matters will be heard is hereby set for **11th day of June, 2024, at 1:00 P.M. at the Avila Beach Community Services District meeting place at 100 San Luis Street, Avila Beach CA 93424,**

WHEREAS, the Fire Chief of CAL FIRE is hereby designated as the person referred to in the Health and Safety code 14890, to abate these conditions.

NOW, THEREFORE, BE IT RESOLVED, by Board of Directors that the Fire Chief is hereby directed to post notice and send written notice to property owners where the conditions described above exists.

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

AYES:

NOES:

ABSENT:

The foregoing Resolution is hereby adopted this 9th day of April 2024.

Peter Kelley, President

Attest: Brad Hagemann


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: April 9, 2024

SUBJECT: Presentation and Review of Preliminary FY 2024-25 District Budget

Recommendation:

1. Receive and provide comments on the Preliminary FY 2024/25 Budget
2. Advertise two weeks in advance for a public hearing and anticipated adoption of the Final Budget on May 21, 2024

Funding:

Revenues and Expenditures for FY 2024-25 are to be administered in accordance with the adopted budget.

Discussion:

Each year the District prepares and adopts an operating and capital projects budget for the coming Fiscal Year. The budget preparation process typically includes any adjustments to the water and/or sewer fee schedules. In late 2019 the Board retained a consultant to prepare a Cost of Services and Rate Study. In May 2020, the Board concluded the Prop 218 Hearing Process and adopted a five-year rate schedule that included a maximum 3% per year water and sewer revenue increase. FY 2024-25 is the last year of the Rate Study.

Consistent with last year, staff wanted to get an early start on the budget review and adoption process by bringing the draft budget to the full Board in April. Staff's initial observations/recommendations include:

- The most significant change with the FY 2024/25 Budget is related to the change from a 100% contract operations and maintenance to bringing on a full-time operations supervisor employee. This new O & M format has caused a significant increase in wages and benefits and a significant decrease in contract labor. The draft budget anticipates a \$150,000 increase in wages and benefits and a \$250,000 decrease in contract labor.

- Staff recommends the Board strongly consider NOT adopting the 3% water and sewer rate increase this year as recommended in the 2020 Rate Study. The Board did not increase rates for FY the 2021/22 budget but did increase rates 3% in the FY 2022/23 and the FY 2023/24 budget. In accordance with the Prop 218 process, the Board may hold the rates steady or

increase rates *up to 3%* in any given year. The Board is not allowed to increase the rates *greater than 3%* in any year. The property tax revenue increases over the last several years have been significant enough, that I do not recommend the Board implement the 3% water and sewer rate increase. I anticipate the Board will perform a cost of services and rate study in FY 2024/25 that will inform the Board's decision regarding water and sewer rates that will be implemented in FY 2025/26.

Attached is the Preliminary FY 2024/25 budget for the Board's review and comment. The draft budget anticipates:

- No rate increases for both water and wastewater rates;
- 4% increase in county tax revenue;
- Increase of interest revenue to approximately \$125,000/year;
- Little or no connection fee revenue;
- At least a \$75,000 reduction in costs due to our new O & M method;
- 10% increase in utility expenses, a 5% - 8% increase in most O & M expenses; and
- The Cal Fire annual contract to remain at approximately \$225,000

The Capital Improvement Program budget anticipates:

Wastewater

- The annual WWTP project loan payment of approximately \$206,000. The Harbor District will reimburse the CSD for 33% of the loan payment (approximately \$68,000 per year).;
- Work on the sewage collection system to minimize/eliminate Inflow and Infiltration;
- Completion of the SCADA upgrade project;

Water

- Completion of the water meter replacement project;
- Inspection, repair, and re-coating Water Tank #1

Admin

- A project to repair the fascia and paint the exterior of the District Admin building (carry-over project from FY 23/24).

At the Board meeting, staff will present an overview of the projected FY 2023/24 year-end budget figures and the preliminary FY 2024/25 operating budget and capital projects budget. Staff anticipates that the Board will consider adoption of the final FY 2024/25 budget at the Board's May 21, 2024, Board meeting.

A formal Public Hearing Notice for the budget adoption will be published at least two weeks in advance of the May 21, 2024, hearing date.



Avila Beach Community Services District

DRAFT

2024/25 Fiscal Year Budget

Presented to the Board of Directors

April 9, 2024

Peter Kelley, President
Ara Najarian, Vice President
Kristin Berry
Howie Kennett
John Janowitz

Proposed by:

Brad Hagemann
General Manager/District Engineer

**Avila Beach Community Services District
2024-25 Fiscal Year Budget**

Fund Balances

AVILA BEACH COMMUNITY SERVICES DISTRICT
Cash Account Balances
Estimated FY 2023/24 Ending Balances

General Checking -

Five Star	Approx Ending Balance	06/30/24	\$ 750,000
Pacific Premier	Approx Ending Balance	06/30/24	<u>\$ 200,000</u>
Money Market	Approx Ending Balance	06/30/24	\$ 200,000

LAIF - Account Balance

	Beginning Balance	06/30/23	\$ 3,956,000
	Transfer In/Out		\$ 0.00
	Interest earned		\$ 148,000
	<u>LAIF Approx Ending Balance</u>	06/30/24	<u>\$ 4,104,000</u>

Reserve Account Balances

Water

Operating Reserve	\$ 425,000
Capaital Replacement Reserve	\$ 275,000
Emergency Capital Reserve	\$ 125,000
Rate Stabilization	\$ 100,000
Total Water	<u>\$ 925,000</u>

Wastewater

Operating Reserve	\$ 525,000
Capaital Replacement Reserve	\$ 1,500,000
Emergency Capital Reserve	\$ 225,000
Rate Stabilization	\$ 100,000
Total Wastewater	<u>\$ 2,350,000</u>

Unallocated General Reserves \$ 829,000

Total Approx Ending Cash Balance 06/30/24 \$ 5,254,000

**Avila Beach Community Services District
2024-25 Fiscal Year Budget**

Budget Summary

Avila Beach Community Services District
Operations Maintenance Budget
Combined Detail - Draft

Fiscal Year 2024/25
 (April 9, 2024)

