

AVILA BEACH COMMUNITY SERVICES DISTRICT

Post Office Box 309, Avila Beach, CA. 93424
Meeting Room and Office – 191 San Miguel Street, Avila Beach
Telephone (805) 595-2664 FAX (805) 595-7623
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AGENDA

REGULAR BOARD MEETING
7:00 pm Tuesday, November 8th, 2016
BOARD MEETING LOCATION
AVILA BEACH CIVIC ASSOCIATION
191 SAN MIGUEL STREET
AVILA BEACH, CALIFORNIA

1. **CALL TO ORDER: 7:00 P.M.**

2. **ROLL CALL: Board Members:**

Pete Kelley, President
John Janowicz, Vice President
Lynn Helenius, Director
Ken San Filippo, Director
Eric DeWeese, Director

3. **PUBLIC COMMENT**

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

4. **INFORMATION AND DISCUSSION ITEMS**

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

A. County Reports

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

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

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 October 11th, 2016 Regular Meeting
- B. Monthly Financial Review, October
- C. General Manager and District Engineer Report
- D. Water and Wastewater Superintendent Report

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. District Financial Audit for Fiscal Year 2015-16
(Action Required: Receive Draft Report and presentation by Fedak and Brown, CPA, the District's independent Auditor; Adopt Audit Report or provide direction to staff and bring report back for Board consideration)
- B. Consideration of an Ordinance to Amend Title 15 of the District's Fire Code (Action Required: Open Public Comment; Read Ordinance by Title only: Adopt Ordinance 2013-02 Amending Title 15 of the ABCSD Fire Code Ordinance; Adopt Resolution 2016-11 Requesting the SLO County Board of Supervisors Ratify the ABCSD's Adoption of the Amended Fire Code)
- C. Capital Improvement Program Status Report
(Action Required: Receive Report)
- D. Award Engineering Design Contract to MKN Engineering for W-1 Valve Replacement Project.
(Action Required: Approve Engineering Design Proposal)

8. COMMUNICATIONS/ CORESPONDENCE

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

9. Adjourn to next regularly scheduled meeting on December 13th, 2016

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

**AVILA BEACH COMMUNITY SERVICES DISTRICT
MINUTES OF REGULAR MEETING
October 11th, 2016**

1. CALL TO ORDER

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

2. ROLL CALL

Board Members Present:

Pete Kelley
Lynn Helenius
Eric DeWeese

Board Members Absent:

Ken San Filippo
John Janowicz

Staff Present:

Brad Hagemann, General Manager and District Engineer
Kristi Dibbern, Accounting Clerk
Mike Seitz, Legal Counsel

PUBLIC COMMENT:

Ms. Vicki Book of Avila Beach commented that she is concerned about the drought, the lack of water in Lopez Reservoir and how that will impact existing residents and proposed development in the District's service area. President Kelley explained that the District adopted a Water Shortage Response and Management Plan (Plan) in May of 2016, which is designed to address Ms. Book's concerns. District Legal Counsel, Mike Seitz, commented that the Plan was adopted pursuant to Water Code Section 375 and that it provides the District the authority to take specific actions based on projected water supplies. General Manager Hagemann added that the Board could review and update the Plan periodically as conditions change. Hagemann also noted that based on projected water supply and demand, the District will remain at Stage 1 and will be able to serve existing residents, as well as, honor the current demands associated with new construction (refer to General Manager's report).

Steve Waldron of Avila Beach recommended the Board hold off on any future rate increases until the Waste Water Treatment Plant (WWTP) upgrade is completed. Hagemann responded that the WWTP has been consistently meeting permit requirements and that the upgrade is on hold while the District is preparing a Recycled Water Planning/Feasibility Study. The District has received a grant of up to \$75,000 from the State Water Resources Control Board for the Study. The Study is being conducted in collaboration with the San Miguelito Mutual Water Company. The scope of the Study includes evaluating the feasibility and cost benefit of upgrading the WWTP to tertiary and then beneficially re-using the recycled water and minimizing the discharge into the ocean.

4. INFORMATION AND DISCUSSION ITEMS

A. County Reports

1. SLO Sheriff:

Sheriff Taylor reported 86 service calls in Avila during the month of September, including seven traffic stops, five 911 calls, 3 pedestrian contacts, five calls regarding security alarm calls and five

disturbing the peace calls. Taylor reported that vandalism occurred on Front Street and San Antonio. The vandal was videoed by a local resident and later taken into custody. Other vandalism included a rock thrown through the front door window of the Central Coast Aquarium. During the month of September there were six total arrests made in the Avila area.

2. CAL Fire Report:

Battalion Chief Paul Lee from CAL Fire reported 45 calls for service, 35 were medical related. Aircraft heli-tankers are still standing by in case of a fire. CAL Fire has installed signs in the Cave Landing area posting "No fireworks, sky lanterns or bonfires allowed". San Luis County task force agency is working well together to keep everyone safe during times of high traffic and special events in the area. Chief Lee reported that brush clearing and fire prevention barriers on Ontario Ridge and the Sycamore Springs area are taking place in the next few weeks; Davis Peak is also scheduled for clearing in the next month or so. Lee commented that PG & E is funding all these projects.

B. Conferences, Meetings and General Communications

None reported.

5. CONSENT ITEMS

- A. Approval of the Minutes for the following meetings: September 13th, 2016 Regular Meeting
- B. Monthly Financial Review, September
- C. General Manager/District Engineer Report
- D. Water & Wastewater Superintendent Report

6. DISCUSSION OF PULLED CONSENT ITEMS.

President Kelley introduced the consent items and inquired if any member of the Board or public wished to address any items. Hagemann reported that the General Manager's Report included a report on water use for the past three years, water supply projections for 2017 and water orders for 2017. Water use for 2016 is projected to be approximately 77 acre-feet. Water supply/availability is projected to be approximately 150 acre-feet of State Water and 54 acre-feet of Lopez Water. Director Helenius made the motion to adopt the consent items. Director DeWeese seconded the motion and it passed with a roll call vote 3-0.

AYES: Pete Kelley
 Eric DeWeese
 Lynn Helenius

NOES: None

ABSENT: Ken San Filippo
John Janowicz

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

A. Request for Preliminary Will Serve: 260/264 San Miguel Street (APN 076-201-071)

Hagemann introduced the item by stating that Rourke Properties submitted an application for a Preliminary Will Serve that proposes to build 3 each, identical 2 bedroom, 2.5 bath Single Family Residential (SFR) units on a lot at 260/264 San Miguel Street. The lot was split off from a Sullivan project previously approved for a five bedroom SFR. After some Board discussion and public input, Director Helenius made the motion to approve a conditional "Preliminary Intent to Serve". Director DeWeese seconded the motion and it passed with a roll call vote 3-0.

AYES: Pete Kelley
Eric DeWeese
Lynn Helenius

NOES: None

ABSENT: Ken San Filippo
John Janowicz

B. Local Fire Code Update, Ordinance No. 2016-01

GM Hagemann introduced the item and explained that every 3 years the District needs to update the Fire Code Ordinance. Chief Lee introduced Fire Marshall, Mike Salas. Salas distributed handouts to the Board members and public that outlined the proposed Fire Code Local Amendments and summarized the proposed changes. After Board discussion and an opportunity for public comment, Director Kelley made a motion to conduct the first reading of proposed Ordinance No. 2016-01 by "title only". Director Helenius seconded the motion and it passed with a roll call vote 3-0.

AYES: Pete Kelley
Eric DeWeese
Lynn Helenius

NOES: None

ABSENT: Ken San Filippo
John Janowicz

Director Kelley then made a motion to set the Public Hearing for Fire Code Ordinance No. 2016-01 at the Regular Public Meeting on November 8th, 2016. Director Helenius seconded the motion and it passed with a roll call vote 3-0.

AYES: Pete Kelley
 Eric DeWeese
 Lynn Helenius

NOES: None

ABSENT: Ken San Filippo
 John Janowicz

C. Fluid Resource Management (FRM) Agreement for Professional Services

GM Hagemann introduced the item by reminding the Board that the Operations and Maintenance Agreement with FRM is scheduled to expire on November 1, 2016. The Agreement provided for two, one year renewals upon mutual written consent of both parties. Both parties have indicated their wiliness to exercise the renewal option. Hagemann reported that the Personnel Committee met on September 22nd and provided direction regarding a renewal Agreement meeting with FRM on September 29th. Hagemann provided the agenda for the Personnel Committee meeting as an attachment. Hagemann also noted that both parties had signed a letter dated October 10, 2016, that extended the renewal date to February 14th, 2017, while both parties worked on the renewal Agreement language. The Personnel Committee directed staff to explore the cost benefit of reducing FRM's contract responsibilities and hiring an employee to take over O & M of the water system, assist with project management, etc. Board members discussed the pros and cons of the concept.

The Board directed Staff to continue to explore all options and provide a status report at the next regularly scheduled Board meeting in November. FRM and District staffs are scheduled to meet again the mid-October timeframe and have a final recommendation within 60-90 days.

D. District Recommendation for upcoming Vacant Board of Director Position.

Director Kelley made the motion to recommend Ara Najarain to the Board Of Supervisors to fill the available position within the District. Director Helenius seconded the motion and it passed with a roll call vote 3-0.

AYES: Pete Kelley
 Eric DeWeese
 Lynn Helenius

NOES: None

ABSENT: Ken San Filippo
John Janowicz

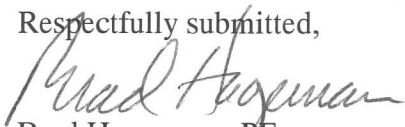
8. COMMUNICATIONS:

ADJOURNMENT: The meeting was adjourned at 8:28 p.m.

The next regular meeting of the Avila Beach Community Services District is scheduled for Tuesday, November 8th, 2016 at 7:00 pm. This meeting will be held in the Community Room next door to the District office due to the General Election using the upstairs room in the Civic Center.

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: November 8th, 2016

SUBJECT: Monthly Financial Review for October 2016

Recommendation:

Receive and file report.

Overall Monthly Summary

During October the District made deposits in the amount of \$ 145,196.46 and experienced \$ 66,028.73 in expenses (cash basis). The deposits by fund and checks by fund are provided as an attachment to this report. Income in October included \$ 54,772.27 in County tax income and \$ 76,566.84 in monthly water and sewer fees. Monthly operation and maintenance expenses are also within the anticipated range.

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

Utility Service Billing

For the month of October the District billed approximately \$ 76,566.84 in water and sewer service charges. Customer Rate Assistance amounted in a reduction of billing charges to the District in the amount of \$ 513.05.

Avila Beach Community Services District
Profit & Loss
 October 2016

	Oct 16
Ordinary Income/Expense	
Income	
4000 · Income Summary	
4010 · Operating Revenue	71,480.80
4012 · Solid Waste Franchise Fee	1,709.08
4030 · County Taxes	54,772.27
4090 · Rental Income	3,104.00
4100 · Misc Income	325.40
	131,391.55
Total 4000 · Income Summary	131,391.55
Total Income	131,391.55
Gross Profit	131,391.55
Expense	
5100 · Merchant Credit Card Fees TIB	108.70
5200 · Payroll Expenses	
5210 · Gross Wages	
5211 · Regular Pay	2,706.50
5012 · Holiday Pay	0.00
5014 · Sick Pay	0.00
5016 · Vacation Pay	111.15
	2,817.65
Total 5210 · Gross Wages	2,817.65
5230 · Payroll Taxes	49.55
5240 · Health & Medical Exp.	
5242 · Health Insurance	600.00
	600.00
Total 5240 · Health & Medical Exp.	600.00
5250 · PERS Company Pd Expense	
5256 · PERS Co Pd Kristi	527.68
	527.68
Total 5250 · PERS Company Pd Expense	527.68
5280 · Payroll Administration & Misc.	100.32
	100.32
Total 5200 · Payroll Expenses	4,095.20
6000 · Administrative Overheads	
6102 · Accounting	3,522.00
6115 · Bank Service Charges	-25.00
6120 · Dues & Subscriptions	850.00
6135 · Legal	836.80
6140 · Office Supplies & Postage	657.93
6145 · Public Notices	297.66
6150 · Rate Assistance	513.05
6155 · Rent	820.66

Avila Beach Community Services District
Profit & Loss
October 2016

	<u>Oct 16</u>
6160 · Training	701.78
Total 6000 · Administrative Overheads	8,174.88
6500 · Operating Expenses	
6503 · Chemicals	4,597.60
6505 · Contract Labor	27,290.00
6518 · Equipment Expense	36.71
6520 · Equipment Repair & Maint.	
6522 · Equip. Rep. & Maint-Avila & HD	714.72
6524 · Equip. Rep. & Maint. Avila Only	111.00
Total 6520 · Equipment Repair & Maint.	825.72
6525 · Fat Oil & Grease (FOG)	247.08
6530 · Generator Maintenance	1,015.00
6535 · Insurance	-1,764.54
6540 · Lab Tests	3,218.54
6570 · Safety Gear	48.13
6585 · Telephone / Internet	568.29
6590 · Utilities	3,902.10
Total 6500 · Operating Expenses	39,984.63
6900 · Yard Improvements	475.00
Total Expense	52,838.41
Net Ordinary Income	78,553.14
Other Income/Expense	
Other Income	
7200 · Non-Operating Income	
7210 · Capacity Fees Paid	1,000.00
Total 7200 · Non-Operating Income	1,000.00
Total Other Income	1,000.00
Other Expense	
8200 · Non-Operating Expenses	
8230 · Capital Purchases in Prog Sani	
8231 · WW-1 WWTP Upgrade	5,500.00
8232 · WW-2 Effluent Line Repair HD	337.50
Total 8230 · Capital Purchases in Prog Sani	5,837.50
8270 · Capital Purchases in Prog Water	
8271 · W-1 Water Tank Improvements	9,813.00

Avila Beach Community Services District
Profit & Loss
October 2016

	<u>Oct 16</u>
Total 8270 · Capital Purchases in Prog Water	<u>9,813.00</u>
Total 8200 · Non-Operating Expenses	<u>15,650.50</u>
Total Other Expense	<u>15,650.50</u>
Net Other Income	<u>-14,650.50</u>
Net Income	<u><u>63,902.64</u></u>

Avila Beach Community Services District
Balance Sheet
As of October 31, 2016

	Oct 31, 16
ASSETS	
Current Assets	
Checking/Savings	
1000 · Cash Summary	
1005 · Customer Cash	717.32
1008 · Petty Cash	75.71
1010 · Heritage Oaks General Checking	505,751.59
1030 · B of A - Payroll	9,000.84
1050 · LAIF	2,222,652.80
Total 1000 · Cash Summary	2,738,198.26
Total Checking/Savings	2,738,198.26
Accounts Receivable	
1200 · *Accounts Receivable	139,635.09
Total Accounts Receivable	139,635.09
Other Current Assets	
1250 · Receivables	
1270 · Taxes Receivable	8,787.45
1280 · Water & Sewer Billings	164,412.71
1250 · Receivables - Other	150.00
Total 1250 · Receivables	173,350.16
1400 · Prepaid Summary	
1410 · Prepaid Insurance	9,883.56
Total 1400 · Prepaid Summary	9,883.56
Total Other Current Assets	183,233.72
Total Current Assets	3,061,067.07
Fixed Assets	
1600 · Fixed Assets & Acc. Depr.	
1605 · Office Equipment	
1606 · Copier Samsung 2012	8,233.58
1609 · Office Equipment Accum Depr	-5,214.59
Total 1605 · Office Equipment	3,018.99
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	

Avila Beach Community Services District
Balance Sheet
 As of October 31, 2016

	<u>Oct 31, 16</u>
1622 · Land	60,294.00
1626 · Collection Assets	
1627 · Collection Assets Cost	933,394.00
1628 · Collect Assets Accum Depr	-316,231.75
Total 1626 · Collection Assets	617,162.25
1630 · Disposal Equipment	
1631 · Disposal Equip Cost	523,122.64
1632 · Disposal Equip Accum Depr	-164,756.11
Total 1630 · Disposal Equipment	358,366.53
1635 · Treatment Plant	
1636 · Treatment Plant Original	105,000.00
1637 · Treatment Plant Addition	1,868,782.91
1638 · Treatment Plant Accum Dep	-886,106.88
Total 1635 · Treatment Plant	1,087,676.03
1642 · Treatment Equipment	
1643 · Treatment Equip Cost	1,105,455.00
1644 · Treatment Equip Accum Depr	-524,539.28
1642 · Treatment Equipment - Other	205,485.61
Total 1642 · Treatment Equipment	786,401.33
Total 1620 · Fixed Assets - Sanitary	2,909,900.14
1650 · Fixed Assets - Water	
1652 · Equipment	
1653 · Equipment Cost	21,136.28
1654 · Equipment Accum Depr	-21,136.28
Total 1652 · Equipment	0.00
1656 · Distribution Assets	
1657 · Distribution Assets Cost	1,109,466.00
1658 · Dist Assets Accum Depr	-557,889.77
Total 1656 · Distribution Assets	551,576.23
Total 1650 · Fixed Assets - Water	551,576.23
1680 · Structures - Fixed Asset	
1681 · Structures GFAAG - Sani & FA	29,810.00
1682 · Gen / Fire Accum Dep	-29,810.00
Total 1680 · Structures - Fixed Asset	0.00

Avila Beach Community Services District
Balance Sheet
 As of October 31, 2016

	<u>Oct 31, 16</u>
Total 1600 · Fixed Assets & Acc. Depr.	3,464,495.36
Total Fixed Assets	3,464,495.36
Other Assets	
1800 · Deferred Outflows of Resources	7,850.00
Total Other Assets	7,850.00
TOTAL ASSETS	<u>6,533,412.43</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2200 · Payroll Liabilities	
2260 · Vacation Payable	1,236.90
2262 · Sick Pay Accrued	2,194.50
2240 · Health Insurance	
2241 · Employee	0.01
2240 · Health Insurance - Other	-0.01
Total 2240 · Health Insurance	0.00
2250 · PERS Liability	1,049.67
Total 2200 · Payroll Liabilities	4,481.07
2300 · Deposits Held	
2303 · Water Deposits Held	7,220.00
2304 · Fire Station Deposit	2,000.00
2305 · Capacity Fees Held	253,407.16
Total 2300 · Deposits Held	262,627.16
Total Other Current Liabilities	267,108.23
Total Current Liabilities	267,108.23
Long Term Liabilities	
2400 · Net Pension Liability	115,049.00
2500 · Deferred Inflows of Resources	15,115.00
Total Long Term Liabilities	130,164.00
Total Liabilities	397,272.23
Equity	
3900 · Retained Earnings	6,082,843.14
Net Income	53,297.06

1:31 PM
11/03/16
Accrual Basis

Avila Beach Community Services District
Balance Sheet
As of October 31, 2016

	<u>Oct 31, 16</u>
Total Equity	6,136,140.20
TOTAL LIABILITIES & EQUITY	<u>6,533,412.43</u>

**Avila Beach Community Services District
Deposits by Fund**

11/03/16

October 2016

Type	Date	Memo	Split	Amount	Balance
General / Admin					
Deposit	10/05/2016	Rental Income	1010 · Heritage Oaks General...	-3,104.00	-3,104.00
Deposit	10/06/2016	TCF SEP 16 ME - Imp # 1 - Gen .70, Water .25, Lights .05	1010 · Heritage Oaks General...	-1,507.57	-4,611.57
Deposit	10/17/2016	IMPR # 1 & CURR TAX - Gen .70, Water .25, Lights .05	1010 · Heritage Oaks General...	-10,840.55	-15,452.12
Deposit	10/24/2016	F: 0895 A: 0760 Imp # 1 - Gen .70, Water .25, Lights .05	1010 · Heritage Oaks General...	-5,064.50	-20,516.62
Deposit	10/26/2016	SDRMA Refund General Insurance	1010 · Heritage Oaks General...	-3,000.00	-23,516.62
Deposit	10/27/2016	F: 0895 A: 0760 Imp # 1 - Gen .70, Water .25, Lights .05	1010 · Heritage Oaks General...	-3,925.01	-27,441.63
Deposit	10/27/2016	NSF fee Julianna Green	1010 · Heritage Oaks General...	-25.00	-27,466.63
Total General / Admin				-27,466.63	-27,466.63
Lights					
Deposit	10/06/2016	F: 0895 A: 0760 Imp # 1 - Gen .70, Water .25, Lights .05	1010 · Heritage Oaks General...	-107.68	-107.68
Deposit	10/17/2016	IMPR # 1 & CURR TAX - Gen .70, Water .25, Lights .05	1010 · Heritage Oaks General...	-774.32	-882.00
Deposit	10/24/2016	F: 0895 A: 0760 Imp # 1 - Gen .70, Water .25, Lights .05	1010 · Heritage Oaks General...	-361.75	-1,243.75
Deposit	10/27/2016	F: 0895 A: 0760 Imp # 1 - Gen .70, Water .25, Lights .05	1010 · Heritage Oaks General...	-280.36	-1,524.11
Total Lights				-1,524.11	-1,524.11
Sanitary					
Deposit	10/03/2016	cc cleared 10/3/16	1010 · Heritage Oaks General...	-56.15	-56.15
Deposit	10/03/2016	cc cleared 10/3/16, Rate Asst	1010 · Heritage Oaks General...	8.27	-47.88
Deposit	10/04/2016	Sani Rec	1010 · Heritage Oaks General...	-637.15	-685.03
Deposit	10/04/2016	Rate Assistance	1010 · Heritage Oaks General...	24.82	-660.21
Deposit	10/04/2016	1/2 Other 1	1010 · Heritage Oaks General...	0.00	-660.21
Deposit	10/04/2016	1/2 Other 2	1010 · Heritage Oaks General...	-3.10	-663.31
Deposit	10/05/2016	Rourke ppts 260 - 264 San Miguel Capacity Fees	1010 · Heritage Oaks General...	-500.00	-1,163.31
Deposit	10/05/2016	Sani Rec	1010 · Heritage Oaks General...	-2,281.95	-3,445.26
Deposit	10/05/2016	Rate Assistance	1010 · Heritage Oaks General...	8.27	-3,436.99
Deposit	10/05/2016	1/2 Other 1	1010 · Heritage Oaks General...	48.59	-3,388.40
Deposit	10/05/2016	1/2 Other 2	1010 · Heritage Oaks General...	0.00	-3,388.40
Deposit	10/06/2016	Sani Rec	1010 · Heritage Oaks General...	-1,900.52	-5,288.92
Deposit	10/06/2016	Rate Assistance	1010 · Heritage Oaks General...	49.65	-5,239.27
Deposit	10/06/2016	1/2 Other 1	1010 · Heritage Oaks General...	-287.75	-5,527.02
Deposit	10/06/2016	1/2 Other 2	1010 · Heritage Oaks General...	0.00	-5,527.02
Deposit	10/06/2016	TCF SEP 16 ME - Waste	1010 · Heritage Oaks General...	-2,188.33	-7,715.35
Deposit	10/06/2016	000162 ABCSD Parks Restroom	1010 · Heritage Oaks General...	-1,301.18	-9,016.53
Deposit	10/07/2016	Sani Rec	1010 · Heritage Oaks General...	-3,721.48	-12,738.01
Deposit	10/07/2016	Rate Assistance	1010 · Heritage Oaks General...	0.00	-12,738.01
Deposit	10/07/2016	1/2 Other 1	1010 · Heritage Oaks General...	0.00	-12,738.01
Deposit	10/07/2016	1/2 Other 2	1010 · Heritage Oaks General...	0.00	-12,738.01
Deposit	10/07/2016	less SLO Co Taxes already booked 10/6/16	1010 · Heritage Oaks General...	1,301.18	-11,436.83
Deposit	10/10/2016	Sani Rec	1010 · Heritage Oaks General...	-412.46	-11,849.29
Deposit	10/10/2016	Rate Assistance	1010 · Heritage Oaks General...	29.79	-11,819.50
Deposit	10/10/2016	1/2 Other 1	1010 · Heritage Oaks General...	0.00	-11,819.50
Deposit	10/10/2016	1/2 Other 2	1010 · Heritage Oaks General...	0.00	-11,819.50
Deposit	10/11/2016	Sani Rec	1010 · Heritage Oaks General...	-12,160.12	-23,979.62
Deposit	10/11/2016	Rate Assistance	1010 · Heritage Oaks General...	8.27	-23,971.35
Deposit	10/11/2016	1/2 Other 1	1010 · Heritage Oaks General...	0.00	-23,971.35
Deposit	10/11/2016	1/2 Other 2	1010 · Heritage Oaks General...	-0.32	-23,971.67
Deposit	10/12/2016	Sani Rec	1010 · Heritage Oaks General...	-3,000.95	-26,972.62
Deposit	10/12/2016	Rate Assistance	1010 · Heritage Oaks General...	57.93	-26,914.69
Deposit	10/12/2016	1/2 Other 1	1010 · Heritage Oaks General...	0.00	-26,914.69
Deposit	10/12/2016	1/2 Other 2	1010 · Heritage Oaks General...	-17.52	-26,932.21
Deposit	10/13/2016	Sani Rec	1010 · Heritage Oaks General...	-10,330.73	-37,262.94
Deposit	10/13/2016	Rate Assistance	1010 · Heritage Oaks General...	0.00	-37,262.94
Deposit	10/13/2016	1/2 Other 1	1010 · Heritage Oaks General...	0.00	-37,262.94
Deposit	10/13/2016	1/2 Other 2	1010 · Heritage Oaks General...	-163.55	-37,426.49
Deposit	10/14/2016	Sani Rec	1010 · Heritage Oaks General...	-1,441.35	-38,867.84
Deposit	10/14/2016	Rate Assistance	1010 · Heritage Oaks General...	0.00	-38,867.84
Deposit	10/14/2016	1/2 Other 1	1010 · Heritage Oaks General...	0.00	-38,867.84
Deposit	10/14/2016	1/2 Other 2	1010 · Heritage Oaks General...	0.00	-38,867.84
Deposit	10/17/2016	TCF SEC 10/6/16 - WASTE	1010 · Heritage Oaks General...	-4,048.82	-42,916.66
Deposit	10/17/2016	Sani Rec	1010 · Heritage Oaks General...	-1,627.34	-44,544.00
Deposit	10/17/2016	Rate Assistance	1010 · Heritage Oaks General...	8.27	-44,535.73
Deposit	10/17/2016	1/2 Other 1	1010 · Heritage Oaks General...	0.00	-44,535.73
Deposit	10/17/2016	1/2 Other 2	1010 · Heritage Oaks General...	64.05	-44,471.68
Deposit	10/18/2016	Sani Rec	1010 · Heritage Oaks General...	-537.96	-45,009.64
Deposit	10/18/2016	Rate Assistance	1010 · Heritage Oaks General...	8.27	-45,001.37
Deposit	10/18/2016	1/2 Other 1	1010 · Heritage Oaks General...	8.27	-44,993.10
Deposit	10/18/2016	1/2 Other 2	1010 · Heritage Oaks General...	5.19	-44,987.91
Deposit	10/20/2016	Sani Rec	1010 · Heritage Oaks General...	-681.46	-45,669.37
Deposit	10/20/2016	Rate Assistance	1010 · Heritage Oaks General...	0.00	-45,669.37
Deposit	10/20/2016	1/2 Other 1	1010 · Heritage Oaks General...	0.00	-45,669.37
Deposit	10/20/2016	1/2 Other 2	1010 · Heritage Oaks General...	39.65	-45,629.72
Deposit	10/21/2016	Sani Rec	1010 · Heritage Oaks General...	-1,030.20	-46,659.92
Deposit	10/21/2016	Rate Assistance	1010 · Heritage Oaks General...	24.82	-46,635.10
Deposit	10/21/2016	1/2 Other 1	1010 · Heritage Oaks General...	0.00	-46,635.10
Deposit	10/21/2016	1/2 Other 2	1010 · Heritage Oaks General...	0.00	-46,635.10

