

# AVILA BEACH COMMUNITY SERVICES DISTRICT

Post Office Box 309, Avila Beach, CA. 93424  
Meeting Room and Office – 100 San Luis Street, Avila Beach  
Telephone (805) 595-2664 FAX (805) 595-7623  
E-Mail avilacsd@gmail.com

## AGENDA

### “SPECIAL” BOARD MEETING

**1:30 PM Wednesday, November 14th, 2018**

**BOARD MEETING LOCATION  
100 SAN LUIS STREET  
AVILA BEACH, CALIFORNIA**

1. **CALL TO ORDER: 11:00 A.M.**
2. **ROLL CALL: Board Members:**
  - Pete Kelley, President
  - Lynn Helenius, Vice President
  - Ara Najarian, Director
  - Kristen Berry, Director
3. **PUBLIC COMMENT**

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

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 Oct 10th, 2018 Special Meeting
  - B. Monthly Financial Review for October

- C. General Manager and District Engineer Report
- D. Water and Wastewater Superintendent Reports for October

**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 2016-17  
(Action Required: Receive draft report and presentation by Fedak and Brown, the District's independent Auditor; Adopt Audit Report or provide direction to staff and bring report back for Board consideration)
- B. Board Consideration of Opting-In to the PG&E Sponsored LED Retrofit Program for District Street Lights  
(Action Required: Receive Staff Report and Provide Direction to Staff)
- C. First Reading of an Ordinance Regarding Placement and Removal of Garbage and Recycled Materials Containers Ordinance No. 2018-01 Placement of Garbage Containers.  
(Action Required: Receive Staff Report and Provide Direction to Staff)
- D. Proposed Garbage Rate Increase  
(Action Required: Receive Staff Report and Provide Direction to Staff)
- E. Award Contract for Metal Building at Water Tank Site  
(Action Required: Receive Staff Report and Provide Direction to Staff)

**8. COMMUNICATIONS/ COORESPONDENCE**

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**

Next regularly scheduled meeting is on Wednesday, December 12th, 2018 at 11:00 a.m.

Any writing or document pertaining to an open session item on this agenda which is distributed to a majority of the Board after the posting of this agenda will be available for public inspection at the time the subject writing or document is distributed. The writing or document will be available for public review in the District Administration Office, 100 San Luis Street, Avila Beach, CA during normal business hours. Consistent with the Americans with Disabilities Act and California Government Code Section 54954.2 requests for disability related modification or accommodation, including auxiliary aids or services may be made by a person with a disability who requires the modification or accommodation in order to participate at the above referenced public meeting by contacting the District at 805-595-2664.

**MINUTES OF REGULAR MEETING**  
**October 10<sup>th</sup>, 2018**

**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 11:00 a.m. on the above date, in the Avila Beach Community Service District Building 100 San Luis Street, Avila Beach, California.

**2. ROLL CALL**

Board Members Present:                   Pete Kelley  
  Lynn Helenius  
  Kristin Berry  
  Ara Najarian

Absent:   None

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

**3. PUBLIC COMMENTS**

None.

**4. INFORMATION AND DISCUSSION ITEMS**

**A. County Reports**

**1. SLO Sheriff:**

Commander Michael Manuele informed the Board that Jim Voge has been promoted to Undersheriff and Commander Manuele has been assigned to Avila Beach. He reported 61 calls for service during September. Three were suspicious persons calls, 1 petty theft and 1 burglary (tools were taken from an unlocked vehicle). A theft of license plate was also reported in Pirate's Cove. Commander Manuele is participating in Operation Surf Central Coast today in Avila Beach. Wounded active-duty and veteran service members from various branches of the U.S. military will learn how to surf.

**Cal Fire Report:**

Cal Fire Battalion Chief Paul Lee reported 46 reported calls for service and 24 were for medical aid. Chief Lee reminded the Board and public that with winter rains on the way now is a good time to assess the condition your roof. Water from a leaky roof that gets in to electrical equipment can potentially cause fire hazards. During October Cal Fire is purchasing some new equipment from an OTS grant they received. During a controlled burn 125 acres of grass burned

in the Cambria area. Controlled burns at Pirates Cove & areas by the Lite House may occur this next month. Chief Lee is hopeful that all of the smoke from the controlled burns will drift out over the ocean. Please immediately report any potentially hazardous incidents. There was discussion of moving the 1941 Dodge Fire Truck from the Avila Fire Station #62 to a new location.

## **B. Reports on Conferences, Meetings and General Communications.**

### **5. CONSENT ITEMS**

President Kelley introduced the consent items and inquired if any member of the Board or public wished to address any items. GM Hagemann recommended pulling the GM report from the consent items in order to receive a presentation from the PG&E representative on the LED streetlight change out program. Hagemann noted that the CSDA San Luis Chapter meeting was held on Tuesday, October 9<sup>th</sup> in Templeton. Paavo Ogren spoke on purchasing polices within Special Districts including suggestions to increase efficiency. GM Hagemann may bring these ideas up at a future meeting.

**General Manager Hagemann announced New Business Item “F” will be moved to Item “A” to allow time for a presentation by Jeff Smith and his staff from the Garbage Company regarding the proposed rate increase.**

- A. Minutes of September 12<sup>th</sup>, 2018 Regular Meeting
- B. Monthly Financial Review for September
- C. General Manager and District Engineer Report – **PULLED ITEM.**
- D. Water and Wastewater Superintendent Report for September

A motion was made by Vice President Helenius to accept Items A, B & D, moving Item C to the next order of business: Pulled Items. Director Najarian seconded the motion and it passed with a roll call vote 4-0.

AYES: Lynn Helenius  
Pete Kelley  
Ara Najarian  
Kristin Berry

NOES: None

ABSENT: None

### **6. DISCUSSION OF PULLED CONSENT ITEMS.**

GM Hagemann introduced Kristen Silva from PG&E. Ms. Silva utilized a set of handout slides that summarized the LED streetlight upgrade/retrofit program for the District’s decorative and cobra head lights. This is the second time this program has been brought before the Board. The first was in 2015. Since then, upgrades and lighting options have been added. Ms. Silver

concluded that the cobra head streetlight retrofit would provide approximately \$1,000 annual savings. Retrofit of the Decorative lights would initially cost the District an additional \$1,900 per year but that would come down when the PUC reduces the Incremental Facility Charge. Ms. Silva explained that the District can request to be placed on a waiting list. However, there is a chance the program may end before the waiting list is completed. The Board directed staff to put this item on next month's agenda. A motion was made by President Kelley to accept Item C, General Manager's Report. Vice President Helenius seconded the motion and it passed with a roll call vote 4-0.

AYES:       Pete Kelley  
              Lynn Helenius  
              Ara Najarian  
              Kristin Berry

NOES:       None

ABSENT:     None

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

**AT THE PRESIDENT'S REQUEST, ITEM F WAS MOVED TO THE FIRST BUSINESS ITEM**

**F.       Proposed Garbage Rate Increase**

GM Hagemann introduced the item and noted that South County Sanitary (SCS) District Manager Jeff Smith and two members of his staff were in attendance to answer questions and respond to comments. Hagemann stated that on September 24, the District received a letter from SCS that requested a Rate Increase. The letter explained the rate increase was needed due to the downturn in the recycled material markets, increasing equipment costs are up and general operating costs are running higher than the CPI.

GM Hagemann noted that he had met with South County Staff on October 5<sup>th</sup> to discuss the rate increase request and potential options for structuring the rate increase. Hagemann summarized a couple options that both resulted in a net increase of 13.3% and noted that this was an information item only and no formal Board action on the proposed rate increase should be taken at this meeting. He then introduced Mr. Jeff Smith, District Manager for SCS and his two staff members to follow-up on any questions or comments from the Board. After a lengthy discussion, President Kelley made the motion to bring the item back on the next month's agenda. Director Berry seconded the motion it passed with a roll call vote.

AYES:       Pete Kelley  
              Kristin Berry

Lynn Helenius  
Ara Najarian

NOES: None

ABSENT: None

**A. Board Director Vacancies**

Director Berry missed the incumbent application deadline but has agreed to stay on the Board for another term. The Board directed GM Hagemann to write letter to the County Clerk's office with the Board's recommendation to appoint Kristin Berry. The Board of Supervisors will consider approval of all CSD appointment recommendations at their November 6 Board meeting. No other Director applications have been turned into the district office at this time to replace the former Director Dewese. In accordance with County protocol, the County will send out a letter to all members of the District asking for applications to fill the District's Vacancy.

**B. Removal of Wood Storage Building at WWTP**

This item was presented at the Sept 12th Board Meeting and staff was directed to investigate the feasibility of installing a large cargo container or other building at water tank site that would provide storage for Dodge fire truck and a small work area. Staff discovered that the cargo containers found are not wide enough for fire truck. Staff recommended the Board authorize demolition of wood building and bring back quote(s) for a steel building to be installed at the water tank that will store fire truck and provide work space. President Kelley made the motion to demolish the wood building with a not to exceed amount of \$2,500. Director Najarian seconded the motion. The motion passed with a roll call vote 4-0.

AYES: Pete Kelley  
Lynn Helenius  
Ara Najarian  
Kristin Berry

NOES: None

ABSENT: None

**C Revision to Water and Sewer Connection Fees Payment Schedule**

At the Sept 12<sup>th</sup>, 2018 Board meeting staff was directed to prepare Resolutions that would amend the existing Resolutions and procedures for collecting 100% of the connection fees at or before the time of building permit issuance. Resolution No.'s 2018-09 & 2018-10 implement this direction and would become effective for any future connection fee payments. President Kelley made the motion to accept both Resolutions. Vice President Helenius seconded the motion and it passed with a roll call vote 4-0.

AYES:       Pete Kelley  
              Lynn Helenius  
              Ara Najarian  
              Kristin Berry

NOES:       None

ABSENT:     None

**D.     Update of District By-Laws**

Resolution No. 2018-11 changes the District By-Laws to reflect that Regular Meetings will now be held on the second Wednesday of each month at 11:00 AM. President Kelley made the motion to adopt Resolution No. 2018-11. Vice President Helenius seconded the motion and it passed with a roll call vote.

AYES:       Pete Kelley  
              Lynn Helenius  
              Ara Najarian  
              Kristin Berry

NOES:       None

ABSENT:     None

**E.     Review of an Ordinance Regarding Placement and Removal of Garbage and Recycled Materials Containers.**

GM Hageman introduced the item and stated that at the Board's direction staff and Legal Counsel prepared a draft Ordinance that will require customers to place the garbage containers on the curb NO EARLIER 24 hours prior to pick-up and requires customer to bring containers in off the street NO LATER than 12 hours after pick-up. The draft Ordinance included penalties for non-compliance. Legal counsel Seitz stated that he referred to a City of SLO Ordinance as a starting point for the draft Ordinance and provided a summary of the Ordinance. Seitz did recommend revising the draft Ordinance to eliminate penalties for non-compliance but instead handle non-compliance issues administratively by District staff. The Board agreed with Seitz's recommendation. President Kelley made the motion to bring the draft Ordinance back for a First Reading at the November Board meeting. Vice President Helenius seconded the motion and it passed with a roll call vote.

AYES:       Pete Kelley  
              Lynn Helenius  
              Ara Najarian

Kristin Berry

NOES: None

ABSENT: None

**8. COMMUNICATIONS:**

**ADJOURNMENT: The meeting was adjourned at 1:15 p.m.**

**The next regular meeting of the Avila Beach Community Services District is scheduled for Wednesday, November 14, 2018 at 11:00 AM at 100 San Luis Street, Avila Beach.**

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 14, 2018

SUBJECT: Monthly Financial Review for October 2018

**Recommendation:**

Receive and file report.

**Overall Monthly Summary**

During October the District made deposits in the amount of \$147,624.43 and experienced \$83,491.40 in expenses (cash basis). Tax revenue for this time of year is typical. Income in October included \$48,106.57 in County tax income, \$80,222.86 in monthly water and sewer fees and \$16,178 in quarterly interest income from the District's reserve funds in our LAIF account. Interest income has been increasing the past few quarters as interest rates have been trending upwards. Detailed financial reports including a Balance Sheet, Deposits by Fund, Checks by Fund, as well as, a Profit and Loss Sheet for October are provided for your information.