Ordinary Income/Expense	Combined	Admin/Gen	Sanitary	Water	Street Lights	Solid Waste	Total
Income							
4010 · Operating Revenue	0	425,000	470,000	0			895,000
4012 · S W Franchise Fee						30,000	30,000
4020 · Ambulance Franchise Fee	4,500	0	0	0		0	4,500
4030 · County Taxes	540,000	175,000	80,000	15,000		0	810,000
4050 · Harbor O & M Reimbursement	0	100,000	0	1,000		0	101,000
4100 · Misc Income	0	0	0	0		0	0
4600 · Interest Income	125,000	0	0	0		0	125,000
Total Income	669,500	700,000	550,000	16,000	30,000	30,000	1,965,500
Expense							
5100 · Merch CC Fees TIB	7,500						7,500
5210 · Gross Wages	180,000	0	0	0		3,000	183,000
5230 · Payroll Taxes	1,000	0	0	0		0	1,000
5242 · Health Insurance	55,000	0	0	0		0	55,000
5254 · CalPERS Kathy	15,000	0	0	0		0	15,000
5256 · CalPERS Kristi	15,000	0	0	0		0	15,000
5260 · Work Comp Insurance	1,400	0	0	0		0	1,400
5280 · Payroll Admin & Misc	1,600	0	0	0		0	1,600
6102 · Accounting	30,000	0	0	0		2,000	32,000
6103 · Accounting Audit	11,000	0	0	0		1,000	12,000
6120 · Dues & Subscriptions	10,000	500	1,000	0		0	11,500
6130 · LAFCo Fees	6,000	0	0	0		1,000	7,000
6135 · Legal	15,000	5,000	2,000	0		5,000	27,000
6140 · Office Supplies & Postage	7,000	1,000	1,000	0		0	9,000
6145 · Public Notices	1,000						1,000
6150 · Rate Assistance	0	0	0	0		9,500	9,500
6155 · Rent	0	0	0	0		0	0
6160 · Training	2,500	0	0	0		0	2,500
6165 · Fuel & Travel	1,000	1,000	0	0		0	2,000
6170 · Web Site	5,000	0	0	0		0	5,000
6503 · Chemicals	0	45,000	2,000	0		0	47,000
6505 · Contract Labor O & M	4,000	50,000	10,000	0		0	64,000
6506 · Contract Labor GM	55,000	0	0	0		5,000	60,000
6507 · Contract Labor District Engr	0	50,000	25,000	0		0	75,000
6510 · Critical Spare Parts	0	6,000	4,000	0		0	10,000
6515 · Engineering	0	3,500	5,000	0		0	8,500
6520 · Equip Repairs & Maintenance	4,000	70,000	12,000	3,000		0	89,000
6525 · Fat Oil & Grease Program	0	4,000	0	0		0	4,000

Avila Beach Community Services District
Operations Maintenance Budget
Combined Detail - Draft

Fiscal Year 2024/25
(April 9, 2024)

	Admin/Gen	Sanitary	Water	Street Lights	Solid Waste	Total
Combined						
6530 · Generator Maintenance		7,000		0	0	7,000
6535 · Insurance P/L	9,500	10,000	8,000	0	0	27,500
6540 · Lab Tests	0	55,000	2,000	0	0	57,000
6542 · Bldg Maintenance & Janitorial	5,000	0	0	0	0	5,000
6545 · Miscellaneous	0	0	2,000	0	0	2,000
6550 · Operating Supplies	0	6,000	3,000	0	0	9,000
6555 · Permits & Fees	0	17,000	5,000	0	0	22,000
6560 · Plan Checks	0	0	1,000	0	0	1,000
6565 · Regulatory Permit Compliance		5,000	2,000	0	0	7,000
6567 · Bldg Repairs	10,000					10,000
6570 · Safety Gear	0	1,000	500	0	0	1,500
6575 · Small Tools	0	2,000	1,000	0	0	3,000
6580 · Solids Handling		30,000				30,000
6585 · Telephone	3,000	5,500	0	0	0	8,500
6590 · Utilities	2,500	75,000	3,000	12,500	0	93,000
6591 · Yard Maintenance		3,500				
6802 · Lopez Water	0		175,000	0	0	175,000
6805 · State Water	0	0	205,000	0	0	205,000
6900 · Yard Improvements	0	0	1,000	0	0	1,000
Sub total Operating Expense	458,000	453,000	470,500	15,500	26,500	1,420,000
6600 · Cal Fire Contract Labor	225,000					
Total Expense	683,000	453,000	470,500	15,500	26,500	1,648,500
8050 · Fixed Assets Depreciation	0	150,000	40,000	0	0	190,000
Total Expenses	0	150,000	40,000	0	0	1,838,500
Net Profit/ Loss	-13,500	97,000	39,500	500	3,500	127,000

**Avila Beach Community Services District
2024-25 Fiscal Year Budget**

Administrative Fund

Avila Beach Community Services District
Preliminary Admin FY2024/25 Budget
April 9, 2024