**Avila Beach Community Services District
Deposits by Fund**

October 2016

11/03/16

Type	Date	Memo	Split	Amount	Balance
Deposit	10/24/2016	F: 0895 A: 0760 Curr Sec Tax	1010 · Heritage Oaks General...	-7,312.26	-53,947.36
Deposit	10/24/2016	Sani Rec	1010 · Heritage Oaks General...	-28.08	-53,975.44
Deposit	10/27/2016	F: 0895 A: 0760 Curr Sec Tax	1010 · Heritage Oaks General...	-5,667.03	-59,642.47
Deposit	10/27/2016	Sani Rec	1010 · Heritage Oaks General...	-1,490.96	-61,133.43
Deposit	10/27/2016	Rate Assistance	1010 · Heritage Oaks General...	41.37	-61,092.06
Deposit	10/27/2016	1/2 Other 1	1010 · Heritage Oaks General...	0.00	-61,092.06
Deposit	10/27/2016	1/2 Other 2	1010 · Heritage Oaks General...	-55.17	-61,147.23
Deposit	10/28/2016	Sani Rec	1010 · Heritage Oaks General...	-1,158.25	-62,305.48
Deposit	10/28/2016	Rate Assistance	1010 · Heritage Oaks General...	8.27	-62,297.21
Deposit	10/28/2016	1/2 Other 1	1010 · Heritage Oaks General...	0.00	-62,297.21
Deposit	10/28/2016	1/2 Other 2	1010 · Heritage Oaks General...	0.00	-62,297.21
Total Sanitary				-62,297.21	-62,297.21
Solid Waste					
Deposit	10/11/2016	3rd Qtr Waste Connections, Inc. Franchise Fee SW	1010 · Heritage Oaks General...	-1,709.08	-1,709.08
Total Solid Waste				-1,709.08	-1,709.08
Water					
Deposit	10/03/2016	cc cleared 10/3/16	1010 · Heritage Oaks General...	-54.20	-54.20
Deposit	10/03/2016	cc cleared 10/3/16, Rate Asst	1010 · Heritage Oaks General...	8.28	-45.92
Deposit	10/04/2016	Water Rec	1010 · Heritage Oaks General...	-690.83	-736.75
Deposit	10/04/2016	Rate Assistance	1010 · Heritage Oaks General...	24.83	-711.92
Deposit	10/04/2016	1/2 Other 1	1010 · Heritage Oaks General...	0.00	-711.92
Deposit	10/04/2016	1/2 Other 2	1010 · Heritage Oaks General...	-3.10	-715.02
Deposit	10/05/2016	Rourke ppts 260 - 264 San Miguel Capacity Fees	1010 · Heritage Oaks General...	-500.00	-1,215.02
Deposit	10/05/2016	Water Rec	1010 · Heritage Oaks General...	-1,500.98	-2,716.00
Deposit	10/05/2016	Rate Assistance	1010 · Heritage Oaks General...	8.28	-2,707.72
Deposit	10/05/2016	1/2 Other 1	1010 · Heritage Oaks General...	48.59	-2,659.13
Deposit	10/05/2016	1/2 Other 2	1010 · Heritage Oaks General...	0.00	-2,659.13
Deposit	10/06/2016	Water Rec	1010 · Heritage Oaks General...	-1,632.11	-4,291.24
Deposit	10/06/2016	Rate Assistance	1010 · Heritage Oaks General...	49.65	-4,241.59
Deposit	10/06/2016	1/2 Other 1	1010 · Heritage Oaks General...	-287.75	-4,529.34
Deposit	10/06/2016	1/2 Other 2	1010 · Heritage Oaks General...	0.00	-4,529.34
Deposit	10/06/2016	F: 0895 A: 0760 Imp # 1 - Gen .70, Water .25, Lights .05	1010 · Heritage Oaks General...	-538.42	-5,067.76
Deposit	10/06/2016	000162 ABCSD Parks Restroom	1010 · Heritage Oaks General...	-932.24	-6,000.00
Deposit	10/06/2016	001622 San Juan Park Irr	1010 · Heritage Oaks General...	-1,506.76	-7,506.76
Deposit	10/06/2016	001483 Front St Irrigation	1010 · Heritage Oaks General...	-1,333.32	-8,840.08
Deposit	10/07/2016	Water Rec	1010 · Heritage Oaks General...	-7,121.88	-15,961.96
Deposit	10/07/2016	Rate Assistance	1010 · Heritage Oaks General...	0.00	-15,961.96
Deposit	10/07/2016	1/2 Other 1	1010 · Heritage Oaks General...	0.00	-15,961.96
Deposit	10/07/2016	1/2 Other 2	1010 · Heritage Oaks General...	0.00	-15,961.96
Deposit	10/07/2016	less SLO Co Taxes already booked 10/6/16	1010 · Heritage Oaks General...	932.24	-15,029.72
Deposit	10/07/2016	less SLO Co Taxes already booked 10/6/16	1010 · Heritage Oaks General...	1,506.76	-13,522.96
Deposit	10/07/2016	less SLO Co Taxes already booked 10/6/16	1010 · Heritage Oaks General...	1,333.32	-12,189.64
Deposit	10/10/2016	Water Rec	1010 · Heritage Oaks General...	-296.80	-12,486.44
Deposit	10/10/2016	Rate Assistance	1010 · Heritage Oaks General...	29.79	-12,456.65
Deposit	10/10/2016	1/2 Other 1	1010 · Heritage Oaks General...	0.00	-12,456.65
Deposit	10/10/2016	1/2 Other 2	1010 · Heritage Oaks General...	0.00	-12,456.65
Deposit	10/11/2016	Water Rec	1010 · Heritage Oaks General...	-9,661.00	-22,117.65
Deposit	10/11/2016	Rate Assistance	1010 · Heritage Oaks General...	8.28	-22,109.37
Deposit	10/11/2016	1/2 Other 1	1010 · Heritage Oaks General...	0.00	-22,109.37
Deposit	10/11/2016	1/2 Other 2	1010 · Heritage Oaks General...	-0.33	-22,109.70
Deposit	10/12/2016	Water Rec	1010 · Heritage Oaks General...	-2,536.77	-24,646.47
Deposit	10/12/2016	Rate Assistance	1010 · Heritage Oaks General...	57.93	-24,588.54
Deposit	10/12/2016	1/2 Other 1	1010 · Heritage Oaks General...	0.00	-24,588.54
Deposit	10/12/2016	1/2 Other 2	1010 · Heritage Oaks General...	-17.53	-24,606.07
Deposit	10/13/2016	Water Rec	1010 · Heritage Oaks General...	-10,555.41	-35,161.48
Deposit	10/13/2016	Rate Assistance	1010 · Heritage Oaks General...	0.00	-35,161.48
Deposit	10/13/2016	1/2 Other 1	1010 · Heritage Oaks General...	0.00	-35,161.48
Deposit	10/13/2016	1/2 Other 2	1010 · Heritage Oaks General...	-163.55	-35,325.03
Deposit	10/14/2016	Water Rec	1010 · Heritage Oaks General...	-1,398.36	-36,723.39
Deposit	10/14/2016	Rate Assistance	1010 · Heritage Oaks General...	0.00	-36,723.39
Deposit	10/14/2016	1/2 Other 1	1010 · Heritage Oaks General...	0.00	-36,723.39
Deposit	10/14/2016	1/2 Other 2	1010 · Heritage Oaks General...	0.00	-36,723.39
Deposit	10/17/2016	IMPR # 1 & CURR TAX - Gen .70, Water .25, Lights .05	1010 · Heritage Oaks General...	-3,871.63	-40,595.02
Deposit	10/17/2016	Water Rec	1010 · Heritage Oaks General...	-3,189.23	-43,784.25
Deposit	10/17/2016	Rate Assistance	1010 · Heritage Oaks General...	8.28	-43,775.97
Deposit	10/17/2016	1/2 Other 1	1010 · Heritage Oaks General...	0.00	-43,775.97
Deposit	10/17/2016	1/2 Other 2	1010 · Heritage Oaks General...	64.06	-43,711.91
Deposit	10/18/2016	Water Rec	1010 · Heritage Oaks General...	-1,474.47	-45,186.38
Deposit	10/18/2016	Rate Assistance	1010 · Heritage Oaks General...	8.28	-45,178.10
Deposit	10/18/2016	1/2 Other 1	1010 · Heritage Oaks General...	8.28	-45,169.82
Deposit	10/18/2016	1/2 Other 2	1010 · Heritage Oaks General...	5.19	-45,164.63
Deposit	10/20/2016	Water Rec	1010 · Heritage Oaks General...	-563.68	-45,728.31
Deposit	10/20/2016	Rate Assistance	1010 · Heritage Oaks General...	0.00	-45,728.31
Deposit	10/20/2016	1/2 Other 1	1010 · Heritage Oaks General...	0.00	-45,728.31
Deposit	10/20/2016	1/2 Other 2	1010 · Heritage Oaks General...	39.65	-45,688.66

**Avila Beach Community Services District
Deposits by Fund**

October 2016

Type	Date	Memo	Split	Amount	Balance
Deposit	10/21/2016	Water Rec	1010 · Heritage Oaks General...	-1,238.11	-46,926.77
Deposit	10/21/2016	Rate Assistance	1010 · Heritage Oaks General...	24.83	-46,901.94
Deposit	10/21/2016	1/2 Other 1	1010 · Heritage Oaks General...	0.00	-46,901.94
Deposit	10/21/2016	1/2 Other 2	1010 · Heritage Oaks General...	0.00	-46,901.94
Deposit	10/24/2016	F: 0895 A: 0760 Imp # 1 - Gen .70, Water .25, Lights .05	1010 · Heritage Oaks General...	-1,808.75	-48,710.69
Deposit	10/24/2016	Water Deposit John Locke	1010 · Heritage Oaks General...	-100.00	-48,810.69
Deposit	10/24/2016	Water Rec	1010 · Heritage Oaks General...	-27.10	-48,837.79
Deposit	10/27/2016	F: 0895 A: 0760 Imp # 1 - Gen .70, Water .25, Lights .05	1010 · Heritage Oaks General...	-1,401.79	-50,239.58
Deposit	10/27/2016	Water Rec	1010 · Heritage Oaks General...	-1,032.43	-51,272.01
Deposit	10/27/2016	Rate Assistance	1010 · Heritage Oaks General...	41.38	-51,230.63
Deposit	10/27/2016	1/2 Other 1	1010 · Heritage Oaks General...	0.00	-51,230.63
Deposit	10/27/2016	1/2 Other 2	1010 · Heritage Oaks General...	-55.18	-51,285.81
Deposit	10/28/2016	Water Rec	1010 · Heritage Oaks General...	-921.90	-52,207.71
Deposit	10/28/2016	Rate Assistance	1010 · Heritage Oaks General...	8.28	-52,199.43
Deposit	10/28/2016	1/2 Other 1	1010 · Heritage Oaks General...	0.00	-52,199.43
Deposit	10/28/2016	1/2 Other 2	1010 · Heritage Oaks General...	0.00	-52,199.43
Total Water				-52,199.43	-52,199.43
TOTAL				-145,196.46	-145,196.46

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

October 2016


Type	Date	Num	Name	Memo	Account	Amount	Balance
General / Admin							
Check	10/03/2016		Bankcard MTOT Disc		5100 · Merchant Credit Card Fe...	108.70	108.70
Check	10/05/2016	1962	Hagemann & Associates	Inv. 63 Sept 18th - Oct 1st, 2016	6505 · Contract Labor	5,500.00	5,608.70
Check	10/05/2016	1965	Avila Beach Civic Association	Quarterly Utilities	6590 · Utilities	300.15	5,908.85
Check	10/05/2016	1965	Avila Beach Civic Association	Rent October 2016	6155 · Rent	820.66	6,729.51
Check	10/05/2016	1967	Staples	Statement 9/15/16	6140 · Office Supplies & Postage	637.60	7,367.11
Check	10/05/2016	1968	Telegram Tribune	Fire Ordinance 2016	6145 · Public Notices	297.66	7,664.77
Check	10/05/2016	1969	Streamline	Website Design Inv. 94023	6590 · Utilities	200.00	7,864.77
Check	10/05/2016	1970	Nikki Engle Bookkeeping & Teaching	Inv. 1411 9/27/16	6102 · Accounting	220.00	8,084.77
Check	10/05/2016	1970	Nikki Engle Bookkeeping & Teaching	Inv. 1414 10/1/16	6102 · Accounting	220.00	8,304.77
Check	10/05/2016	1977	Fedak & Brown, LLP	7/31/16 Invoice	6102 · Accounting	2,862.00	11,166.77
Check	10/05/2016	1978	Charter	Acct #. 8245100980033571 10/1/16 Invoice	6585 · Telephone / Internet	201.95	11,368.72
Check	10/05/2016	1966	Staples	VOID: Statement 9/15/16	6140 · Office Supplies & Postage	0.00	11,368.72
Check	10/06/2016		U.S. Postal Service	board packets	6140 · Office Supplies & Postage	13.20	11,381.92
Check	10/11/2016		U.S. Postal Service	postage	6140 · Office Supplies & Postage	1.78	11,383.70
Check	10/13/2016	1979	Public Employees Retirement System	Customer # 1674878206 Kristi Dibbern	5256 · PERS Co Pd Kristi	358.53	11,742.23
Check	10/13/2016	1980	PERS	GASB Report Customer # 1674878206	6120 · Dues & Subscriptions	850.00	12,592.23
Check	10/14/2016	1981	Maria Angeles Marquez	Office Cleaning 10/12/16	6505 · Contract Labor	40.00	12,632.23
Check	10/14/2016	1983	Cal Tec Computers	Inv. 5886	6524 · Equip. Rep. & Maint. Avila...	40.00	12,672.23
Check	10/17/2016	1986	Hagemann & Associates	Inv. 64 October 2nd - 15th, 2016	6505 · Contract Labor	5,500.00	18,172.23
Check	10/21/2016	1987	Nikki Engle Bookkeeping & Teaching	Inv. 1411 10/18/16	6102 · Accounting	220.00	18,392.23
Check	10/21/2016	1989	Shipsey & Seitz	Meeting Prep & Attendance June	6135 · Legal	75.00	18,467.23
Check	10/21/2016	1989	Shipsey & Seitz	Uniform Fire Code	6135 · Legal	242.40	18,709.63
Check	10/21/2016	1989	Shipsey & Seitz	By Laws	6135 · Legal	105.00	18,814.63
Check	10/21/2016	1989	Shipsey & Seitz	Auditor Response	6135 · Legal	70.40	18,885.03
Check	10/21/2016	1989	Shipsey & Seitz	Law Library	6135 · Legal	80.00	18,965.03
Check	10/21/2016	1990	Cal Tec Computers	Inv. 5896	6524 · Equip. Rep. & Maint. Avila...	71.00	19,036.03
Check	10/21/2016	1993	Ken San Filippo	Board Member Conference Attendance October ...	6160 · Training	701.78	19,737.81
Check	10/21/2016		Amazon	samsung tablet cover	6140 · Office Supplies & Postage	5.35	19,743.16
Total General / Admin						19,743.16	19,743.16
Lights							
Check	10/03/2016		PG&E	Colony Lights acct # 5992155362-0	6590 · Utilities	90.42	90.42
Check	10/03/2016		PG&E	Town Lights acct # 0690976984-3	6590 · Utilities	449.81	540.23
Check	10/24/2016		PG&E	Front St. Lights acct# 5796765606-7	6590 · Utilities	419.56	959.79
Check	10/31/2016		PG&E	Colony Lights acct # 5992155362-0	6590 · Utilities	90.79	1,050.58
Check	10/31/2016		PG&E	Town Lights acct # 0690976984-3	6590 · Utilities	451.25	1,501.83
Total Lights						1,501.83	1,501.83
Sanitary							
Check	10/05/2016	1962	Marcus Carra	Yard Improvement at the WWTP	6900 · Yard Improvements	125.00	125.00
Check	10/05/2016	1963	Fluid Resource Management, Inc.	WW Ops - Sept 2016	6505 · Contract Labor	11,000.00	11,125.00
Check	10/05/2016	1963	Fluid Resource Management, Inc.	W14802 - Locate Conduit for Flow Meter	6522 · Equip. Rep. & Maint-Avil...	693.14	11,818.14
Check	10/05/2016	1964	Brenntag Pacific, Inc.	Inv. #BPI 2699612	6503 · Chemicals	1,097.92	12,916.06
Check	10/05/2016	1964	Brenntag Pacific, Inc.	Inv. #BPI 2699611	6503 · Chemicals	1,056.04	13,972.10
Check	10/05/2016	1972	San Luis Powerhouse, Inc.	Quarterly Service Repair of Generator Inv. 36767	6530 · Generator Maintenance	1,015.00	14,987.10
Check	10/05/2016	1973	Michael Nunley & Assoc.	CIP - Effluent Line Re-Route Complete Tech Me...	8232 · WW-2 Effluent Line Rep...	337.50	15,324.60
Check	10/05/2016	1974	Anything In Trees	WWTP Clean Up	6900 · Yard Improvements	350.00	15,674.60
Check	10/05/2016	1975	Abalone Coast Analytical, Inc.	Monthly Testing 10/01/16 Inv. 2940	6540 · Lab Tests	3,022.55	18,697.15
Check	10/05/2016	1976	South County Sanitary Service	10/1/16	6590 · Utilities	55.61	18,752.76
Check	10/14/2016	1982	Miners Ace Hardware	WWTP	6522 · Equip. Rep. & Maint-Avil...	21.58	18,774.34
Check	10/14/2016	1985	Brenntag Pacific, Inc.	Inv. #BPI 2699613	6503 · Chemicals	1,056.73	19,831.07
Check	10/17/2016		AT&T	acct # x 0885 U-verse	6585 · Telephone / Internet	75.76	19,906.83
Check	10/17/2016		Shopcross.com		6540 · Lab Tests	195.99	20,102.82
Check	10/21/2016	1988	CCH Pool	Leaf Rake	6518 · Equipment Expense	36.71	20,139.53
Check	10/21/2016	1991	Wallace Group	2016/17 Fog Program	6525 · Fat Oil & Grease (FOG)	247.08	20,386.61
Check	10/21/2016	1992	Brenntag Pacific, Inc.	Inv. #BPI 2710102	6503 · Chemicals	451.50	20,838.11
Check	10/21/2016	1992	Brenntag Pacific, Inc.	Inv. #BPI 2709788	6503 · Chemicals	935.41	21,773.52
Check	10/24/2016	1994	Water Systems Consulting, Inc.	Recycled Water Grant Application Assistance Inv...	8231 · WW-1 WWTP Upgrade	5,500.00	27,273.52
Check	10/24/2016		PG&E	Waste Water Plant acct # 6380034236-0 3rd & ...	6590 · Utilities	1,794.75	29,068.27
Check	10/24/2016		PG&E	Lift Station acct# 6338432238-2	6590 · Utilities	49.76	29,118.03
Check	10/28/2016		AT&T	acct # 805 595-7619 618 0 \$ 127.56 10/7/16 bill ...	6585 · Telephone / Internet	111.04	29,229.07
Check	10/28/2016		AT&T	acct # 805 595-9416 904 5 \$ 307.95 10/7/16 bill ...	6585 · Telephone / Internet	179.54	29,408.61
Total Sanitary						29,408.61	29,408.61
Water							
Check	10/05/2016	1963	Fluid Resource Management, Inc.	W Ops - Sept 2016	6505 · Contract Labor	5,250.00	5,250.00
Check	10/05/2016	1971	USA Bluebook	Hydrant Wrench	6570 · Safety Gear	48.13	5,298.13
Check	10/14/2016	1984	Electricraft	Inv. 14648	8271 · W-1 Water Tank Improv...	9,813.00	15,111.13
Check	10/21/2016	1989	Shipsey & Seitz	SWRCB	6135 · Legal	264.00	15,375.13
Total Water						15,375.13	15,375.13
TOTAL						66,028.73	66,028.73

AVILA BEACH
COMMUNITY SERVICES DISTRICT

Post Office Box 309, Avila Beach, CA. 93424

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: November 8, 2016

SUBJECT: General Manager/District Engineer Report

Zone 3/CSA 12 Water Technical Advisory Committee

Staff is scheduled to attend the monthly Technical Advisory Committee (TAC) meeting on Thursday November 3rd. Board members will recall that the monthly TAC meetings are chaired by the County Public Works Department and members provide technical input to the Zone 3 Advisory Committee (which meets quarterly). The agenda for the TAC meeting is attached to this report.

Board Member Appointments

The San Luis Obispo Board of Supervisors is scheduled to make appointments in-lieu of elections at their November 8th, 2016 Board meeting. Director DeWeese filed his Declaration of Candidacy and since no one else filed, the District will not need to pay for an election and Eric will be appointed by the Board of Supervisors. In addition, at the October Board meeting, the Board members recommended that the Board of Supervisors appoint Ara Najarian to the Director position being vacated by John Janowicz. The Board of Supervisors will also take action on this at their November 8th meeting. The County Staff Report is provided as an attachment.

California Special District Association

CSDA is sponsoring a workshop entitled "How to Be an Effective New Board Member". The one-day Workshop is scheduled for December 6th in Fallbrook (San Diego County) and December 8th in Tehachapi. The Workshop is sponsored by Special Districts Risk Management Authority (SDRMA) and is free of charge to SDRMA members. The flyer for the workshop is provided as an attachment. Please let Kristi or I know if you would like to attend and we will get you registered.

Fluid Resource Management O & M Agreement

District staff is continuing to work with FRM staff regarding renewal of the O&M Agreement. We met briefly on October 13th and will meet again in mid-November. We anticipate having the process complete by the end of the year.



**California Special
Districts Association**
Districts Stronger Together

CSDA Workshop

How to Be an Effective New Board Member

DECEMBER 8, 2016 – TEHACHAPI

Earn SDRMA Credit Incentive Points Also meets the AB1234 requirement!

This course qualifies for six hours of governance training toward the Special District Leadership Foundation District of Distinction Accreditation.

Leading a special district as a newly elected/appointed official is both exciting and challenging. You have accepted the responsibility of representing your constituents and customers in the most effective and professional manner possible. This will demand that you acquire or maintain the necessary skills to govern a special district. The How to Be an Effective New Board Member training has been designed specifically for special district board members in order to provide the tools, background, and overall knowledge necessary to help navigate the first year of governing a special district and be an effective leader.

COSTS

SDRMA member	FREE
CSDA member	\$100
Non-member	\$150

AGENDA

8:30 – 9:00 a.m.	Registration
9:00 a.m. – 12:00 p.m.	Workshop
12:00 - 1:00 p.m.	Lunch sponsored by Special District Risk Management Authority
1:00 – 4:00 p.m.	Workshop

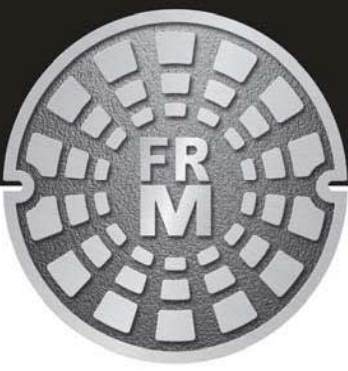
Mail – CSDA, 1112 I Street, Suite 200, Sacramento, CA 95814 or **Fax** – 916.520.2465 • **Questions?** Call – 877.924.2732

How to Be an Effective New Board Member

DECEMBER 8, 2016 – TEHACHAPI

Golden Hills Community Services District: 21415 Reeves Street, Tehachapi, CA 93561

NAME/TITLE:		
DISTRICT:		
ADDRESS:		
CITY:	STATE:	ZIP:
PHONE:	FAX:	
EMAIL:		
PAYMENT		
<input type="checkbox"/> CHECK <input type="checkbox"/> VISA <input type="checkbox"/> MASTERCARD <input type="checkbox"/> DISCOVER <input type="checkbox"/> AMERICAN EXPRESS		
ACCT. NAME:	ACCT. NUMBER:	
EXPIRATION DATE:	AUTHORIZED SIGNATURE:	
Cancellations must be made IN WRITING and received via fax or mail no later than three days prior to the seminar. All cancellations made within the specified time will be refunded less a \$25 processing fee.		



November 1, 2016

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

SUBJECT: OCTOBER 2016 MONTHLY FACILITY REPORT FOR THE AVILA BEACH COMMUNITY SERVICES DISTRICT WASTEWATER TREATMENT PLANT, WATER SYSTEM AND COLLECTION SYSTEM

WASTEWATER TREATMENT PLANT

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

Staff worked with AT&T to clean up the wires at the wastewater treatment plant and to confirm connectivity once the project was complete for the SCADA and checksheet computer. Staff also purchased the Anti-Virus software for the SCADA computer and installed it.

The wastewater plants wet wells where the Recirculation, Fixed Film Reactor and Secondary Sedimentation pumps are located were cleaned out to remove any built up grit and debris. The pumps were also removed to inspect for worn parts and to determine their overall condition. Staff will provide recommendations to repair/replace components that have exceeded their useable lifespan.

WATER SYSTEM

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

Staff responded to a Storage Tank Fill Line Valve alarm. The toggle switch on SCADA was being called for but not responding. Staff had to close the valve on the panel at the tanksite due to the tank level being at 17.3', and it normally closes at 16.5'.

The external water level indicator on water storage tank #1 had to be repaired after the cable holding the marker broke. The cable was repaired by splicing the cable back together and adjusted to show proper level in the tank. The level indicators help to confirm that the electronic level transducer inside the tank is reading accurately.

COMPLIANCE RECORD AND PLANT PERFORMANCE

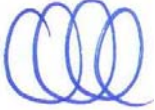
Plant Design for Influent BOD is 270 mg/L. The permit limit for Effluent TSS and BOD is a Monthly Average of 40 mg/L with a Daily Maximum of 90 mg/L.

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

FRM Staff and ABCSD Staff trained on CIWQS and how to navigate through the online system. The training also covered the electronic Discharge Monitoring Report (DMR) that ABCSD will be required to complete per EPA regulations starting in December 2016.

Sincerely,

FLUID RESOURCE MANAGEMENT



Carinna Butler
Operations Manager

ATTACHMENTS

- Self-Monitoring Report
- ABCSD Average Daily WWTP Effluent Flow (2014-2016)
- ABCSD Monthly Total WWTP Effluent Flow (2014-2016)
- Port San Luis Monthly Total Flow (2014-2016)
- Monthly Average Influent BOD (2014-2016)
- Monthly Average Effluent BOD (2014-2016)
- Monthly Water Purchased From Lopez (2014-2016)
- ABCSD Monthly Water Sold (2014-2016)

Avila Beach CSD Wastewater Treatment Facility

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

Month: **OCTOBER 2016**

	Daily Flow (MGD)			Effluent Monitoring		
	Total	Max (gpm)	Avg (gpm)	Total Coliform	Fecal Coliform	Daily Total Cl2 Residual
1	0.056512	117	40			<0.02
2	0.057077	111	39			<0.02
3	0.045547	107	31			<0.02
4	0.037786	121	27	<2	<2	<0.02
5	0.033035	99	26			<0.02
6	0.034204	112	28	<2	<2	<0.02
7	0.049567	96	34			<0.02
8	0.063682	118	44			<0.02
9	0.061232	115	43			<0.02
10	0.046925	106	32			<0.02
11	0.040615	88	28	<2	<2	<0.02
12	0.040786	87	34			<0.02
13	0.042973	88	30	<2	<2	<0.02
14	0.049724	94	35			<0.02
15	0.061557	125	43			<0.02
16	0.058559	117	41			<0.02
17	0.048619	100	34			<0.02
18	0.040925	92	28	2	<2	<0.02
19	0.042141	90	29			<0.02
20	0.042376	92	30	2	<2	<0.02
21	0.053405	94	37			<0.02
22	0.061326	109	42			<0.02
23	0.059180	119	41			<0.02
24	0.056512	111	39			<0.02
25	0.042877	99	29	<2	<2	<0.02
26	0.039889	96	27			<0.02
27	0.042656	98	30			
28	0.041205	128	29			<0.02
29	0.057638	115	40			<0.02
30	0.054929	111	38			
31	0.040195	97	28			<0.02
Min	0.033035	87	26	<2	<2	<0.02
Mean	0.048505	105	34	<2	<2	<0.02
Max	0.063682	128	44	2	<2	<0.02
Total	1.503654					

Effluent daily flow (in dry weather) NTE monthly average of 0.2 MGD.
Chlorine residual daily max NTE 1.2 mg/l.