**Utility Service Billing**

The District billed approximately \$105,280.57 in water and sewer service charges in October. Customer Rate Assistance amounted in a reduction of billing charges to the District in the amount of \$764.75.

**Operation and Maintenance**

The Fluid Resource Management (FRM) Statement for October 2018 totaled \$24,291.58 and is included as an attachment to this report. In accordance with the Operations and Maintenance Contract with Fluid Resource Management, the contractor may annually increase the monthly fee by the increase in the Consumer Price Index (CPI), with a minimum of 3% and a maximum of 5%. The benchmark Los Angeles CPI rose 3.9% the previous year so the monthly contract fee will increase from \$18,307 to \$19,021.24 effective November 1, 2018.

Avila Beach Community Services District  
**Profit & Loss**  
October 2018

	<u>Oct 18</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
4000 · Income Summary	
4010 · Operating Revenue	80,222.86
4012 · Solid Waste Franchise Fee	3,117.09
4030 · County Taxes	48,106.57
4600 · Interest Income	16,177.91
	<hr/>
<b>Total 4000 · Income Summary</b>	147,624.43
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<b>Total Income</b>	147,624.43
	<hr/>
<b>Gross Profit</b>	147,624.43
<b>Expense</b>	
5100 · Merchant Credit Card Fees TIB	421.88
5200 · Payroll Expenses	
5210 · Gross Wages	
5211 · Regular Pay	2,940.20
5012 · Holiday Pay	0.00
5014 · Sick Pay	93.77
5016 · Vacation Pay	133.95
	<hr/>
<b>Total 5210 · Gross Wages</b>	3,167.92
5230 · Payroll Taxes	54.63
5240 · Health & Medical Exp.	
5242 · Health Ins / Other	600.00
	<hr/>
<b>Total 5240 · Health &amp; Medical Exp.</b>	600.00
5250 · PERS Company Pd Expense	
5256 · PERS Co Pd Kristi	230.95
	<hr/>
<b>Total 5250 · PERS Company Pd Expense</b>	230.95
5280 · Payroll Administration & Misc.	99.16
	<hr/>
<b>Total 5200 · Payroll Expenses</b>	4,152.66
6000 · Administrative Overheads	
6102 · Accounting	687.50
6120 · Dues & Subscriptions	5,240.00
6135 · Legal	942.00
6140 · Office Supplies & Postage	1,460.63
6150 · Rate Assistance	764.75
6160 · Training	20.00
6170 · Website	200.00
	<hr/>
<b>Total 6000 · Administrative Overheads</b>	9,314.88

1:51 PM  
11/06/18  
Accrual Basis

Avila Beach Community Services District  
**Profit & Loss**  
October 2018

	<u>Oct 18</u>
<b>6500 · Operating Expenses</b>	
6503 · Chemicals	7,488.83
6505 · Contract Labor O & M	18,307.26
6506 · Contract Labor GM	16,500.00
6518 · Equipment Expense	582.49
<b>6520 · Equipment Repair &amp; Maint.</b>	
6522 · Equip. Rep. & Maint-Avila & HD	2,489.50
6524 · Equip. Rep. & Maint. Avila Only	12,276.66
	<hr/>
<b>Total 6520 · Equipment Repair &amp; Maint.</b>	14,766.16
6530 · Generator Maintenance	1,015.00
6535 · Insurance P/L	1,323.04
6540 · Lab Tests	2,763.70
6542 · Maintenance	165.00
6550 · Operating Supplies	110.07
6580 · Solids Handling	2,540.00
6585 · Telephone / Internet	756.91
6590 · Utilities	3,283.52
	<hr/>
<b>Total 6500 · Operating Expenses</b>	69,601.98
	<hr/>
<b>Total Expense</b>	83,491.40
	<hr/>
<b>Net Ordinary Income</b>	64,133.03
<b>Other Income/Expense</b>	
<b>Other Expense</b>	
<b>8200 · Non-Operating Expenses</b>	
<b>8230 · Capital Purchases in Prog Sani</b>	
8245 · WW-10 WWTP Alt. Study	3,654.50
8233 · WW-3 Brine Waste	2,499.50
	<hr/>
<b>Total 8230 · Capital Purchases in Prog Sani</b>	6,154.00
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<b>Total 8200 · Non-Operating Expenses</b>	6,154.00
	<hr/>
<b>Total Other Expense</b>	6,154.00
	<hr/>
<b>Net Other Income</b>	-6,154.00
	<hr/>
<b>Net Income</b>	<b>57,979.03</b>
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Avila Beach Community Services District  
**Balance Sheet**  
As of October 31, 2018

	<u>Oct 31, 18</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1000 · Cash Summary	
1005 · Customer Cash	222.19
1008 · Petty Cash	66.80
1010 · Pacific Premier Checking	490,102.60
1050 · LAIF	2,993,391.49
	<hr/>
Total 1000 · Cash Summary	3,483,783.08
	<hr/>
Total Checking/Savings	3,483,783.08
<b>Accounts Receivable</b>	
1200 · *Accounts Receivable	96,694.71
	<hr/>
Total Accounts Receivable	96,694.71
<b>Other Current Assets</b>	
<b>1250 · Receivables</b>	
1255 · Interest Receivable	5,144.80
1270 · Taxes Receivable	7,820.07
1280 · Water & Sewer Billings	134,521.64
	<hr/>
Total 1250 · Receivables	147,486.51
<b>1400 · Prepaid Summary</b>	
1410 · Prepaid Insurance	10,584.42
1420 · Prepaid State Water	37,428.60
1400 · Prepaid Summary - Other	-0.01
	<hr/>
Total 1400 · Prepaid Summary	48,013.01
	<hr/>
Total Other Current Assets	195,499.52
	<hr/>
Total Current Assets	3,775,977.31
<b>Fixed Assets</b>	
<b>1600 · Fixed Assets &amp; Acc. Depr.</b>	
<b>1605 · Office Equipment</b>	
1606 · Copier Samsung 2012	8,233.58
1609 · Office Equipment Accum Depr	-8,233.59
	<hr/>
Total 1605 · Office Equipment	-0.01
<b>1610 · Fixed Asset -Office &amp; Admin.</b>	
1612 · Office Furniture cost	4,526.21
1614 · Office Furniture Accum Dep.	-4,526.21
	<hr/>
Total 1610 · Fixed Asset -Office & Admin.	0.00
<b>1620 · Fixed Assets - Sanitary</b>	
1622 · Land	60,314.10

**Avila Beach Community Services District**  
**Balance Sheet**  
 As of October 31, 2018

	Oct 31, 18
<b>1626 · Collection Assets</b>	
1627 · Collection Assets Cost	1,318,875.26
1628 · Collect Assets Accum Depr	-399,237.22
<b>Total 1626 · Collection Assets</b>	919,638.04
<b>1630 · Disposal Equipment</b>	
1631 · Disposal Equip Cost	523,122.64
1632 · Disposal Equip Accum Depr	-264,042.83
<b>Total 1630 · Disposal Equipment</b>	259,079.81
<b>1635 · Treatment Plant</b>	
1636 · Treatment Plant Original	105,000.00
1637 · Treatment Plant Addition	2,049,098.30
1638 · Treatment Plant Accum Dep	-1,043,684.59
<b>Total 1635 · Treatment Plant</b>	1,110,413.71
<b>1642 · Treatment Equipment</b>	
1643 · Treatment Equip Cost	1,000,455.00
1644 · Treatment Equip Accum Depr	-524,698.87
1642 · Treatment Equipment - Other	205,485.61
<b>Total 1642 · Treatment Equipment</b>	681,241.74
<b>Total 1620 · Fixed Assets - Sanitary</b>	3,030,687.40
<b>1650 · Fixed Assets - Water</b>	
<b>1652 · Equipment</b>	
1653 · Equipment Cost	21,136.28
1654 · Equipment Accum Depr	-21,136.28
<b>Total 1652 · Equipment</b>	0.00
<b>1656 · Distribution Assets</b>	
1657 · Distribution Assets Cost	1,140,860.50
1658 · Dist Assets Accum Depr	-590,709.56
<b>Total 1656 · Distribution Assets</b>	550,150.94
<b>Total 1650 · Fixed Assets - Water</b>	550,150.94
<b>1680 · Structures - Fixed Asset</b>	
1681 · Structures GFAAG - Sani & FA	29,810.00
1682 · Gen / Fire Accum Dep	-29,810.00
<b>Total 1680 · Structures - Fixed Asset</b>	0.00
<b>1690 · Construction in Progress</b>	123,333.82
<b>Total 1600 · Fixed Assets &amp; Acc. Depr.</b>	3,704,172.15
<b>Total Fixed Assets</b>	3,704,172.15

Avila Beach Community Services District  
**Balance Sheet**  
As of October 31, 2018

	Oct 31, 18
Other Assets	
1800 · Deferred Outflows of Resources	39,579.00
Total Other Assets	39,579.00
<b>TOTAL ASSETS</b>	<b>7,519,728.46</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
2100 · Accounts Payable	93,166.70
Total Accounts Payable	93,166.70
Credit Cards	
2350 · Home Depot CC	17.18
Total Credit Cards	17.18
Other Current Liabilities	
2200 · Payroll Liabilities	
2260 · Vacation Payable	221.90
2262 · Sick Pay Accrued	1,464.50
2201 · Accrued Payroll	3,693.88
2240 · Health Insurance	
2241 · Employee	0.01
Total 2240 · Health Insurance	0.01
2250 · PERS Liability	168.28
Total 2200 · Payroll Liabilities	5,548.57
2300 · Deposits Held	
2303 · Water Deposits Held	7,580.00
Total 2300 · Deposits Held	7,580.00
Total Other Current Liabilities	13,128.57
Total Current Liabilities	106,312.45
Long Term Liabilities	
2400 · Net Pension Liability	126,121.00
2500 · Deferred Inflows of Resources	16,201.00
Total Long Term Liabilities	142,322.00
Total Liabilities	248,634.45
Equity	
3900 · Retained Earnings	7,082,170.99
Net Income	188,923.02
Total Equity	7,271,094.01
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>7,519,728.46</b>