	23/24 Budget	23/24 Projected	23/24 Comments	24/25 Proposed Budget	24/25 Comments
Ordinary Income/Expense					
Income					
4010 - Operating Revenue	0	0			
4020 - Contract Services Ambulance	4,500	4,500		4,500	
4030 - County Taxes	470,000	500,000		540,000	
4050 - Harbor Charges	0				
4070 - Late Charge Penalty	0				
4600 - Interest Income	50,000	125,000	Interest Rate Increase	125,000	
Total Income	524,500	629,500		669,500	
Expense					
5100 - Merchant CC Fees TIB	7,500	7,500		7,500	
5210 - Gross Wages	50,000	120,000		180,000	Added Ops Supervisor
5230 - Payroll Taxes	1,000	950		1,000	
5242 - Health Insurance	9,600	25,000		55,000	Added EE Medical
5254 - CalPERS Kathy	16,000	15,000		15,000	Retiree Unfunded Liability
5256 - CalPERS All EEs	5,000	9,000		15,000	District Share (50%)
5260 - Work Comp Insurance	1,300	1,300		1,400	
5280 - Payroll Admin & Misc.	1,500	1,500		1,600	Payroll Processing Fees
6102 - Accounting Labor	15,500	30,000		30,000	Contract Controller
6103 - Accounting Audit	10,000	10,000		11,000	
6120 - Dues & Subscriptions	9,500	9,000		10,000	CSDA and USA Membership
6130 - LAFCo Fees	6,000	5,600		6,000	
6135 - Legal	15,000	10,000	Legal issue & Mtgs as needed	15,000	
6140 - Office Supplies & Post	7,000	6,000		7,000	
6145 - Public Notices	1,000	1,000		1,000	
6150 - Rate Assistance	0	0	Funded from Solid Waste revenue	0	Funded from SW Revenue
6160 - Training	2,500	1,000		2,500	Required EE & Director Trng
6165 - Travel	1,000	1,000		1,000	
6167 - EE Uniforms				1,500	Ops Staff
6170 - Webpage Host & IT Support	3,000	4,000		5,000	
6505 - Contract Labor Admin	4,000	3,000	Haz Mat Annual Fee	4,000	Haz Mat Annual Fee
6506 - Contract Labor GM	55,000	55,000		55,000	Contract GM Admin
6507 - Contract Labor District Engr					
6520 - Equip Repairs & Maint	3,000	3,000		4,000	Copier & IT Support/Back-up
6535 - Insurance	8,500	9,000		9,500	
6542 - Bldg Maint & Janitorial	5,000	5,000	Pest Control & Maintenance	5,000	
6567 - Bldg Repairs	17,000	4,500		10,000	Adm Office Repairs
6585 - Telephone & Internet	3,000	2,800		3,000	Admin Office
6590 - Utilities, Electrical	2,500	2,300		2,500	Admin Office, Electrical
SubTotal Admin Expenses	260,400	342,450		459,500	
6600 - Cal Fire Contract Labor	235,000	225,000		225,000	Cal Fire Contract Services
Total Admin Expense	495,400	567,450		684,500	

**Avila Beach Community Services District
2024-25 Fiscal Year Budget**

Sanitary Fund

Avila Beach Community Services District
Sanitary Budget
 Fiscal Year 2024/25
 April 9, 2024

Sanitary	23/24 Budget	23/24 Projected	23/24 Comments	24/25 Proposed Budget	24/25 Comments
Income					
4003 · Operating Revenue	460,000	425,000		425,000	Assumes No Rate Increase
4050 · Harbor O & M Reimbursement	100,000	100,000		100,000	
4030 · County Taxes	200,000	225,000		175,000	Transfer approx 20% of total Tax Revenue as needed
Total Income	760,000	750,000		700,000	
Expense					
6120 · Dues & Subscriptions	500	500		500	Underground Service Alert
6135 · Legal	5,000	3,000		5,000	WWTP Upgrade Project
6140 · Office Supplies & Postage	1,000	1,000		1,000	
6150 · Rate Assistance	1,000	1,000		0	Fund w/Franchise Fees
6165 · Travel	1,000	1,000		1,000	
6503 · Chemicals	55,000	40,000		45,000	Significant decrease due to staffing changes
6505 · Contract Labor O&M	240,000	120,000		50,000	
6507 · Contract Labor District Engr	55,000	40,000		50,000	
6510 · Critical Spare Parts	6,000	2,200		6,000	
6515 · Engineering	3,500	3,000		3,500	Contract as needed Non-CIP
6520 · Equip Repairs & Maintenance	90,000	90,000		70,000	More in-house repair work
6525 · Fat Oil & Grease Program	5,000	4,000		4,000	Contract program
6530 · Generator Maintenance	7,000	6,000		7,000	
6535 · Insurance	8,000	10,000		10,000	Once every five years
6540 · Lab Tests	65,000	50,000		55,000	
6502 · Misc - Benthic Monitoring					
6550 · Operating Supplies	5,000	6,000		6,000	
6555 · Permits & Fees	13,000	15,000		17,000	Anticipates 10% Increase

Avila Beach Community Services District
Sanitary Budget
 Fiscal Year 2024/25
 April 9, 2024

	23/24		23/24	24/25	
	Budget	Projected	Comments	Proposed	Comments
Sanitary					
6565 · Regulatory Permit Compliance	5,000	5,000		5,000	As Needed
6570 · Safety Gear	1,000	750		1,000	Gloves/Safety gear
6575 · Small Tools	500	1,000		2,000	Ops Staff Needs
6580 · Solids Handling	30,000	28,000		30,000	Bio Solids Transport & Disposal
6585 · Telephone	4,500	5,000		5,500	SCADA line & plant line
6590 · Utilities	55,000	60,000		75,000	MBR Unit & Rate Increases
6591 · Yard Maintenance	3,500	3,000		3,500	Landscape Maintenance at WWTP
Sub Total Operating Expense	659,500	494,450		453,000	
Total Operating Expense	659,500	494,450		453,000	
170 · Fixed Assets Depreciation	100,000	100,000		150,000	
Net Income/ Expense	500	155,550		97,000	
Other Income					
7210 · Connection Fees Paid	0	0		0	
7220 · SL HD CIP Reimbursement		150000		100000	

**Avila Beach Community Services District
2024-25 Fiscal Year Budget**

Water Fund

Avila Beach Community Services District
Water Budget
Fiscal Year 2024/25
 April 9, 2024

Water	23/24		24/25	
	Budget	Projected	Budget	Proposed
Income				
4003 · Operating Revenue	475,000	470,000	470,000	470,000
4009 · County Taxes	100,000	100,000	100,000	80,000
Total Income	<u>575,000</u>	<u>570,000</u>	<u>570,000</u>	<u>550,000</u>
Expense				
6120 · Dues & Subscriptions	1000	600	1000	1000
6135 · Legal	2,000	2,000	2,000	2,000
6140 · Office Supplies & Postage	1,000	1,000	1,000	1,000
6549 · Rate Study				
6150 · Rate Assistance	0	0	0	0
6503 · Chemicals	2,000	2,000	2,000	2,000
6505 · Contract Labor O &M	70,000	30,000	30,000	10,000
6507 · Contract Labor District Engr	25,000	22,000	22,000	25,000
6510 · Critical Spare Parts	4,000	3,500	3,500	4,000
6515 · Engineering	5,000	1,500	1,500	5,000
6520 · Equip Repairs & Maint	12,000	12,000	12,000	12,000
6535 · Insurance P/L	8,000	8,000	8,000	8,000
6540 · Lab Tests	2,000	1,800	1,800	2,000
6542 · Maintenance	2000	1,000	1,000	2000
6550 · Operating Supplies	3,000	2,500	2,500	3,000
6555 · Permits & Fees	5,000	4,000	4,000	5,000
6560 · Plan Checks	1,000	1,000	1,000	1,000
6565 · Regulatory Permit Compliance	2,000	1,500	1,500	2,000
6570 · Safety Gear	500	125	125	500
6575 · Small Tools	500	500	500	1,000
6590 · Utilities	3,000	2,600	2,600	3,000
6591 · Yard Improvements	1,000	500	500	1,000