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

SIGNATURE: _____

PRINTED NAME: _____

Effluent and Influent Monitoring

Date:	Weekly Effluent BOD 24 hr comp	Weekly Effluent TSS 24 hr comp	Bi-Monthly Influent BOD 24 hr comp	Bi-Monthly Influent TSS 24 hr comp	Monthly Effluent Oil & Grease Grab
10/2/16	27	24	761	772	
10/6/16	24	14	489	456	3.1 DNQ
10/9/16	28	21	593	584	
10/13/16	19	3	564	52	
10/16/16	26	18	407	392	
10/20/16	20	11	392	416	
10/23/16	33	33	546	472	
10/27/16					
10/30/16					
Min	19	3	392	52	0
Mean	25	18	536	449	#DIV/0!
Max	33	33	761	772	0
BOD Removal: 95.3%			TSS Removal: 96.1%		

Date:	Effluent Set. Solids Grab	Effluent Turbidity Grab	Effluent pH Grab	Effluent Temp. (°F) Grab
10/6/16	<0.1	19.7	6.4	72
10/13/16	<0.1	16.7	6.3	70
10/20/16	<0.1	9.3	6.3	70
10/27/16				
Min	<0.1	9.3	6.3	70
Mean	<0.1	15.2	6.3	71
Max	<0.1	19.7	6.4	72

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		
		No more than once in 30 days: 240		
		Daily Maximum: 2,400		
pH	pH units	Between 6.0 - 9.0		
Settleable Solids	ml/l	1.0	1.5	3.0
BOD/TSS Removal	%	≥ 75%	***	***

Sludge Removal

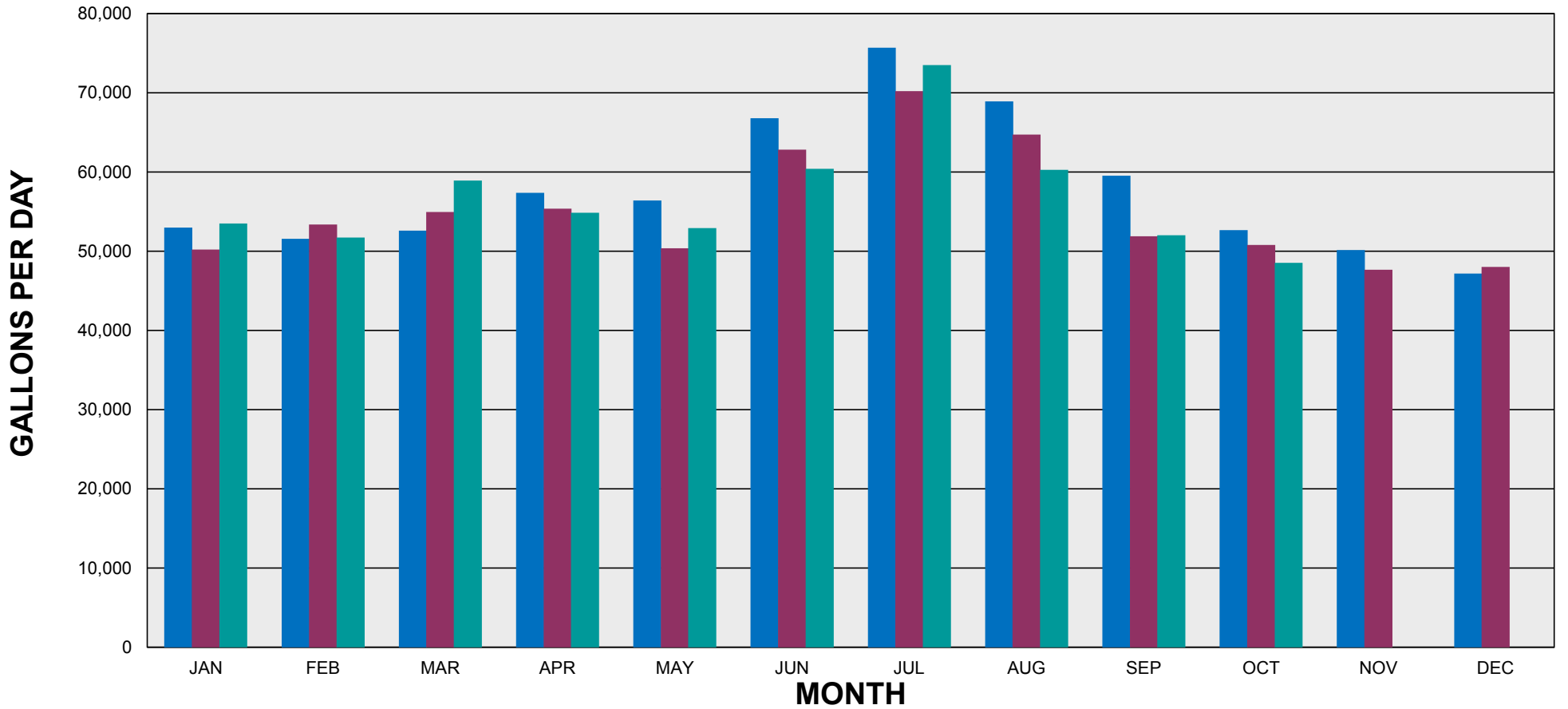
Date:	Gallons of Sludge Hauled Off-Site (Est.)

DATE: _____

TITLE: _____

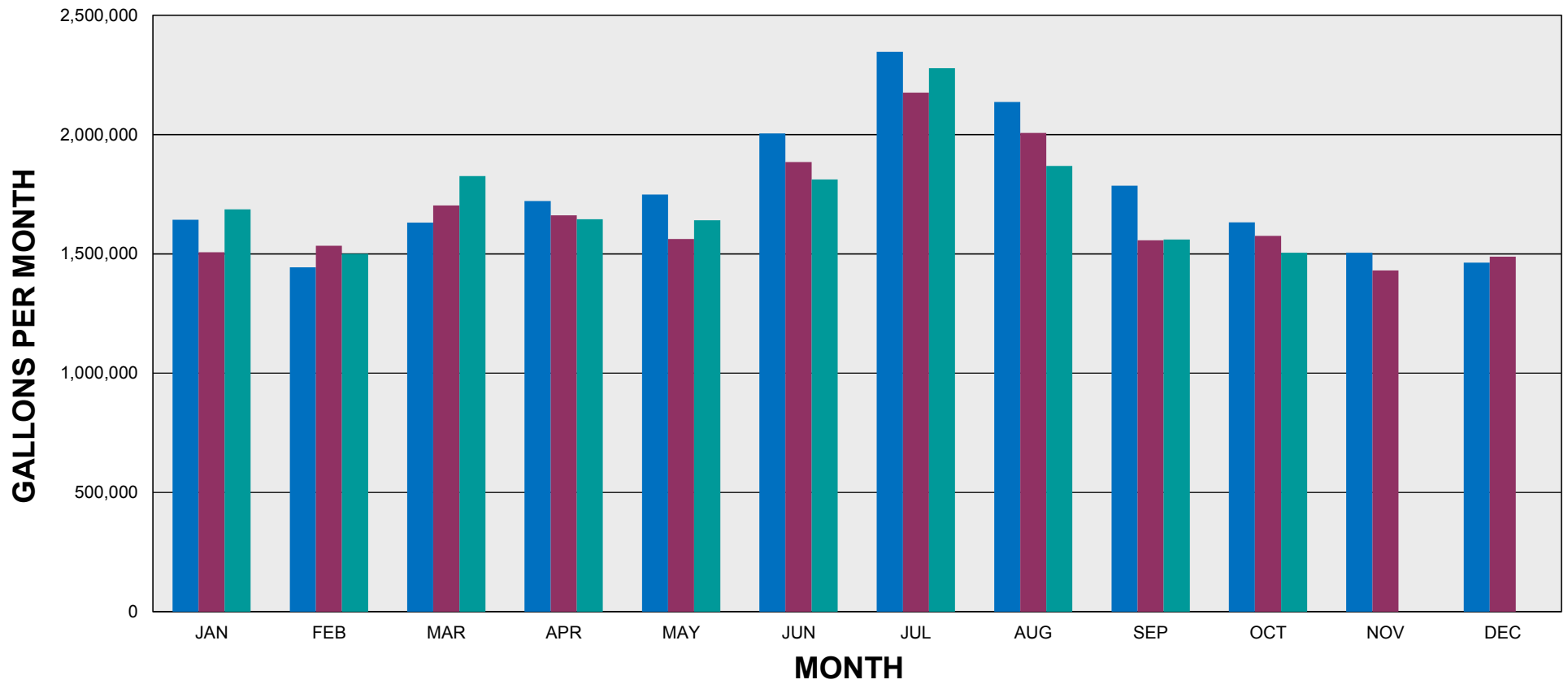
ABCSD AVERAGE DAILY WWTP EFFLUENT FLOW (2014 - 2016)

■ 2014 ■ 2015 ■ 2016



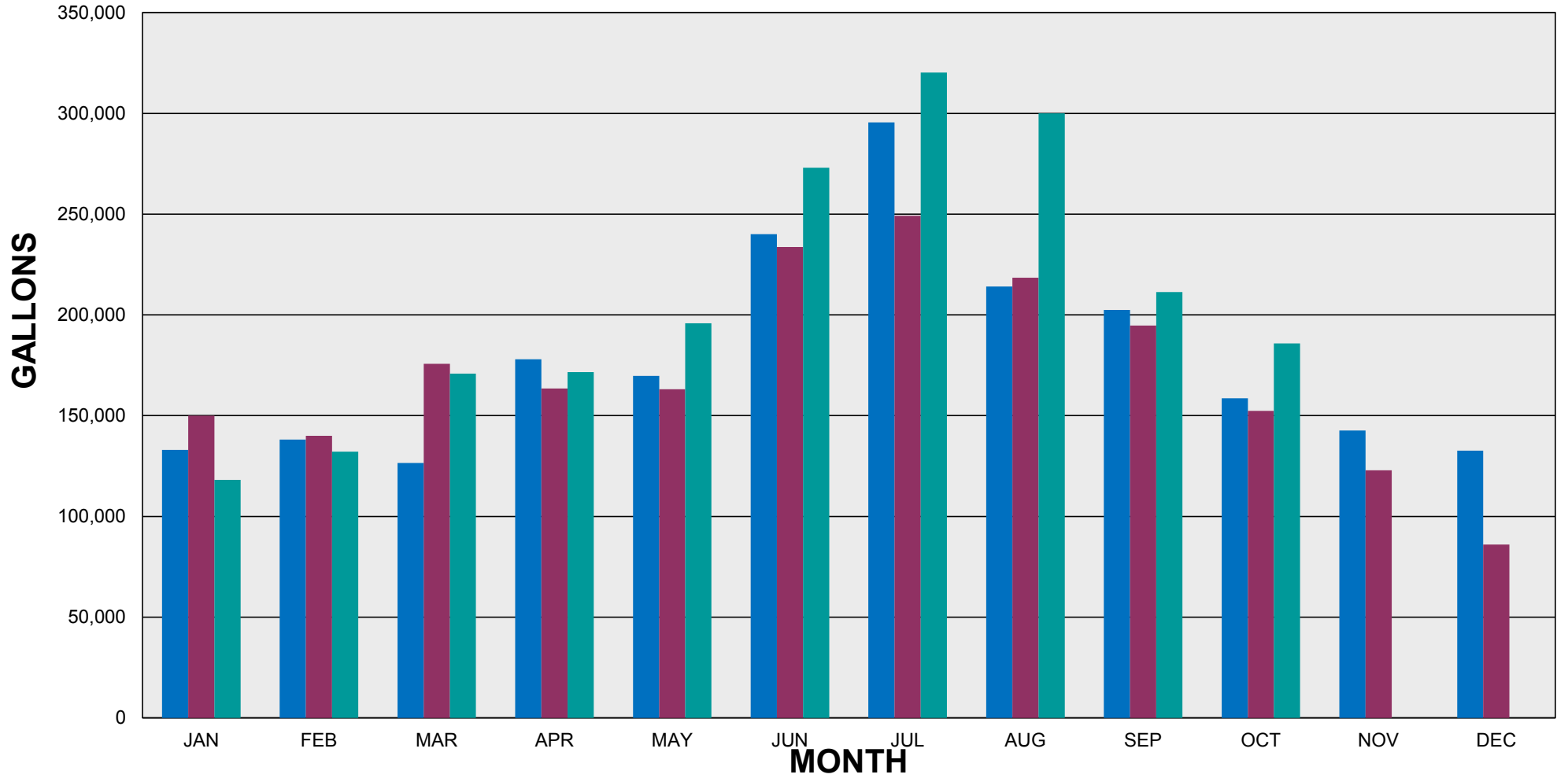
ABCSD MONTHLY TOTAL WWTP EFFLUENT FLOW (2014 - 2016)

■ 2014 ■ 2015 ■ 2016



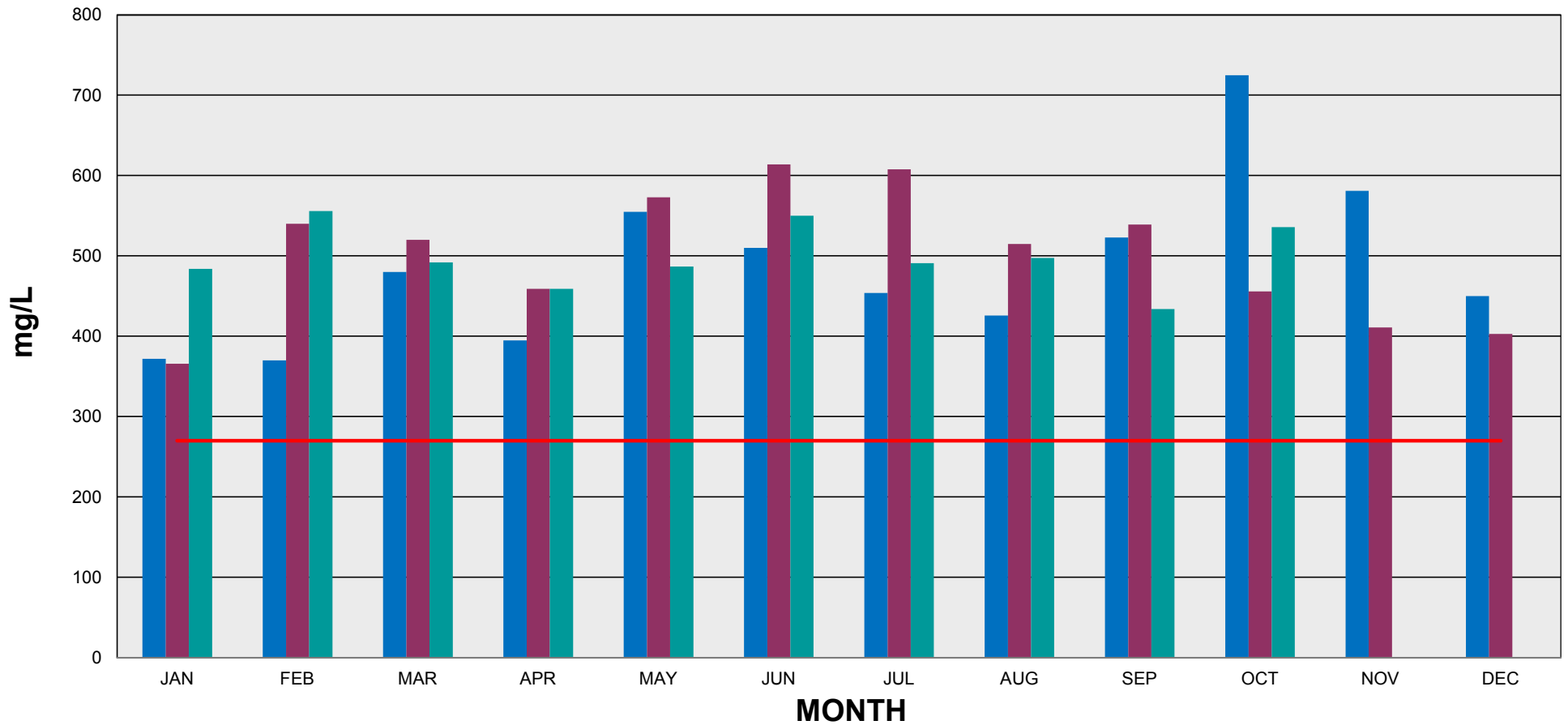
PORT SAN LUIS MONTHLY TOTAL FLOW (2014 - 2016)

■ 2014 ■ 2015 ■ 2016



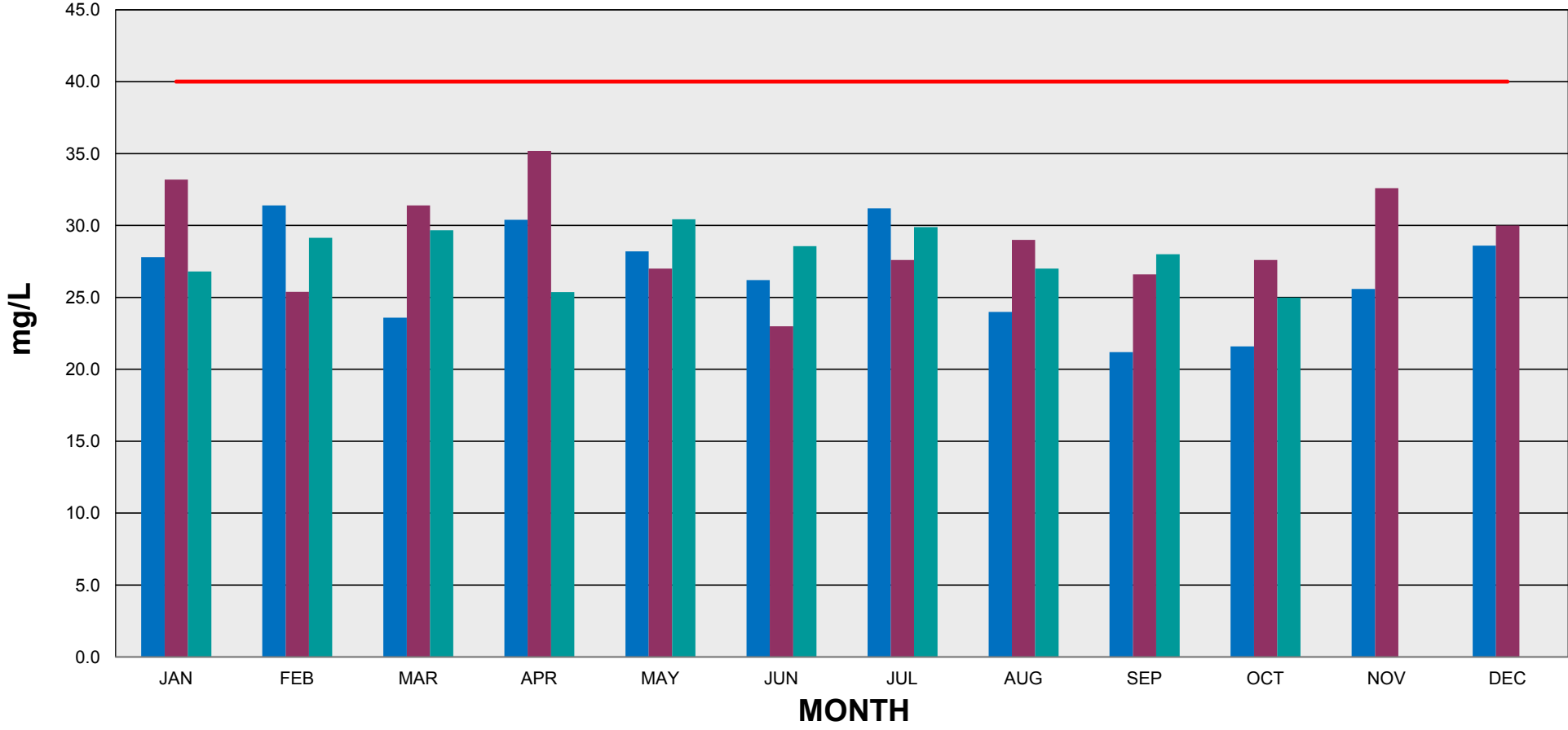
ABCSD MONTHLY AVERAGE INFLUENT BOD (2014 - 2016)

2014 2015 2016 WWTP Design



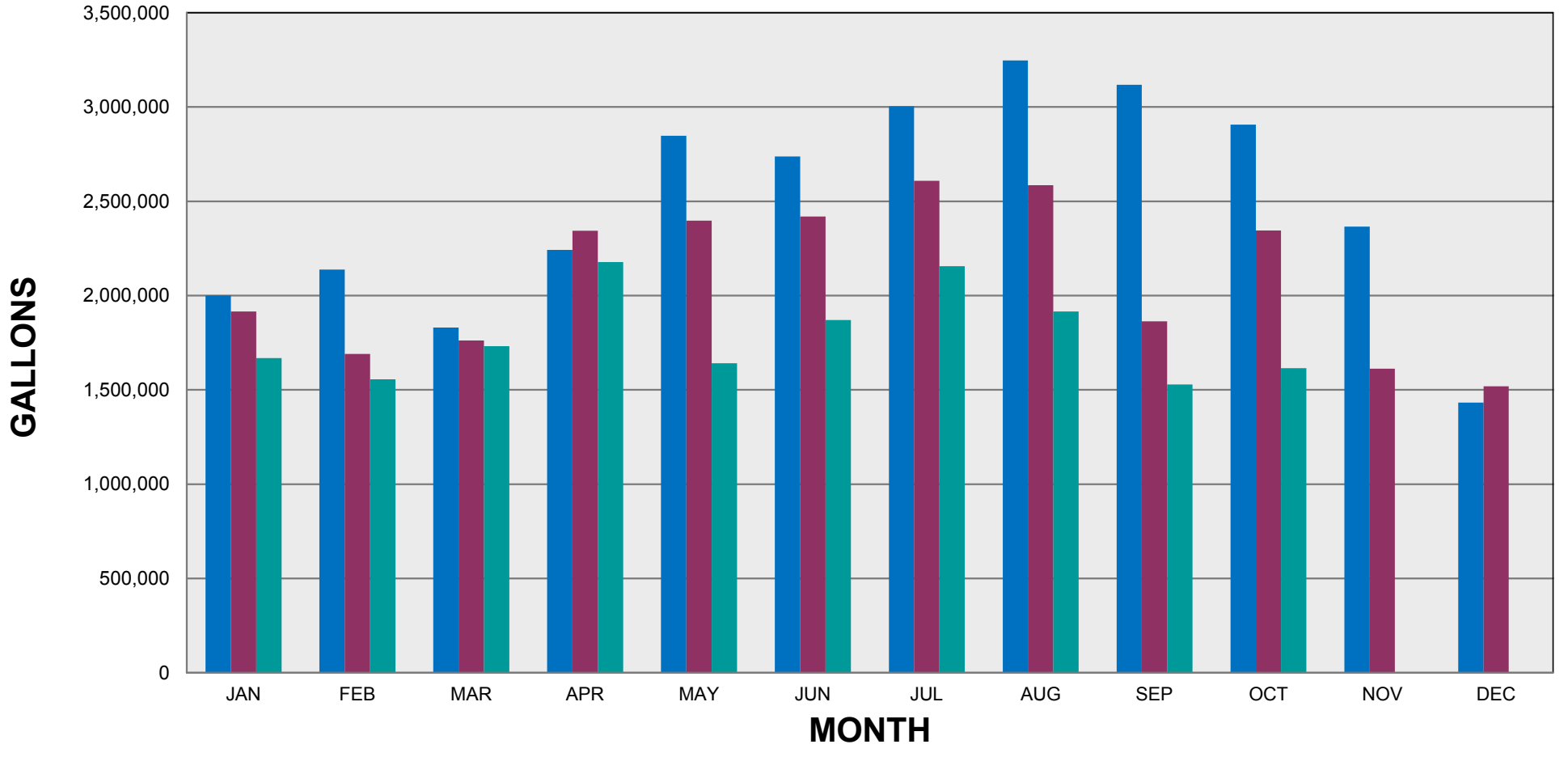
ABCSD MONTHLY AVERAGE EFFLUENT BOD (2014 - 2016)

2014 2015 2016 30 Day Average Limit



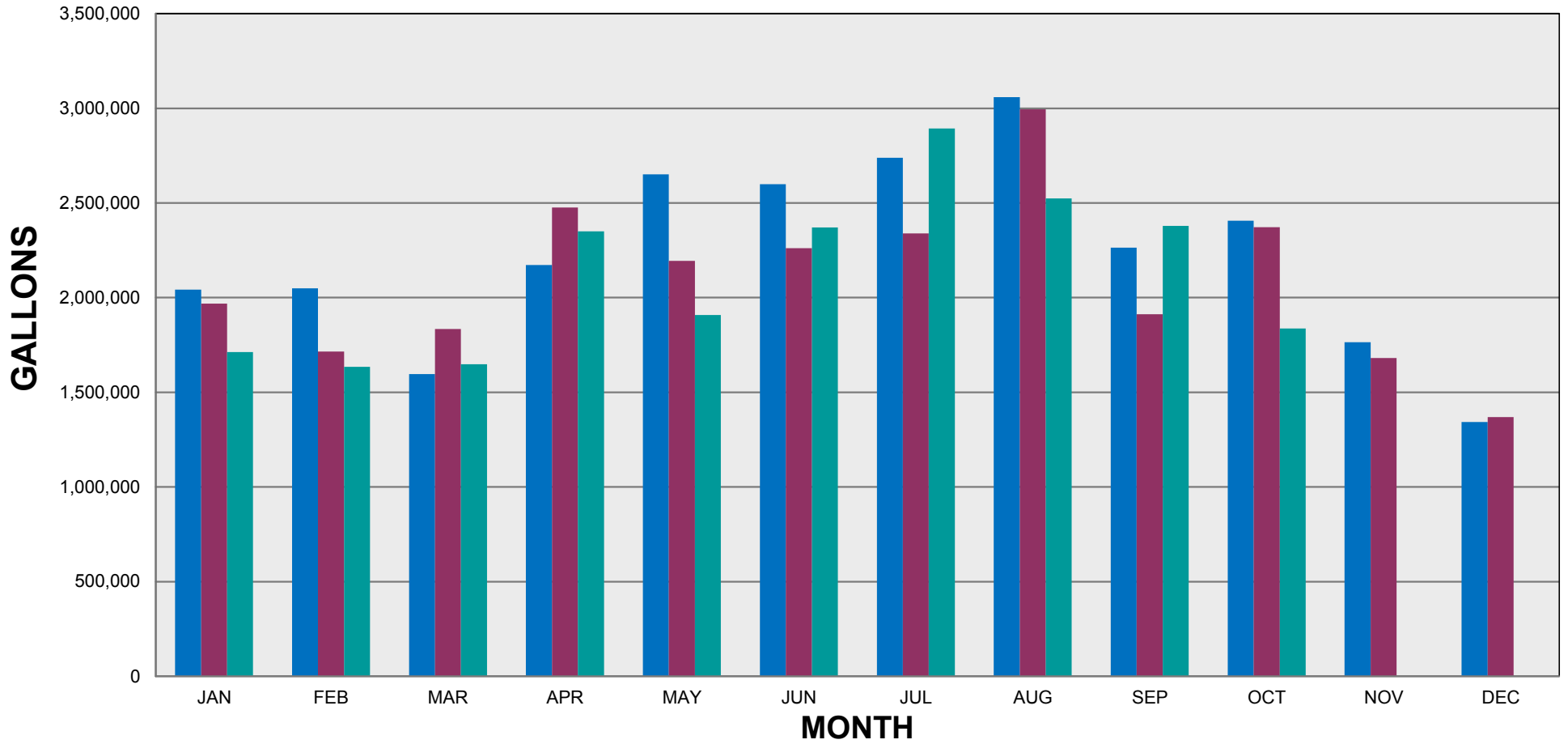
ABCSD MONTHLY WATER PURCHASED FROM LOPEZ (2014 - 2016)

■ 2014 ■ 2015 ■ 2016



ABCSD MONTHLY WATER SOLD (2014 - 2016)

■ 2014 ■ 2015 ■ 2016



AVILA BEACH
COMMUNITY SERVICES DISTRICT

Post Office Box 309, Avila Beach, CA. 93424

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager

DATE: November 8, 2016

SUBJECT: Presentation of Fiscal Year 2015-16 Draft Financial Audit

Recommendation:

Receive draft report and presentation by Auditor; Fedak and Brown CPA's; the District's outside, independent auditor.