Avila Beach Community Services District  
Checks by Fund w/Accounts

October 2018

Type	Date	Num	Name	Memo	Account	Amount	Balance
<b>General / Admin</b>							
Check	10/01/2018	EFT	Digital Deployment	monthly ABCSD Streamline	6170 · Website	200.00	200.00
Check	10/02/2018	2150	Nikki Engle Bookkeeping	Inv. 1945 9/28/18	6102 · Accounting	220.00	420.00
Check	10/02/2018	EFT	Bankcard MTOT Disc		5100 · Merchant Credit Card Fe...	421.88	841.88
Check	10/04/2018	EFT	U.S. Postal Service		6140 · Office Supplies & Postage	13.40	855.28
Check	10/05/2018	EFT	Adobe.com		6140 · Office Supplies & Postage	14.99	870.27
Check	10/05/2018	2154	Hagemann & Associates	Sept. 16th - 29th, 2018 20% Gen.	6506 · Contract Labor GM	2,200.00	3,070.27
Check	10/05/2018	2157	Shipsey & Seitz	Meeting Review and Attendance	6135 · Legal	510.00	3,580.27
Check	10/05/2018	2159	Shipsey & Seitz	Law Library	6135 · Legal	80.00	3,660.27
Check	10/05/2018	EFT	Nikki Engle Bookkeeping	Inv. 1948 10/3/18	6102 · Accounting	247.50	3,907.77
Check	10/05/2018	EFT	Cal Tec Computers	computer repairs	6524 · Equip. Rep. & Maint. Avila...	59.00	3,966.77
Check	10/10/2018	2166	Creative Technologies, Inc.	Inv. 4189 10/8/18	6524 · Equip. Rep. & Maint. Avila...	171.43	4,138.20
Check	10/10/2018	EFT	Cal Tec Computers	computer repairs	6524 · Equip. Rep. & Maint. Avila...	40.00	4,178.20
Check	10/11/2018	EFT	CSDA San Luis Obispo County Chapter	Brad, Kristi, Pete, Eric, & Ara	6160 · Training	20.00	4,198.20
Check	10/12/2018	EFT	National Business Furniture	Conference table, 72" x 36" Cherry	6140 · Office Supplies & Postage	1,104.89	5,303.09
Check	10/12/2018	EFT	Public Employees Retirement System	Kristi 9/16 - 9/30/18	2250 · PERS Liability	161.58	5,464.67
Check	10/12/2018	EFT	Public Employees Retirement System	Kristi 9/16 - 9/30/18	2250 · PERS Liability	33.23	5,497.90
Check	10/12/2018	EFT	Public Employees Retirement System	Kristi 10/1 - 10/15/18	2250 · PERS Liability	199.24	5,697.14
Check	10/12/2018	EFT	Public Employees Retirement System	Kristi 10/1 - 10/15/18	2250 · PERS Liability	13.96	5,711.10
Check	10/15/2018	2155	Hagemann & Associates	Sept 30th - Oct. 6th, 2018 20% Gen.	6506 · Contract Labor GM	2,200.00	7,911.10
Check	10/22/2018	EFT	Charter	Acct #. 8245100980033571	6585 · Telephone / Internet	199.95	8,111.05
Check	10/23/2018	2169	Coastline Cleaning Co.	Inv. 1873 Office Maintenance - Sept 2018	6542 · Maintenance	165.00	8,276.05
Check	10/23/2018	2170	Calif Special Districts Association	Membership Dues Id 1275	6120 · Dues & Subscriptions	5,090.00	13,366.05
Check	10/23/2018	2172	Nikki Engle Bookkeeping	Inv. 1957 10/16/18	6102 · Accounting	220.00	13,586.05
Check	10/23/2018	2174	Creative Technologies, Inc.	Inv. 4200 10/15/18	6140 · Office Supplies & Postage	169.85	13,755.90
Check	10/23/2018	2175	Chaparral Business Supplies	Inv. # 431034 10/15/18	6524 · Equip. Rep. & Maint. Avila...	321.30	14,077.20
Check	10/23/2018	2176	Visdom Software	Deposit Refund for 100 San Luis Street	2304 · Fire Station Deposit	2,000.00	16,077.20
Check	10/31/2018	2177	Hagemann & Associates	40% Admin.	6506 · Contract Labor GM	2,200.00	18,277.20
<b>Total General / Admin</b>							
						18,277.20	18,277.20
<b>Lights</b>							
Check	10/01/2018	EFT	PG&E	Town Lights acct # 0690976984-3	6590 · Utilities	478.49	478.49
Check	10/01/2018	EFT	PG&E	Colony Lights acct # 5992155362-0	6590 · Utilities	93.16	571.65
Check	10/22/2018	EFT	PG&E	Front St. Lights acct# 5796765606-7	6590 · Utilities	334.31	905.96
<b>Total Lights</b>							
						905.96	905.96
<b>Sanitary</b>							
Check	10/01/2018	EFT	AT&T	acct # 805 595-9416 904 5	6585 · Telephone / Internet	155.10	155.10
Check	10/01/2018	EFT	AT&T	acct # 805 595-7619 618 0	6585 · Telephone / Internet	79.60	234.70
Check	10/02/2018	2151	California Electric Supply	Contactors Inv. 7826-750357 9-6-18	6522 · Equip. Rep. & Maint-Avila...	442.47	677.17
Check	10/02/2018	2152	Speed's, Inc.	Inv. 59505 9-18-18	6580 · Solids Handling	1,245.00	1,922.17
Check	10/02/2018	2153	Brenntag Pacific, Inc.	BPI 2946758 9/6/18	6503 · Chemicals	1,308.57	3,230.74
Check	10/02/2018	2153	Brenntag Pacific, Inc.	BPI 2946762 9/13/18	6503 · Chemicals	1,187.65	4,418.39
Check	10/02/2018	2153	Brenntag Pacific, Inc.	BPI 2946764 9/21/18	6503 · Chemicals	1,311.19	5,729.58
Check	10/05/2018	2154	Hagemann & Associates	20% San	6506 · Contract Labor GM	2,200.00	7,929.58
Check	10/05/2018	2156	South County Sanitary Service	2 Yd Dumpster	6590 · Utilities	119.73	8,049.31
Check	10/05/2018	2158	San Luis Powerhouse, Inc.	Generator Mntence Quarterly & Annual Genmtr Te...	6530 · Generator Maintenance	1,015.00	9,064.31
Check	10/05/2018	2160	Michael Nunley & Assoc.	WWTP Alternatives Study Inv. 4879	8245 · WW-10 WWTP Alt. Study	3,654.50	12,718.81
Check	10/05/2018	2160	Michael Nunley & Assoc.	WWTP Brine Disposal Study Inv. 4826	8233 · WW-3 Brine Waste	2,499.50	15,218.31
Check	10/05/2018	2161	Abalone Coast Analytical, Inc.	Statement 10/01/2018 Inv. 4274	6540 · Lab Tests	2,763.70	17,982.01

Avila Beach Community Services District  
Checks by Fund w/Accounts

October 2018

Type	Date	Num	Name	Memo	Account	Amount	Balance
Check	10/05/2018	2162	Brenntag Pacific, Inc.	BPI 2946770 9/27/18	6503 · Chemicals	964.17	18,946.18
Check	10/05/2018	2163	Fluid Resource Management, Inc.	Sept Ops. Sanitary Inv. F17488	6505 · Contract Labor O & M	13,732.26	32,678.44
Check	10/05/2018	2163	Fluid Resource Management, Inc.	Influent VFD Integration Inv. W17209	6522 · Equip. Rep. & Maint-Avila...	1,702.00	34,380.44
Check	10/05/2018	2163	Fluid Resource Management, Inc.	Sewer Clean Out Cover Replacement Inv. W17285	6524 · Equip. Rep. & Maint. Avila...	1,157.50	35,537.94
Check	10/15/2018	2155	Hagemann & Associates	20% Sani.	6506 · Contract Labor GM	2,200.00	37,737.94
Check	10/17/2018	EFT	AT&T	acct # x 0885 Internet	6585 · Telephone / Internet	95.83	37,833.77
Check	10/22/2018	EFT	PG&E	Lift Station acct# 6389432238-2	6590 · Utilities	72.66	37,906.43
Check	10/22/2018	EFT	PG&E	Waste Water Plant acct # 6380034236-0 3rd & ...	6590 · Utilities	2,185.17	40,091.60
Check	10/23/2018	2168	Speed's, Inc.	Inv. 59641 10/2/18	6580 · Solids Handling	1,295.00	41,386.60
Check	10/23/2018	2173	Brenntag Pacific, Inc.	BPI 2954948 10/4/18	6503 · Chemicals	1,065.86	42,452.46
Check	10/23/2018	2173	Brenntag Pacific, Inc.	BPI 2954949 10/11/18	6503 · Chemicals	1,274.05	43,726.51
Check	10/29/2018	EFT	AT&T	acct # 805 595-7619 618 0	6585 · Telephone / Internet	79.82	43,806.33
Check	10/30/2018	EFT	AT&T	acct # 805 595-9416 904 5	6585 · Telephone / Internet	146.61	43,952.94
Check	10/31/2018	2177	Hagemann & Associates	Inv. 1037 Oct 14th - Oct 27th, 2018 40% Sani	6506 · Contract Labor GM	2,200.00	46,152.94
Total Sanitary							
<b>Solid Waste</b>							
Check	10/05/2018	2157	Shipsey & Seitz	Trash Can Ordinance	6135 · Legal	193.60	193.60
Check	10/05/2018	2157	Shipsey & Seitz	Rate Increase Solid Waste	6135 · Legal	158.40	352.00
Total Solid Waste							
<b>Water</b>							
Check	10/05/2018	2154	Hagemann & Associates	10% Water	6506 · Contract Labor GM	1,100.00	1,100.00
Check	10/05/2018	2163	Fluid Resource Management, Inc.	Sept Ops. Water Inv. F17488	6505 · Contract Labor O & M	4,575.00	5,675.00
Check	10/05/2018	2163	Fluid Resource Management, Inc.	Inv. A17369 Water Chemicals Inv. Inv. A17369	6503 · Chemicals	377.34	6,052.34
Check	10/05/2018	2163	Fluid Resource Management, Inc.	Sampler Battery Cable inv. A17384	6522 · Equip. Rep. & Maint-Avila...	345.03	6,397.37
Check	10/05/2018	2163	Fluid Resource Management, Inc.	Low Water Tnk Alarm Dignos (Oct. 2017) Inv. W...	6524 · Equip. Rep. & Maint. Avila...	2,833.86	9,231.23
Check	10/10/2018	2164	USA Bluebook	Water Sampling Supplies	6550 · Operating Supplies	110.07	9,341.30
Check	10/10/2018	2165	Aqua-Metric Sales, Inc.	1 1/2 OMNIR 11-2 100 c ft Meter for Port Restroo...	6518 · Equipment Expense	582.49	9,923.79
Check	10/15/2018	2155	Hagemann & Associates	10% Water	6506 · Contract Labor GM	1,100.00	11,023.79
Check	10/23/2018	2167	Advantage Technical Services, INC.	Water Tank #2 Scope, Roof fall protection and c...	6524 · Equip. Rep. & Maint. Avila...	7,865.00	18,888.79
Check	10/23/2018	2171	Underground Services	Annual Membership Fees	6120 · Dues & Subscriptions	150.00	19,038.79
Check	10/31/2018	2177	Hagemann & Associates	Water 20%	6506 · Contract Labor GM	1,100.00	20,138.79
Total Water							
<b>TOTAL</b>						20,138.79	20,138.79
<b>TOTAL</b>						<b>85,826.89</b>	<b>85,826.89</b>



**Avila Beach Community Services District**  
**Deposits by Fund**  
 October 2018

11/06/18

Type	Date	Memo	Split	Amount	Balance
<b>General / Admin</b>					
Deposit	10/05/2018	Amazon Prime Refund	1010 · Pacific Premier ...	-13.93	-13.93
Deposit	10/09/2018	TCF FY 18 SEPT IMPR # 1 - Gen .70, Water .25, Lights .05	1010 · Pacific Premier ...	-191.35	-205.28
Deposit	10/12/2018	Laura Lee \$ 20 Trevino \$ 100 Kennett \$ 100 Eamon \$ 120 D....	1010 · Pacific Premier ...	-632.40	-837.68
Deposit	10/15/2018	F: 0895 A: 0760 AVILA BEACH IMP # 1 UNS - Gen .70, Wat...	1010 · Pacific Premier ...	-4,334.23	-5,171.91
Deposit	10/25/2018	F: 0895 A: 0760 AVILA BEACH IMP # 1 - Gen .70, Water .25...	1010 · Pacific Premier ...	-12,300.23	-17,472.14
Deposit	10/25/2018	Laura Lee \$ 400 Margarita T. \$ 100 Austin Kidd \$ 250	1010 · Pacific Premier ...	-750.00	-18,222.14
Total General / Admin					
<b>Lights</b>					
Deposit	10/09/2018	TCF FY 18 SEPT IMPR # 1 - Gen .70, Water .25, Lights .05	1010 · Pacific Premier ...	-13.66	-13.66
Deposit	10/15/2018	F: 0895 A: 0760 AVILA BEACH IMP # 1 UNS - Gen .70, Wat...	1010 · Pacific Premier ...	-309.58	-323.24
Deposit	10/25/2018	F: 0895 A: 0760 AVILA BEACH IMP # 1 - Gen .70, Water .25...	1010 · Pacific Premier ...	-878.59	-1,201.83
Total Lights					
<b>Sanitary</b>					
Deposit	10/01/2018	Sani Rec	1010 · Pacific Premier ...	-5,636.83	-5,636.83
Deposit	10/01/2018	Rate Assistance	1010 · Pacific Premier ...	11.87	-5,624.96
Deposit	10/01/2018	1/2 Other 1	1010 · Pacific Premier ...	0.00	-5,624.96
Deposit	10/01/2018	1/2 Other 2	1010 · Pacific Premier ...	107.85	-5,517.11
Deposit	10/03/2018	Sani Rec	1010 · Pacific Premier ...	-1,594.71	-7,111.82
Deposit	10/03/2018	Rate Assistance	1010 · Pacific Premier ...	71.25	-7,040.57
Deposit	10/03/2018	1/2 Other 1	1010 · Pacific Premier ...	0.00	-7,040.57
Deposit	10/03/2018	1/2 Other 2	1010 · Pacific Premier ...	46.30	-6,994.27
Deposit	10/04/2018	Sani Rec	1010 · Pacific Premier ...	-4,515.17	-11,509.44
Deposit	10/04/2018	Rate Assistance	1010 · Pacific Premier ...	35.62	-11,473.82
Deposit	10/04/2018	1/2 Other 1	1010 · Pacific Premier ...	0.00	-11,473.82
Deposit	10/04/2018	1/2 Other 2	1010 · Pacific Premier ...	-42.56	-11,516.38
Deposit	10/08/2018	Sani Rec	1010 · Pacific Premier ...	-2,003.13	-13,519.51
Deposit	10/08/2018	Rate Assistance	1010 · Pacific Premier ...	11.87	-13,507.64
Deposit	10/08/2018	1/2 Other 1	1010 · Pacific Premier ...	0.00	-13,507.64
Deposit	10/08/2018	1/2 Other 2	1010 · Pacific Premier ...	0.00	-13,507.64
Deposit	10/09/2018	TCF FY 18 SEPT ME - Waste	1010 · Pacific Premier ...	0.00	-13,507.64
Deposit	10/09/2018	Sani Rec	1010 · Pacific Premier ...	-274.50	-13,782.14
Deposit	10/09/2018	Rate Assistance	1010 · Pacific Premier ...	-3,355.28	-17,137.42
Deposit	10/09/2018		1010 · Pacific Premier ...	23.75	-17,113.67