Assumes No Rate Increase
 As Needed Xfer from Admin
 Rural Water Assc
 No Rate Study
 Fund w/Franchise Fees
 Limited Contract Operations
 Contract District Engineer
 Contract as needed Non-CIP
 Consultant Support As Needed
 SLO Co. Backflow, etc
 Slight increase

Avila Beach Community Services District
Water Budget
Fiscal Year 2024/25
 April 9, 2024

Water	23/24 Budget	23/24 Projected	23/24 Comments	24/25 Proposed Budget	24/25 Comments
6805 · State Water	205,000	170,000		205,000	Anticipates 15% Increase
6802 · Lopez Water	160,000	165,000		175,000	Anticipates 5% Increase
Sub Total Operating Expense	<u>515,000</u>	<u>433,125</u>		<u>470,500</u>	
Total Operating Expense	<u>515,000</u>	<u>433,125</u>		<u>470,500</u>	
Net Income/ Expense	30,000	106,875		79,500	
Other Income					
7210 · Connection Fees Paid	40,000				
Other Expenses					
1600 · Fixed Assets Depreciation	30,000	30,000		40,000	
8200 · Capital Replacement Transfer				80,000	
Net Net Income/ Expense				-40,500	

**Avila Beach Community Services District
2024-25 Fiscal Year Budget**

Street Lighting Fund

Avila Beach Community Services District
Street Light Budget
Fiscal Year 2024/25
April 9, 2024

Light	23/24 Budget	23/24 Projected	23/24 Comments	24/25 Proposed Budget	24/25 Comments
Ordinary Income/Expense					
Income					
4010 · Operating Revenue	0			0	
4030 · County Taxes	15,000	16,000		15,000	
4050 · Harbor Charges	1,000	1,000		1,000	
4070 · Late Charge Penalty	0			0	
4100 · Misc Income					
Total Income	<u>16,000</u>	<u>17,000</u>		<u>16,000</u>	
Expense					
5200 · Payroll Expenses					
5210 · Gross Wages	0	0		0	
Total 5200 · Payroll Expenses	<u>0</u>	<u>0</u>		<u>0</u>	
5230 · Payroll Taxes					
503M · Medicare	0	0		0	
Total 5230 · Payroll Taxes	<u>0</u>	<u>0</u>		<u>0</u>	
6542 · Maintenance	3,000	2,500		3,000	Repairs to Dist. Owned lights as needed
6545 · Miscellaneous	0			0	
6567 · Repairs	0			0	
6590 · Utilities	12,500	12,000		12,500	
Town Lights	7,200	7,200		7,200	
Front Street	5,300	5,300		5,300	
Sub Total Operating Expense	<u>15,500</u>	<u>14,500</u>		<u>15,500</u>	
6104 · Administrative Transfer	0			0	
Total Operating Expense	<u>15,500</u>	<u>14,500</u>		<u>15,500</u>	
Net Income/ Expense	500	2,500		500	

**Avila Beach Community Services District
2024-25 Fiscal Year Budget**

Solid Waste Fund

Avila Beach Community Services District
Solid Waste Budget
 Fiscal Year 2024/25
 April 9, 2024

	23/24 Budget	23/24 Projected	23/24 Comments	24/25 Proposed Budget	24/25 Comments
Ordinary Income/Expense					
Income					
4012 · Solid Waste Franchise Fees	22,000	30,000		30,000	<i>Franchise Fee</i>
4070 · Late Charge Penalty	0	0		0	
4100 · Misc Income	0	0		0	
Total Income	<u>22,000</u>	<u>30,000</u>		<u>30,000</u>	
Expense					
5210 · Gross Wages	2,000	2,000		3,000	
6102 · Accounting	500	500		2,000	
6103 · Accounting Audit	1,000	1,000		1,000	
6130 · LAFCO Fees	1,000	1,000		1,000	
6135 · Legal	5,000	6,000		5,000	SB 1383 costs
6150 · Rate Assistance	9,500	9,500		9,500	
6506 · Contract Labor GM	2,000	2,000		5,000	SB 1383 costs
6542 · Maintenance	0			0	
6543 · Management	0			0	
6545 · Miscellaneous	0			0	
6550 · Operating Supplies	0			0	
6567 · Repairs	0			0	
Sub Total Operating Expense	<u>21,000</u>	<u>22,000</u>		<u>26,500</u>	
Total Operating Expense					
Net Income/ Expense	1,000	8,000		3,500	

**Avila Beach Community Services District
2024-25 Fiscal Year Budget**

Water and Sewer Rates

Proposed Water Fixed and Variable Charges

	Rate	July 1, FY 20-21	July 1, FY 21-22	July 1, FY 22-23	July 1, FY 23-24	July 1, FY 24-25
		Fixed Charge (\$ per month)				
All Customers		\$47.88	\$47.88	\$49.32	\$50.80	\$50.80
		Variable Charge (\$ per HCF)				
All Customers						
Tier 1 - 0 to 5 units		\$4.05	\$4.05	\$4.18	\$4.31	\$4.31
Tier 2 - Over 5 units		\$11.67	\$11.67	\$12.02	\$12.39	\$12.39

Proposed Wastewater Fixed and Variable Charges

	July 1, FY 20-21	July 1, FY 21-22	July 1, FY 22-23	July 1, FY 23-24	July 1, FY 24-25
		Fixed Charge (\$ per HCF)			
All Customers	\$9.50	\$9.50	\$9.79	\$10.08	\$10.08
		Variable Charge (\$ per HCF)			
Single-family					
0 to 5 HCF	\$13.46	\$13.46	\$13.86	\$14.28	\$14.28
Over 5 HCF	13.46	13.46	13.86	14.28	14.28
Multifamily					
0 to 5 HCF	13.07	13.07	13.46	13.86	13.86
Over 5 HCF	13.07	13.07	13.46	13.86	13.86
Commercial					
0 to 5 HCF	16.41	16.41	16.90	17.41	17.41
Over 5 HCF	16.41	16.41	16.90	17.41	17.41
Hotels					
0 to 5 HCF	18.13	18.13	18.67	19.23	19.23
Over 5 HCF	18.13	18.13	18.67	19.23	19.23
Restaurants					
0 to 5 HCF	39.25	39.25	40.43	41.64	41.64
Over 5 HCF	39.25	39.25	40.43	41.64	41.64
Industrial					
0 to 5 HCF	14.98	14.98	15.43	15.89	15.89
Over 5 HCF	\$14.98	\$14.98	\$15.43	\$15.89	\$15.89