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 for FY 2015-16.

Mr. Jonathan P. Abadesco, CPA will attend the November 8, 2016, Board of Directors meeting to present the draft report and answer any questions the Board may have. The audit will be finalized following presentation to the Board. Any corrections or amendments required by the Board will be incorporated into the final report. Following finalization, staff will provide copies to both the County and State Auditor Controller offices as required.

Avila Beach Community Services District

Management Report

June 30, 2016



Fedak & Brown LLP

Certified Public Accountants

Avila Beach Community Services District

Management Report

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DRAFT



Charles Z. Fedak, CPA, MBA
Christopher J. Brown, CPA, CGMA
Jonathan P. Abadesco, CPA

Fedak & Brown LLP

Certified Public Accountants

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(951) 977-9888

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

Dear Members of the Board:

In planning and performing our audit of the financial statements of Avila Beach Community Services District (District) as of and for the year ended June 30, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial 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.

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

Our comments, all of which have been discussed with the appropriate members of management, are summarized as follows:

Summary of Current Year Comments and Recommendations

Segregation of Duties

During our review of the District's internal control structure and policies, we noted that the District's accounting clerk is charged with opening the district's mail, preparing and making bank deposits, and posting receipts and deposits to the District's accounting software. Best practices encourage separation of duties with regard to the cash handling function to reduce the risk of error and or fraud. To further reduce the risk of error and or fraud, we encourage that the General Manager review the bank reconciliation in a timely manner after it is prepared by the third party consultant.

Management's Response

We agree with the auditor's suggestion and will pursue segregation of duties related to the cash handling function and periodic review of the bank reconciliation by the General Manager.

Summary of Current Year Comments and Recommendations, continued

Cut-off Procedures for Purchasing, Accounts Payable, and Accrued Liabilities

During our audit we noted a number of invoices and payments related to fiscal year 2016 in the amount of \$80,175 were not properly accrued at June 30, 2016. In addition, our procedures indicated that a significant number of transactions were improperly recorded in fiscal year 2016 that were associated with fiscal year 2015. As a result, the District has recorded a prior period adjustment in the amount of \$85,389 to net position. We recommend that the District adopt year-end cut-off procedures to ensure that liabilities and associated expenses are recognized in the proper fiscal year.

Management's Response

We agree with the auditor's recommendation and will implement proper cut-off procedures.

Individual Fund Trial Balance

For fiscal year 2016, it was noted that the trial balance consolidating the District's funds netted to zero. However, the individual fund trial balances did not net out to zero. Accounting is based on a double entry bookkeeping system whereby a transaction will result in an amount recorded in at least two accounts. In the case of the District, all transactions entered into the accounting system corresponding to each District funds should net to zero. Funds that do not balance will not fairly present the current status of each District's funds financial position and will not be helpful in providing useful information to the board and management in making District's decision. We recommend that the District review its general ledger trial balance reports for each fund to verify that all entries are proper and balanced. This should help reduce year-end audit adjustments.

Management's Response

We agree with the auditor's recommendation. The District's staff is aware of this issue and is currently in the process of taking the proper corrective actions.

Inventory of fixed assets

During our audit, discussions with the General Manager indicated that the District has not conducted a physical inventory of capital assets. We recommend that a physical inventory of fixed assets be performed at least once every two years. This inventory could be performed on a rotating basis with a separate group of assets being inventories every six months. Physical verification of fixed assets would improve the integrity of fixed asset records, and more importantly, ensure that the District knows that idle or disposed assets are no longer in the books.

Management's Response

We agree with the auditor's recommendation. Effective immediately, the District will perform an inventory of fixed assets.

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 purposes 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.

Management's Response

We have reviewed and approved all of the audit adjustment and reclassification entries provided by the auditor and have entered those entries into the District's accounting system to close-out the District's year-end trial balance.

* * * * *

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

We appreciate the courtesy and cooperation extended to us during our examination. We would be pleased to discuss the contents of this letter with you at your convenience. Please do not hesitate to contact us.

Fedak & Brown LLP
Cypress, California

DRAFT

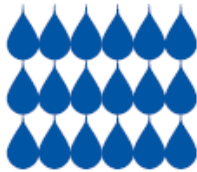
APPENDIX

Avila Beach Community Services District

Audit/Finance Committee Letter

June 30, 2016

DRAFT



Charles Z. Fedak, CPA, MBA
Christopher J. Brown, CPA, CGMA
Jonathan P. Abadesco, CPA

Fedak & Brown LLP

Certified Public Accountants

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

We have audited the basic financial statements of the Avila Beach Services District (District) for the year ended June 30, 2016 and have issued our report thereon dated [REDACTED]. Generally accepted auditing standards require that we provide the Governing Board and management with the following information related to our audit of the District's basic financial statements.

Auditor's Responsibility under United States Generally Accepted Auditing Standards

As stated in our Audit Engagement Letter dated June 2, 2016, our responsibility, as described by professional standards, is to express an opinion about whether the basic financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with United States generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of its responsibilities.

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Governmental Auditing Standards*.

We are 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 specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing requirements previously communicated to management. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the basic financial statements.

As described in Note 2 to the financial statements, the District adopted Governmental Accounting Standards Board Statement No. 72, Fair Value Measurement and Application, and No. 79, Certain External Investment Pools and Pool Participants, as of June 30, 2016.

We noted no transactions entered into by the District during fiscal year 2016 for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Qualitative Aspects of Accounting Practices, continued

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

Management's estimate of the fair value of investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of investments in determining that it is 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 calculations in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the defined benefit pension plan's: deferred outflows of resources, net pension liability, and deferred inflows of resources are based on an actuarial evaluation of these amounts which was conducted by a third-party actuary. We evaluated the basis, actuarial methods and assumptions used by the actuary to calculate these amounts for the District to determine that it is reasonable in relation to the financial statements taken as a whole.

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

The disclosure of fair value of investments in Note 2 to the basic financial statements represents amounts susceptible to market fluctuations.

The disclosure of capital assets, net in Note 5 to the basic financial statements 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 plan in Note 7 to the basic financial statements is based on actuarial assumptions which could differ from actual costs.

The disclosures in the basic financial statements are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Generally Accepted Auditing Standards require us to accumulate all known and likely misstatements identified during the audit, except those that are considered trivial, and communicate them to the appropriate level of management as follows:

There were thirteen audit adjustments, four GASB 68 audit adjustments, and one reclassification entry made to the original trial balance presented to us to begin our audit. A schedule of entries can be found at the end of this report.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the Management Representational Letter to the Auditor dated [REDACTED].

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Restriction on Use

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be, and should not be, used by anyone other than the specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

Conclusion

We appreciate the cooperation extended us by Bradley Hagemann, General Manager, Kristi Dibbern, Accounting Clerk and Nikki Engle, External Bookkeeper, in the performance of our audit testwork.

We will be pleased to respond to any question you have about the foregoing. We appreciate the opportunity to continue to be of service to the District.

Fedak & Brown LLP
Cypress, California
[REDACTED]

**Avila Beach Community Services District
Schedule of Audit Adjusting Entries
June 30, 2016**

	<u>Account Number</u>	<u>Account Description</u>	<u>Debit</u>	<u>Credit</u>
1	1225-01	Interest Receivable	\$ 3,019.76	
	4600-01	Interest Income		3,019.76
	<i>To record interest receivable on LAIF.</i>			
2	1025-05	Pooled Cash	591.00	
	1060-01	Petty Cash	80.00	
	1622-03	Land	20.10	
	1658-05	Dist Assets Accum Depr	22,502.93	
	2260-01	Vacation Payable	1,138.77	
	3900-01	Retained Earnings	2,827.26	
	3900-05	Retained Earnings	30,832.00	
	3900-06	Retained Earnings	105,508.26	
	3900-06	Retained Earnings	24,425.20	
	1025-01	Pooled Cash		591.00
	1280-05	Water & Sewer Billings		30,832.00
	1280-06	Water & Sewer Billings		24,425.20
	1627-06	Collection Assets Cost		348.67
	1643-06	Treatment Equip Cost		105,000.00
	1644-06	Treatment Equip Accum Depr		159.59
	2250-01	PERS Liability		2,316.26
	3900-01	Retained Earnings		1,138.77
	3900-03	Retained Earnings		20.10
	3900-05	Retained Earnings		23,093.93
	<i>To reconcile net position as of June 30, 2016.</i>			
3	1627-06	Collection Assets Cost	385,829.93	
	1637-06	Treatment Plant Addition	10,100.97	
	1637-06	Treatment Plant Addition	30,366.87	
	16XX-05	Construction in Progress	4,587.29	
	16XX-06	Construction in Progress	13,225.45	
	8230-05	Capital Purchases in Progress		4,587.29
	8230-06	Capital Purchases in Progress		439,523.22
	<i>To convert trial for the government-wide financial statements.</i>			
4	6125-01	Depreciation	1,646.72	
	6125-05	Depreciation	26,876.51	
	6125-06	Depreciation	135,694.04	
	1609-01	Office Equipment Accum Depr		1,646.72
	1628-06	Collect Assets Accum Depr		36,407.32
	1632-06	Disposal Equip Accum Depr		16,937.42
	1632-06	Disposal Equip Accum Depr		82,349.30
	1658-05	Dist Assets Accum Depr		26,876.51
	<i>To record depreciation expense.</i>			
5	4010-05	Operating Revenue	7,639.58	
	4010-06	Operating Revenue	9,164.57	
	1280-05	Water & Sewer Billings		7,639.58
	1280-06	Water & Sewer Billings	\$	9,164.57
	<i>To adjust utility billing receivables based on the billing register.</i>			

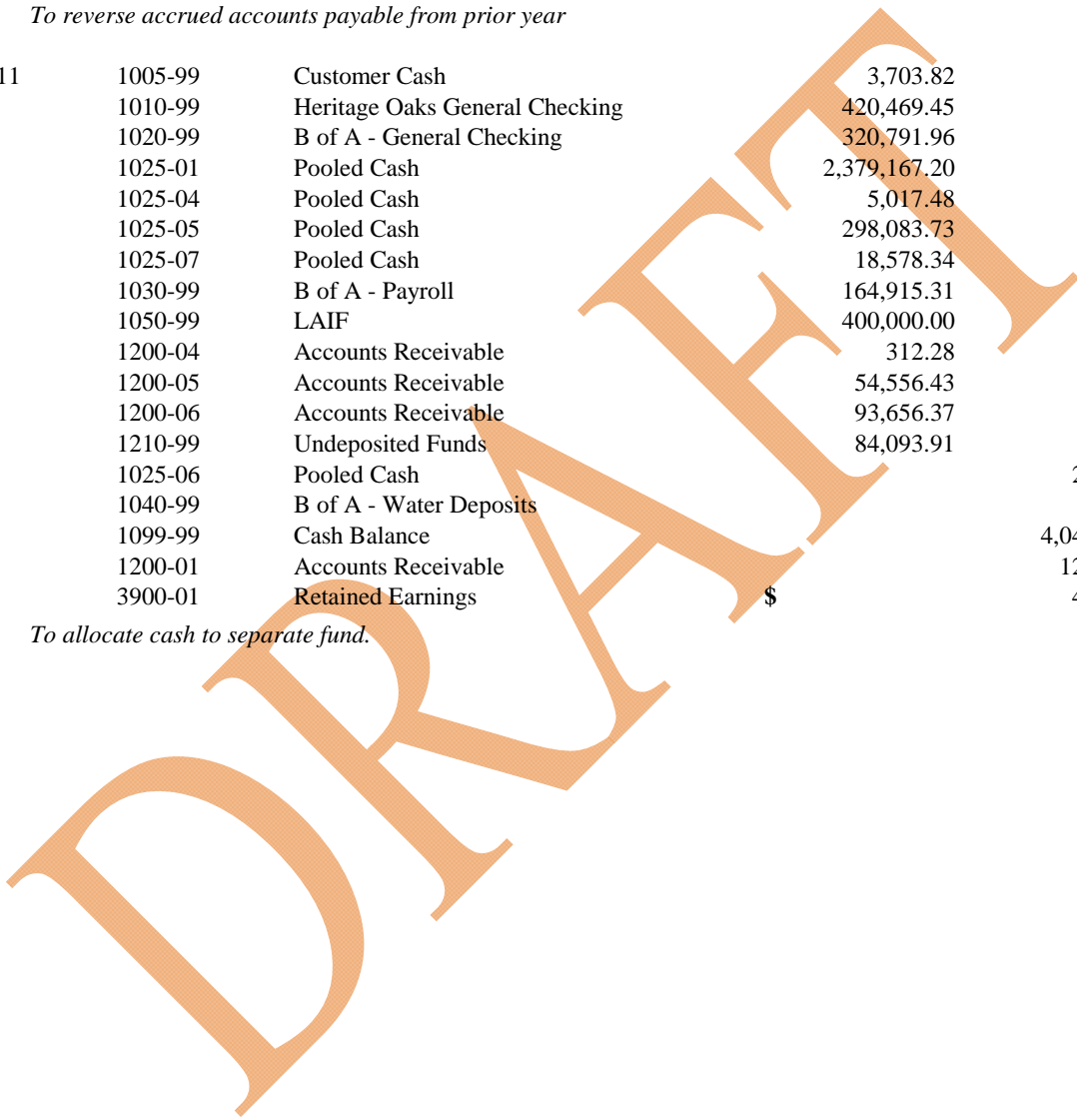
**Avila Beach Community Services District
Schedule of Audit Adjusting Entries
June 30, 2016**

<u>Account Number</u>	<u>Account Description</u>	<u>Debit</u>	<u>Credit</u>
6	6102-01 Accounting	\$ 220.00	
	6135-01 Legal	1,301.80	
	6503-05 Chemicals	1,063.98	
	6503-05 Chemicals	1,097.92	
	6503-05 Chemicals	1,572.05	
	6503-05 Chemicals	1,401.32	
	6505-01 Contract Labor	5,500.00	
	6505-01 Contract Labor	2,200.00	
	6505-05 Contract Labor	16,250.00	
	6505-05 Contract Labor	16,250.00	
	6510-06 Critical Spare Parts	115.00	
	6522-05 Equip. Rep. & Maint-Avila & HD	935.07	
	6522-05 Equip. Rep. & Maint-Avila & HD	295.86	
	6522-06 Equip. Rep. & Maint-Avila & HD	1,048.44	
	6522-06 Equip. Rep. & Maint-Avila & HD	100.00	
	6522-06 Equip. Rep. & Maint-Avila & HD	5,284.26	
	6524-05 Equip. Rep. & Maint. Avila Only	120.00	
	6524-06 Equip. Rep. & Maint. Avila Only	3,947.97	
	6524-06 Equip. Rep. & Maint. Avila Only	295.86	
	6540-06 Lab Tests	2,609.00	
	6580-06 Solids Handling	1,193.00	
	6580-06 Solids Handling	1,339.00	
	6580-06 Solids Handling	1,240.50	
	6590-01 Utilities	1,952.39	
	6805-05 State Water	984.16	
	8237-06 WW-7 Misc. Wastewater Projects	7,643.13	
	8271-05 W-1 Water Tank Improvements	2,380.00	
	2100-01 Accounts Payable		11,174.19
	2100-05 Accounts Payable		42,350.36
	2100-06 Accounts Payable		24,816.16
	<i>To record unrecorded liabilities at year-end</i>		
7	5016-01 Vacation Pay	101.37	
	2260-01 Vacation Payable		101.37
	<i>To adjust vacation payable to its proper balance as of June 30, 2016</i>		
8	5014-01 Sick Pay	2,194.50	
	2262-01 Sick Payable		2,194.50
	<i>To adjust sick payable to its proper balance as of June 30, 2016.</i>		
9	5211-01 Regular Pay	1,675.63	
	5230-01 Payroll Taxes	72.88	
	5446-01 PERS Co Pd Kristi	85.98	
	2201-01 Accrued Payroll	\$	1,834.49
	<i>To record accrued payroll as of June 30, 2016</i>		

**Avila Beach Community Services District
Schedule of Audit Adjusting Entries
June 30, 2016**

	<u>Account Number</u>	<u>Account Description</u>	<u>Debit</u>	<u>Credit</u>
10	2100-05	Accounts Payable	\$ 942.50	
	2100-06	Accounts Payable	942.50	
	6505-05	Contract Labor		942.50
	6505-06	Contract Labor		942.50
	<i>To reverse accrued accounts payable from prior year</i>			
11	1005-99	Customer Cash	3,703.82	
	1010-99	Heritage Oaks General Checking	420,469.45	
	1020-99	B of A - General Checking	320,791.96	
	1025-01	Pooled Cash	2,379,167.20	
	1025-04	Pooled Cash	5,017.48	
	1025-05	Pooled Cash	298,083.73	
	1025-07	Pooled Cash	18,578.34	
	1030-99	B of A - Payroll	164,915.31	
	1050-99	LAIF	400,000.00	
	1200-04	Accounts Receivable	312.28	
	1200-05	Accounts Receivable	54,556.43	
	1200-06	Accounts Receivable	93,656.37	
	1210-99	Undeposited Funds	84,093.91	
	1025-06	Pooled Cash		29,183.18
	1040-99	B of A - Water Deposits		6,020.00
	1099-99	Cash Balance		4,041,880.04
	1200-01	Accounts Receivable		126,263.06
	3900-01	Retained Earnings	\$	40,000.00

To allocate cash to separate fund.



**Avila Beach Community Services District
Schedule of Audit Adjusting Entries
June 30, 2016**

	<u>Account Number</u>	<u>Account Description</u>	<u>Debit</u>	<u>Credit</u>
12	3900-01	Retained Earnings	\$ 13,390.22	
	3900-04	Retained Earnings	2,186.56	
	3900-05	Retained Earnings	58,387.38	
	3900-06	Retained Earnings	11,424.84	
	5270-01	Management		5,500.00
	6135-01	Legal		3,662.20
	6140-01	Office Supplies & Postage		118.39
	6155-01	Rent		741.03
	6503-06	Chemicals		935.41
	6503-06	Chemicals		1,129.70
	6503-06	Chemicals		747.53
	6505-05	Contract Labor		16,250.00
	6505-05	Contract Labor		631.50
	6505-05	Contract Labor		1,343.55
	6505-05	Contract Labor		149.30
	6505-05	Contract Labor		5,175.00
	6518-01	Equipment Expense		251.98
	6524-01	Equip. Rep. & Maint. Avila Only		88.72
	6524-01	Equip. Rep. & Maint. Avila Only		606.35
	6524-01	Equip. Rep. & Maint. Avila Only		2,121.12
	6524-01	Equip. Rep. & Maint. Avila Only		46.73
	6540-06	Lab Tests		7,324.20
	6580-06	Solids Handling		1,288.00
	6585-01	Telephone / Internet		253.70
	6590-04	Utilities		2,186.56
	6590-05	Utilities		264.03
	6805-05	State Water		34,574.00
		<i>To restate net position for prior year's unaccrued expenses recorded in the current year.</i>		
13	1025-04	Pooled Cash	209,799.45	
	1025-06	Pooled Cash	823,309.56	
	6104-01	Administrative Transfer	1,033,109.01	
	1025-01	Pooled Cash		1,033,109.01
	6104-04	Administrative Transfer		209,799.45
	6104-06	Administrative Transfer	\$	823,309.56
		<i>To record administrative transfers between funds.</i>		

**Avila Beach Community Services District
Schedule of GASB 68 Adjustments
June 30, 2016**

	<u>Account Number</u>	<u>Account Description</u>	<u>Debit</u>	<u>Credit</u>
1	1800-01	Deferred Outflows	\$ 12,504.00	
	3900-01	Retained Earnings	130,005.00	
	2400-01	Net Pension Liability		125,453.00
	2500-01	Deferred Inflows		606.00
	2500-01	Deferred Inflows		16,450.00
	<i>To record prior period adjustment for change in accounting principle of GASB 68 as of June 30, 2015.</i>			
2	2400-01	Net Pension Liability	12,504.00	
	1800-01	Deferred Outflows		12,504.00
	<i>To reclassify 2015 contributions to NPL at June 30, 2016.</i>			
3	1800-01	Deferred Outflows	1,087.00	
	1800-01	Deferred Outflows	9,566.00	
	2500-01	Deferred Inflows	10,671.00	
	2400-01	Net Pension Liability		2,100.00
	2500-01	Deferred Inflows		4,537.00
	2500-01	Deferred Inflows		10,290.00
	5447-01	Pension Expense - GASB 68		4,397.00
	<i>To record changes in pension liability during FY14/15 at June 30, 2016.</i>			
4	2500-01	Deferred Inflows	4,329.00	
	2500-01	Deferred Inflows	1,768.00	
	1800-01	Deferred Outflows		2,803.00
	5447-01	Pension Expense - GASB 68	\$	3,294.00
	<i>To record changes in the deferred outflows and deferred inflows (amortization) at June 30, 2016.</i>			

**Avila Beach Community Services District
Schedule of Reclassifying Journal Entries
June 30, 2016**

Account Number	Account Description	Debit	Credit
1	1005-01 Customer Cash	\$ 2,882.08	
	1010-99 Heritage Oaks General Checking	7,710.15	
	1020-01 B of A - General Checking	324,040.00	
	1025-05 Pooled Cash	1,172,503.14	
	1025-07 Pooled Cash	2,623.08	
	1030-01 B of A - Payroll	141,966.12	
	1040-99 B of A - Water Deposits	6,020.00	
	1050-99 LAIF	1,819,633.04	
	1060-99 Petty Cash	80.00	
	1210-01 Undeposited Funds	44,663.50	
	1210-04 Undeposited Funds	244.19	
	1210-06 Undeposited Funds	39,186.22	
	1900-01 Due To / Due From General	166,182.91	
	1900-04 Due To / Due From General	214,816.93	
	1900-06 Due To / Due From General	794,126.38	
	1005-99 Customer Cash		2,882.08
	1010-01 Heritage Oaks General Checking		1,939.15
	1010-05 Heritage Oaks General Checking		5,771.00
	1020-07 B of A - General Checking		3,248.04
	1020-99 B of A - General Checking		320,791.96
	1025-01 Pooled Cash		166,182.91
	1025-04 Pooled Cash		214,816.93
	1025-06 Pooled Cash		794,126.38
	1030-99 B of A - Payroll		141,966.12
	1040-05 B of A - Water Deposits		6,020.00
	1050-01 LAIF		1,670,233.40
	1050-05 LAIF		21,510.18
	1050-06 LAIF		127,889.46
	1060-01 Petty Cash		80.00
	1210-99 Undeposited Funds		84,093.91
	1900-05 Due To / Due From General		1,172,503.14
	1900-07 Due To / Due From General	\$	2,623.08

To reclassify from cash and cash equivalent accounts to financial basis institution accounts (Fund 99) and to reclassify interfund payable/receivable to pooled cash.



Avila Beach Community Services District
Avila Beach, California

Annual Financial Report

For the Fiscal Year Ended
June 30, 2016



AVILA BEACH COMMUNITY SERVICES DISTRICT

List of Elected and District Staff

June 30, 2016

Elected Officials

BOARD OF DIRECTORS

President	Peter Kelley
Vice President	John Janowicz
Director	Ken San Filippo
Director	Lynn Helenius
Director	Eric DeWeese

District Staff

General Manager	Bradley Hagemann
------------------------	-------------------------

**Avila Beach Community Services District
Post Office Box 309
191 San Miguel Street
Avila Beach, California 93424
(805) 595-2664 www.avilabeachcsd.org**



Avila Beach Community Services District
Annual Financial Report
For the Fiscal Year Ended June 30, 2016

**Avila Beach Community Services District
Annual Financial Report
For the Fiscal Year Ended June 30, 2016**

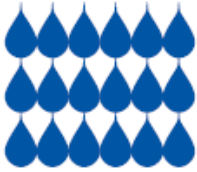
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Financial Section

DRAFT

DRAFT



Charles Z. Fedak, CPA, MBA
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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Avila Beach Community Services District (District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Avila Beach Community Services District, as of June 30, 2016, and the respective changes in its net position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Independent Auditor's Report, continued

Other Matter

The financial statements as of and for the year ended June 30, 2015, were audited by the predecessor auditor who expressed an unmodified opinion on their report dated October 5, 2015. In their report, the predecessor auditor reported an *Emphasis of Matter* regarding its inability to implement GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

As part of our audit of the 2016 financial statements, we also audited the adjustments described in Note 8 that were applied to restate the 2015 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2015 financial statements of the District other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2015 financial statements as a whole.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8, budgetary comparison information on pages 42 through 43, and the required supplementary information on pages 44 through 45 be presented to supplement the basic financial statements. Such information, 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 8, 2016, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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. This report can be found on pages 46 and 47.

Fedak & Brown LLP
Cypress, California
November 8, 2016

**Avila Beach Community Services District
Management's Discussion and Analysis
For the Year Ended June 30, 2016**

The following Management's Discussion and Analysis of activities and financial performance of the Avila Beach Community Services District (District) provides an introduction to the financial statements of the District for the fiscal year ended June 30, 2016. 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 5.46% or \$317,741 from \$5,818,061 to \$6,135,802 in 2016, as a result of current year operations.
- In 2016, total revenues from all sources increased 19.14%, or \$264,382 from \$1,381,277 to \$1,645,659, primarily due to increases of \$242,608 in program revenues, and \$21,774 in general revenues.
- In 2016, total expenses from the District operations decreased 18.38%, or \$299,058 from \$1,626,976 to \$1,327,918, primarily due to fund decreases of \$112,824 in general government, \$985 in street lighting, \$120,020 in water, and \$66,989 in sanitary, which were offset by fund increase of \$1,760 in refuse.

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 three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the 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 and deferred outflows of resources, and 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 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 sanitation (sewer), water, and refuse (trash and solid waste).

The government-wide financial statements can be found on pages 9 through 10 of this report.

**Avila Beach Community Services District
Management's Discussion and Analysis, continued
For the Year Ended June 30, 2016**

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 funds and enterprise funds.

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 balances 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 11-14 of this report.

Statement of Net Position and Statement of Revenues, Expenditures and Changes in Fund Balance – 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.

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 15 through 18 of this report.

**Avila Beach Community Services District
Management's Discussion and Analysis, continued
For the Year Ended June 30, 2016**

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 19 through 41 of this report.

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 42 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 \$6,135,802 at the close of the most recent fiscal year, with an increase of \$317,741 compared with the prior year.

The largest portion of the District's net position (59.67%) 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.

Statements of Net Position

	Condensed Statements of Net Position					
	Governmental Activities		Business-type Activities		Total District	
	2016	As Restated 2015	2016	As Restated 2015	2016	As Restated 2015
Assets:						
Current assets	\$ 1,197,093	2,540,860	1,746,779	1,390,487	2,943,872	3,931,347
Capital assets, net	1,393	3,039	3,660,012	3,378,470	3,661,405	3,381,509
Total assets	1,198,486	2,543,899	5,406,791	4,768,957	6,605,277	7,312,856
Deferred outflows of resources:						
Deferred pension outflows	7,850	12,504	-	-	7,850	12,504
Total deferred outflows of resources	7,850	12,504	-	-	7,850	12,504
Liabilities:						
Current liabilities	18,439	401,488	326,694	963,302	345,133	1,364,790
Non-current liabilities	117,077	125,453	-	-	117,077	125,453
Total liabilities	135,516	526,941	326,694	963,302	462,210	1,490,243
Deferred inflows of resources:						
Deferred pension inflows	15,115	17,056	-	-	15,115	17,056
Total deferred inflows of resources	15,115	17,056	-	-	15,115	17,056
Net position:						
Net investment in capital assets	1,393	3,039	3,660,012	3,378,470	3,661,405	3,381,509
Unrestricted	1,054,312	2,009,367	1,420,085	427,185	2,474,397	2,436,552
Total net position	\$ 1,055,705	2,012,406	5,080,097	3,805,655	6,135,802	5,818,061

The remaining balance of unrestricted net position totaling \$2,474,397 may be used to meet the government's ongoing obligations.