**Avila Beach Community Services District**  
**Deposits by Fund**  
 October 2018

11/06/18

Type	Date	Memo	Split	Amount	Balance
Deposit	10/09/2018	1/2 Other 1	1010 · Pacific Premier ...	0.00	-17,113.67
Deposit	10/09/2018	1/2 Other 2	1010 · Pacific Premier ...	11.65	-17,102.02
Deposit	10/11/2018	Sani Rec	1010 · Pacific Premier ...	-4,403.55	-21,505.57
Deposit	10/11/2018	Rate Assistance	1010 · Pacific Premier ...	59.37	-21,446.20
Deposit	10/11/2018	1/2 Other 1	1010 · Pacific Premier ...	0.00	-21,446.20
Deposit	10/11/2018	1/2 Other 2	1010 · Pacific Premier ...	175.27	-21,270.93
Deposit	10/11/2018	000162 Community Park Restrooms 8/28 - 9/24/18	1010 · Pacific Premier ...	-482.56	-21,753.49
Deposit	10/12/2018	Sani Rec	1010 · Pacific Premier ...	-1,244.81	-22,998.30
Deposit	10/12/2018	Rate Assistance	1010 · Pacific Premier ...	0.00	-22,998.30
Deposit	10/12/2018	1/2 Other 1	1010 · Pacific Premier ...	0.00	-22,998.30
Deposit	10/12/2018	1/2 Other 2	1010 · Pacific Premier ...	0.00	-22,998.30
Deposit	10/12/2018	Booked 10/11/18 Community Park Restrooms 8/28 - 9/24/18	1010 · Pacific Premier ...	482.56	-22,515.74
Deposit	10/15/2018	F: 0895 A: 0760 CURR UNSECURED TAX	1010 · Pacific Premier ...	-6,200.01	-28,715.75
Deposit	10/15/2018	Sani Rec	1010 · Pacific Premier ...	-2,355.19	-31,070.94
Deposit	10/15/2018	Rate Assistance	1010 · Pacific Premier ...	0.00	-31,070.94
Deposit	10/15/2018	1/2 Other 1	1010 · Pacific Premier ...	0.00	-31,070.94
Deposit	10/15/2018	1/2 Other 2	1010 · Pacific Premier ...	562.35	-30,508.59
Deposit	10/16/2018	Sani Rec	1010 · Pacific Premier ...	-4,283.27	-34,791.86
Deposit	10/16/2018	Rate Assistance	1010 · Pacific Premier ...	0.00	-34,791.86
Deposit	10/16/2018	1/2 Other 1	1010 · Pacific Premier ...	0.00	-34,791.86
Deposit	10/16/2018	1/2 Other 2	1010 · Pacific Premier ...	-188.85	-34,980.71
Deposit	10/22/2018	Sani Rec	1010 · Pacific Premier ...	-3,156.79	-38,137.50
Deposit	10/22/2018	Rate Assistance	1010 · Pacific Premier ...	76.00	-38,061.50
Deposit	10/22/2018	1/2 Other 1	1010 · Pacific Premier ...	0.00	-38,061.50
Deposit	10/22/2018	1/2 Other 2	1010 · Pacific Premier ...	41.60	-38,019.90
Deposit	10/23/2018	Sani Rec	1010 · Pacific Premier ...	-791.55	-38,811.45
Deposit	10/23/2018	Rate Assistance	1010 · Pacific Premier ...	61.75	-38,749.70
Deposit	10/23/2018	1/2 Other 1	1010 · Pacific Premier ...	0.00	-38,749.70
Deposit	10/23/2018	1/2 Other 2	1010 · Pacific Premier ...	0.00	-38,749.70
Deposit	10/24/2018	Sani Rec	1010 · Pacific Premier ...	-219.05	-38,968.75
Deposit	10/24/2018	Rate Assistance	1010 · Pacific Premier ...	0.00	-38,968.75
Deposit	10/24/2018	1/2 Other 1	1010 · Pacific Premier ...	0.00	-38,968.75
Deposit	10/24/2018	1/2 Other 2	1010 · Pacific Premier ...	0.00	-38,968.75
Deposit	10/25/2018	Sani Rec	1010 · Pacific Premier ...	-190.00	-39,158.75
Deposit	10/25/2018	Rate Assistance	1010 · Pacific Premier ...	0.00	-39,158.75
Deposit	10/25/2018	1/2 Other 1	1010 · Pacific Premier ...	0.00	-39,158.75

**Avila Beach Community Services District**  
**Deposits by Fund**  
 October 2018

11/06/18

Type	Date	Memo	Split	Amount	Balance
Deposit	10/25/2018	1/2 Other 2	1010 · Pacific Premier ...	0.00	-39,158.75
Deposit	10/25/2018	F: 0895 A: 0760 CURR SECURED TAX	1010 · Pacific Premier ...	-17,595.20	-56,753.95
Deposit	10/30/2018	Sani Rec	1010 · Pacific Premier ...	-202.35	-56,956.30
Deposit	10/30/2018	Rate Assistance	1010 · Pacific Premier ...	0.00	-56,956.30
Deposit	10/30/2018	1/2 Other 1	1010 · Pacific Premier ...	0.00	-56,956.30
Deposit	10/30/2018	1/2 Other 2	1010 · Pacific Premier ...	-47.50	-57,003.80
Deposit	10/31/2018	Sani Rec	1010 · Pacific Premier ...	-848.40	-57,852.20
Deposit	10/31/2018	Rate Assistance	1010 · Pacific Premier ...	0.00	-57,852.20
Deposit	10/31/2018	1/2 Other 1	1010 · Pacific Premier ...	0.00	-57,852.20
Deposit	10/31/2018	1/2 Other 2	1010 · Pacific Premier ...	0.00	-57,852.20
Deposit	10/31/2018	\$ 66.79 CC BALANCE ADJ CCs	1010 · Pacific Premier ...	-33.39	-57,885.59
Total Sanitary				-57,885.59	-57,885.59
<b>Solid Waste</b>					
Deposit	10/22/2018	8/31/18 Invoice Waste Connections Franchise Fee SW	1010 · Pacific Premier ...	-1,265.98	-1,265.98
Deposit	10/30/2018	9-2018 Waste Connections Franchise Fee SW	1010 · Pacific Premier ...	-1,851.11	-3,117.09
Total Solid Waste				-3,117.09	-3,117.09
<b>Water</b>					
Deposit	10/01/2018	Water Rec	1010 · Pacific Premier ...	-3,578.75	-3,578.75
Deposit	10/01/2018	Rate Assistance	1010 · Pacific Premier ...	11.88	-3,566.87
Deposit	10/01/2018	1/2 Other 1	1010 · Pacific Premier ...	0.00	-3,566.87
Deposit	10/01/2018	1/2 Other 2	1010 · Pacific Premier ...	107.85	-3,459.02
Deposit	10/03/2018	Water Rec	1010 · Pacific Premier ...	-1,778.49	-5,237.51
Deposit	10/03/2018	Rate Assistance	1010 · Pacific Premier ...	71.25	-5,166.26
Deposit	10/03/2018	1/2 Other 1	1010 · Pacific Premier ...	0.00	-5,166.26
Deposit	10/03/2018	1/2 Other 2	1010 · Pacific Premier ...	46.30	-5,119.96
Deposit	10/04/2018	Water Rec	1010 · Pacific Premier ...	-5,131.87	-10,251.83
Deposit	10/04/2018	Rate Assistance	1010 · Pacific Premier ...	35.63	-10,216.20
Deposit	10/04/2018	1/2 Other 1	1010 · Pacific Premier ...	0.00	-10,216.20
Deposit	10/04/2018	1/2 Other 2	1010 · Pacific Premier ...	-42.56	-10,258.76
Deposit	10/08/2018	Water Rec	1010 · Pacific Premier ...	-1,748.95	-12,007.71
Deposit	10/08/2018	Rate Assistance	1010 · Pacific Premier ...	11.88	-11,995.83
Deposit	10/08/2018	1/2 Other 1	1010 · Pacific Premier ...	0.00	-11,995.83
Deposit	10/08/2018	1/2 Other 2	1010 · Pacific Premier ...	0.00	-11,995.83

**Avila Beach Community Services District**  
**Deposits by Fund**  
 October 2018

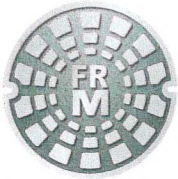
11/06/18

Type	Date	Memo	Split	Amount	Balance
Deposit	10/09/2018	TCF FY 18 SEPT IMPR # 1 - Gen .70, Water .25, Lights .05	1010 · Pacific Premier ...	-68.34	-12,064.17
Deposit	10/09/2018	Water Rec	1010 · Pacific Premier ...	-3,590.95	-15,655.12
Deposit	10/09/2018	Rate Assistance	1010 · Pacific Premier ...	23.75	-15,631.37
Deposit	10/09/2018	1/2 Other 1	1010 · Pacific Premier ...	0.00	-15,631.37
Deposit	10/09/2018	1/2 Other 2	1010 · Pacific Premier ...	11.65	-15,619.72
Deposit	10/11/2018	Water Rec	1010 · Pacific Premier ...	-4,433.00	-20,052.72
Deposit	10/11/2018	Rate Assistance	1010 · Pacific Premier ...	59.38	-19,993.34
Deposit	10/11/2018	1/2 Other 1	1010 · Pacific Premier ...	0.00	-19,993.34
Deposit	10/11/2018	1/2 Other 2	1010 · Pacific Premier ...	175.28	-19,818.06
Deposit	10/11/2018	001622 San Juan Park Irrigation 8/28 - 9/24/18	1010 · Pacific Premier ...	-2,166.00	-21,984.06
Deposit	10/11/2018	001483 Front St Irrigation 8/28 - 9/24/18	1010 · Pacific Premier ...	-1,288.20	-23,272.26
Deposit	10/11/2018	000162 Community Park Restrooms 8/28 - 9/24/18	1010 · Pacific Premier ...	-330.60	-23,602.86
Deposit	10/12/2018	Water Rec	1010 · Pacific Premier ...	-4,605.60	-28,208.46
Deposit	10/12/2018	Rate Assistance	1010 · Pacific Premier ...	0.00	-28,208.46
Deposit	10/12/2018	1/2 Other 1	1010 · Pacific Premier ...	0.00	-28,208.46
Deposit	10/12/2018	1/2 Other 2	1010 · Pacific Premier ...	0.00	-28,208.46
Deposit	10/12/2018	Booked 10/11/18 San Juan Park Irrigation 8/28 - 9/24/18	1010 · Pacific Premier ...	2,166.00	-26,042.46
Deposit	10/12/2018	Booked 10/11/18 Front St Irrigation 8/28 - 9/24/18	1010 · Pacific Premier ...	1,288.20	-24,754.26
Deposit	10/12/2018	Booked 10/11/18 Community Park Restrooms 8/28 - 9/24/18	1010 · Pacific Premier ...	330.60	-24,423.66
Deposit	10/15/2018	F: 0895 A: 0760 AVILA BEACH IMP # 1 UNS - Gen .70, Wat...	1010 · Pacific Premier ...	-1,547.94	-25,971.60
Deposit	10/15/2018	Water Rec	1010 · Pacific Premier ...	-1,803.40	-27,775.00
Deposit	10/15/2018	Rate Assistance	1010 · Pacific Premier ...	0.00	-27,775.00
Deposit	10/15/2018	1/2 Other 1	1010 · Pacific Premier ...	0.00	-27,775.00
Deposit	10/15/2018	1/2 Other 2	1010 · Pacific Premier ...	562.35	-27,212.65
Deposit	10/16/2018	Water Rec	1010 · Pacific Premier ...	-3,609.60	-30,822.25
Deposit	10/16/2018	Rate Assistance	1010 · Pacific Premier ...	0.00	-30,822.25
Deposit	10/16/2018	1/2 Other 1	1010 · Pacific Premier ...	0.00	-30,822.25
Deposit	10/16/2018	1/2 Other 2	1010 · Pacific Premier ...	-188.85	-31,011.10
Deposit	10/22/2018	Water Rec	1010 · Pacific Premier ...	-2,896.20	-33,907.30
Deposit	10/22/2018	Rate Assistance	1010 · Pacific Premier ...	76.00	-33,831.30
Deposit	10/22/2018	1/2 Other 1	1010 · Pacific Premier ...	0.00	-33,831.30
Deposit	10/22/2018	1/2 Other 2	1010 · Pacific Premier ...	41.60	-33,789.70
Deposit	10/23/2018	Water Rec	1010 · Pacific Premier ...	-1,309.85	-35,099.55
Deposit	10/23/2018	Rate Assistance	1010 · Pacific Premier ...	61.75	-35,037.80
Deposit	10/23/2018	1/2 Other 1	1010 · Pacific Premier ...	0.00	-35,037.80
Deposit	10/23/2018	1/2 Other 2	1010 · Pacific Premier ...	0.00	-35,037.80