**Avila Beach Community Services District
2024-25 Fiscal Year Budget**

Water and Sewer Capacity Fees

RESOLUTION NO. 2013- 08

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
AVILA BEACH COMMUNITY SERVICES DISTRICT
ADOPTING CAPACITY FEES FOR BOTH WATER AND SEWER**

WHEREAS, the Avila Beach Community Services District (herein "District") is a community services district organized under Govt. Code §61000 et seq.; and

WHEREAS, the District has amongst its active powers the power to provide water for any beneficial uses (Govt. Code §61100(a)) and to collect and to dispose of sewage and wastewater (Govt. Code §61100(b)); and

WHEREAS, the Board of Directors has reviewed the recommendations of NBS and has determined that those charges do not exceed the amount anticipated and are necessary for providing these services to new connections to the water and sewer services within the District (Govt. Code §66013); and

WHEREAS, that Notice of this Public Hearing was appropriately published pursuant to Govt. Code §61016; and

WHEREAS, that the honorable Board has considered the report of NBS regarding capacity fees on at least four (4) occasions. At the District's last meeting on November 12, 2013, the Board gave direction that the adoption of capacity charges be placed on the upcoming agenda; and

WHEREAS, the Board recognizes that the adoption of these new connection fees could cause a hardship upon property owners/developers who have not perfected their right to connect to the District's water and sewer services and wishes to provide a one (1) month grace period before these new connection/capacity charges take effect.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE BOARD OF DIRECTORS OF THE AVILA BEACH COMMUNITY SERVICES DISTRICT AS FOLLOWS:

1. The above recitals are true and correct.
2. That the Board hereby adopts the connection/capacity charges set forth in Attachment "A" to this Resolution.
3. That the effect of these charges be delayed thirty (30) days as to those holding unperfected preliminary will serves to allow for District processing but shall take effect immediately as to all new applications for District water and sewer services


PASSED AND ADOPTED by the Board of Directors of the Avila Beach Community Services District this 10th day of December, 2013, on the following roll call vote:

AYES: Rowe, Janowicz, Waldron, Kelley

NOES: None

ABSENT: Richards

ABSTAIN: None




Peter Kelley, President
Avila Beach Community Services District

ATTEST:



John Wallace
District General Manager and
Secretary to the Board

APPROVED AS TO FORM:



Michael W. Seitz
District Legal Counsel

AVILA BEACH COMMUNITY SERVICES DISTRICT
 Water and Wastewater Capacity Charge Analysis
 Water Fee Classification and Calculation of Maximum Fee

EXHIBIT 10
 Preliminary Draft: Do Not Cite / Distribute.

UPDATED WATER CAPACITY FEES BASED ON NO. OF EDU'S:

Type of Use	Existing Water Capacity Fee ^{1,2}	Equivalence to a 2-Bedroom SFR Unit ³	Scenario 1	Scenario 2
			Updated Capacity Fee Based on 2-Bedroom Equivalency	Updated Capacity Fee Based on 2-Bedroom Equivalency
Single Family Residence or Condominium, per Residence				
One Bedroom	\$4,780.57	0.67	\$3,442	\$4,301
Two Bedroom	\$7,170.86	1.00	\$5,163	\$6,452
Three Bedroom	\$9,561.15	1.33	\$6,884	\$8,602
Four Bedroom	\$11,951.43	1.67	\$8,605	\$10,753
Multi Dwelling				
One Bedroom	\$3,824.46	0.53	\$2,754	\$3,441
Two Bedroom	\$5,738.69	0.80	\$4,130	\$5,161
Three Bedroom	\$7,648.92	1.07	\$5,507	\$6,882
Mobile Home	\$4,780.57	0.67	\$3,442	\$4,301
Barber Shop (per chair)	\$1,912.23	0.27	\$1,377	\$1,720
Beauty Shop (per chair)	\$2,390.29	0.33	\$1,721	\$2,151
Dentist Office (per chair)	\$14,341.72	2.00	\$10,321	\$12,903
Department Store (per employee)	\$764.89	0.11	\$551	\$688
or, if larger, (per 1,000 square feet)	\$2,292.92	0.32	\$1,642	\$2,065
Drug Store	\$9,561.15	1.33	\$6,884	\$8,602
w/Fountain Service add:	\$25,815.10	3.60	\$18,517	\$23,226
if Serving Meals add (per seat):	\$956.11	0.13	\$868	\$860
Laundry				
(per Standard washing machine)	\$19,122.29	2.67	\$13,168	\$17,205
Meat Market				
(per 1,000 square feet of floor area)	\$956.11	0.13	\$868	\$860
Motel or Hotel (per room)	\$2,390.29	0.33	\$1,721	\$2,151
Office Building				
(per employee)	\$478.06	0.07	\$344	\$430
or, if larger, (per 1,000 square feet)	\$2,294.68	0.32	\$1,642	\$2,065
Physicians Office				
(per examining room)	\$3,824.46	0.53	\$2,754	\$3,441
Restaurant				
(per seat at 20 gallons per day per seat)	\$382.45	0.05	\$275	\$344
Theatre (per seat)	\$57.37	0.01	\$41	\$52
Other non water intensive establishments:				
(per 500 gallons per day)	\$9,561.15	1.33	\$6,884	\$8,602
Boarding School, Elem (per student)	\$1,434.17	0.20	\$1,033	\$1,290
Boarding School, Senior (per student)	\$1,912.23	0.27	\$1,377	\$1,720
Church (per seat)	\$57.37	0.01	\$41	\$52
Country Club (per member)	\$478.06	0.07	\$344	\$430
Civic Club (per member)	\$57.37	0.01	\$41	\$52
Elementary School (per student)	\$305.96	0.04	\$220	\$275
Nursing Homes (per bed)	\$2,868.34	0.40	\$2,065	\$2,581
Rooming House (per resident)	\$1,912.23	0.27	\$1,377	\$1,720
Summer Camps (per resident or camper)	\$1,147.34	0.16	\$826	\$1,032

1. ABCSD currently refers to the Capacity Fee as a Hookup Fee, however NBS recommends the District use "Capacity Fee" as the term for this fee to be consistent with industry standards and because it more appropriately describes what the fee is.