**Avila Beach Community Services District
Management's Discussion and Analysis, continued
For the Year Ended June 30, 2016**

Government-wide Financial Analysis, continued

Statements of Net Position, continued

Governmental activities — Governmental activities decreased the District's net position by \$956,701 from the prior year. The decrease in net position was primarily due to decreases of \$133,392 from current year operations and \$823,310 from transfer out to support the operations of business-type activities.

Business-type activities — Business-type activities increased the District's net position by \$1,274,442 from the prior year. The increase in net position was primarily due to increases of \$451,133 from current year operations and \$823,310 from transfer in from governmental activities.

Statements of Activities

	Condensed Statements of Activities					
	Governmental Activities		Business-type Activities		Total District	
	2016	As Restated 2015	2016	As Restated 2015	2016	As Restated 2015
Revenues:						
Program revenues:						
Charges for services	\$ 4,966	6,478	1,052,262	808,142	1,057,228	814,620
General revenues:						
Property taxes	245,284	284,707	295,813	243,146	541,097	527,853
Interest earnings	10,974	4,178	-	-	10,974	4,178
Rental income	36,360	34,626	-	-	36,360	34,626
Total revenues	<u>297,584</u>	<u>329,989</u>	<u>1,348,075</u>	<u>1,051,288</u>	<u>1,645,659</u>	<u>1,381,277</u>
Expenses:						
General government	421,039	533,863	-	-	421,039	533,863
Street lighting	9,937	10,922	-	-	9,937	10,922
Water	-	-	271,264	391,284	271,264	391,284
Sanitary	-	-	623,918	690,907	623,918	690,907
Refuse	-	-	1,760	-	1,760	-
Total expenses	<u>430,976</u>	<u>544,785</u>	<u>896,942</u>	<u>1,082,191</u>	<u>1,327,918</u>	<u>1,626,976</u>
Change in net position	(133,392)	(214,796)	451,133	(30,903)	317,741	(245,699)
Transfers in/(out)	(823,310)	221,609	823,310	(221,609)	-	-
Net position, beginning of year	<u>2,012,407</u>	<u>2,005,593</u>	<u>3,805,654</u>	<u>4,058,167</u>	<u>5,818,061</u>	<u>6,063,760</u>
Net position, end of year	<u>\$ 1,055,705</u>	<u>2,012,406</u>	<u>5,080,097</u>	<u>3,805,655</u>	<u>6,135,802</u>	<u>5,818,061</u>

- The District's net position increased 5.46% or \$317,741 from \$5,818,061 to \$6,135,802 in 2016, as a result of current year operations.
- In 2016, total revenues from all sources increased 19.14%, or \$264,382 from \$1,381,277 to \$1,645,659, primarily due to increases of \$242,608 in program revenues, and \$21,774 in general revenues.
- In 2016, total expenses from the District operations decreased 18.38%, or \$299,058 from \$1,626,976 to \$1,327,918, primarily due to fund decrease of \$112,824 in general government caused by the implementation of GASB statements 68 and 71; fund decrease of \$985 in street lighting caused by decrease in utility expenses, fund decrease of \$120,020 in water caused by decrease in water purchases, and fund decrease of \$66,989 in sanitary caused by decreases in contractual services, which were offset by fund increase of \$1,760 in refuse.

**Avila Beach Community Services District
Management's Discussion and Analysis, continued
For the Year Ended June 30, 2016**

Government Funds' Financial Analysis

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

Governmental funds – The focus of the District's governmental funds 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 resources available for spending at the end of the fiscal year.

The following discussion is correlated to the Balance Sheets – Governmental Funds found on page 11.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$1,178,654, a decrease of \$960,719 in comparison with the prior year. Of the total fund balance of \$1,178,654 for all governmental funds, 99.7% constitutes unassigned fund balance, which is available for spending at the government's discretion. 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 general fund is the chief operating fund of the District. At the end of the current fiscal year, the fund balance of the general fund was \$1,178,342 of which \$3,431 was assigned for compensated absences. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 276.41% of total general fund expenditures, while total fund balance represents 277.22% of that same amount.

The fund balance of the District's general fund decreased \$1,178,034 as a result of \$144,925 loss from the current year's operations and \$1,033,109 transfer out to support the operations of the District's other funds.

The street lighting fund balance was \$312 which will be used for the ongoing maintenance and improvement of streets lights. The fund balance of the street light fund increased \$217,315 as a result of \$7,516 gain from the current year's operations and \$209,799 transfer in from the general fund to support its operations.

Enterprise funds – The District's enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net position for all enterprise funds increased \$1,274,443 from the prior year. Changes in total net position from the prior year are as follows: water enterprise increased by \$295,111 as a result of current year operations; sanitary enterprise increased by \$964,002 of which \$823,310 related to transfer in from the general fund in support of its operations and an increase of \$140,692 as a result of current year operations; and refuse enterprise increased by \$15,330 as a result of current year operations.

Governmental Activities Budgetary Highlights

The final actual expenditures for the General Fund and Street Lighting Fund for the year ended June 30, 2016 were more than budgeted by \$11,330 and \$3,563, respectively. Actual revenues for the General Fund and Street Lighting Fund for the year ended June 30, 2016 were less than the anticipated budget by \$26,581 and \$1,303, respectively. At June 30, 2016, there were no differences between the original and final amended budgets. (See Budgetary Comparison Schedule for the General Fund and Street Lighting Fund under Required Supplementary Information section on pages 42 and 43).

**Avila Beach Community Services District
Management's Discussion and Analysis, continued
For the Year Ended June 30, 2016**

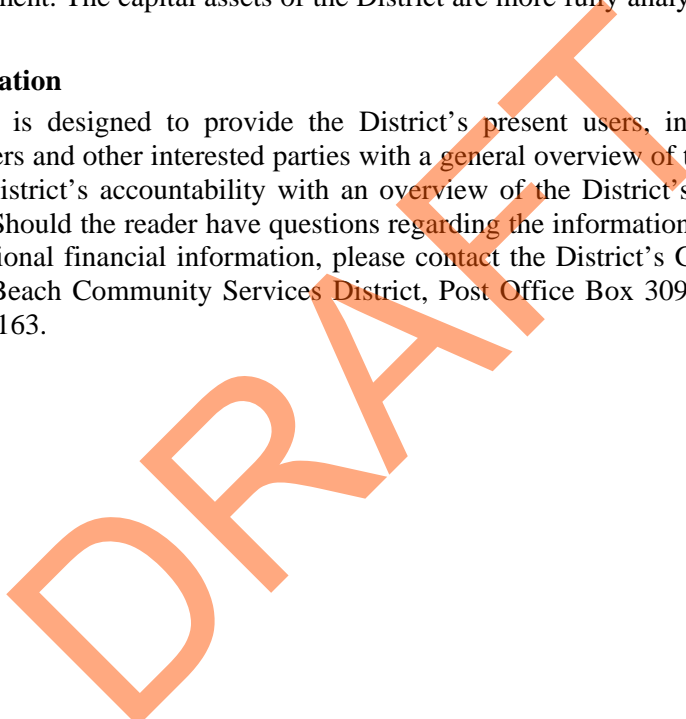
Capital Asset Administration

	Governmental Activities		Business-type Activities		Total District	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Capital assets:						
Non-depreciable assets	\$ 20	20	78,107	60,294	78,127	60,314
Depreciable assets	<u>42,570</u>	<u>42,570</u>	<u>6,192,792</u>	<u>5,768,783</u>	<u>6,235,362</u>	<u>5,811,353</u>
Total capital assets	42,590	42,590	6,270,899	5,829,077	6,313,489	5,871,667
Accumulated depreciation	<u>(41,197)</u>	<u>(39,551)</u>	<u>(2,610,887)</u>	<u>(2,450,606)</u>	<u>(2,652,084)</u>	<u>(2,490,157)</u>
Total capital assets, net	<u>\$ 1,393</u>	<u>3,039</u>	<u>3,660,012</u>	<u>3,378,471</u>	<u>3,661,405</u>	<u>3,381,510</u>

At the end of fiscal year 2016, the District's investment in capital assets amounted to \$3,661,405 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment. The capital assets of the District are more fully analyzed in Note 5 to the basic financial statements.

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, 2016

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current assets:			
Cash and cash equivalents (note 2)	\$ 1,179,284	1,492,379	2,671,663
Accrued interest receivable	3,020	-	3,020
Accounts receivable – utilities, net (note 3)	-	253,084	253,084
Accounts receivable – other	7,318	-	7,318
Property taxes and assessments receivable	7,471	1,316	8,787
Total current assets	<u>1,197,093</u>	<u>1,746,779</u>	<u>2,943,872</u>
Non-current assets:			
Capital assets – not being depreciated (note 5)	20	78,107	78,127
Capital assets – being depreciated, net (note 5)	1,373	3,581,905	3,583,278
Total non-current assets	<u>1,393</u>	<u>3,660,012</u>	<u>3,661,405</u>
Total assets	<u>1,198,486</u>	<u>5,406,791</u>	<u>6,605,277</u>
Deferred outflows of resources:			
Deferred pension outflows (note 7)	7,850	-	7,850
Total deferred outflows of resources	<u>7,850</u>	<u>-</u>	<u>7,850</u>
Current liabilities:			
Accounts payable and accrued expenses	11,174	67,167	78,341
Accrued wages and related payables	1,834	-	1,834
Deposits and unearned revenue	2,000	259,527	261,527
Compensated absences (note 6)	3,431	-	3,431
Total current liabilities	<u>18,439</u>	<u>326,694</u>	<u>345,133</u>
Non-current liabilities:			
Net pension liability (note 7)	117,077	-	117,077
Total non-current liabilities	<u>117,077</u>	<u>-</u>	<u>117,077</u>
Total liabilities	<u>135,516</u>	<u>326,694</u>	<u>462,210</u>
Deferred inflows of resources:			
Deferred pension inflows (note 7)	15,115	-	15,115
Total deferred inflows of resources	<u>15,115</u>	<u>-</u>	<u>15,115</u>
Net position:			
Net investment in capital assets	1,393	3,660,012	3,661,405
Unrestricted	1,054,312	1,420,085	2,474,397
Total net position	<u>\$ 1,055,705</u>	<u>5,080,097</u>	<u>6,135,802</u>

See accompanying notes to the basic financial statements

Avila Beach Community Services District
Statement of Activities
For the Year Ended June 30, 2016

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program</u>	<u>Net (Expense) Revenue and</u>		
		<u>Revenues</u>	<u>Changes in Net Position</u>		
		<u>Charges for</u>	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
		<u>Services</u>	<u>Activities</u>	<u>Activities</u>	
Governmental activities:					
General government	\$ 421,039	3,865	(417,174)	-	(417,174)
Lighting	9,937	1,101	(8,836)	-	(8,836)
Total governmental activities	<u>430,976</u>	<u>4,966</u>	<u>(426,010)</u>	<u>-</u>	<u>(426,010)</u>
Business-type activities:					
Water	271,264	484,614	-	213,350	213,350
Sanitary	623,918	550,558	-	(73,360)	(73,360)
Refuse	1,760	17,090	-	15,330	15,330
Total business-type activities	<u>896,942</u>	<u>1,052,262</u>	<u>-</u>	<u>155,320</u>	<u>155,320</u>
Total	<u>\$ 1,327,918</u>	<u>1,057,228</u>	<u>(426,010)</u>	<u>155,320</u>	<u>(270,690)</u>
General revenues:					
Property taxes			\$ 245,284	295,813	541,097
Interest earnings			10,974	-	10,974
Rental income			36,360	-	36,360
Transfers in/(out)			(823,310)	823,310	-
Total general revenues			<u>(530,692)</u>	<u>1,119,123</u>	<u>588,431</u>
Change in net position			<u>(956,702)</u>	<u>1,274,443</u>	<u>317,741</u>
Net position, beginning of year - as restated (note 8)			<u>2,012,407</u>	<u>3,805,654</u>	<u>5,818,061</u>
Net position, end of year			<u>\$ 1,055,705</u>	<u>5,080,097</u>	<u>6,135,802</u>

See accompanying notes to the basic financial statements

Avila Beach Community Services District
Balance Sheet – Governmental Funds
June 30, 2016

	<u>General</u>	<u>Streets Lighting</u>	<u>Total Governmental Activities</u>
Assets:			
Cash and cash equivalents	\$ 1,179,284	-	1,179,284
Accrued interest receivable	3,020	-	3,020
Accounts receivable – other	7,006	312	7,318
Property taxes and assessments receivable	7,471	-	7,471
Total assets	<u>\$ 1,196,781</u>	<u>312</u>	<u>1,197,093</u>
Liabilities:			
Accounts payable and accrued expenses	\$ 11,174	-	11,174
Accrued wages and related payables	1,834	-	1,834
Deposits and unearned revenue	2,000	-	2,000
Compensated absences (note 7)	3,431	-	3,431
Total liabilities	<u>18,439</u>	<u>-</u>	<u>18,439</u>
Fund balance: (note 10)			
Assigned	3,431	-	3,431
Unassigned	1,174,911	312	1,175,223
Total fund balance	<u>1,178,342</u>	<u>312</u>	<u>1,178,654</u>
Total liabilities and fund balance	<u>\$ 1,196,781</u>	<u>312</u>	<u>1,197,093</u>

Continued on next page

See accompanying notes to the basic financial statements

Avila Beach Community Services District
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2016

Reconciliation:

Total Fund Balances of Governmental Funds		\$ 1,178,654
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 funds balance sheet. However, the statement of net position includes those capital position among the assets of the District as a whole.		1,393
Deferred outflows of resources applicable to the consumption of resources to be used in future periods		7,850
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		(117,077)
Deferred inflows of resources applicable to the aquisition of resources to be used in future periods		(15,115)
Net Position of Governmental Activities		<u>\$ 1,055,705</u>

See accompanying notes to the basic financial statements

Avila Beach Community Services District
Statement of Revenues, Expenditures and Changes in Fund Balances– Governmental Funds
For the Year Ended June 30, 2016

	<u>General</u>	<u>Streets Lighting</u>	<u>Total Governmental Activities</u>
Revenues:			
Property taxes	\$ 228,932	16,352	245,284
Interest earnings	10,974	-	10,974
Rents and royalties	36,360	-	36,360
Charges for services	3,865	1,101	4,966
Total revenues	<u>280,131</u>	<u>17,453</u>	<u>297,584</u>
Expenditures:			
General government	425,056	-	425,056
Street lighting	-	9,937	9,937
Total expenditures	<u>425,056</u>	<u>9,937</u>	<u>434,993</u>
Excess (deficiency) of revenues over expenditures	(144,925)	7,516	(137,409)
Other financing sources (uses):			
Operating transfers in (out)	(1,033,109)	209,799	(823,310)
Net change in fund balance	(1,178,034)	217,315	(960,719)
Fund balance, beginning of year - as restated (note 8)	<u>2,356,376</u>	<u>(217,003)</u>	<u>2,139,373</u>
Fund balance, end of year	<u>\$ 1,178,342</u>	<u>312</u>	<u>1,178,654</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 Funds to the Statement of Activities
For the Year Ended June 30, 2016

Reconciliation:

Net Changes in Fund Balances – Total Governmental Funds	\$ (960,719)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report 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	(1,646)
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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 funds as follows:

Net change in pension obligations for the current period	<u>5,663</u>
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Change in Net Position of Governmental Activities	<u><u>\$ (956,702)</u></u>
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See accompanying notes to the basic financial statements

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Avila Beach Community Services District
Statement of Net Position – Enterprise Funds
June 30, 2016

	<u>Water</u>	<u>Sanitary</u>	<u>Refuse</u>	<u>Total Business-type Activities</u>
Current assets:				
Cash and cash equivalents (note 2)	\$ 1,471,178	-	21,201	1,492,379
Accounts receivable – utilities, net	101,484	151,600	-	253,084
Property taxes and assessments receivable	-	1,316	-	1,316
Total current assets	<u>1,572,662</u>	<u>152,916</u>	<u>21,201</u>	<u>1,746,779</u>
Non-current assets:				
Capital assets – not being depreciated (note 5)	4,587	73,520	-	78,107
Capital assets – being depreciated, net (note 5)	547,203	3,034,702	-	3,581,905
Total non-current assets	<u>551,790</u>	<u>3,108,222</u>	<u>-</u>	<u>3,660,012</u>
Total assets	<u>2,124,452</u>	<u>3,261,138</u>	<u>21,201</u>	<u>5,406,791</u>
Current liabilities:				
Accounts payable and accrued expenses	42,350	24,817	-	67,167
Unearned revenue	148,798	110,729	-	259,527
Total current liabilities	<u>191,148</u>	<u>135,546</u>	<u>-</u>	<u>326,694</u>
Total liabilities	<u>191,148</u>	<u>135,546</u>	<u>-</u>	<u>326,694</u>
Net position:				
Net investment in capital assets (note 10)	551,790	3,108,222	-	3,660,012
Unrestricted (note 12)	1,381,514	17,370	21,201	1,420,085
Total net position	<u>\$ 1,933,304</u>	<u>3,125,592</u>	<u>21,201</u>	<u>5,080,097</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 Funds
For the Year Ended June 30, 2016

	<u>Water</u>	<u>Sanitary</u>	<u>Refuse</u>	<u>Total Business-type Activities</u>
Operating revenues:				
Water consumption sales	\$ 484,515	-	-	484,515
Sanitary service charges	-	550,433	-	550,433
Refuse franchise charges	-	-	17,090	17,090
Other charges for service	99	125	-	224
Total operating revenue	<u>484,614</u>	<u>550,558</u>	<u>17,090</u>	<u>1,052,262</u>
Operating expenses:				
Professional services	61,617	148,684	-	210,301
Utilities	654	23,306	-	23,960
Repairs and maintenance	11,335	52,297	-	63,632
Supplies	5,262	70,709	-	75,971
Insurance	4,772	4,772	-	9,544
Capital purchases	6,714	17,756	-	24,470
Administrative expenses	7,433	146,456	1,760	155,649
Materials and services	146,600	24,244	-	170,844
Total operating expenses	<u>244,387</u>	<u>488,224</u>	<u>1,760</u>	<u>734,371</u>
Operating income before depreciation expense	240,227	62,334	15,330	317,891
Depreciation expense	(26,877)	(135,694)	-	(162,571)
Operating income (loss)	<u>213,350</u>	<u>(73,360)</u>	<u>15,330</u>	<u>155,320</u>
Non-operating revenue:				
Property taxes	81,761	214,052	-	295,813
Total non-operating revenues	<u>81,761</u>	<u>214,052</u>	<u>-</u>	<u>295,813</u>
Operating transfers in	<u>-</u>	<u>823,310</u>	<u>-</u>	<u>823,310</u>
Change in net position	295,111	964,002	15,330	1,274,443
Net position, beginning of year	<u>1,638,193</u>	<u>2,161,590</u>	<u>5,871</u>	<u>3,805,654</u>
Net position, end of year	<u>\$ 1,933,304</u>	<u>3,125,592</u>	<u>21,201</u>	<u>5,080,097</u>

See accompanying notes to the basic financial statements

**Avila Beach Community Services District
Statement of Cash Flows – Enterprise Funds
For the Year Ended June 30, 2016**

	2016
Cash flows from operating activities:	
Cash receipts from customers for water sales and services	\$ 1,017,277
Cash paid to vendors and suppliers for materials and services	(183,203)
Cash paid to employees for salaries and wages	(175,374)
Net cash provided by operating activities	658,700
Cash flows from non-capital financing activities:	
Proceeds from property taxes – ad valorem	295,813
Operating transfers in	823,310
Net cash provided by non-capital financing activities	1,119,123
Cash flows from capital and related financing activities	
Acquisition and construction of capital assets	(444,112)
Net cash used in capital and related financing activities	(444,112)
Net increase in cash and cash equivalents	1,333,711
Cash and cash equivalents, beginning of year	158,668
Cash and cash equivalents, end of year	\$ 1,492,379

Continued on next page

See accompanying notes to the basic financial statements

**Avila Beach Community Services District
Statement of Cash Flows – Enterprise Funds, continued
For the Year Ended June 30, 2016**

	2016
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 155,320
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	162,571
Changes in asset and liabilities:	
(Increase) decrease in assets:	
Accounts receivable – water sales and services, net	(189,901)
Accounts receivable – other	380,324
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	(4,530)
Unearned revenue	154,916
Net cash provided by by operating activities	\$ 658,700

See accompanying notes to the basic financial statements

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Avila Beach Community Services District
Notes to the Basic Financial Statements
June 30, 2016

(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 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 operating expenses of a given function are offset by operating revenues. Operating expenses are those that are clearly identifiable with a specific function. The types of transactions reported as operating revenues for the District are charges for services directly related to the operations of the District. Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the District. Taxes, operating grants and other items not properly included among operating revenues are reported instead as non-operating revenues. Contributed capital and capital grants are included as capital contributions.

Fund Financial Statements

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

Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2016

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

B. Basis of Accounting and Measurement Focus, continued

Fund Financial Statements, continued

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 Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under 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 that 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 funds. 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 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 purchases 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 operation 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.
- 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
June 30, 2016

(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 Funds

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. This fund also includes all activity and assets of the emergency and unemployment compensation funds.

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 Funds

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 February 2015, the GASB issued Statement No. 72 – *Fair Value Measurement and Application*, effective for financial statements for periods beginning after June 15, 2015. The objective of this Statement is to enhance comparability of financial statements among governments by measurement of certain assets and liabilities at their fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement establishes a hierarchy of inputs to valuation techniques used to measure fair value.

In June 2015, the GASB issued Statement No. 73 – *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement 67 and 68*, effective for fiscal years beginning after June 15, 2015. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement establishes requirements for defined benefit pensions that are not within the Scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions.

Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2016

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

C. Financial Reporting, continued

In June 2015, the GASB issued Statement No. 76 – *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, effective for financial statements for periods beginning after June 15, 2015. This Statement replaces the requirements of Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of local governmental entities in conformity with GAAP and the framework for selecting those principles. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment is not specified within the source of authoritative GAAP.

In December 2015, the GASB issued Statement No. 79 – *Certain External Investment Pools and Pool Participants*, effective for financial statements for periods beginning after June 15, 2015. This Statement enhances comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. Those criteria will provide qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes. That measurement approximates fair value and mirrors the operations of external investment pools that transact with participants at a stable net asset value per share.

D. Financial Statement Elements

1. 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.

2. 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.

3. 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.

Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2016

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

D. Financial Statement Elements, continued

4. Fair Value Measurement and Application

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

- **Level 1** – Valuation is based on quoted prices in active markets for identical assets.
- **Level 2** – Valuation is based on directly observable and indirectly observable inputs. These inputs are derived principally from or corroborated by observable market data through correlation or market-corroborated inputs. The concept of market-corroborated inputs incorporates observable market data such as interest rates and yield curves that are observable at commonly quoted intervals.
- **Level 3** – Valuation is based on unobservable inputs where assumptions are made based on factors such as prepayment rates, probability of defaults, loss severity and other assumptions that are internally generated and cannot be observed in the market.

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.

Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2016

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

D. Financial Statement Elements, continued

7. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. The District policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated assets are recorded at estimated fair market value at the date of donation 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. 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 – 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.

Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2016

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

D. Financial Statement Elements, continued

12. Net Position/Fund Balances

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

- **Net Investment in Capital Assets** – This component of net position consists of capital assets, net of accumulated depreciation and reduced by any debt outstanding against the acquisition, construction or improvement of those assets.
- **Restricted Net Position** – This component of net position 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 Net Position** – This component of net position consists of net position that does not meet the definition of *restricted* or *net investment in capital assets*.

13. Fund Equity

The financial statements for governmental funds reports 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 fund balance** – 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 fund balance** – 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 enabling legislation.
- **Committed fund balance** – 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 fund balance** – 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 fund balance** – 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.

Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2016

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

D. Financial Statement Elements, continued

13. Fund Equity, continued

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.

Fund Balance Policy

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 balances 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.

14. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, 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 the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation Date: June 30, 2014
- Measurement Date: June 30, 2015
- Measurement Period: July 1, 2014 to June 30, 2015

15. 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 and liabilities 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.

Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2016

(2) Cash and Cash Equivalents

Cash and cash equivalents as of June 30, 2016, are classified as follows:

	2016
Governmental activity fund:	
General fund	\$ 1,179,284
Total governmental activity fund	1,179,284
Business-type activity funds:	
Water fund	1,471,178
Refuse fund	21,201
Total business-type activity funds	1,492,379
Total cash and investments	\$ 2,671,663

Cash and cash equivalents as of June 30, 2016, consisted of the following:

	2016
Cash on hand	\$ 901
Deposits with financial institutions	451,129
Deposits held with the California Local Agency Investment Fund (LAIF)	2,219,633
Total cash and investments	\$ 2,671,663

As of June 30, 2016, the District's authorized deposits had the following maturities:

	2016
Deposits held with the California Local Agency Investment Fund (LAIF)	167 days

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)(3) to the financial statements.

Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2016

(2) Cash and Cash Equivalents, continued

Investment in State Investment Pool

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

The 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 transactions 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 a \$1,000 dollars.
- Withdrawals of \$10,000,000 or more require 24 hours advance.
- Prior to funds transfer, an authorized person must call LAIF to do a verbal transaction.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the 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 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 the public agencies. Of the bank balance, up to \$250,000 is federally insured. The remaining balance is to be collateralized by the bank.

The custodial credit risk for *investments* is the risk that, in the event of the 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).

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates 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 rates. 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 rates.

Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2016

(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 does not contain various limitations on the amounts that can be invested in any one governmental agency or non-governmental issuer as stipulated by the California Government Code. The District's deposit portfolio in LAIF is 83% as of June 30, 2016, of the District's total depository and investment portfolio.

(3) Accounts Receivable – Utilities

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

(4) Internal Transfers

Interfund Operational Transfers

Interfund transfers are used to move financial resources from the General fund to the Street Light fund and the Sanitary fund to absorb the operating deficit and to support the operations of each respective fund. Interfund transfers consist of the following for the year ended June 30, 2016:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>
General	Street Light	\$ 209,799
General	Sanitary	<u>823,310</u>
	Total	\$ <u><u>1,033,109</u></u>

Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2016

(5) Capital Assets

Governmental Activities

Changes in capital assets for 2016, were as follows:

	<u>Balance 2015</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2016</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	12,760	-	-	12,760
Building and improvements	<u>29,810</u>	<u>-</u>	<u>-</u>	<u>29,810</u>
Total depreciable assets	<u>42,570</u>	<u>-</u>	<u>-</u>	<u>42,570</u>
Accumulated depreciation:				
Furniture and equipment	(9,741)	(1,646)	-	(11,387)
Building and improvements	<u>(29,810)</u>	<u>-</u>	<u>-</u>	<u>(29,810)</u>
Total accumulated depreciation	<u>(39,551)</u>	<u>(1,646)</u>	<u>-</u>	<u>(41,197)</u>
Total depreciable assets, net	<u>3,019</u>	<u>(1,646)</u>	<u>-</u>	<u>1,373</u>
Total capital assets, net	<u>\$ 3,039</u>	<u>(1,646)</u>	<u>-</u>	<u>1,393</u>

There were no major capital asset additions in the governmental activities area fund for the year ended June 30, 2016.

Business-Type Activities

Changes in capital assets for 2016, were as follows:

	<u>Balance 2015</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2016</u>
Non-depreciable assets:				
Land	\$ 60,294	-	-	60,294
Construction in progress	-	17,813	-	17,813
Total non-depreciable assets	<u>60,294</u>	<u>17,813</u>	<u>-</u>	<u>78,107</u>
Depreciable assets:				
Water transmission and distribution	1,131,969	-	(1,988)	1,129,981
Wastewater collection	<u>4,636,814</u>	<u>426,299</u>	<u>(302)</u>	<u>5,062,811</u>
Total depreciable assets	<u>5,768,783</u>	<u>426,299</u>	<u>(2,290)</u>	<u>6,192,792</u>
Accumulated depreciation:				
Water transmission and distribution	(557,889)	(26,877)	1,988	(582,778)
Wastewater collection	<u>(1,892,717)</u>	<u>(135,694)</u>	<u>302</u>	<u>(2,028,109)</u>
Total accumulated depreciation	<u>(2,450,606)</u>	<u>(162,571)</u>	<u>2,290</u>	<u>(2,610,887)</u>
Total depreciable assets, net	<u>3,318,177</u>	<u>263,728</u>	<u>-</u>	<u>3,581,905</u>
Total capital assets, net	<u>\$ 3,378,471</u>	<u>281,541</u>	<u>-</u>	<u>3,660,012</u>

Major capital asset additions in the business-type activities funds include additions for wastewater collection for the year ended June 30, 2016.

Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2016

(6) Compensated Absences

Changes in compensated absence as of June 30, 2016, were as follows:

Balance	Earned	Taken	Balance
2015	2016	2016	2016
\$ 2,394	2,115	(1,078)	3,431

(7) Defined Benefit Pension Plans

Plan Description

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

Benefits Provided

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

Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2016

(7) Defined Benefit Pension Plans, continued

Benefits Provided, continued

The District participates in the Plan's miscellaneous risk pool. The provisions and benefits for the Plan's miscellaneous pool in effect as June 30, 2016, are summarized as follows:

	<u>New Classic</u>
	Prior to December 31, 2012
Hire date	
Benefit formula	2.0% @ 60
Benefit vesting schedule	5 years of service
Benefit payments	monthly for life
Retirement age	50 - 55
Monthly benefits, as a % of eligible compensation	1.1% to 2.4%
Required employee contribution rates	7.00%
Required employer contribution rates	6.71%

As of June 30, 2015, an actuarial report was not prepared by CalPERS for the District's Safety and Miscellaneous PEPRA tiers. CalPERS made this determination as a result of the District not having PEPRA eligible employees between the period January 1, 2013 and June 30, 2013, the valuation date of the actuarial report provided.

Contributions

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

Net Pension Liability

As of the fiscal year ended June 30, 2016, the District reported net pension liabilities for its proportionate share of the net pension liability of the Plan as follows:

	<u>2016</u>
Proportionate share of net pension liability	\$ <u>117,077</u>

Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2016

(7) Defined Benefit Pension Plans, continued

Net Pension Liability, continued

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, 2016, the net pension liability of the Plan is measured as of June 30, 2015 (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, 2014 (the valuation date), rolled forward to June 30, 2015, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's changes in proportionate share of the net pension liability for the Plan's miscellaneous risk pool as of the measurement dates June 30, 2015, was as follows:

	Proportionate Share
Proportion – June 30, 2014	0.00207 %
Proportion – June 30, 2015	0.00171
Decrease in proportionate share	0.00036 %

Deferred Pension Outflows (Inflows) of Resources

For the year ended June 30, 2016, the District recognized pension expense of \$14,876. As of the fiscal year ended June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 801	-
Changes in assumptions	-	(7,582)
Net differences between projected and actual earnings on plan investments	-	(3,801)
Adjustment due to changes in proportions	-	(3,732)
Adjustment due to difference between actual and proportionate share of contributions	7,049	-
Total	\$ 7,850	(15,115)

Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2016

(7) Defined Benefit Pension Plans, continued

For the year ended June 30, 2016, the District did not report deferred outflows of resources related to contributions subsequent to the measurement date; 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 Ending December 31,	Deferred Net Inflows of Resources
2017	\$ (3,294)
2018	(3,249)
2019	(2,857)
2020	2,135

Actuarial Assumptions

The total pension liability in the June 30, 2014, actuarial valuation report was determined using the following actuarial assumptions:

Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	7.50%
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Investment Rate of Return	7.50 % Net of Pension Plan Investment and Administrative Expenses; includes inflation
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2014, valuation were based upon the most recent CalPERS Experience Study (covering the period June 30, 1997 through June 30, 2011) that was completed and adopted in April 2014. Further details of the Experience Study can found on the CalPERS website.

Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2016

(7) Defined Benefit Pension Plans, continued

Discount Rate

The discount rate used to measure the total pension liability was 7.50% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. For the year ended June 30, 2016, the discount rate was changed from 7.50% (net of administrative expense) to 7.65% to correct for an adjustment to exclude administrative expenses.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The tables below reflect the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses. As of June 30, 2016, the target allocation and the long-term expected real rate of return by asset class were as follow:

Asset Class	Target Allocation	Real Return Years 1-10	Real Return Year 11+
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	19.0	0.99	2.43
Inflation Sensitive	6.0	0.45	3.36
Private Equity	10.0	6.83	6.95
Real Asset	10.0	4.50	5.13
Infrastructure and Forestland	2.0	4.50	5.09
Liquidity	2.0	(0.55)	(1.05)
Total	<u>100.0%</u>		

Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2016

(7) Defined Benefit Pension Plans, continued

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

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

As of June 30, 2016, 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% 6.65%	Current Discount Rate 7.65%	Discount Rate + 1% 8.65%
District's Net Pension Liability	\$ 196,346	117,077	51,631

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 44-45 for the Required Supplementary Schedules.

(8) Restatement of Net Position/Fund Balance

Net Pension Liability

In fiscal year 2015, the District did not implement GASB pronouncements 68 and 71 to recognize its proportionate share of the net pension liability. As a result, the District recorded a prior period adjustment to net position in the amount of \$130,005, to recognize prior year's proportionate share of net pension liability, unamortized elements of deferred inflows of resources, and deferred employer pension contributions to deferred outflows of resources.

Accounts Payable

In fiscal year 2015, the District did not record expenses incurred during the year and paid subsequent to year-end. As a result, the District recorded a prior period adjustment to net position in the amount of \$85,387.

The effect of the above prior period adjustments to net position is summarized as follows:

Net position at June 30, 2015, as previously stated	\$ 6,033,453
Effect of adjustment to record accounts payable	(85,387)
Effect of adjustment to net pension liability, and deferred outflows and outflows of resources as a result of GASB 68 and 71	(130,005)
Total adjustment to net position	(215,392)
Net position at June 30, 2015, as restated	\$ 5,818,061

Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2016

(8) Restatement of Net Position/Fund Balance

The effect of the above prior period adjustments to fund balance as reported in the statement of revenues, expenditures and changes in fund balances – governmental funds on page 13, is summarized as follows:

Fund balance at June 30, 2015, as previously stated	\$	2,154,949
Effect of adjustment to record accounts payable		<u>(15,576)</u>
Fund balance at June 30, 2015, as restated	\$	<u><u>2,139,373</u></u>

(9) Net Investment in Capital Assets

The details of net investment in capital assets are as follows:

	Governmental Activities	Business-type Activities	2016
Capital assets – not being depreciated	\$ 20	78,107	78,127
Capital assets – being depreciated, net	<u>1,373</u>	<u>3,581,905</u>	<u>3,583,278</u>
Net investment in capital assets	<u><u>\$ 1,393</u></u>	<u><u>3,660,012</u></u>	<u><u>3,661,405</u></u>

(10) Fund Balance

Fund balances are presented in the following categories: non-spendable, restricted, committed, assigned and unassigned (See Note 1(D)(13) for a description of these categories). A detailed schedule of fund balances and their funding composition at June 30, 2016, is as follows:

Description	2016
Assigned	
Compensated absences	\$ 3,431
Unassigned	
Operations	<u>1,175,223</u>
Total fund balance	<u><u>\$ 1,178,654</u></u>

(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, 2016, the District participated in the liability and property programs of the SDRMA as follows:

- General and auto liability coverage up to \$5 million per occurrence; and uninsured/underinsured motorist coverage up to \$750,000 per occurrence.

Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2016

(11) Risk Management, continued

In addition to the above, the District also has the following insurance coverage:

- Employee dishonesty coverage up to a \$400,000 limit.
- Property loss is paid at the replacement cost for property on file, if replaced within three years after the loss, otherwise paid on an actual cash value basis, to a combined total of \$1.0 billion per occurrence.
- Boiler and machinery coverage for the replacement cost up to \$100 million limit.
- Public officials error and omissions covered up to \$5,000,000 each occurrence, with an annual aggregate of \$5,000,000.
- Workers' compensation insurance per statutory requirements and Employer's Liability Coverage up to \$5 million.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years. There were no reductions in insurance coverage in fiscal year 2016, 2015 and 2014. 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, 2016, 2015 and 2014.

(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 has effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 74

In June 2015, the GASB issued Statement No. 74 – *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness or information about postemployment benefits other than pensions (other postemployment benefits of OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.

This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No.50, *Pension Disclosures*.

The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2016. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2016

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

Governmental Accounting Standards Board Statement No. 75

In June 2015, the GASB issued Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2017. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 77

In August 2015, the GASB issued Statement No. 77 – *Tax Abatement Disclosures*. The objective of this Statement is to improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Financial statement users need information about certain limitations on a government's ability to raise resources. This includes limitations on revenue-raising capacity resulting from governmental programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. Tax abatements are widely used by state and local governments, particularly to encourage economic development. This Statement is effective for financial statements for periods beginning after December 15, 2015. It is believed that the implementation of this Statement will not have a material effect to the District's financial statements.

Governmental Accounting Standards Board Statement No. 78

In December 2015, the GASB issued Statement No. 78 – *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that meet certain criteria. This Statement is effective for financial statements for periods beginning after December 15, 2015. It is believed that the implementation of this Statement will not have a material effect to the District's financial statements.

Governmental Accounting Standards Board Statement No. 80

In January 2016, the GASB issued Statement No. 80 – *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. It is believed that the implementation of this Statement will not have a material effect to the District's financial statements.

Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2016

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

Governmental Accounting Standards Board Statement No. 81

In March 2016, the GASB issued Statement No. 81 – *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively.

Governmental Accounting Standards Board Statement No. 82

In March 2016, the GASB issued Statement No. 82 – *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

(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 the grantor agencies. Such audit could lead to requests for reimbursements to the 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).

Avila Beach Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2016

(14) Subsequent Events

Events occurring after June 30, 2016, have been evaluated for possible adjustment to the financial statements or disclosure as of November 8, 2016, 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.

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Required Supplementary Information

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**Avila Beach Community Services District
Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2016**

	<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	\$ 209,000	-	209,000	228,932	19,932
Interest earnings	5,000	-	5,000	10,974	5,974
Rents and royalties	36,350	-	36,350	36,360	10
Charges for services	3,200	-	3,200	3,865	665
Total revenues	<u>253,550</u>	<u>-</u>	<u>253,550</u>	<u>280,131</u>	<u>26,581</u>
Expenditures:					
General government	436,386	-	436,386	425,056	(11,330)
Total expenditures	<u>436,386</u>	<u>-</u>	<u>436,386</u>	<u>425,056</u>	<u>(11,330)</u>
Excess (deficiency) of revenues over expenditures	(182,836)	-	(182,836)	(144,925)	37,911
Other financing sources(uses):					
Operating transfers in (out)	(243,203)	-	(243,203)	(1,033,109)	(789,906)
Net change in fund balance	<u>(426,039)</u>	<u>-</u>	<u>(426,039)</u>	<u>(1,178,034)</u>	<u>(751,995)</u>
Fund balance, beginning of year - as restated	<u>2,356,376</u>		<u>2,356,376</u>	<u>2,356,376</u>	
Fund balance, end of year	<u>\$ 1,930,337</u>		<u>1,930,337</u>	<u>1,178,342</u>	

Notes to Required Supplementary Information

(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 Library Director prepares and submits an operating budget to the Board of Trustees 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 Trustees 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, 2016**

	<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	\$ 14,950	-	14,950	16,352	1,402
Charges for services	1,200	-	1,200	1,101	(99)
Total revenues	<u>16,150</u>	<u>-</u>	<u>16,150</u>	<u>17,453</u>	<u>1,303</u>
Expenditures:					
Street lighting	13,500	-	13,500	9,937	(3,563)
Total expenditures	<u>13,500</u>	<u>-</u>	<u>13,500</u>	<u>9,937</u>	<u>(3,563)</u>
Excess (deficiency) of revenues over expenditures	2,650	-	2,650	7,516	4,866
Other financing sources(uses):					
Operating transfers in (out)	13,511	-	13,511	209,799	196,288
Net change in fund balance	<u>16,161</u>	<u>-</u>	<u>16,161</u>	<u>217,315</u>	<u>201,154</u>
Fund balance, beginning of year - as restated	<u>(217,003)</u>		<u>2,356,376</u>	<u>(217,003)</u>	
Fund balance, end of year	<u>\$ (200,842)</u>		<u>2,372,537</u>	<u>312</u>	

Notes to Required Supplementary Information

(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 Library Director prepares and submits an operating budget to the Board of Trustees 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 Trustees 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 Street Lighting 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 Year Ended June 30, 2016
Last Ten Years*

Defined Benefit Pension Plan

<u>Description</u>	<u>Measurement Dates</u>	
	<u>6/30/2015</u>	<u>6/30/2014</u>
District's Proportion of the Net Pension Liability	0.17057%	0.20673%
District's Proportionate Share of the Net Pension Liability	\$ 117,077	125,453
District's covered-employee payroll	\$ 60,486	58,718
District's proportionate share of the net pension liability(asset) as a Percentage of its Covered-Employee Payroll	193.56%	213.65%
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	78.40%	79.82%

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

Changes in Benefit Terms – The figures above do not include any liability impact that may have resulted from Plan changes which occurred after the June 30, 2014, valuation date.

Changes of Assumptions – For the June 30, 2015, measurement date, the discount rate was changed from 7.50% (net of administrative expense) to 7.65% percent to correct for an adjustment to exclude administrative expense.

* 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, 2016
Last Ten Years*

Defined Benefit Pension Plan

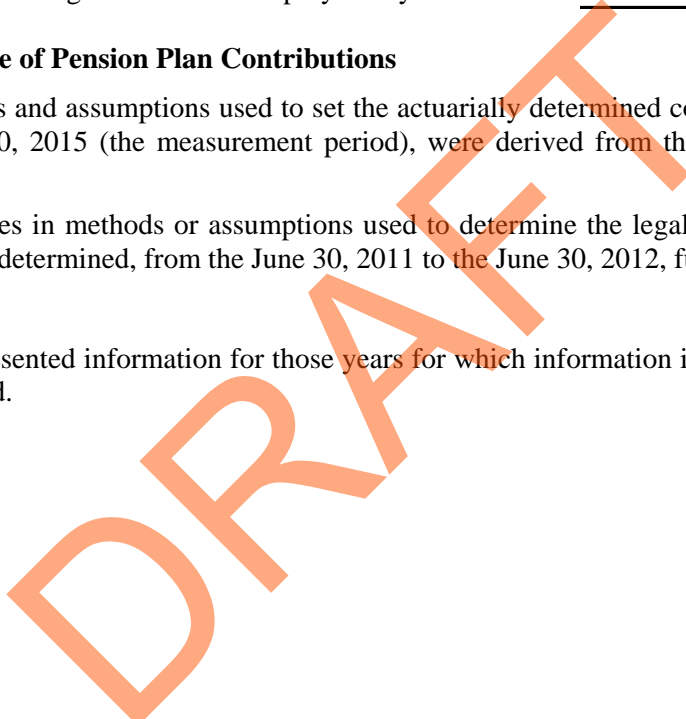
<u>Description</u>	<u>Measurement Dates</u>	
	<u>6/30/2015</u>	<u>6/30/2014</u>
Actuarially Determined Contribution	\$ 9,566	9,894
Contributions in Relation to the Actuarially Determined Contribution	-	(9,894)
Contribution Deficiency (Excess)	\$ 9,566	-
District's Covered Payroll	\$ 60,486	58,718
Contribution's as a percentage of Covered-Employee Payroll	15.82%	16.85%

Notes to the Schedule of Pension Plan Contributions

The actuarial methods and assumptions used to set the actuarially determined contributions from July 30, 2014 through June 30, 2015 (the measurement period), were derived from the June 30, 2014, funding valuation report.

There were no changes in methods or assumptions used to determine the legally required contributions, which are actuarially determined, from the June 30, 2011 to the June 30, 2012, funding valuation report.

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



Report on Compliance and Internal Controls

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Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting 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, 2016, and the related notes to the financial statements, which collectively comprises the District's basic financial statements, and have issued our report thereon dated November 8, 2016.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our 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.

Fedak & Brown LLP
Cypress, California
November 8, 2016

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CAL FIRE
San Luis Obispo
County Fire Department

635 N. Santa Rosa • San Luis Obispo, CA 93405
Phone: 805-543-4244 • Fax: 805-543-4248
www.calfireslo.org



Robert Lewin, Fire Chief

November 8, 2016

TO: Avila Beach Community Services District Board of Directors

FROM: Mike Salas

SUBJECT: Second Reading and Adoption of Ordinance Amending Title 15 of the Avila Community Services District Fire Code Ordinance by Adopting the 2016 Edition of the California Fire Code Including Annual Supplements, State and Local Amendments

RECOMMENDATION

Staff recommends that the Avila Community Services District Board (“District”) consider this staff report, staff presentation and public comment and thereon:

1. Open the public hearing and receive testimony regarding Ordinance No. 2016-01 of the Avila Beach Community Services District amending Title 15 of the District Code
2. Conduct second reading by title only and proceed with final adoption of Ordinance No. 2013-02 of the Avila Beach Community Services District amending Title 15 of the District Code by adopting the 2016 Edition of the California Fire Code including Annual supplements, State and Local Amendments; and direct staff to publish a summary of the adopted Ordinance as required by law.
3. Adopt Resolution 2016-11 requesting the San Luis Obispo Board of Supervisors (“County”) to ratify the District Board’s Adoption of the Ordinance and file the Ordinance with the California Department of Housing and Community Development.

SUMMARY

Every three (3) years the California Fire Code is adopted in California by the California Building Standards Commission. Local agencies that provide fire services must either accept the California Fire Code in its entirety, make changes to meet the local needs, or reject the California Fire Code by January 1, 2017. If the governing board chooses not to take action, the California Fire Code is automatically adopted in its entirety by the local agency.

The proposed Ordinance received its first reading and was introduced on October 11, 2016, by the Avila Beach Community Services District Board of Directors.

Attachments:

Ordinance 2016-01 (clean draft)

Resolution 2016-11

ORDINANCE NO. 2016-01

**AN ORDINANCE OF THE AVILA BEACH COMMUNITY SERVICES DISTRICT
AMENDING AND RESTATING THE DISTRICT'S FIRE CODE FOUND IN TITLE 15
OF THE AVILA BEACH COMMUNITY SERVICE DISTRICT CODES, INCLUDING
THE ADOPTION OF THE 2016 EDITION OF THE CALIFORNIA FIRE CODE,
INCLUDING ANNUAL SUPPLEMENTS AND STATE AMENDMENTS AND ERRATA.**

WHEREAS, it is the desire and intent of the Avila Beach Community Services District ("District") to provide citizens with the greatest degree of protection from fire; and

WHEREAS, the California Building Standards Code, Title 24, which incorporates the California Fire Code, is adopted every three years by order of the California Legislature with supplements published in intervening years;

WHEREAS, The District contracts with the California Department of Forestry and the Fire Protection for fire protection and enforcement of the District's Fire Code; and

WHEREAS, the Avila Beach Community Services District proposes to make certain changes in the requirements of the 2016 California Fire Code which are more restrictive than State law and will affect all occupancies within the District; and

WHEREAS, California Health and Safety Code Section 17958.5 requires the District to make express findings that due to local climatic, geological, or topographical conditions that modifications and changes to the current California Building Code are reasonably necessary to provide sufficient and effective protection of life, health, and property before adopting such changes, and Section 17958.7 requires that such findings be filed with the California Building Standards Commission.; and

WHEREAS, the latest edition of the California Building Standards Code was published and adopted this year and has the force of law beginning January 1, 2017 and any local additions, amendments and deletions must then be incorporated; and

WHEREAS, this ordinance will adopt and amend the 2016 California Fire Code including annual supplements and State amendments and errata; and

NOW THEREFORE, the Board of Directors of the Avila Beach Community Services District ordains as follows:

SECTION 1

- A. **General:** Pursuant to Health and Safety Code §17958.5, the Avila Beach Community Services District hereby finds that due to local climatic, geologic and topographic conditions as stated in this section, that modifications and amendments, as identified in this Ordinance to the current California Building Standards Code (including the California Fire Code) are reasonably necessary to provide sufficient and effective protection of life, health and property.

B. **Climatic:** The hot, dry weather in combination with Santa Lucia winds frequently results in wildland fires in areas of the County of San Luis Obispo. These conditions create an environment where the entirety of local fire department personnel is required to control, monitor, fight and protect against such fire situations in an effort to protect life and preserve property. The same climatic conditions may result in the concurrent occurrence of one or more fires in the more populated areas of the County without adequate fire department personnel to protect against and control such a situation. During such periods, limited fire-fighting resources support the imposition of greater fire-protection requirements than set forth in the 2013 California Fire Code.

C. **Geological:** The County of San Luis Obispo is in an area of high seismic risk. Four active faults are within the county, each capable of generating large, damaging earthquakes. These faults are: the San Andreas Fault, which trends northwest-southeast near the eastern boundary of San Luis Obispo County; the San Simeon Fault, which is part of the larger Hosgri Fault Zone and parallels the coastline in the northern part of San Luis Obispo County; the Los Osos Fault, which parallels the Los Osos Valley a few miles southwest of the city of San Luis Obispo; and the Oceanic Fault, which runs from the city of San Luis Obispo northwest toward the community of Cambria, and was the fault responsible for the Magnitude 6.5 San Simeon earthquake that affected the region in December 2003. In addition, there are several potentially active faults within the county, including the Rinconada Fault, the Huasna Fault, and the Nacimiento Fault Zone. These faults could also produce large earthquakes.

Earthquakes from these faults could produce primary effects such as strong ground shaking or ground rupture, and secondary effects such as liquefaction and landslides. These primary and secondary effects pose a significant hazard to the county's building stock and infrastructure, and to public health and safety. These hazards include strong shaking causing collapse of vulnerable buildings and bridges, ground rupture affecting roads and highways, and liquefaction damaging buildings, pipelines (water, gas, sewage), marine facilities (docks, jetties), railroads, and airports. Fire from broken gas lines and the lack of water from broken water lines could result in major damage. Landslides caused by strong shaking, possibly in combination with wet weather conditions, could block highways and railroads, thereby isolating parts of the county and affecting emergency response. Earthquake-induced landslides could also produce rockfalls that could strike and damage buildings and vehicles. Tsunamis could inundate the coastline. The protection of human life and the preservation of property in the event of such an occurrence support the imposition of fire protection requirements greater than set forth in the 2013 California Fire Code.

D. **Topographical:** The County of San Luis Obispo has rural areas that are in very high fire hazard areas. Due to varied topography, access to structures in rural areas increases response time and delays fire suppression efforts. An extended

response time will allow fires to grow beyond the control of initial attack fire suppression resources. Large structure fires in the hillside areas will have a greater likelihood of starting a wildland fire, which may expose additional structures to fire. The above described problems support the imposition of built-in fire protection requirements greater than those set forth in the 2013 California Fire Code.

SECTION 2 Chapter 15.08 of the District’s Fire Code is Amended and Restated as follows:

Chapter 15.08
Fire Control Regulations

Sections:

15.08.010	Scope
15.08.020	Nationally recognized standards
15.08.030	Adoption of the California Fire Code by reference
15.08.050	Definitions
15.08.060	Authority to Inspect
15.08.070	Amendments made in the California Fire Code
15.08.080	Fire Hazards/Weed and Waste Matter Abatement

Title 15 HEALTH AND SAFETY

Chapter 15.08 FIRE CONTROL REGULATIONS

15.08.010 Scope.

An Ordinance of the Avila Beach Community Services District amending and restating the District’s Fire Code including adopting the 2016 edition of the California Fire Code with amendments, regulating and governing the safeguarding of life and property from fire and explosion hazards arising from the storage, handling and use of hazardous substances, materials and devices, and from conditions hazardous to life or property in the occupancy of buildings and premises in the Avila Beach Community Services District (“District”) providing for the issuance of permits and collection of fees.

15.08.020 Nationally recognized standards.

Where no applicable standards or requirements are set out in this code, or contained within other laws, codes, regulations, ordinances or bylaws adopted by the District, compliance with applicable standards of the National Fire Protection Association or other nationally recognized fire-safety standards as approved by the fire chief shall be deemed prima facie evidence of compliance with the intent of this code.

15.08.030 Adoption of the 2016 California Fire Code by Reference.

Except as amended by Sections 15.08.050 through 15.08.080 (below) the Avila Beach Community Services District adopts by reference the 2016 Fire Code including Appendix Chapter 4 and Appendices B, BB, C, CC F, H, I and K are adopted by reference into this Chapter. All other Appendices to the 2016 Fire Code are expressly not adopted. Title 15 of the Avila Beach Community Service District Regulations is hereby amended and restated accordingly. All annual supplements and State Amendments and Errata to the 2016 California Fire Code, that are not inconsistent with this Ordinance, are incorporated herein by reference.

15.08.050 Definitions

- A. District Fire Chief, Fire Chief or Chief Fire Official means the California Department of Forestry and Fire Protection/San Luis Obispo County Fire Chief.
- B. The District Fire Department means the California Department of Forestry and Fire Protection and employees, apparatus, materials and equipment assigned to it by the District and the California Department of Forestry and Fire Protection pursuant to contract.
- C. Property Owner means the owner of property whose name and address appears on the latest equalized County assessment roll.
- D. Governing Body or Appointing Authority means the District Board of Directors.
- E. Jurisdiction means the boundary of the Avila Beach Community Services District.

15.08.060 Authority to Inspect

Employees of the District Fire Department are authorized to enter upon any property or premises to ascertain whether the provisions of the Fire Code are being violated, and to make any examinations, inspections and surveys as may be necessary in the performance of their enforcement duties. Examinations may include the taking of photographs, samples or other physical evidence. All inspections, entries, examinations and surveys shall be done in a reasonable manner. If an owner, occupant or agent refuses permission to enter or inspect, the Fire Code Official may seek an administrative inspection warrant pursuant to the procedures provided for in California Code of Civil Procedure Section 1822.50 through 1822.59.

15.08.070 Amendments made in the California Fire Code.

The California Fire Code, 2016 Edition, is amended, changed and incorporated into the District's Fire Code as follows:

Amendment No. 1

Section 101.1 "Title", is amended to read as follows:

101.1 Title. These regulations, including Sections 15.08.010 through 15.08.070, shall be known as the *Fire Code* of the Avila Beach Community Services District, and may be cited as Avila Beach Community Services District Fire Code, ABCSD Fire Code, or the District Fire Code, hereinafter referred to as "this code" or the District's Fire Code.

Amendment No. 2

Section 103. "Department of Fire Prevention" is amended by addition thereto as follows:

- A. The California Department of Forestry and Fire Protection/San Luis Obispo County Fire Chief is:
- 1 The Chief Fire Official and is charged with the enforcement and administration of the District Fire Code.
 - 2 The Board of Directors' authorized representative to appoint Fire Code Official(s).
 - 3 The Board of Directors' authorized representative to appoint member of the California Department of Forestry and Fire Protection with the authority of peace officers or public officers pursuant to California Penal Code sections 830.2(g), 830.7(d) and 836.5(a) in performing their duties under the California Fire Code.
- B. The Fire Chief is authorized to make necessary and reasonable policies and procedures that are consistent with the provisions of this Fire Code to aid in its implementation.

Amendment No. 3

Section 105.3.3 "Occupancy Prohibited Before Approval" is amended to read as follows:

105.3.3 Occupancy and use prohibited before approval. The building or structure shall not be occupied prior to the fire code official issuing a permit that indicates that applicable provisions of this code have been met. No appliance, device, equipment, or system shall be operated or used until the installation has been approved and permitted by the fire code official and all applicable provisions of this code have been met. It shall be the duty of the permit applicant or contractor or both to cause the work to remain accessible and exposed for inspection purposes.

Amendment No. 4

Section 108.1 "Board of Appeals Established" is amended to read as follows:

108.1 Board of Appeals Established. In order to hear and decide appeals of orders, decisions or determination made by the Fire Code Official relative to the application and interpretation of this Fire Code, there shall be and is hereby created a Board of Appeals. Until such time as the District Board of Directors appoints members to the Board of Appeals, the Board of Appeals shall be the Board of Appeals appointed by the County of San Luis Obispo. The rules of procedure for conducting the business of the Board of Appeals shall be those procedures established by the County of San Luis Obispo. The District Manager shall provide staff services for the Board of Appeals. The Board of Appeals shall render all decisions and findings in writing to the appellant with a duplicate copy to the Fire Code Official. The fee for appeals shall be consistent with the fees established by the District Board of Directors.