Avila Beach Community Services District  
**Deposits by Fund**  
 October 2018

11/06/18

Type	Date	Memo	Split	Amount	Balance
Deposit	10/24/2018	Water Rec	1010 · Pacific Premier ...	-747.20	-35,785.00
Deposit	10/24/2018	Rate Assistance	1010 · Pacific Premier ...	0.00	-35,785.00
Deposit	10/24/2018	1/2 Other 1	1010 · Pacific Premier ...	0.00	-35,785.00
Deposit	10/24/2018	1/2 Other 2	1010 · Pacific Premier ...	0.00	-35,785.00
Deposit	10/25/2018	Water Rec	1010 · Pacific Premier ...	-297.50	-36,082.50
Deposit	10/25/2018	Rate Assistance	1010 · Pacific Premier ...	0.00	-36,082.50
Deposit	10/25/2018	1/2 Other 1	1010 · Pacific Premier ...	0.00	-36,082.50
Deposit	10/25/2018	1/2 Other 2	1010 · Pacific Premier ...	0.00	-36,082.50
Deposit	10/25/2018	F: 0895 A: 0760 AVILA BEACH IMP # 1 - Gen .70, Water .25...	1010 · Pacific Premier ...	-4,392.94	-40,475.44
Deposit	10/30/2018	Water Rec	1010 · Pacific Premier ...	-296.40	-40,771.84
Deposit	10/30/2018	Rate Assistance	1010 · Pacific Premier ...	0.00	-40,771.84
Deposit	10/30/2018	1/2 Other 1	1010 · Pacific Premier ...	0.00	-40,771.84
Deposit	10/30/2018	1/2 Other 2	1010 · Pacific Premier ...	0.00	-40,771.84
Deposit	10/31/2018	Water Rec	1010 · Pacific Premier ...	-47.50	-40,819.34
Deposit	10/31/2018	Rate Assistance	1010 · Pacific Premier ...	-689.55	-41,508.89
Deposit	10/31/2018	1/2 Other 1	1010 · Pacific Premier ...	0.00	-41,508.89
Deposit	10/31/2018	1/2 Other 2	1010 · Pacific Premier ...	0.00	-41,508.89
Deposit	10/31/2018	\$ 66.79 CC BALANCE ADJ CCS	1010 · Pacific Premier ...	0.00	-41,508.89
Deposit	10/31/2018		1010 · Pacific Premier ...	-33.40	-41,542.29
Total Water				-41,542.29	-41,542.29
<b>TOTAL</b>				<b>-121968.94</b>	<b>-121968.94</b>



# FLUID RESOURCE MANAGEMENT

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 OPERATIONS . MAINTENANCE . MECHANICAL  
 2385 Precision Drive  
 Arroyo Grande, CA 93420

# Statement

Date
11/1/18

Phone # 805.597.7100 Fax # 805.597.7171

California Certified Small Business #1120142

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

Amount Due	Amount Enc.
\$24,291.58	

Date	Transaction	Amount	Balance
10/31/18	348F11001 Monthly OPS/Maint- INV #F17599. Orig. Amount \$18,307.26.	18,307.26	18,307.26
10/12/18	348F11001 Monthly OPS/Maint:348FW11001 Water:348AW17001 Add Services water- INV #A17511. Orig. Amount \$159.59.	159.59	18,466.85
10/12/18	348F11001 Monthly OPS/Maint:348FWW11001 Wastewater:348AWW17002 Add Services Wastewater- INV #A17527. Orig. Amount \$1,181.09.	1,181.09	19,647.94
10/12/18	W17255 Chemical Pump Installation/Wiring- INV #W17255. Orig. Amount \$2,368.21.	2,368.21	22,016.15
10/12/18	W17256 Eyewash/Shower Installation- INV #W17256. Orig. Amount \$2,275.43.	2,275.43	24,291.58

CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	Amount Due
24,291.58	0.00	0.00	0.00	0.00	\$24,291.58



Bradley Hagemann &lt;hagemann.associates@gmail.com&gt;

**Notice - 2018 CPI rate adjustment to monthly service fee**

1 message

**Jeremy Gardner** <Jeremyg@frm-ops.com>

Fri, Oct 19, 2018 at 9:56 AM

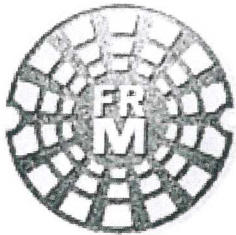
To: "Bradley Hagemann (hagemann.associates@gmail.com)" &lt;hagemann.associates@gmail.com&gt;, "avilacsd@gmail.com" &lt;avilacsd@gmail.com&gt;

Cc: Krista Young &lt;kristay@frm-ops.com&gt;, Chuck Ellison &lt;ChuckE@frm-ops.com&gt;

Bradley

Pursuant to our contract effective 11/1/13 exhibit D, section E there is an escalation clause tied to the CPI of Los Angeles that allows the contractor to increase the monthly fee by the CPI with a minimum of 3% and a maximum of 5%.

Please see attached CPI for Los Angeles CA through September 2018. As noted LA CPI rose 3.9% from the previous year. As such effective 11/1/18 our billing rate from 11/1/18 to 10/31/19 will be \$19,021.24 (18,307\*1.039) or an increase of \$713.98 per month



Jeremy Gardner

**FLUID RESOURCE MANAGEMENT**

OPERATIONS • MAINTENANCE • MECHANICAL

Office: (805) 597 -7100 Fax: (805) 597-7171

2385 Precision Drive, Arroyo Grande, CA 93420

www.frm-ops.com

 **Consumer Price Index, Los Angeles area — September 2018 \_ Western Information Office \_ U.S. Bureau of Labor Statistics.pdf**  
231K






**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 14, 2018

SUBJECT: General Manager/District Engineer Report

**Zone 3 Technical Advisory Committee and Advisory Committee**

The Zone 3 Technical Advisory Committee (TAC) met on Wednesday, October 10, 2018, at the Arroyo Grande City Hall offices. Due to the conflict with our Board meeting I was not able to attend this meeting. However, the Meeting Agenda and materials are attached to this report. As of this writing Lopez Lake is at an elevation of 482 feet, 42% capacity and has approximately 20,700 acre feet of water in storage (approximately 900 AF less than a month ago). Water use from Lopez will likely average about 600 - 800 acre-feet per month for the next few months depending on rainfall and agricultural needs. SLO County Public Works Department staff estimate that Lake Lopez storage will get down to approximately 20,000 acre-feet by early 2019, depending the early winter rainfall amounts. If storage does fall below 20,000 acre-feet it may again trigger the Low Reservoir Response Plan.

**Board of Director Appointments**

On November 6, 2018 the San Luis Obispo County of Supervisors to action to make appointments in-lieu of elections to various Boards and Districts. The Clerk-Recorder's staff report and attachment are included with this report. Directors Helenius, Kelley and Najarian were appointed to full four year terms that expire on December 2, 2022. In order to keep the five Director terms properly "staggered", Director Berry was appointed to a "short two-year term" that expires on December 2, 2020.

**Letters From The County Auditor-Controller's Office**

On October 17, 2018, the County Auditor-Controller's Office provided a letter announcing that Mr. James Erb would be leaving the Auditor-Controller's office and his assistance, Mr. James Hamilton has been elected to the position. Mr. Erb also provided several paragraphs in his letter discussing the importance of small districts having oversight and Internal Controls over their financial affairs. Mr. Erb included an Internal Controls Checklist and offered the County's assistance in any of these areas. Mr. Erb's letter and Checklist are provided as attachments to this report.

On October 19, 2018, the County Auditor-Controller's Office provided the FY 2018-2019 Estimated Tax Revenues and Assessed Values for the Avila Beach CSD. Estimated total tax revenue is \$643,448. The approved FY 2018-2019 District budget anticipated \$601,000 in tax revenue. The County letters are attached to this report.

### **Meet the Avila Agencies**

On October 23, I attended an organizational meeting sponsored by the Avila Beach Community Foundation that was designed to provide an opportunity for the various Avila Beach non-profits and service districts to attend an Open House and provide information on their various roles, responsibilities and volunteer opportunities. The Foundation is sponsoring the event that is partially funded by a grant from Chevron. The group is targeting February 28, 2019, from 3 – 6 PM at the Avila Beach Community Center as the date, time and location for the Open House. This was the initial meeting. I assume the Board members would like the CSD to participate in the event. I will keep the Board members up to date as the event takes shape.

### **Waste Water Treatment Plant Alternatives Study**

MKN and Associates are making good progress on the WWTP Alternatives Study. They provided a Draft Alternatives Evaluation Report on October 26, 2018. CSD and Harbor District staff met with MKN staff on November 2, to go over the draft report findings and recommendations and provide comments. Based on the preliminary alternatives analysis, CSD and Harbor District staff provided direction to MKN staff to further evaluate the feasibility and cost estimates for: increasing the capacity of the WWTP influent wet well; installing an "at grade" equalization basin; and/or installing a side stream package treatment plant to provide treatment redundancy, improved effluent quality and expand the organic loading capacity of the plant. I anticipate the draft final Alternative Technical Memo will be available in mid-December.