2. For uses not specifically included in this schedule, and for hybrid uses, assessments shall be determined by calculating annual water usage of the use in acre feet and multiplying by \$17,057.09.

3. Per ABCSD staff, current capacity fees are based on Metcalf and Eddy strength/flow factors. NBS has calculated updated capacity fees based on the relationship of current fees for 2-bedroom and 3-bedroom SFR units to all other customer classes.

UPDATED SEWER CAPACITY FEES BASED ON NO. OF EDU'S:

Type of Use	Existing Water Capacity Fee ^{1,2}	Equivalence to a 2-Bedroom SFR Unit ³	Scenario 1	Scenario 2
			Updated Capacity Fee Based on 2-Bedroom Equivalency	Updated Capacity Fee Based on 2-Bedroom Equivalency
Single Family Residence or Condominium, per Residence				
One Bedroom	\$980.94	0.67	\$6,253	\$8,320
Two Bedroom	\$1,471.41	1.00	\$9,379	\$12,481
Three Bedroom	\$1,961.88	1.33	\$12,505	\$16,641
Four Bedroom	\$2,452.35	1.67	\$15,832	\$20,801
Multi Dwelling*				
One Bedroom	\$784.75	0.53	\$5,002	\$6,656
Two Bedroom	\$1,177.13	0.80	\$7,503	\$9,985
Three Bedroom	\$1,569.51	1.07	\$10,004	\$13,313
Mobile Home*	\$980.94	0.67	\$6,253	\$8,320
Barber Shop** (per chair)	\$392.38	0.27	\$2,501	\$3,328
Beauty Shop** (per chair)	\$490.47	0.33	\$3,126	\$4,160
Dentist Office** (per chair)	\$2,942.83	2.00	\$18,758	\$24,862
Department Store (per employee)	\$156.85	0.11	\$1,000	\$1,331
or, if larger, (per 1,000 square feet)	\$470.48	0.32	\$2,994	\$3,991
Drug Store**	\$1,961.88	1.33	\$12,505	\$16,641
w/Fountain Service add:	\$5,297.09	3.60	\$37,715	\$44,931
if Serving Meals add (per seat):	\$196.19	0.13	\$2,511	\$1,664
Laundry**	\$3,923.77	2.67	\$25,011	\$33,282
(per Standard washing machine)				
Meat Market**	\$196.19	0.13	\$1,664	\$1,664
(per 1,000 square feet of floor area)				
Motel or Hotel (per room)	\$490.47	0.33	\$3,126	\$4,160
Office Building**				
(per employee)	\$98.09	0.07	\$625	\$832
or, if larger, (per 1,000 square feet)	\$470.85	0.32	\$2,994	\$3,994
Physicians Office**	\$784.75	0.53	\$5,002	\$6,656
(per examining room)				
Restaurant**	\$76.48	0.05	\$500	\$666
(per seat at 20 gallons per day per seat)				
Theatre** (per seat)	\$11.77	0.01	\$75	\$100
Other non water intensive establishments**:				
(per 500 gallons per day)	\$1,961.88	1.33	\$12,505	\$16,641
Boarding School, Elem (per student)	\$294.28	0.20	\$1,876	\$2,496
Boarding School, Senior (per student)	\$392.38	0.27	\$2,501	\$3,328
Church (per seat)	\$11.77	0.01	\$75	\$100
Country Club (per member)	\$98.09	0.07	\$625	\$832
Civic Club** (per member)	\$11.77	0.01	\$75	\$100
Elementary School (per student)	\$62.78	0.04	\$400	\$533
Nursing Homes (per bed)	\$586.57	0.40	\$3,752	\$4,992
Rooming House (per resident)	\$392.38	0.27	\$2,501	\$3,328
Summer Camps (per resident or camper)	\$235.43	0.16	\$1,501	\$1,997

1. ABCSD currently refers to the Capacity Fee as a Hookup Fee, however NBS recommends the District use "Capacity Fee" as the term for this fee to be consistent with industry standards and because it more appropriately describes what the fee is.
 2. For those uses not specifically included in the foregoing Schedule, and for hybrid uses, assessments shall be determined by calculating annual water usage of the use in acre feet and multiplying by the applicable acre foot rate for that use(s) under Paragraph A, B, or C of this section.
 3. Per ABCSD staff, current capacity fees are based on Metcalf and Eddy strength/flow factors. NBS has calculated updated capacity fees based on the relationship of current fees for 2-bedroom and 3-bedroom SFR units to all other customer classes.

The following notes are applicable to the existing capacity fees:

- A. Uses in which a ration of water used to sewage produced is essentially - 100% water used, 80% sewage produced; based upon \$1,987.54 per acre foot annual water use.
- B. Uses in which a ratio of water used to sewage produced is essentially - 100% water used, 90% sewage produced; based upon \$2,208.38 per acre foot of water used, marked by *.
- C. Uses in which essentially 100% of the water used is converted to sewage; based upon \$3,229.74 per acre foot of water used, marked by **

**Avila Beach Community Services District
2024-25 Fiscal Year Budget**

District Organization Chart

AVILA BEACH COMMUNITY SERVICES DISTRICT
FY 2024/25 Organization Chart

BOARD OF DIRECTORS

GENERAL MANAGER
BRAD HAGEMANN
(Contract)

DISTRICT ENGINEER
BRAD HAGEMANN
(Contract)

DISTRICT COUNSEL
SHANNON NATALE BOYD
(Contract)

OFFICE MANAGER
KRISTI DIBBERN

FIRE DEPARTMENT

CALFire CONTRACT

UTILITIES DEPARTMENT
(WATER / SANITARY)

OPERATIONS SUPER
SHAWN POWELL
(District Staff)

OPERATIONS SUPPORT
AS NEEDED
(Contract Staff)