Amendment No. 5

Section 109 "violations" is amended to read as follows:

109.1 Unlawful acts. It shall be unlawful for a person, firm or corporation to

1. Erect, construct, alter, repair, remove, demolish or utilize a building, occupancy, premises or system regulated by this Fire Code, or cause same to be done, in conflict with or in violation of any of the provisions of this Fire Code. To violate any provision or to fail to comply with any of the requirements of this Fire Code.
2. To cause, aid, abet, or conceal the fact of a violation of this Fire Code.

109.3 Notice of violation. When the Fire Code Official finds a violation referenced in Paragraphs A (1), (2), or (3), above, the Fire Code Official is authorized to prepare a written notice of violation describing the violation and, when compliance is not immediate, specifying a time for re-inspection.

109.3.1 Service. A notice of violation issued pursuant to this Fire Code shall be served upon the Property Owner, operator, occupant or the person responsible for the condition or violation, either by personal service, mail or delivering the same to, and leaving it with, some person of responsibility upon the premises. For unattended or abandoned locations, a copy the such notice of violation shall be posted on the premises in a conspicuous place at or near the entrance to such premises and the notice shall be mailed by certified mail with return receipt requested or a certificate of mailing, to the last known address of the Property Owner, occupant or both.

109.3.2 Compliance with orders and notices. A notice of violation issued or served as provided by this Fire Code shall be complied with by the Property Owner, operator, occupant or other person responsible for the condition or violation to which the notice of violation pertains.

109.3.3 Prosecution of violation. If the notice of violation is not complied with promptly, the Fire Code Official is authorized to request District Legal Counsel to institute the appropriate legal proceedings at law or in equity to restrain, correct, or abate such violation or to require removal or termination of the unlawful occupancy of the structure in violation of the provisions of this Fire Code or of the order or direction made pursuant hereto.

109.3.4 Unauthorized tampering. Signs, tags or seals posted or affixed by the Fire Code Official shall not be mutilated, destroyed or tampered with or removed without authorization from the Fire Code Official.

109.4 Violation penalties. Persons (as defined in Chapter 2) who shall violate a provision of this Fire Code or shall fail to comply with any of the requirements thereof or who shall erect, install, alter, repair or do work in violation of the approved construction documents or directive of the Fire Code Official, or of a permit or certificate used under provisions of this Fire Code, shall be guilty of a misdemeanor except for those specifically declared by the Fire Code to be an infraction. Notwithstanding any other provision of the Fire Code, any misdemeanor violation or failure to comply may, in the discretion of the District Legal Counsel or the Fire Code Official, be initially charged or subsequently prosecuted as an infraction. Each and every infraction violation is punishable by a fine not exceeding one hundred (\$100) dollars for a first violation; a fine not exceeding two hundred (\$200) dollars for a second violation of the Fire Code within one (1) year; and a fine not exceeding five hundred (\$500) dollars for a third violation of the Fire Code within one (1) year. Each and every misdemeanor violation is punishable by a fine not exceeding one thousand (\$1,000) dollars, or by imprisonment in the county jail for a period not exceeding six (6) months, or by both such fine and imprisonment.

109.4.1 Abatement of violation. In addition to the imposition of the penalties herein described, the Fire Code Official is authorized to institute appropriate action to prevent unlawful construction or to restrain, correct or abate a violation; or to prevent illegal occupancy of a structure or premises; or to stop an illegal act, conduct of business or occupancy of a structure on or about any premises.

109.4.1.2 Continuing violations. The imposition of one (1) penalty for any violation shall not excuse the violation or permit it to continue.

109.4.1.3 Separate offense. For each and every day, unless stated elsewhere, during any portion of which any violation of any provisions of this Fire Code is committed, continued, or permitted by such person (including firms or corporations) shall be a separate offense and

punishable accordingly.

109.5 Public Nuisance. Enforcement by Civil Action. In addition to the penalties provided in the Fire Code, any condition caused or permitted to exist in violation of any of the provisions of the Fire Code shall be deemed a public nuisance and may be abated as such, and every day such condition continues shall be regarded as a new and separate offense.

109.5.1 Injunctive Relief. The Fire Code may also be enforced by injunction issued by the Superior Court upon the suit of the District. This method of enforcement shall be cumulative and in no way affect the penal provisions hereof.

109.5.2 Fees, Charges, Fines and Penalties. The amount of any fee, service charge, fine or penalty of any nature whatsoever imposed by any provision of this Fire Code shall be deemed a civil debt owing to the District, County or Court. An action may be commenced in the name of the District in any court of competent jurisdiction for the collection of the amount of any such delinquent or unpaid fee, service charge, fine or penalty together with any penalties applicable thereto as prescribed by this Fire Code.

109.5.3 Collection of Fees, Charges, Fines and Penalties with Taxes. The Board of Directors hereby adopts the procedures for the collection of delinquent rates, charges, fines, penalties and fees established in Government Code Sections 61115(c) and (d) or any successor statutes. The General Manager or his/her designee is authorized to record a certificate specifying the amount of any such charges, fines, and fees and the name and address of the persons liable therefore, sixty (60) days after the payment becomes delinquent, pursuant to Government Code Section 61115(c).

109.5.4 Remedies Cumulative. Enforcement of the provisions of this Fire Code and remedies for collection of various fees, charges, fines and penalties are cumulative and may be pursued alternatively or consecutively by the District. The District's use of any one of the remedies, legal actions or enforcement actions prescribed herein shall not bar the use of any other remedy, legal action or enforcement procedures provided by the Fire Code or by law for the purpose of enforcing the provisions hereof.

Amendment No. 6

Section 111 "Stop Work Order" is amended to read as follows:

111.4 Failure to comply. Any person who shall continue any work after having been served with a stop work order, except such work as that person is directed to perform to remove a violation or unsafe condition, shall be subject to the criminal sanctions set forth in Health and Safety Code Section 13871.s.

Amendment No. 7

Section 202, "General Definitions" the definition of "Alteration" is amended to read as follows:

Alteration. Any change or renovation to an existing structure other than a repair or addition. Alterations include but are not limited to the addition or elimination of walls within the existing building envelope. Alteration also includes modifications to the structure which involve complete removal and replacement of wall board within any room.

Amendment No. 8

Section 202, "General Definitions" the definition of "Floor Area, Gross", is amended by addition thereto as follows:

Floor Area Gross. For the purpose of calculating square footage for the application of fire sprinkler requirements and fire flow requirements, the floor area shall include all combustible areas attached to the structure, including garages, patio covers, overhangs and, covered walkways. Alterations and/or remodel square footage will be considered a combined and cumulative sum of floor area.

Amendment No. 9

Section 302.1, "Definitions", is amended to add the following definition:

Sky Lantern. An airborne lantern typically made of paper with a wood frame containing a candle, fuel cell composed of waxy flammable material or other open flame which serves as a heat source to heat the air inside the lantern to cause it to lift into the air. Sky candles, fire balloons and airborne paper lanterns mean the same as sky lanterns.

Amendment No. 10

Section 308.1.6.3 is added to read as follows:

308.1.6.3 Sky lanterns. The ignition and launching of sky lanterns is prohibited.

Exceptions: Upon approval of the fire code official, sky lanterns may be used under the following conditions:

- (a) When necessary for religious or cultural ceremonies and adequate safeguards have been taken in the discretion of the fire code official.

(b) Sky Lanterns shall be tethered in a safe manner to prevent them from leaving the area and must be constantly attended until extinguished.

Amendment No. 11

Section 403 Public Assemblages and Events is amended by addition thereto to read as follows:

403.2.2 Procedures. Prior to Fire Department Review, proposed event area must first complete all requirements pursuant to Title 22, the San Luis Obispo County Land Use Ordinance. This includes receiving any necessary land use permit approval and issuance of construction and Conditional Use Permit requirements.

A fire safety review is required to ensure public safety in a place of assembly, or any other place where people congregate, including but not limited to; amusement buildings, carnivals and fairs, exhibits and trade shows, open burning, flames and torches, candles, places of assembly, temporary membranes structures and tents, pyrotechnics and special effects, live audiences and any event with public attendance over 250.

A written plan must be submitted to the fire code official 30 days prior to the event. Written submittal requirements will be in accordance with Section 404 Fire Safety and evacuation plans. A field inspection verifying compliance of fire and life safety conditions must be conducted prior to public occupancy of the event. If modifications or additions to the event areas are made, an updated permit & inspection must be completed.

All other provisions of section 403 remain unchanged without amendment.

Exception: A and E Occupancies

Amendment No. 12

Section 405.7 "Initiation" is amended to read as follows:

405.7 Initiation. Where a fire alarm system is provided, emergency evacuation drills shall be initiated by activating the fire alarm system. Prior to initiating an alarm, the person initiating the alarm shall contact the fire alarm monitoring company and advise the company's dispatcher of the fire drill. In cases where the fire alarm system is not monitored by a central station, notification shall be provided to the fire department dispatch center.

Amendment No. 13

Section 503.1.2 "Additional Access" is amended by addition, thereto as follows:

503.1.2.1 Maximum Dead-end Road Lengths. The maximum length of dead-end road, including all dead-end roads accessed from that dead-end road, shall not exceed 500 feet.

Amendment No. 14

Section 503.2 “Specifications” is amended by addition there to as follows:

503.2.7 Grade. The grade for all roads, streets, private lands and driveways shall not exceed 16 percent unless approved by fire code official. Design criteria shall be in accordance with San Luis Obispo County Public Works public improvement standards. Roads 12%-16% shall be a nonskid asphalt or concrete surface as specified in San Luis Obispo County Standard Specifications and Improvement Drawings.

503.2.9 Driveway. Driveway specifications shall be provided and maintained when serving no more than one legal parcel or lot with no more than 3 dwelling units, and any number of accessory buildings.

503.2.9.1 Driveway. Width for high and very high fire severity zones:

Driveway Length	Required width
0-49 feet	10 feet is required
50-199 feet	12 feet is required
Greater than 200 feet	16 feet is required

503.2.9.2 Turnarounds. Turnarounds must be provided if driveway exceeds 300 feet, and shall be within 50 feet of the building. For driveways exceeding 300 feet, a turn-around shall be at the building site and must be within 50 feet of the dwelling. For driveways exceeding 800 feet, turnouts shall be provided no more than 400 feet apart. Driveways exceeding 150 feet in length, but less than 800 feet in length, shall provide a turnout near the midpoint of the driveway.

503.2.9.3 Turnouts. A turnout shall be provided near the midpoint and shall be a minimum of 10 feet wide and 30 feet long with a minimum 25 foot taper on each end.

503.9.4 Fuel Breaks. The Chief or his/her designee is authorized to cause an area within 10 feet on each side of the driveway to be cleared of flammable vegetation and other combustible growth. The Chief or his/her designee is authorized to enter upon private property to do so.

Exception: Single specimens of trees, ornamental shrubbery, or cumulative groundcover such as green grass, ivy, succulents or similar plants used as groundcover provided they do not form a means of readily transmitting fire.

Amendment No. 15

Section 503.4 “Obstruction of Fire Apparatus Access Roads is amended to read as follows:

503.4 Obstruction of Fire Apparatus Access Roads Fire apparatus access roads shall not be obstructed in any manner, including the parking of vehicles. Minimum required widths and clearances established under Section 503.2.1 shall be maintained at all times.

503.4.2 Authority to Remove Obstruction. The Fire Code Official and his authorized representatives shall have the power and authority to remove or cause to be removed, without notice, any vehicle or object parked or placed in violation of the California Fire Code and California Vehicle Code 22651. The owner of any item so removed shall be responsible for all towing, storage and other charges incurred.

Amendment No. 16

Section 504.3 Stairway access to roof is amended by addition thereto to read as follows:

504.3 Stairway access to roof. New buildings two or more stories above grade plane, except those with a roof slope greater than four units vertical in 12 units horizontal (33.3-percent slope), shall be provided with a stairway to the roof or other access to the roof for emergency personnel approved by the fire code official. Stairway access to the roof shall be in accordance with Section 1009. Such stairway or other approved access shall be marked at street and floor levels with a sign indicating that the stairway or access continues to the roof. Where roofs are used for roof gardens or for other purposes, stairways shall be provided as required for such occupancy classification.

Amendment No. 17

Section Section 505 “Premises Identification” is amended to read as follows:

505.1 Address Identification. New and existing buildings shall have approved address numbers, building numbers or approved building identification placed in a position that is plainly legible and visible from the street or road fronting the property. Where required by the fire code official, address numbers shall be approved in additional approved locations to facilitate emergency response. These numbers shall contrast with their background. Address numbers shall be Arabic numerals or

alphabet letters. Numbers shall be a minimum of Residential 6 inches, Commercial 8 inches, and Industrial 10 inches high with a minimum stroke width of 0.5 inch (12.7mm)

505.1.1 Directories. Where access is by means of a private road and the building cannot be viewed from the public way, a monument, pole or other sign or means shall be used to identify the structure. Address numbers shall be maintained. When required by the fire code official, complexes with multiple buildings may be required to provide directories, premises maps and directional signs. The scale, design and location of directory signs shall be approved by the fire code official and may be required to be illuminated.

Amendment No 18

Section 603 “Fuel-Fired Appliances” is amended to read as follows:

603.1.4 Fuel Oil. The grade of fuel oil used in a burner shall be that for which the burner is approved and as stipulated by the burner manufacturer. Oil containing gasoline shall not be used.

603.9 Gas meters. Above-ground gas meters, regulators and piping subject to damage shall be protected by a barrier complying with Section 312 or otherwise protected in an approved manner. Gas meters shall be permanently marked and identified as to the building or system served.

Amendment No. 19

Section 606.8 “Refrigerant Detector” is amended to read as follows:

606.8 Refrigerant Detector. Machinery rooms shall contain a refrigerant detector with an audible and visual alarm. The detector, or a sampling tube that draws air to the detector, shall be located in an area where refrigerant from a leak will concentrate. The alarm shall be actuated at a value not greater than the corresponding TLV-TWA values shown in the California Mechanical Code for the refrigerant classification. Detectors and alarms shall be placed in approved locations. In addition, emergency shutoff shall also be automatically activated when the concentration of refrigerant vapor exceeds 25 percent of LFL (Lethal Flammable Limits).

Amendment No. 20

Section 901.4 “Non required Fire Protection Systems” is amended to read as follows:

901.4.2 Non-required fire protection systems. Any fire protection system or portion thereof not required by this code or the California Building Code may be allowed, when approved by the fire code official, to be furnished for partial or complete protection provided such installed system meets the requirements of this code, NFPA standards, and the California Building Code.

Exception: An automatic fire sprinkler system shall not be permitted unless a complete system.

Amendment No 21

Section 903 “Automatic Sprinkler System” is amended by deletion of 903.2 through 903.2.11.3 Amend sections 903.2 by addition thereto to read as follows:

903.2 Where required. An approved automatic fire sprinkler system shall be installed:

Table 903.1 – Automatic Fire Sprinkler System Requirements for NEW CONSTRUCTION

STRUCTURE TYPE	SPRINKLERS REQUIRED ⁵	DESCRIPTION	SQUARE FOOTAGE ¹		REQUIREMENTS	EXCEPTIONS	EXAMPLES	MIN. DISTANCE BETWEEN STRUCTURES AND PROPERTY LINES(PL)
			MIN	MAX				
New Construction	Yes	New buildings including mobile homes and commercial coaches ¹	0		Throughout new buildings	See Footnote ^{3,4}	All new construction and dwellings	Per CBC, CRC
Residential Accessory Structure	Yes	Accessory structures as defined in CRC	1,000	3,000	No heating or cooling No living or sleeping spaces	See Footnote ²	One story garage, workshop, studio, residential storage bldg	50 feet from PL, 30 feet from other structures
Agricultural Accessory Structure	Yes	Accessory to agricultural operation, livestock, crops. Agricultural operations in accordance with AG LUO & CBC definition	3,000	5,000	Primary usage must be 75% livestock or crops (affidavit required)	See Footnote ²	One story barn or stables	100 feet from PL, 50 feet from other structures
Pole barn, Covered arena, Greenhouse	No	One story hay storage, covered riding arena, greenhouses	Unlimited if 60 feet on all sides per CBC		No employees, no public attendance and open on two or more sides	None	See description	100 feet from PL, 50 feet from other structures
Agricultural Exempt (no permit required)	No	LUO Ag Exempt & signed affidavit	0	3,000	Per Ag Exempt agreement (affidavit required)	See Title 19	Ag-Barn on Ag zoned land over 20 acres	100 feet from PL, 50 feet from other structures

References:

CRC: California Residential Code | **CFC:** California Fire Code | **CBC:** California Building Code | **LUO:** Land Use Ordinance (San Luis Obispo County)

Footnotes:

- ¹ For the purpose of calculating square footage for the application of fire sprinkler requirements and fire flow requirements, the floor area shall include all combustible areas attached to the structure, including garages, patio covers, overhangs over 2 feet, covered walkways and decks.
- ² Structures over the minimum square footage must meet **all of the above** table requirements **and all of the following requirements:**
 - no conditioned or habitable space, ▪ no second stories (lofts 1/3 the floor area and open to below are allowed), ▪ minimum two exits including one pedestrian door (side hinge swinging door), ▪ workshops or offices limited to 10% of floor area, ▪ dedicated fire water storage minimum of 5,000 gallons steel tank in full compliance with NFPA 1142(see fire safety plan) if there is no community provided fire hydrant within 500 ft., ▪ structure complies with the California Wildland Urban-Interface Ignition Resistant Construction Requirements, ▪ heat detectors installed in accordance with CBC linked to an audible bell mounted in the exterior of the structure. ▪ Cannot be used as a place of employment or for public assemblage/events. ▪ Cannot be used as a commercial building.
- ³ A single-story building or commercial coach where floor area does not exceed 1000 square feet and the occupancy is not a Group A, E Daycare, F1 Woodworking, R, Group H, Group I occupancy or any occupancy where cellulose nitrate film, pyroxylin plastics or any hazardous materials manufactured, stored or handled in quantities in excess of Tables in CBC, CFC or within Los Osos CSD and the fire flow from a hydrant is less than 750gpm at 20psi.
- ⁴ Mobile/manufactured or factory built homes or commercial coaches constructed or altered on or before March 12, 2011 which were not manufactured with automatic fire sprinklers.
- ⁵ Automatic Fire Sprinklers installed at exterior locations shall be approved corrosion resistant devices when environmental or operational conditions warrant.
- ⁶ Any residential structure shall have spare sprinkler heads and an exterior audible alarm

Table 903.2 – Automatic Fire Sprinkler System Requirements for EXISTING CONSTRUCTION

OCCUPANCY OR STRUCTURAL MODIFICATION TYPE	SPRINKLERS REQUIRED ³	DESCRIPTION	SQUARE FOOTAGE ¹	REQUIREMENTS	EXCEPTIONS	EXAMPLES
Alterations ¹	Yes, if...	Alteration includes modifications to the structure which involve complete removal and replacement of wall board within any room	50% of existing floor area ¹	Alterations, additions and remodel square footage will be considered a combined and cumulative sum of floor area	Repairs ⁵ and Footnote ²	Interior remodels, Rehabilitation
Additions ¹	Yes, if...	Additions cumulative from January 01, 2008 regardless of any change of ownership	1,000 sf or 50% of floor area ¹	Alterations, additions and remodel square footage will be considered a combined and cumulative sum of floor area	none	Any addition
Additional Stories	Yes	Adding an additional story	Any	Attic/basement conversions over 1,000 sq.ft.	See Footnote ⁴	Adding/convertng any habitable space above or below an existing structure
Sprinklered Buildings	Yes	Any occupancy	Any	Partially sprinklered structures not allowed	None	Any sprinklered building
Occupancy Classification Change	Yes	Change results in higher hazard or as deemed necessary by fire code official	Any	Hazard classification rating per Title 19 Table 3408.1.2	None	Detached garage, workshop or barn converted to conditioned space, guest house or commercial use
Hazardous Materials Inside buildings	Yes	Cellulose nitrate film or pyroxylin plastics or any hazardous materials manufactured, stored or handled in quantities in excess of Tables in CBC, CFC	Any	Building and any portion of a building must also include requirements as listed in CFC Chapter 5005.4	None	Any occupancy

References:

CRC: California Residential Code | **CFC:** California Fire Code | **CBC:** California Building Code

Footnotes:

- ¹ For the purpose of calculating square footage for the application of fire sprinkler requirements and fire flow requirements, the floor area shall include all combustible areas attached to the structure, including garages, patio covers, overhangs over 2 feet, and covered walkways and decks.
 - ² Alterations limited to only one of the following: replacement of exterior coverings and windows, roofing, electrical services, sewer laterals, retaining walls, or routine plumbing, electrical and mechanical repairs.
 - ³ Automatic Fire Sprinklers installed at exterior locations shall be approved corrosion resistant devices when environmental conditions warrant.
 - ⁴ A loft open to the floor below and no more than one third of the floor area of the room below is allowed to be added without triggering sprinklers.
 - ⁵ REPAIR is the reconstruction or renewal for the purpose of maintenance. See 105.2.2 in Title 19.20.020 and the definition of alteration in the CBC.
- Mobile/manufactured or factory built homes or commercial coaches constructed or altered on or before March 12, 2011 which were not manufactured with automatic fire sprinklers are not subject to fire sprinkler requirements
- ⁶ Any residential structure shall have spare sprinkler heads and an exterior audible alarm

Amendment No 22

Section 903.3.6 “Hose Threads” is amended to read as follows:

903.3.6 Hose Threads. Fire hose threads used in connection with fire-extinguishing systems shall be national standard hose thread or as approved by the fire department.

Amendment No 23

Section 903.4 “Sprinkler System Supervision and Alarms” is amended to read as follows:

903.4 Sprinkler System Supervision and Alarms. All valves controlling the water supply for automatic sprinkler systems, pumps, tanks, water levels, and temperatures, critical air pressures and water-flow switches on all sprinkler systems shall be electrically monitored for integrity and to ensure valves are locked in the open position, by a central station listed by Underwriters Laboratories for receiving fire alarms.

Exceptions:

- 1) Automatic sprinkler systems protecting one and two-family dwellings.
- 2) Limited area sprinklers in accordance with Section 903.3.8 serving fewer than 20 sprinklers.
- 3) Automatic sprinkler systems installed in accordance with NFPA 13R where a common supply main is used to supply both domestic water and the automatic sprinkler system, and a separate shutoff valve for the automatic sprinkler system is not provided.
- 4) Jockey pump control valves that are sealed or locked in the open position.
- 5) Control valves to commercial kitchen hoods, paint spray booths or dip tanks that are sealed or locked in the open position.
- 6) Valves controlling the fuel supply to a fire pump engine that are sealed or locked in the open position.
- 7) Trim valves to pressure switches in dry, pre-action and deluge sprinkler systems that are sealed or locked in the open position.

Amendment No 24

Section 904.11 “Manual System Operation” is amended by addition thereto as follows:

904.11.1. Manual System Operation Training. It shall be the responsibility of the business owner to ensure that all employees are knowledgeable in the use of manually operated or activated fire-extinguishing systems within the occupancy.

Amendment No. 25

Section 905.3 “required installations Standpipe Systems” is amended to read as follows:

905.3.1 Building height and area. Class III standpipe systems shall be installed throughout buildings where the floor level of the highest story is located more than 30 feet (9144 mm) above the lowest level of the fire department vehicle access, or where the floor level of the lowest story is located more than 30 feet (9144 mm) below the highest level of fire department vehicle access and in any parking structure.

A building that is greater than 20,000 square feet (1.858 m²) of floor area and greater than 18 feet (5.49 m) in height shall have a dry or wet standpipe system with a 2 ½ inch (64 mm) outlet at the roof near the roof access. Location of the outlet and the fire department connection to the standpipe shall be labeled and approved by the fire code official.

Amendment No.26

Section 907.1 “Fire alarm and detection systems General is amended to read as follows:

This section covers the application, installation, performance and maintenance fire alarm systems and their components in new and existing buildings and structures. All new commercial building shall be installed with fire alarm Systems. The requirements of Section 907.2 are applicable to new buildings and structures. The requirements of Section 907.9 are applicable to existing buildings and structures.

Amendment No. 27

Amend Section 907.7.5 "Fire Alarm and Detection System" to read as follows:

907.7.5 Monitoring. Fire alarm systems required by this chapter or by the California Building Code shall be monitored by an approved central station service listed by Underwriters Laboratory for receiving fire alarms in accordance with NFPA 72. The central station shall contact and notify the fire dispatch center immediately on notification of an alarm and prior to making contact with the protected premises.

Exception: Supervisory service is not required for:

1. Single- and multi-station smoke alarms required by Section 907.2.11.
2. Group I-3 occupancies shall be monitored in accordance with Section 907.2.6.3.4.
3. Automatic sprinkler systems in one- and two-family dwellings

Amendment No. 28

2306.2 Method of storage. Approved methods of storage for Class I, II, and III liquid fuels at motor fuel-dispensing facilities shall be in accordance with Sections 2306.2.1 through 2306.2.5.

A. Amend Section 2306.2.3 to read as follows:

2306.2.3 Above-ground tanks located outside, above grade. Above-ground tanks shall not be used for the storage and dispensing of Class I, II, or III liquid motor fuels except when approved by the fire code official and in accordance with this Section, Section 5704.2.7 and Sections 5704.2.9.6 through 5704.2.9.6.3 and the stored fuels will not offered for resale.

1. Aboveground tanks used for outside, above-grade storage of Class I liquids shall be listed and labeled as protected above-ground tanks in accordance with UL2085 and shall be in accordance with Chapter 57. Such tanks shall be located in accordance with Table 2306.2.3.
2. Above-ground tanks used for outside, above-grade storage of Class II or IIIA liquids shall be listed and labeled as protected above-ground tanks in accordance with UL2085 and shall be installed in accordance with Chapter 57. Tank locations shall be in accordance with Table 2306.2.3.
3. Tanks containing fuels shall not exceed 8,000 gallons (30 274 L) in individual capacity or 16,000 gallons (60 549 L) in aggregate capacity. Installations with the maximum allowable aggregate capacity shall be

separated from other such installations by not less than 100 feet (30 480 mm).

4. Tanks located at farms, construction projects, or rural areas shall comply with Section 5706.2.
5. Above-ground tanks used for outside storage of Class IIIB liquid motor fuel shall be listed and labeled in accordance with UL 142 or shall be listed and labeled as protected above-ground tanks in accordance with UL 2085 and shall be installed in accordance with Chapter 57. Tank locations shall be in accordance with Table 2306.2.3.

Amendment No. 29

Section 5804.3 “outdoor storage” is amended to read as follows:

5804.3 Outdoor storage. Storage of flammable cryogenic fluids in stationary containers outside of buildings is prohibited, except when approved by the fire code official. Where outdoor storage of cryogenic fluids is allowed, containers of cryogenic fluids shall not be located within diked areas containing other hazardous materials and shall be in accordance with Sections 3204.3.1 through 3204.3.1.2.3.

Amendment No. 30

Section 5609 “Reserved” is amended to read as follows:

5609.1 Fireworks prohibited. The manufacturing, possession, storage sale, use and handling of fireworks, including without limitation, “Safe and Sane” fireworks, is prohibited.

Exceptions:

1. Use and handling of fireworks for professional display in accordance with Title 19, California Code of Regulations, Chapter 6 and a District Board resolution approving the public display.

5609.2 Seizure of Fireworks. The fire code official shall have the authority to seize, take and remove fireworks stored, sold, offered for sale, used or handled in violation of the provisions of Title 19, California Code of Regulations, Chapter 6 and California Health and Safety Code, Chapter 9.

Amendment No. 31

Section 5704 “Location of Containers” is amended to read as follows:

5704.2.9.6 Above-ground tanks outside of buildings. Protected above-ground tanks outside of buildings shall comply with Sections 5704.2.9.6.1 through 5704.2.9.6.3 and Section 2306.2.3.