**ZONE 3  
TECHNICAL ADVISORY COMMITTEE**

**Wednesday October 10, 2018**

**9:00 - 11:00 AM**

**ARROYO GRANDE CITY HALL  
300 BRANCH STREET  
2<sup>nd</sup> FLOOR CONFERENCE ROOM**

## Agenda

<b>1. Announcements</b>	<b>All</b>
<b>2. Engie Program - Solar Energy at WTP</b>	<b>Annie Secrest, PW</b>
<b>3. General Operations and Water Report</b> <ul style="list-style-type: none"><li>• Monthly Operations Report</li><li>• Lopez Dam Storage Projections</li><li>• Submittal of Annual Requests for Water</li></ul>	<b>Jill Ogren</b>
<b>4. LRRP Revision vs Contract Changes</b> <ul style="list-style-type: none"><li>• Discuss how to proceed</li></ul>	<b>All</b>
<b>5. Agenda items next month?</b> <ul style="list-style-type: none"><li>• Taste and Odor Issues alternatives</li><li>• Strategy for use of District Reserves</li><li>• FY 19/20 CIP Budget</li></ul>	<b>All</b>

Attachments:

- A. Summary Notes - September
- B. Lopez Monthly Operations Report - September
- C. Lopez Reservoir Storage Projection Chart
- D. CIP Update

*Next Meeting Date November 14, 2018*



TODAY IS NATIONAL  
CHOCOLATE MILKSHAKE

## ZONE 3

### TECHNICAL ADVISORY COMMITTEE

WEDNESDAY September 12, 2018 (9:00-11:00 AM)

#### SUMMARY NOTES - DRAFT

#### ARROYO GRANDE CITY HALL

Attendees: Shane Taylor (Arroyo Grande), Brandon Shea (Pismo), Greg Ray (Grover Beach), Paavo Ogren (OCSD via phone), Brad Hagemann (ABCSD), John Wallace, Dan Heimel (WSC), Dan Migliazzo (SMMWC), Jill Ogren (PW Dept), Jenny Williamson (PW Dept), Ron Munds (PW Utilities Div Mgr), Kristi Smith (PW Dept), Danielle Ruedas (PW WQL)

#### 1. Announcements –

- Jill Ogren discussed energy consumption at Lopez Water Treatment Plant and an opportunity to install solar panels through a Purchase Power Agreement with Engie. The system will be installed, maintained and supported through Engie. Annie Secrest in Facilities Maintenance has been working on this project and can discuss the option with TAC at the October TAC meeting.

#### 2. General Operations and Water Supply Report

- Discussion of the odor and algae growth at the Lopez Terminal. No issues had been reported to date but in the past several complaints have been received by this time of year. Danielle Ruedas discussed the testing and conditions at the Terminal along with how those conditions have kept the odor and algae counts low.
- Lake Elev. = 484.25 ft, Storage = 21,806 AF @ 44% capacity; Downstream releases are at 4.16 MGD (instantaneous reading); WTP at 5.5 MGD; SWP at 0.711 MGD. Rainfall to date 0.
- Jill Ogren discussed the Lopez Dam Storage. August Monthly Operation report will be sent out within the week due to State Water numbers being unavailable.

#### 3. Quagga Mussel Presentation –

- Danielle Ruedas, Water Quality Lab for San Luis Obispo County, conducted a presentation concerning the current problem of quagga mussels infecting several lakes in California and the prevention methods adopted by the County to protect Lopez, Nacimiento and Santa Margarita lakes.
- Water Quality Lab will be working on an Updated Quagga Mussel Response Plan for all lakes in the County including Lopez Lake and Lopez Water Treatment Plant in case detection and infestation takes place.

#### 4. Strategy for Use of District Designated Reserves –

- Kristi Smith provided the FY 2017-18 year end update. \$516,000 from the pH Suppression Project was unused. TAC given the option of replenishing reserves with entire \$280,500 that was reallocated for the pH Suppression project and receive a 17/18 final bill for \$135,000 or replenish reserves with \$145,500 and don't receive a 17/18 final bill. **TAC recommended using unused reserves to replenish reserves and not receive a final bill for 17/18.** This will be taken to the AC on September 19<sup>th</sup>.
- Jill Ogren discussed the Cloud Seeding Program and asked TAC to consider how they want to handle the costs of the program as there is not much support from surrounding areas.
- The HCP has been funded by reserves and the possibility of initiating an instream habitat mapping project could be a use for reserves.
- An 18-19 Work Plan was distributed to TAC for review and discussion took place concerning budgeted projects for 18-19 FY and unbudgeted projects.

#### 5. LRRP Revisions Update –

- More revisions to the LRRP have been made since the last meeting in order to address the concern that agencies could end up not being able to supply needed water for downstream releases. To remedy this the LRRP now includes some storage for Downstream releases. Jill Ogren stated that County Counsel is recommending we adopt a contract amendment since the changes that the LRRP require are significantly different from the WSC. An amendment will need to be drafted once a final version of the LRRP is agreed on. Contract amendment will need to be approved by each agency's

governing board and then by the BOS.

- DWR was asked what the process was for amending an Urban Water Management Plan and Water Shortage Contingency Plan. DWR determined the Water Shortage Plan may be updated at any time by the water agency, but this will not trigger an amendment to the 2015 Urban Water Management Plan nor is there a required submittal to DWR for a revised Water Shortage Contingency Plan as long as the Water Shortage Contingency Plan submitted with the Urban Water Management Plan was the version that was current at the time. DWR had stated that in the 2020 Urban Water Management Plan, if there is a change to the Water Shortage Contingency Plan an amendment will need to be submitted.
- Some of the TAC members stated that getting a revised LRRP in place and approved prior to Lopez Lake reaching 20,000 AF is higher priority than efforts to obtain approval of a full-scale contract changes. ***This item will be brought back for further discussion at the next TAC Meeting***
- CEQA review for the proposed revisions to the LRRP is moving forward in the PW Environmental Division.
- Discussed utilizing an MOA vs a Charter to facilitate moving forward with the major water supply contract revisions. In general agencies felt an MOA is the tool to use.

**6. Contract Changes Processing Agreement –**

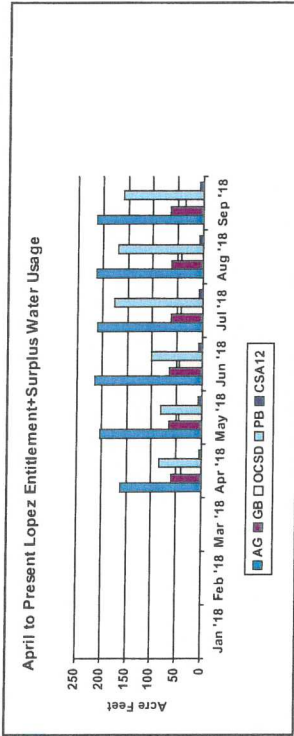
- Jill Ogren unable to provide update.

**7. Agenda Items Next month –** Use of Designated Reserves, Engie program, Taste and Odor issues alternatives and costs.

**Next meeting October 10, 2018**

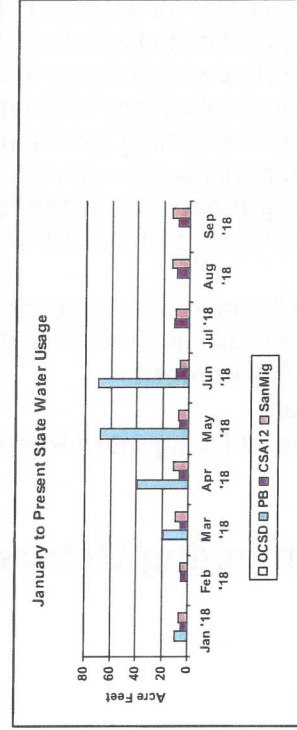
San Luis Obispo County Flood Control and Water District  
 Zone 3 - Lopez Project - Monthly Operations Report  
 September, 2018

Contractor	Lopez Water Deliveries										State Water Deliveries						
	This Month					April to Present					This Month			January to Present			Total Water Deliveries This Month
	Entl.	Surplus	Total	Entitlement Usage	Surplus Usage	Entitlement %	Surplus %	Total Usage	Total %	Usage	% of Annual Request	SWP Deliveries	Change in Storage	Usage	% of Annual Request	SWP Deliveries	
Arroyo Grande	2290	564.00	2854.00	212.71	9.3%	0.00	0.0%	1209.04	52.8%	0.00	0.0%	1209.04	42.4%	0.00	0.0%	36.14	
Oceano CSD	303	75.00	378.00	36.14	11.9%	0.00	0.0%	254.70	84.1%	0.00	0.0%	254.70	67.4%	0.00	0.0%	64.53	
Grover Beach	800	197.00	997.00	64.53	8.1%	0.00	0.0%	378.17	47.3%	0.00	0.0%	378.17	37.9%	205.00	100.0%	159.79	
Pismo Beach	892	220.00	1112.00	159.79	17.9%	0.00	0.0%	769.03	86.2%	0.00	0.0%	769.03	69.2%	66.95	79.7%	15.62	
CSA 12	245	60.00	305.00	7.05	2.9%	0.00	0.0%	41.49	16.9%	0.00	0.0%	41.49	13.6%	82.54	68.8%	13.36	
<b>Total</b>	<b>4530</b>	<b>1116.00</b>	<b>5646.00</b>	<b>480.22</b>	<b>10.6%</b>	<b>0.00</b>	<b>0.0%</b>	<b>2652.43</b>	<b>58.6%</b>	<b>0.00</b>	<b>0.0%</b>	<b>2652.43</b>	<b>47.0%</b>	<b>408.96</b>	<b>21.93</b>	<b>5.4%</b>	<b>521.00</b>
										Last Month Stored State Water			This Month Stored State Water			1296.26	
										1253.19			65			43.07	



Note: Deliveries are in acre feet. One acre foot = 325, 850 gallons or 43, 560 cubic feet. Safe yield is 8,730 acre feet.

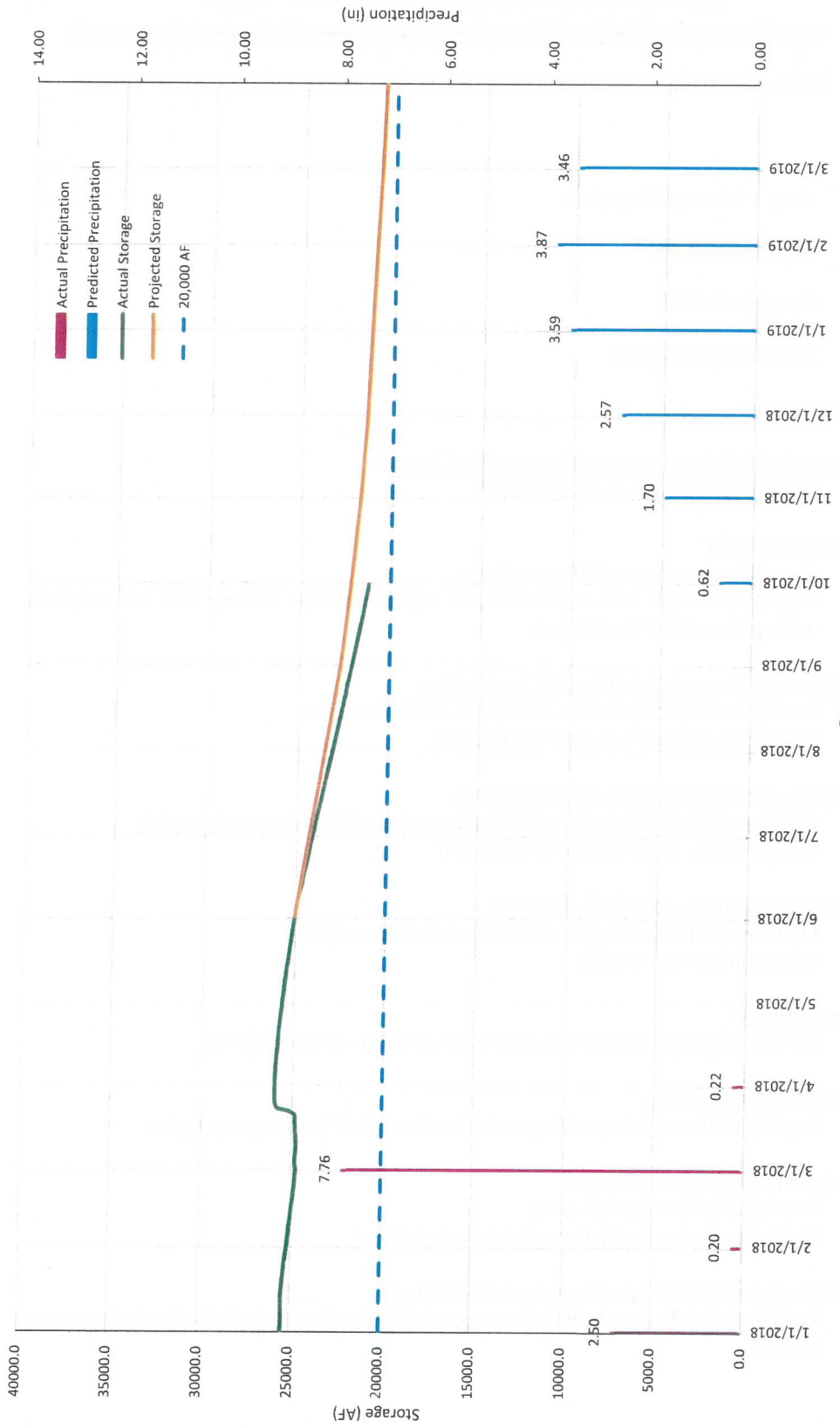
Lopez Dam Operations	This Month	Year to Date
Lake Elevation (full at 522.37 feet)	483.07	-39.30
Storage (full at 49200 acre feet)	21200	43.1%
Rainfall	0	0.00
Downstream Release (4200 acre feet/year)	382.38	2160.19
Spillage (acre feet)	0	0.00



"Year to Date" is January to present for State water, April to present for Lopez deliveries, and July to present for rainfall.