STREET LIGHTING

**Avila Beach Community Services District
2024-25 Fiscal Year Budget**

**Compensation
Effective 7/1/24**

**2024/25 Fiscal Year Budget
Avila Beach Community Services District**

**Proposed Pay Grades and Related Steps
for Permanent Employees
To Be Effective 7/1/24**

	Existing	Proposed	Existing	Proposed	Existing	Proposed	Existing	Proposed
STEP 1	21.00	21.84	26.00	27.04	32.80	34.11	50.00	52.00
STEP 2	22.26	23.15	27.56	28.66	34.77	36.16	53.00	55.12
STEP 3	23.60	24.54	29.21	30.38	36.85	38.33	56.18	58.43
STEP 4	25.01	26.01	30.97	32.21	39.07	40.63	60.00	62.40
STEP 5	26.51	27.57	32.82	34.14	41.41	43.07	63.60	66.14
STEP 6	28.10	29.23	34.79	36.19	43.89	45.65	67.42	70.11

Classification Billing Clerk Accountant Office Manager Operations Supervisor

STEP PARAMETERS INCLUDE A 6% INCREASE PER STEP

Step 1 is typically the starting wage. Hiring above Step 1 may be approved subject to the Personnel Committee concurrence.
 Step 2 increase is available with satisfactory six month review, completion of probation period and General Manager's approval.
 Step 3 is available after 1 year of service at Step 2, satisfactory annual review and General Manager's approval.
 Step 4 is available after 1 year of service in Step 3, satisfactory annual review and General Manager's approval.
 Step 5 is available after 1 year of service in Step 4, satisfactory annual review and General Manager's approval.
 Step 6 is available after 1 year of service in Step 5, satisfactory annual review and General Manager's approval.

***COST OF LIVING ADJUSTMENT (This table includes 4% COLA)**

Yearly on July 1, all employees will be eligible for a cost of living adjustment if approved by the Board of Directors. The percent will be applied to all grades and steps equally and the above schedule will be recalculated to reflect such Board action. The applicable percent shall be based on the consumer's price index for inflation released for the previous year by the Federal Government and proposed to the Board by the General Manager along with his recommendation for approval or defer depending on the fiscal impact on the District. This Adjustment is applicable to all employees as a group, but not guaranteed.

**Avila Beach Community Services District
2024-25 Fiscal Year Budget**

Capital Equipment/Projects

**2024/25 Fiscal Year Budget
Avila Beach Community Services District
Capital Improvement Program
(April 9, 2024)**

Item Description	Total 5 Years	Fiscal Year				
		2024/25 1	2025/26 2	2026/27 3	2027/28 4	2028/29 5
General/Administration						
ADM-1 General/Administrative Capital Improvements	\$ 75,000	\$ 35,000	\$ 25,000	\$ 0.00	\$ 15,000	\$ 0.00
Subtotal:	\$ 75,000	\$ 35,000	\$ 25,000	\$ 0.00	\$ 15,000	\$ 0.00
Water						
W-2024/25 - 1 Water System Meter Replacement (AMR)	\$ 225,000	\$ 175,000	\$ 50,000	\$ 0.00	\$ 0.00	\$ 0.00
W-2024/25 - 2 Misc Water Line or Valve Replacement/Repair (As Needed)	\$ 225,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 25,000
W-2024/25 - 3 Inspect and Re-Coat Water Tank #1	\$ 250,000	\$ 200,000	\$ 50,000	\$ 0.00	\$ 0.00	\$ 0.00
W-Future Water Tank #2 Maintenance or Replace	\$ 150,000	\$ 0.00	\$ 100,000	\$ 50,000	\$ 0.00	\$ 0.00
W-Future Develop Well Water Source	\$ 75,000	\$ 0.00	\$ 0.00	\$ 75,000	\$ -	\$ -
Subtotal:	\$ 925,000	\$ 425,000	\$ 250,000	\$ 175,000	\$ 50,000	\$ 25,000
Wastewater						
WW- 2024/25-1 WWTP Improvements/Redundancy Project (loan payment)	\$ 1,050,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000
WW- 2024/25-2 WWTP SCADA Upgrade	\$ 75,000	\$ 50,000	\$ 25,000	\$ -	\$ -	\$ -
WW - 2024/25 -3 Wastewater Collection System Repair Inflow & Infiltration	\$ 225,000	\$ 100,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000
WW -2024/25 -4 Miscellaneous Wastewater Projects (As Needed)	\$ 375,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
WW - F1 Brine Receiving Facilities	\$ 175,000	\$ 0	\$ 75,000	\$ 100,000	\$ -	\$ -
WW- F3 First Street Sewer Line Replacement	\$ 250,000	\$ 0	\$ 0	\$ 0.00	\$ 50,000	\$ 200,000
WW- F5	\$ 0.00	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Subtotal:	\$ 2,150,000	\$ 435,000	\$ 435,000	\$ 410,000	\$ 360,000	\$ 510,000
Street Lighting						
L-1 Repair or Replace Lights and Electrical Systems (As Needed)	\$ 37,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
Subtotal:	\$ 37,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
Total Capital Equipment / Projects by Fiscal year:		\$ 902,500	\$ 717,500	\$ 592,500	\$ 432,500	\$ 542,500
Total 5-Year Capital Equipment / Projects	\$ 3,187,500					

KEY


- W-F#= FUTURE WATER -
- WW#= WASTEWATER
- WW-F#= FUTURE WASTEWATER -

AVILA BEACH
COMMUNITY SERVICES DISTRICT

Post Office Box 309, Avila Beach, CA. 93424

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: April 9th, 2024

SUBJECT: Revision to County Encroachment Permit for Maintenance of the “Welcome to Avila Beach” Sign.

Recommendation:

Receive Report and provide direction to staff.

Discussion:

In late 2022 the County Public Works Department sent an email asking if the CSD would agree to maintain the existing “Welcome to Avila Beach” sign at the corner of Avila Beach Drive and San Miguel Street. It was the Public Works Department’s understanding that the sign was located on County right of way, but the County did not want to be responsible for maintaining the sign. I coordinated with the Avila Beach Civic Association staff to see if they wanted to take on the sign maintenance task. They declined stating that they had no funding or interest.