5704.2.9.6.1 Locations where above-ground tanks are prohibited. Storage of Class I, Class II, and Class III liquids in unprotected above-ground tanks outside of buildings is prohibited. Tanks containing fuels shall not exceed 8,000 gallon (30 274 L) in individual capacity or 16,000 gallons (60 549 L) in aggregate capacity. Installations with the maximum allowable aggregate capacity shall be separated from other such installations by not less than 100 feet (30 480 mm).

Amendment No. 32

Section 5706 “Special Operations” is amended to read as follows:

5706.2.4.4 Location where above-ground tanks are prohibited. Storage of Class I liquids in above ground tanks outside of buildings is prohibited. Class II and III liquids may be stored in approved above ground containers for the purpose of dispensing only at facilities where no sales to the public occur and comply with Section 3406.1. Above ground tanks containing Class II and Class III liquids shall not exceed 2,000 gallons. Plans for the installation of above ground tanks shall be submitted to the Fire Department for approval and in conformance with applicable codes and standards. When required, a Conditional Use Permit shall be secured.

Amendment No. 33

Section 6104 “Maximum Capacity within established limits” is amended by addition thereto as follows:

6104.2 Maximum capacity within established limits. The installation of any liquid petroleum gas tank over 500 gallons (1 892 L) water capacity is prohibited unless approved by the fire chief.

Amendment No. 34

Chapter 50, “Hazardous Materials-General Provisions”, is amended by addition thereto as follows:

If any provision of Chapter 50 as it pertains to Explosive Material is in conflict with San Luis Obispo County Code Chapter 6.32, the provisions of Chapter 6.32 shall control

Amendment No. 35

Chapter 56, "Explosives and Fireworks", is amended by addition thereto as follows:

If any provision of Chapter 56 conflicts with San Luis Obispo County Code Chapter 6.32, the provisions of Chapter 6.32 shall control.

Amendment No. 36

Section 4902 Definitions is amended to read as follows:

Wildland-Urban Interface Fire Area is a geographical area identified by the state as a "Fire Hazard Severity Zone" in accordance with Public Resources Code Sections 4201 through 4204 and Government Code Section 51175 through 51189, or other areas designated by the enforcing agency to be at a significant risk from wildfires. Areas within or in proximity to areas identified by the State as a "Fire Hazard Severity Zone" that pose a significant risk from wildfires will be considered by the Avila Beach Community Services District as a Wildland-Urban Interface Fire Area.

15.08.080 Fire Hazards/Weed and Waste Matter Abatement.

Section 15.08.80 is added to the Avila Beach Community Services District Fire Code as follows:

A. Introduction

Property Owners and affected properties are exempt where enforcement of this Chapter would result in the taking of endangered, rare, or threatened plant or animal species or will result in significant erosion and sedimentation of surface waters.

B. Weeds Constituting Fire Hazards.

1. All weeds which are described in paragraph B below, growing upon any property or in any public street, sidewalk, or alley which when exposed to the elements, endanger the public safety by creating a fire hazard, and/or impedes access to fire protection systems or facilities are declared by the District Board of Directors to be a public nuisance.
2. The term "weeds" includes:
 - a. Weeds which bear seeds of a downy or wingy nature; Sagebrush, chaparral, and any other brush or weeds which attain such large growth as to become, when dry, a fire menace to adjacent improved property;

- b. Weeds that are otherwise noxious or dangerous;
- c. Poison oak and poison ivy, when the conditions or growth are such as to constitute a menace to the public health;
- d. Dry grasses, stubble, brush, dead shrubs, dead trees, litter or other flammable material which endanger the public safety by creating a fire hazard.

C. Waste Matter Constituting a Fire Hazard.

Rubbish, litter and other flammable materials (collectively waste matter) which when exposed to the elements or which by reason of its location would hamper or interfere with the suppression or prevention of fire upon the premises, and/or endangers the public safety by creating a fire hazard, are declared by District Board of Directors to be a public nuisance

D. Authority of Fire Code Official.

The Fire Code Official is authorized to determine the existence of a public nuisance and to abate the public nuisance pursuant to paragraphs E and F, below.

E. Summary Abatement of Fire Hazards.

1. Pursuant to Government Code Section 61100(t) the provisions of Part 5 (commencing with Section 14875) Division 12 of the Health and Safety Code are incorporated herein by reference.
2. In the application of the provisions of Part 5 (commencing with Section 14875) Division 12 of the Health and Safety Code, to proceedings under this Section, the terms "Board of Directors" shall be deemed to be a "Board of Supervisors" and the District Fire Code Official or his/her designees shall be deemed to be the "persons" designated in Section 14890 of the Health and Safety Code.

F. Violations.

The Fire Code Official is authorized to use provisions of Section 109.3 of this Fire Code, as amended to abate public nuisance.

SECTION 3. Incorporation of Recitals.

The Recitals to this Ordinance are true and correct and are incorporated herein by this reference.

SECTION 4. Severability.

If any section, subsection, sentence, clause or phrase of this Ordinance and/or the Code Sections adopted by this Ordinance are for any reason held to be unconstitutional, ineffective or in any manner in conflict with the laws of the United States, or the State of California, such decision shall not affect the validity of the remaining portions of this Ordinance. The Governing Board of the District hereby declares that it would have passed this Ordinance and the Code Sections adopted by this Ordinance, and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsection, sentence, clause or phrase be declared unconstitutional, ineffective, or in any manner in conflict with the laws of the United States or the State of California.

SECTION 5. Effect of Headings in Ordinance.

Title, division, part, chapter, article, and section headings contained herein or in the various Codes adopted hereby do not in any manner affect the scope, meaning, or intent of the provisions of this Ordinance or the related Code Sections.

SECTION 6. CEQA

The District Board of Directors has considered the Amendment and Restatement of the District's Fire Code. The Board of Directors has, as a result of its consideration, the evidence presented at the hearings on said matter, and all comments that were received during the public hearing process, finds that the amendment and restatement of the District's Fire Code does not constitute a "project" under the California Environmental Quality Act ("CEQA") (Public Resources Code Section 21000 et seq.) or its implementing Guidelines (14 California Code of Regulations Section 15000 et seq.) ("CEQA Guidelines"). The Board of Directors finds that the adoption of this amendment and restatement of the District Fire Code, including amendments to the California Fire Code constitutes "general policy and procedure making" described in Section 15378(b)(2) of the CEQA Guidelines which are deemed not to be "projects". Even if the adoption of this amendment and restatement of the District Fire Code, including the amendments to the California Fire Code is a "project" for purposes of CEQA, the District Board finds that it is exempt from review pursuant to Section 15061(b)(3) which provides that an activity is not subject to CEQA review where it can be seen with certainty that there is no possibility that it may have a "significant effect on the environment." The District Board finds that it can be seen with certainty that there is no possibility that the adoption of the amendment and restatement of the District Fire Code, including the amendments to the California Fire Code may have a significant effect on the environment. The District General Manager is authorized to prepare, execute and file a notice of exemption pursuant to the above provisions.

SECTION 7. Inconsistency.

To the extent that the terms of provision of this Ordinance or the Code amendments adopted hereby, are inconsistent or conflict with the terms or conditions of any prior District Ordinance(s), Motions, Resolutions, Rules, or Regulations, governing the same subject matter thereof, then such inconsistent and conflicting provisions of prior Ordinances, Motions, Resolutions, Rules, and Regulations are hereby repealed.

SECTION 8.

Nothing within this Ordinance or the amendment and restatement of the District Fire Code shall be construed to affect any suit or proceeding impending in any court, or any rights acquired, or liability incurred, or any cause or causes of action acquired or existing, under any act or ordinance hereby repealed as cited in Section 7 of this Ordinance; nor shall any just or legal right or remedy of any character be lost, impaired or affected by this Ordinance.

SECTION 9. Publication.

The summary publication procedures authorized by Section 25124(b)(1) of the Government Code are hereby approved. The summary shall be prepared by the District Fire Chief or his/her designee.

SECTION 10. Effective Date.

This Ordinance shall take effect and be in full force and effect thirty (30) days after its passage. Before the expiration of the fifteenth (15th) day after passage it shall be published once with the names of the members of the Board of Directors voting for or against the Ordinance in a newspaper of general circulation within the District.

Introduced at a regular meeting of the Board of Directors held on November 12, 2013, and passed and adopted by the District Board of Directors on the 10th day of December, 2013, by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Pete Kelley, President of the Board of Directors
Avila Beach Community Services District

ATTEST:

Brad Hagemann
District General Manager and Secretary

APPROVED AS TO FORM:

District Legal Counsel

**AVILA BEACH COMMUNITY SERVICES DISTRICT
RESOLUTION No. 2016-11**

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE AVILA BEACH COMMUNITY SERVICES DISTRICT
REQUESTING THE SAN LUIS OBISPO COUNTY BOARD OF SUPERVISORS RATIFY
THE DISTRICT'S ADOPTION OF AN AMENDED 2016 EDITION OF THE CALIFORNIA FIRE CODE**

WHEREAS, on Tuesday November 8, 2016, the AVILA BEACH COMMUNITY SERVICES DISTRICT (herein "District") Board of Directors adopted Ordinance No. 2016-01 that adopted the 2016 Edition of the California Fire Code including Annual Supplements, State and Local Amendments, as part of the District's Fire Code.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE AVILA BEACH COMMUNITY SERVICES DISTRICT DOES HEREBY REQUEST THE SAN LUIS OBISPO BOARD OF SUPERVISORS:

1. To ratify the District adoption of the 2016 Edition of the California Fire Code including Annual Supplements, State and Local Amendments, as part of the District's Fire Code; and
2. File the District's Fire Code with the California Department of Housing and Community Development.

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

AYES:
NOES:
ABSENT:
CONFLICTS;

The foregoing Resolution is hereby passed, approved and adopted by the Board of Directors of the AVILA BEACH COMMUNITY SERVICES DISTRICT this 8th day of November, 2016.

Peter Kelley, President
AVILA BEACH COMMUNITY SERVICES DISTRICT

ATTEST:

Brad Hagemann,
Secretary to the Board of Directors

AVILA BEACH
COMMUNITY SERVICES DISTRICT

Post Office Box 309, Avila Beach, CA. 93424

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: November 8, 2016

SUBJECT: Capital Projects Status Report

Recommendation:
Receive and File

Discussion:

For ease of review, we have included a notation in brackets as to whether there has been significant progress to warrant a project summary update. If there have been no reportable changes we will indicate so in brackets.

WATER SYSTEM CIP'S

W-1: Water tank storage improvements – Budget: \$35,000 Spent to Date: \$12,000

Water in the District's large water storage tank periodically experiences nitrification that can lead to decreased disinfection residual in the water distribution system. Nitrification can be controlled by ensuring water in the tank is thoroughly mixed. The scope of this project includes "dropping" power to the tank from a nearby PG & E power pole and installing a tank mixing system. The District retained Electricraft to install the power drop and we are now waiting for PG & E to "energize" the system from their side. In addition, staff is studying a Mixing Evaluation Tech Memo prepared by Water Systems Consulting for the City of Arroyo Grande to help select a mixing system. Based on the results of the Tech Memo, the City purchased a "Solar Bee" in tank mixing system. City staff report that the mixing system is working well and recommends the system. Staff requested and obtained a quote from Solar Bee for the in-tank mixing system (attached). Staff is currently evaluating the quote and anticipates having this project completed around the end of the calendar year. Having power at the tank site will also help provide a more reliable signal for the SCADA system.

W-2: Water System Valve Replacement – Budget: \$75,000 Spent to Date: \$ 0

Water distribution line valves are being evaluated for replacement as we identify them during our routine valve exercising program and/or as we conduct normal operations in the system. The valve exercising program helps identify valves that no longer seal and/or are reaching their useful life. This year's budget should allow for the replacement of 3 – 5 valve clusters depending on the location, depth of valve and if they are in close proximity to each other. Staff is in the process of retaining Michael K. Nunley & Associates to prepare plans and specifications for bidding out the project.

In January 2015, the District identified a project to replace the valves that allow an emergency supply connection between San Miguelito Mutual, Port San Luis and the Avila Beach CSD. The District

retained Water Systems Consults Inc. to review the existing valve/meter configuration and provide a recommended design. WSC's prepared a Technical Memo and staff is coordinating the design recommendations with San Miguelito Mutual and the Port. With their input/concurrence staff will implement installation of the new valves.

W-3: Miscellaneous Water Line Replacements – Budget: \$25,000 Spent to Date: \$0

As with previous years, this project provides funding for upgrading older water distribution pipe and systems on as needed basis. To date we have not needed to spend any money on this project.

WASTEWATER SYSTEM CIP'S

WW-1: Recycled Water Study and Upgrade of WWTP – Budget: \$125,000 Spent to Date: \$5,500

In July 2015, the District retained Water Systems Consulting (WSC) to prepare a Grant Application for a Recycle Water Facilities Planning Study. The Study will evaluate potential recycled water alternatives and will be conducted in a 50/50 partnership with the San Manuelito Mutual Water Company. If the Grant is approved, the State Water Resources Control Board will reimburse the District for 50% of the cost of the study up to a maximum of \$75,000. The Grant application package was submitted to the State Board in November 2015 and formally approved in March 2016.

After some delays in getting the contract language approved between the District and WSC, a formal kick-off meeting was held on September 7th and the project is now well underway. The next major milestone will be in January 2017, when WSC completes the draft Project Alternatives Analysis.

WW – 2: Effluent Line Repair – Budget: \$40,000 Spent to Date: \$2,500

Scope of this project includes replacing two valves and re-routing the existing effluent line from underneath the primary clarifier building to around the building. FRM staff removed the asphalt and hydro excavated the piping and valves to assist with the design process. The District retained MBS Land Surveys to prepare a detailed topographic map of the treatment plant site and retained Michael K. Nunley Engineering to prepare a design Technical Memo that contractors can use to provide a quote for the project. In late September staff has solicited quotes from six contracting firms including Fluid Resource Management. Four of the six firms declined to bid on the job, stating that they are too busy to take on another job. Staff is reviewing the quotes from Fluid Resource Management and Spiess Construction Company Inc. and plans on providing the Board a recommendation to award the contract at the December Board meeting.

WW - 3 Chlorination System Improvements – This project has been delayed to FY 2017/18.

This project includes upgrading the chlorine analyzer and chlorine delivery system.

WW - 4 Wastewater Collection Line Repair – Budget: \$75,000 Spent to Date: \$0

This is a contingency budget line item that will be available for conducting minor un-anticipated repairs to the collection system. No projects have been identified to date for this finding line item.

WW- 5 Influent Wet Well Coating Repairs – Budget: \$40,000 Spent to Date: \$0

This project will repair the concrete coating in the influent wet well. Applying a coating to the concrete significantly extends the life of the concrete by providing a barrier that protects the concrete from hydrogen sulfide gases and the associated deterioration from sulfuric acid. The existing coating is delaminating is several locations and should be repaired. We anticipate initiating this project in the first quarter of 2017 and completing by mid-2017.

WW-7 Miscellaneous Waste Water Projects – Budget: \$25,000 Spent to Date: \$7,650

This project provides funding for un-anticipated minor improvements at the WWTP. To date the District has spent approximately \$7,650 for parts and labor to re-build the secondary sedimentation system chains, sprockets and scraper arms.

WW-9: Repair Decking at WWTP – Budget: \$25,000 Spent to Date: \$2,500

District engineers and staff have been analyzing the need to replace the stairway that connects the exterior of ground floor of the Primary Clarifier building to the upstairs office space (control room). The District retained Matrix Engineering to prepare plans and specifications for a new metal staircase. However, at this point replacing the stairway is not the highest priority. In September staff retained a flooring contractor to install new linoleum flooring in the upstairs office space. Staff is currently seeking a contractor to evaluate the integrity of the decking outside of the control room and obtain quotes for making needed repairs. Once this is completed staff will again evaluate the need and cost/benefit of replacing the stairs (which are attached to the control room decking). To date the District has spent approximately \$2,500 of the \$25,000 budget.



**Budget Estimate for
GridBee GS Series Electric Potable Water Tank Mixers**

Effective: October 20, 2016 - Note: Please verify price before ordering.

Performance Guaranteed or your Money Back. The GS Mixers are the most effective and competitively priced mixers on the market, with the lowest life cycle cost and the best warranty. Specifications are available at www.MedoraCo.com. Installing the mixer is well within the capabilities of most cities and contractors. Usually the unit is installed directly under the hatch, no need to center it in tank. A GS Series Electric Mixer 11 minute Installation Video is available at: <http://potablewater.medoraco.com/mixers/gridbee-electric>

Description	GS-12	GS-9
GS Submersible Electric Mixer: with 75 ft of in-tank submersible electrical cable	\$9,580	\$6,880
GS Submersible Electric Mixer: with 150 ft of in-tank submersible electrical cable	\$9,970	\$7,270
Freight cost for each basic system:	\$100	\$80
Horsepower, Voltage, Phase: Other voltage / phase available on request	0.50 hp, 120vac, 1ph	0.50 hp, 120vac, 1ph
Mixer length x diameter, inches: 12" or larger hatch size required, no need to enter or drain the tank	36" x 10"	24" x 10"
Weight: submersible mixer only	75 lbs	65 lbs
Maximum recommended tank volumes for moderate conditions:*	8 MG (million gallons)	3 MG (million gallons)
* The GS-12 is recommended for higher turnover rate, or ice issues, or areas with high heat.		

Options

Mix-Guard Replacement Program: Covers beyond the warranty,

it replaces the mixer for Acts of God, lightning, vandalism, power problems, handling damage or any other issue.

Annual Cost: While in 5 year warranty: GS-12 \$450, GS-9 \$350 - When beyond the 5 year warranty: GS-12 \$850, GS-9 \$690

Chemical injection interior hose: per 100 ft	\$230
Chemical injection exterior hose: per 50 ft SS braided hose w/ quick connect	\$360
Chemical injection hose penetration thru fitting: for steel tanks	\$270

Control Box A: UL listed, NEMA 4X, 120v/1ph, with SCADA monitoring, HOA switch, GFCI, indicator light, locking latch	\$1,070 Shipped with mixer for electrical contractor installation
Control Box B: UL listed, NEMA 4X, 120v/1ph, w/ timer but <u>No SCADA</u> , HOA switch, GFCI, indicator light, locking latch	\$680 Shipped with mixer for electrical contractor installation
Factory Delivery and Placement: Installing the above mixer is within the scope of work that most cities and contractors can perform	\$9,000 to \$13,000 Varies with tank height and tank construction
STH-8400 Submersible Electric Potable Water Tank Heater: 316 SS, includes a control panel, float switch, 50' of electrical cable, chain, etc. Fits through 12" or larger roof opening. Nominal 240VAC/1PH	\$6,800 + \$100 Freight Typically used in cold climates when the tank has less than 10% turnover
Portable Disinfectant Boost System: An electric or engine-driven air compressor (4 cfm @ 60 psi) is required to operate the air-powered diaphragm pump; air compressor is <u>not</u> included	\$8,720 FOB Factory



Manual Digital Thermometers: Do your own before and after temperature profile with:
Clinefinder 411 to 50' depth in 2' increments: : \$225 -- Fish Hawk TD to 300' depth in 5' increments: \$250



GridBee®

GS Electric Mixers

Effective. Efficient. Affordable.

GS-12



GS-9



Benefits

- Active mixing 24 hours a day
- Creates a consistent mix & water age surface to floor
- Ensure uniform disinfectant distribution
- Minimize chemical disinfectant usage & disinfection by-products
- Eliminate ice damage to tanks in cold climates
- Reduce nitrification in chloraminated systems
- Prevent stagnation, thermal stratification, and short-circuiting
- Eliminate energy intensive & costly deep-cycling and/or flushing of tanks
- Lowest life-cycle cost
- 5-year warranty
- Installation & other videos available on YouTube

Features

- Engineered for easy deployment. Everything you need is in the box!
- No tank entry required
- Quiet operation
- Utilizes efficient sheet mixing technology
- SCADA control panels available
- Liquid disinfectant boosting port



Medora Corporation GridBee® SolarBee®

www.medoraco.com | 866-437-8076 | info@medoraco.com



Best Warranty in The Industry!



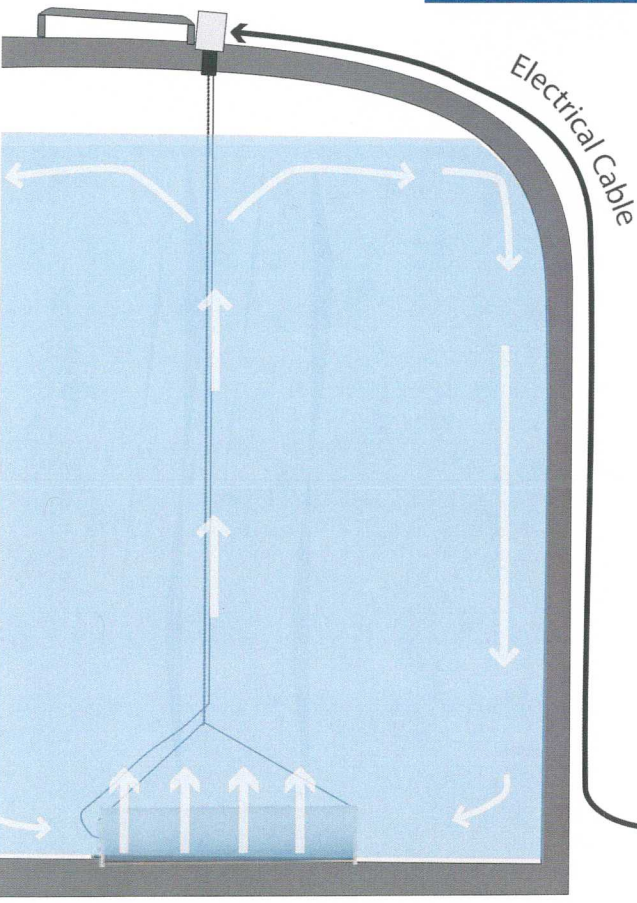
GS Electric Mixers

Overview

GridBee GS Mixers are easily installed through a 12 inch diameter or larger hatch or other tank opening. They thoroughly mix the entire tank volume from the tank floor to the water surface resulting in consistent disinfectant residuals, even temperature profiles, and uniform water age.

Everything Needed for a Fast & Efficient Deployment is Included!

Watch GridBee GS-12 Installation Video on YouTube!



Not to Scale

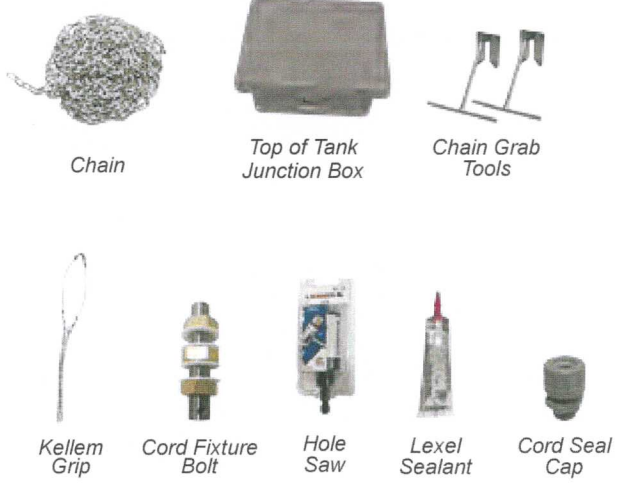


CFD Model

Optional SCADA / Timer Control Panel



120VAC Source Power



Specifications

GS-12	Assembled machine is 3 ft (0.9 m) long X 10 inch (25.4 cm) in diameter and weighs 75 lbs (34 kg).
GS-9	Assembled machine is 2 ft (0.6 m) long X 10 inch (25.4 cm) in diameter and weighs 65 lbs (34 kg).

Medora Corporation **GridBee** *SolarBee*

www.medoraco.com | 866-437-8076 | info@medoraco.com

**AVILA BEACH
COMMUNITY SERVICES DISTRICT**

Post Office Box 309, Avila Beach, CA. 93424

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager



DATE: November 8, 2016

SUBJECT: Award Engineering Contract for Valve Replacement Project

Funding:

The approved FY 2016-17 Capital Improvement Program includes \$75,000 for project W-2 Water System Meter/Valve Replacement. Preparation of bid documents will be the first funds expended on this project.

Recommendation:

Authorize staff to retain MKN and Associates to conduct engineering work, prepare an Engineers Opinion of Construction Cost and prepare plans and specifications for public bidding of the project at a cost not to exceed \$6,460.

Discussion:

The FY 2016-17 approved Capital Improvement Program budget includes project W-2 Water System Meter/Valve Replacement. The scope of the project includes replacing water valves that are no longer sealing and/or past their useful life. When the water distribution isolation valves longer seal it causes delays, wasted water and customer inconvenience since additional valves need to be closed in order to "isolate" a given section of the distribution system. With assistance from FRM operations and maintenance staff, we have prioritized which valves and/or valves clusters are the highest priority for replacement.

MKN's scope of work includes: Preliminary Engineering to identify highest priority valve locations, construction concerns and preferred valve type and manufacturer; preparation of an Engineers Cost Estimate and preparation of plans and specifications to accommodate public bidding of the project. Staff has worked with MKN and Associates in the past on this type of work and believes they are a good fit for this type of engineering support services. MKN's proposal and scope of work is provided as an attachment to this Staff Report.



MKN & Associates, Inc.
P O Box 1604
Arroyo Grande CA 93421
805 904 6530

October 27, 2016

Brad Hagemann, PE – Hagemann & Associates
General Manager
Avila Beach Community Services District
(Submitted Electronically)

RE: Valve Replacement Project

Dear Brad,

PROJECT UNDERSTANDING

It is our understanding that the District intends to replace aging, non-functioning valves as part of their five year capital improvement plan. As requested, Michael K. Nunley & Associates, Inc., (MKN) has developed this proposal to provide construction documents for replacing valves in four separate locations.

SCOPE OF WORK

Task Group 100 – Preliminary Engineering

MKN will plan and attend a kickoff meeting with District staff to review the project scope, schedule, and perform a site walk of the replacement valve locations to identify any specific construction concerns. MKN will also discuss District's preferences for valve manufacture and connection preferences.

Task Group 200 – Draft and Final Construction Documents

MKN will prepare plans and specifications for public bid. We anticipate providing the following sheets for the project:

- Cover sheet
- Site Plans (2 sheets)
- Construction Details

Construction drawings will be prepared as 22-inch x 34-inch sheets. All drawings will be prepared using AutoCAD 2013.

MKN will prepare technical specifications for the project in CSI format. It is assumed that front-end contract documents and general requirements will be provided by the District. MKN will provide a project bid schedule for the District's use.

One copy of electronic plans and specifications saved as PDF files, with ½ sized drawings (11-inch x 17-inch), will be provided to the District for review at the draft design submittal. The final construction contract documents will be signed and sealed by a registered professional engineer licensed in the State of California and will be provided in electronic format. An Engineer's Opinion of Construction Cost will be provided with the draft and final plans and specifications.

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MKN staff will attend one progress meeting to discuss comments from the District's review of the draft construction documents.

ASSUMPTIONS:


- The District will provide GIS mapping of the water system.
- Four valve replacement locations will be identified by District staff. Additional locations can be include for an additional fee.
- MKN shall be entitled to rely reasonably upon the accuracy of data and information provided by or through the Client and will use good professional judgment in reviewing and evaluating such information. If MKN identifies any error or inaccuracy in data or information provided by or through the Client, or determines that additional data or information is needed to perform the services, MKN shall promptly notify the client.
- County standards and details will be used for surface restoration in paved areas where applicable.
- Bid phase services, and construction phase services are not currently included in this scope of work, but can be provided for an additional fee.

BUDGET

MKN proposes to complete this work on a time and materials basis with a budget not to exceed \$6,460. Hourly rates are attached but may be revised annually. Other direct costs will be charged with a 10% markup.

Thank you for providing MKN with the opportunity to provide professional services for your project. If you have any questions regarding this proposal, please let me know.

Sincerely,



Michael K. Nunley, PE
Principal

Attachments:

Fee Schedule