Comments: Surplus water shown is as designated per BOS May 15, 2018 Declaration of Surplus Water.  
 1) Oceano supplied State Water to Canyon Crest via Arroyo Grande's Edna turn out. A total of 2.23 AF delivered to Canyon Crest was added to Oceano's State Water usage this month and 2.23 AF was subtracted from Arroyo Grande's usage this month.

# LOPEZ RESERVOIR STORAGE PROJECTION



Note:  
 1. Storage projection is based on predicted rainfall from longrangeweather.com, historic inflow based on predicted rainfall, 18-19 downstream release requests, and municipal usage.  
 2. Municipal Usage is based on 2010-2017 average monthly deliveries.



## ZONE 3 ADVISORY COMMITTEE

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San Luis Obispo County Flood Control and Water Conservation District

**TO:** Zone 3 Advisory Committee  
**FROM:** David Spiegel, PE  
**DATE:** October 10, 2018  
**SUBJECT:** Zone 3 Projects Update

### Project Updates:

- Equipment Audit & Replacement – Ongoing (No Change)
  - Work proposed to continue in 2018/19
- Spillway Assessment
  - Awarded contract with GEI Consultants
  - Began Assessment Late August and will continue through January 2019 in accordance with approved DSOD work plan
- Lopez Dam and Terminal Dam Hazard Classification
  - Inundation Maps have been submitted to DSOD for review
  - Emergency Action Plans are in preparation
- Structural Assessment of Terminal Reservoir Dam
  - Preliminary findings suggest additional geotechnical investigation is needed
  - Getting quotes for geological investigation
- Fault Zone Assessment – Dam Left Abutment
  - Preliminary findings suggest remediation work is necessary
  - Determining scope of work
- Equipment Storage
  - On hold pending Terminal Reservoir Dam geotechnical investigation
- Lopez WTP Safety Upgrades
  - Implementation of safety railings and catwalks in DAF building in progress
- Domestic and Fire Tank (No Change)
  - Required Fireflow Storage study
  - Reviewing quotes for repairs and maintenance items
- Rebuild Membrane Feed Pumps (1 per year) (No Change)
  - Second pump is being scheduled for removal and rebuilding in the Fall after high demands subside





## ZONE 3 ADVISORY COMMITTEE

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San Luis Obispo County Flood Control and Water Conservation District

### **Upcoming Projects (Requested FY 2018/19):**

- Cathodic Protection Survey
- Lopez Water Treatment Plant Leach Field Repair/Replacement
- Ammonia Analyzer (2<sup>nd</sup>)
- Water Treatment Alternatives Study – Taste and Odor
- Improved Boat Access
- Existing Bypass Pipeline Condition Assessment

### **Completed Projects**

- Sludge Bed Cleanout Repair – 4 total
- Turnout SCADA Project
- Ammonia Analyzer
- Sludge Repair on 4A
- Pressure Transducers
- Turnout Flow Meters
- Static Mixer



## COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors

FROM: Clerk-Recorder / Tommy Gong, 805-781-5080

DATE: 11/6/2018

SUBJECT: Request for the Board of Supervisors to make appointments in-lieu of elections to various Boards and Districts. All Districts.

### **RECOMMENDATION**

It is recommended that the Board appoint the persons listed on Attachment 1 to the appropriate district board offices in lieu of election.

### **DISCUSSION**

August 10, 2018, was the close of nomination period for the November 6, 2018, Consolidated General Election and August 15, 2018, was the end of the extension period for anyone other than the incumbents to file for office. After the close of the filing period, it was determined that the number of candidates filing for the respective district offices did not exceed the number to be elected. Per Elections Code Section 10515, districts are not required to hold an election unless a petition requesting that the general election be held is presented to the elections official. No such petition was filed for any district. Your Board has the authority to make appointments for those candidates who filed nomination papers and for those persons whose names were submitted as nominees by their district boards, lists included with this letter. Persons appointed by your Board in this manner will serve as though elected at a general district election.

### **OTHER AGENCY INVOLVEMENT/IMPACT**

All districts requesting appointments to offices in lieu of election.

### **FINANCIAL CONSIDERATIONS**

The districts which are not required to hold elections will reimburse the County only for the nominal costs of conducting the nomination process and will save the costs associated with conducting an election. This will increase the cost per registered voter for all other districts on the General Election ballot and may result in an insignificant reduction in election related revenue for the County Clerk-Recorder.

**RESULTS**

To complete the process of appointment of those persons who filed the necessary nomination documents for election to various district offices in the November 6, 2018, Consolidated General Election and of those persons who were submitted as nominees by various districts (Attachment 1).

**ATTACHMENTS**

1. List of Appointments and Nominees By Various Districts

For the following districts, nominees filed Declarations of Candidacy, and are to be appointed in-lieu of election to the following positions and terms:

<b>San Luis Obispo County Board of Education, Trustee Area #2</b> <b>Full Term</b> Paul Madonna	<b>Term Ends</b> 11-25-2022
<b>San Luis Obispo County Board of Education, Trustee Area #4</b> <b>Full Term</b> Juan J. Olivarría	<b>Term Ends</b> 11-25-2022
<b>San Luis Obispo County Board of Education, Trustee Area #5</b> <b>Full Term</b> George E. Galvan	<b>Term Ends</b> 11-25-2022
<b>SLO County Community College District, Trustee Area #3</b> <b>Full Term</b> Pat Mullen	<b>Term Ends</b> 12-2-2022
<b>SLO County Community College District, Trustee Area #4</b> <b>Full Term</b> Peter Sysak	<b>Term Ends</b> 12-2-2022
<b>Coast Unified School District</b> <b>Full Term</b> Dell Clegg, Jr. Lee McFarland	<b>Term Ends</b> 12-2-2022 12-2-2022
<b>Lucia Mar Unified School District, Trustee Area #2</b> <b>Full Term</b> Colleen Martin	<b>Term Ends</b> 12-2-2022
<b>San Luis Coastal Unified School District, Trustee Area #1</b> <b>Full Terms</b> Mark Buchman Ellen Sheffer	<b>Term Ends</b> 12-7-2022 12-7-2022
<b>San Miguel Joint Unified School District</b> <b>Full Term</b> Shawn Angulo Jean Hoffman Randy Kwiatkowski	<b>Term Ends</b> 12-2-2022 12-2-2022 12-2-2022
<b>Pleasant Valley Joint Union School District</b> <b>Full Term</b> Arron Borden Amy Bowden	<b>Term Ends</b> 12-2-2022 12-2-2022
<b>Avila Beach Community Services District</b> <b>Full Term</b> Lynn Helenius Pete Kelley Ara Najarian	<b>Term Ends</b> 12-2-2022 12-2-2022 12-2-2022

<b>California Valley Community Services District</b>	<b>Term Ends</b>
<b>Full Term</b>	
George Ayres	12-2-2022
Stephen McVicar	12-2-2022
<b>Cambria Community Services District</b>	<b>Term Ends</b>
<b>Short Term</b>	
David Pierson	12-4-2020
<b>Ground Squirrel Hollow Community Services District</b>	<b>Terms End</b>
<b>Full Term</b>	
Pam Fulmer	12-2-2022
Edmond Martinson	12-2-2022
<b>Heritage Ranch Community Services District</b>	<b>Terms End</b>
<b>Full Term</b>	
Bill Barker Jr.	12-2-2022
Reginald Cousineau	12-2-2022
C. Martin Rowley	12-2-2022
<b>Los Osos Community Services District</b>	<b>Term Ends</b>
<b>Short Term</b>	
Chris Womack	12-7-2020
<b>Nipomo Community Services District</b>	<b>Term Ends</b>
<b>Full Term</b>	
Ed Eby	12-2-2022
Dan Gaddis	12-2-2022
Dan Woodson	12-2-2022
<b>Oceano Community Services District</b>	<b>Terms End</b>
<b>Full Term</b>	
Allene Villa	12-2-2022
Karen White	12-2-2022
<b>Oceano Community Services District</b>	<b>Terms End</b>
<b>Short Term</b>	
Cynthia Replogle	12-2-2022
<b>San Simeon Community Services District</b>	<b>Term Ends</b>
<b>Full Term</b>	
Julia Greenan-Stanert	12-2-2022
John Russell	12-2-2022
<b>San Simeon Community Services District</b>	<b>Term Ends</b>
<b>Short Term</b>	
Gwen Kellas	12-7-2020
<b>Templeton Community Services District</b>	<b>Term Ends</b>
<b>Full Term</b>	
Geoff English	12-7-2022
Wayne Petersen	12-7-2022
<b>Cayucos Fire Protection District</b>	<b>Term Ends</b>
<b>Full Term</b>	
Francie Farinet	12-2-2022

**Cayucos Sanitary District**

**Full Term**

Dan Chivens

Shirley Lyon

**Term Ends**

12-2-2022

12-2-2022

**Port San Luis Harbor District**

**Full Term**

Drew Brandy

Mary Matakovich

**Term Ends**

12-2-2022

12-2-2022

**Santa Margarita Fire Protection District**

**Full Term**

Elizabeth Gorrill

Joel Switzer

**Term Ends**

12-2-2022

12-2-2022

For the following positions, no nomination papers were filed. The districts submitted nominees and have requested that these persons be appointed to the following positions and terms:

<b>Avila Beach Community Services District</b> <b>Short Term</b> Kristen Berry	<b>Term Ends</b> 12-7-2020
<b>Heritage Ranch Community Services District</b> <b>Short Term</b> Devin Capps	<b>Term Ends</b> 12-7-2020
<b>Independence Ranch Community Services District</b> <b>Full Term</b> George Tracy John Hunter	<b>Term Ends</b> 12-2-2022 12-2-2022
<b>Linne Community Services District</b> <b>Full Term</b> Ellen Frost Gary Hubbard W. Miller Newlon	<b>Term Ends</b> 12-2-2022 12-2-2022
<b>Squire Canyon Community Services District</b> <b>Full Term</b> Keith Faleros Fernando Campos	<b>Term Ends</b> 12-2-2022 12-2-2022
<b>Cayucos Sanitary District</b> <b>Full Term</b> Robert Frank	<b>Term Ends</b> 12-2-2022
<b>Garden Farms Community Water District</b> <b>Full Term</b> Jay Jamison Cory Pereira Charron Sparks	<b>Term Ends</b> 12-2-2022 12-2-2022 12-2-2022



**COUNTY OF SAN LUIS OBISPO**

**AUDITOR - CONTROLLER • TREASURER - TAX COLLECTOR**

*James P. Erb, CPA Auditor-Controller • Treasurer-Tax Collector*

*James W. Hamilton, CPA Assistant Auditor-Controller • Treasurer-Tax Collector*

---

October 17, 2018

Avila Beach Community Services District  
Peter Kelley, President  
PO Box 309  
Avila Beach, CA 93424

Dear Mr. Kelley:

As most of you know I will be leaving the Office of the San Luis Obispo County Auditor-Controller-Treasurer-Tax Collector at the end of this calendar year. My assistant ACTTC, James Hamilton, has been elected to the position and will provide for a smooth and structured transition. I am sorry I did not get to know more of you, but the time has passed so quickly.