The CSD employs a landscape company to maintain the landscape and control weeds at the WWTP, the water tank site and at the office. I coordinated with our landscape maintenance contractor and we concluded that it would be a minimal additional charge for them to periodically maintain the landscaping around the sign. Based on that, I advised the County that the CSD would take on task. On January 13, 2023, the County issued a Long-Term Encroachment Permit for maintenance of the sign and landscaping (copy attached).

The County would now like to revise the Encroachment Permit because a portion of the sign is on private property, not County property. The property owner has agreed to move the sign off his property, approximately 7 - 8 feet closer to the intersection (relocation map attached). The Avila Valley Advisory Committee has reviewed the proposal and agrees. The CSD, does not have any jurisdiction or ownership of the property and moving the sign does not present any issues to the CSD’s agreement to maintain the sign and landscaping.

The purpose of this item is to advise the Board of the County’s request and provide the Board an opportunity to provide any Direction to staff regarding the proposed revision to the Long-Term Encroachment Permit.



County of San Luis Obispo
DEPARTMENT OF PUBLIC WORKS

County Government Center, Room 207 - San Luis Obispo CA 93408
 Phone: (805) 781-5252 Fax: (805) 781-1229 Email: pwd@co.slo.ca.us

Permit #: **ENC20230222**

Issued: 01/13/2023

Expires:

Status: ISSUED

LONG TERM ENCROACHMENT PERMIT

Contacts

	NAME	ADDRESS	PHONE / EMAIL
OWNER:	Avila Beach Community Services District C/O Bradley Hagemann	100 San Luis St Avila Beach, CA	(805) 835-3163 hagemann.associates@gmail.com

Permit Information

Road Number:	Avila Beach Rd - A2070	Charge Number:	245R12C014NC
Situs:	0 AVILA BEACH DR, AVILA BEACH	APN:	
BLD Permit:		Community:	Avila Beach
Inspector:	Mike Tabares 235-3538		

Work Description

LEGAL DESC:

- Avila Beach Community Services District (ABCSD) to maintain existing "Welcome to Avila Beach" sign and landscaping at Avila Beach Drive and San Miguel Street in perpetuity.
- Lane/ shoulder closure along Avila Beach Drive associated with any maintenance, installation or removal would require 48hr notification to Public Works and Diablo Canyon for review and approval.
- Potential complaints from the public to be addressed by the ABCSD and may involve a site inspection from the Public Works inspector.
- Traffic Control in accordance to permit conditions.

Fee Summary

Project Specific Conditions

2008124161774 - OTHER

1. Avila Beach Community Services District (ABCSD) shall be held liable and is responsible for any future issue with the sign and landscaping.
2. Avila Beach Community Services District (ABCSD) shall concede to any Future County improvements to the roadway right-of-way that may occur, which would include the removal of the sign and landscaping.

C02 - STORMWATER WAIVER

By signing this permit, the owner/authorized agent/contractor of record for this project certifies that this project is not subject to post construction performance requirements (Central Coast Water Board Resolution R3-2013-0032) for one of the reasons below. If field changes necessitate the replacement of impervious surfaces to the subgrade or an expansion of impervious areas, the applicant must notify Public Works.

- (1) The project will create and/or replace less than 2,500 square feet of impervious area.
- (2) The project consists of one or more items recognized by the RWQCB as non-regulated projects per the list below.

Non-Regulated Projects

- Road surface repair including slurry sealing, fog sealing, and pothole and square cut patching, or crack sealing.
- Repair/reconstruction of road because of slope failures, natural disasters, acts of God or other man-made disaster.
- Resurfacing with in-kind material without expanding the road.
- Shoulder grading.
- Overlaying existing asphalt or concrete pavement with asphalt or concrete without expanding area of coverage.
- Cleaning, repairing, maintaining, reshaping, or re-grading drainage systems.
- Practices to maintain original line and grade, hydraulic capacity, and overall footprint of the road.
- Underground utility projects that replace ground surface with in-kind material or materials with similar runoff characteristics.
- Curb and gutter improvement or replacement projects that are not part of any additional creation or replacement of impervious surface area (e.g., sidewalks, roadway).
- Electrical and utility vaults, sewer and water lift stations, backflows and other utility devices.

X01 - GENERAL ENCROACHMENT CONDITIONS

TRAFFIC CONTROL:

The contractor shall be responsible for providing traffic control throughout all phases of work in accordance with Part 6 of the California Manual on Uniform Traffic Control Devices (CA MUTCD).

All Other Permits Shall Be The Permittee's Responsibility to Obtain.

PERMITEE IS RESPONSIBLE FOR READING AND ADHERING TO ALL CONDITIONS AND PROVISIONS OF THE ENCROACHMENT PERMIT. PERMIT HOLDER SHALL CONTACT THE ENCROACHMENT PERMIT UNIT VIA E-MAIL AT PW.PERMITS@CO.SLO.CA.US OR CALL (805) 781-5252 AT LEAST FORTY-EIGHT (48) HOURS IN ADVANCE TO SCHEDULE INSPECTIONS, PRIOR TO COMMENCING OF THE WORK FOR FINAL INSPECTION.

initial here:

~~BEA~~
1/13/23

Permit Not Valid Without County Signature

Phillip Bettencourt

PHILLIP BETTENCOURT

Work Completed: _____
Inspector Date

For current standards visit: <https://www.slocounty.ca.gov/public-works/public-improvement-standards.aspx>

ATTACHMENT 3 AVILA BEACH VACATION EXHIBIT MAP

AVILA BEACH DR

PROPOSED ABANDONMENT AREA

BACK OF SIDEWALK

PROPOSED LOCATION 3' FROM BACK OF SIDEWALK

EXISTING ROAD RIGHT-OF-WAY

2' ENCROACHMENT OF AVILA SIGN OVER PRIVATE PROPERTY

EXISTING "WELCOME TO AVILA BEACH" SIGN

OWNER:
CODY GAMBRIL

14
PM COAL 96-112
54 PM 73

BEACH COLONY LANE

MIGUEL ST
SAN

SCALE: 1"=20'



MICHAEL B. STANTON, PLS 5702
3559 SOUTH HIGUERA ST.
SAN LUIS OBISPO, CA 93401
805-594-1960

March 13, 2024

JOB #06-147

N:\2006\06-147 The Colony Avila Beach\c3d2013\06-147 Avila - Sign Location Exhibit.dwg, 8.5X11 EXH, Mar 13, 2024 2:01pm, MStanton