Recently there has been some discussion in the news about a small agency's possible lack of oversight regarding its financial affairs. I was reminded about how vulnerable small organizations can be since a distinct separation of duties is not always possible. I want to remind everyone about the need for adequate internal controls and to provide some useful ideas in the form of a checklist. This letter is meant for Special Districts and Joint Powers Authorities who provide services in the County of San Luis Obispo. Please share this letter with other Board members and any appropriate staff.

The Board of Directors, general managers, and staff throughout an agency are responsible for establishing a system of controls called internal controls. Internal controls are the mechanisms, rules and procedures implemented to ensure the integrity of financial and accounting information, promote accountability and prevent fraud. While an independent audit may identify errors or irregularities, the existence of effective internal controls serves to prevent them in the first place.

I have included a checklist which provides a starting point for managers to assess the internal control system within their agency. Management should review the checklist and inquire with staff as needed in answering the questions. "No" answers should have a documented discussion as to why the requirement does not apply or cannot be met. "Yes" answers should include a description of the procedures in place to satisfy this requirement. This checklist should be updated every year and presented to the Board of Directors. Independent auditors are required to evaluate and test compliance with internal controls and can be a valuable resource to management and Boards with guidance on implementing and evaluating internal controls appropriate to the agency. I know your auditors will appreciate you going through this exercise.

We know some of the items in the checklist may be difficult to follow in agencies with limited staff. Internal controls require a commitment of time and resources but are an integral part of an agency operating effectively. In addition, some of the policies the County has adopted may be applicable to your agency. You are welcome



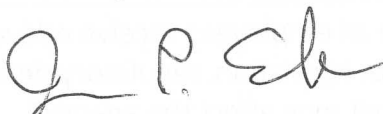
to use any of the County's policies, such as purchasing, cash handling, and travel. We will provide you a copy if requested.

Some Districts and Joint Powers Authorities keep their funds in the County Treasury. In these cases, the County operates as a bank for the agency, accepting deposits and making disbursements when authorized by the agency. Those Districts and Joint Powers Authorities may opt to use the County's accounting system as their system of record for financial transactions. Access to the County's accounting system allows an entity to have real-time financial information including balance sheet (cash, liabilities, and equity), revenue and expenditure details, cost accounting and budgetary reports. The County Auditor-Controller-Treasurer-Tax Collector's (ACTTC) accounts payable division reviews all Authorization to Draw Warrants (request for vendor payment) for authority to pay. This process does not include a review of vendor invoices, contracts, support for travel claims, payroll calculations, or Board meeting minutes to process a payment request. To validate an authorization for payment we verify that individuals approving the payment request appear on the authorized signers list provided by the agency; two signatures are always required.

The ACTTC's Internal Audit Division tracks and reviews the audited financial statements of all districts within the County. If the audited financial statements have any reportable condition(s), we will bring them to the attention of the Board Chairperson either by a phone call (if minor) or by a formal letter if the reportable condition is more serious in nature. It is imperative that annual audits are performed in a timely manner to provide any benefit to the agency. State law (CGC 26909) requires that a financial audit is performed within 12 months after the end of the reporting period. In my opinion, there are very few reasons why the audit cannot be completed within 6 months after the end of the reporting period. If a District's required audit has not been completed within 12 months past the end of the reporting period (some special districts may be on a County Board of Supervisor approved two or five-year audit cycle), my office can set aside, from the agency's funds, an amount equal to the prior period audit fees. I have the authority to hire and pay an auditor of my choice to perform the audit. If you find yourself in a situation where the audit is not performed in a timely manner, please contact my office as soon as possible.

The Auditor-Controller-Treasurer-Tax Collector's staff is available to provide guidance if needed. Do not hesitate to contact us. Jim Hamilton's phone number is 805-781-5043 (jhamilton@co.slo.ca.us) and mine is 805-788-2964 (jerb@co.slo.ca.us), we can both be reached through County e-mail as well. Thank you for the services you provide to our community. The efforts of all of us blend together to help make San Luis Obispo County an amazing place to live.

Sincerely,



James P. Erb, CPA  
Auditor-Controller-Treasurer-Tax Collector

	<b>Internal Control Checklist</b>	<b>Yes</b>	<b>No</b>
1.	Does management set a good example and regularly communicate high expectations regarding integrity, transparency, and ethical values?		
2.	Does the agency have a policy covering potential conflicts of interest?		
3.	Does the agency promote and foster trust between employees, supervisors, outside agencies, and the Board of Directors?		
4.	Does the agency rotate their external auditors at a minimum of every 6 years as required by CGC 12410.6.(b)?		
5.	Does the agency consider the information provided by external auditors about control-related matters and act on that information?		
6.	Does the agency consider audit findings and take timely corrective actions?		
7.	Are employees encouraged to provide recommendations for improvement?		
8.	Does the agency promote continuous improvement and solicit input and feedback from employees at all levels regarding issues that may impact the entire office?		
9.	Do the managers share detailed budget to actual information with the Board of Directors at least quarterly?		
10.	Does the agency have purchasing guidelines that are strictly followed?		
11.	Are all contracts or larger purchases (set by a purchasing policy) go through an Request for Proposal process?		
12.	Does management share the results/scoring of Request for Proposals with the Board?		
13.	Are performance reviews of specific functions or activities regularly conducted and unexpected results or unusual trends investigated and communicated to the Board of Directors?		
14.	Does the agency regularly review actual program performance and compare it to objectives and budgets/forecasts, as well as to historic performance?		
15.	Does the agency periodically assess employee attitudes, review the effectiveness of the organization structure, and evaluate the appropriateness of policies and procedures?		
16.	Does the agency ensure all employees receive relevant information regarding grant requirements/conditions, legislation, regulatory developments, economic changes or other external factors that may affect the agency?		
17.	Do employees understand which records they must maintain and the required retention period?		
18.	Are financial duties (cash/funds inflows, outflows, and reconciliations) segregated among different people? <b>(If Yes, continue w/ #19.) (If No, continue w/ #18a.)</b>		
18A.	If not, is a periodic review conducted by someone not involved in cash handling functions?		
19.	Is a listing of all disbursement, since the last meeting, presented to the Board of Directors for approval either prior to the payment or after the fact if the Board only meets quarterly, at each Board meeting?		

20.	Are bank reconciliations performed by a person not responsible for making deposits or initiating payments within 14 days after the close of the banking period?		
21.	Are all assets (e.g., equipment) physically secured and periodically counted?		
22.	Does the agency routinely spot-check transactions, monitoring files, records, and reconciliations to ensure expectations are met?		
23.	Does the agency regularly subject internal controls to a formal and continuous internal assessment process?		



**COUNTY OF SAN LUIS OBISPO**  
**AUDITOR - CONTROLLER • TREASURER - TAX COLLECTOR**

**James P. Erb, CPA** Auditor-Controller • Treasurer-Tax Collector

**James W. Hamilton, CPA** Assistant Auditor-Controller • Treasurer-Tax Collector

TO: AVILA BEACH CSD

FROM: AARONNE KESSLER, PROPERTY TAX MANAGER

DATE: OCTOBER 19, 2017

SUBJECT: **2018-2019 ESTIMATED REVENUES & ASSESSED VALUES**

Sections 97 and 98 of the Revenue and Taxation Code provide for the allocation of property tax revenues derived from levying an ad valorem property tax rate of one dollar (\$1) per hundred dollars (\$100) of taxable value. The taxable assessed values are provided to our office by the County Assessor and the State Board of Equalization.

Below are the current fiscal year's taxable assessed values and the estimated property tax revenues by tax type for your district. The estimated revenues are net of the ongoing ERAF shift, when applicable, as required by code and are also adjusted for potential secured roll revisions and a 1.82% unsecured delinquency.

The taxable values and corresponding estimated tax revenue for Fiscal Year 2018-2019 are:

	SECURED	UNSECURED	HOMEOWNER EXEMPTION	UNITARY REVENUE	REDEV. CONTRIB.	PASS THRU
Net Value	239,665,994	2,853,901	147,000			
Estimated Revenue	\$272,850	\$6,413	\$1,756	\$78,066	\$0	\$0

Should you have any questions regarding your estimated revenues or assessed values, contact me at (805) 788-2968 or by email at [akesler@co.slo.ca.us](mailto:akesler@co.slo.ca.us)

*\$ 359,085*



COUNTY OF SAN LUIS OBISPO  
 AUDITOR - CONTROLLER • TREASURER - TAX COLLECTOR

James P. Erb, CPA Auditor-Controller • Treasurer-Tax Collector

James W. Hamilton, CPA Assistant Auditor-Controller • Treasurer-Tax Collector

TO: AVILA BEACH CSD IMP DIST #1  
 FROM: AARONNE KESSLER, PROPERTY TAX MANAGER  
 DATE: OCTOBER 19, 2017  
 SUBJECT: **2018-2019 ESTIMATED REVENUES & ASSESSED VALUES**

Sections 97 and 98 of the Revenue and Taxation Code provide for the allocation of property tax revenues derived from levying an ad valorem property tax rate of one dollar (\$1) per hundred dollars (\$100) of taxable value. The taxable assessed values are provided to our office by the County Assessor and the State Board of Equalization.

Below are the current fiscal year's taxable assessed values and the estimated property tax revenues by tax type for your district. The estimated revenues are net of the ongoing ERAF shift, when applicable, as required by code and are also adjusted for potential secured roll revisions and a 1.82% unsecured delinquency.

The taxable values and corresponding estimated tax revenue for Fiscal Year 2018-2019 are:

	SECURED	UNSECURED	HOMEOWNER EXEMPTION	UNITARY REVENUE	REDEV. CONTRIB.	PASS THRU
Net Value	232,461,564	2,853,901	147,000			
Estimated Revenue	\$272,486	\$6,405	\$1,754	\$3,728	\$0	\$0

Should you have any questions regarding your estimated revenues or assessed values, contact me at (805) 788-2968 or by email at [akessler@co.slo.ca.us](mailto:akessler@co.slo.ca.us)

# 284363

# 64344B

**Avila Beach Community Foundation**

**Meet the Agencies Showcase  
Brainstorm Meeting  
Agenda**

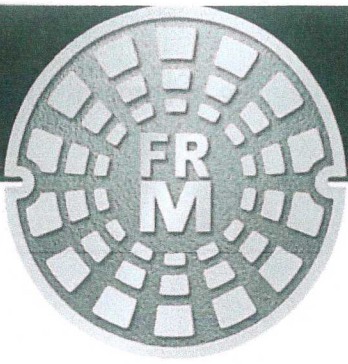
Tuesday, October 23, 2018

12:30 - 2:00 pm

Avila Beach Community Center - UPSTAIRS

**Lunch to be provided**

- 1. Welcome / Introductions.....Stephanie**
- 2. Objectives for Event.....Rick**
- 3. Ideas for Discussion.....All**
  - a. Date
  - b. Time
  - c. Venue
  - d. Logistical Layout / Setup
  - e. Type of Displays
  - f. Refreshments
  - g. Decorations
  - h. How to incentivize attendance?
  - i. How to promote to constituents?
  - j. Other ideas
- 4. Wrap-up / Next Steps.....Stephanie**



November 6, 2018

Avila Beach Community Services District  
100 San Luis Street  
Avila Beach, CA 93424

**SUBJECT: OCTOBER 2018 MONTHLY FACILITY REPORT FOR THE AVILA BEACH COMMUNITY SERVICES DISTRICT WASTEWATER TREATMENT PLANT, WATER SYSTEM AND COLLECTION SYSTEM**

**WASTEWATER TREATMENT PLANT**

The sludge pump was tested in preparation for the primary clarifier inspection scheduled for November 2018. The pump transfers material to the digester and will be integral in moving solids before the clarifier is taken out of service for preventative maintenance, including recoating and/or replacement of any corroded mechanical equipment that has exceeded its useful lifespan.

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.

**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 provide additional chlorine as needed.

The tank levels were adjusted in preparation for the county's annual temporary switch from blended chlorine to free chlorine. This change is a common practice in the water treatment industry and helps ensure the drinking water lines remain free of potentially harmful bacteria.

Final wiring was completed to connect the tank mixer's run signal to the SCADA panel. This re-wiring concluded the SCADA control panel relocation project at the tanksite.

Staff collected quarterly disinfection byproduct samples from the distribution system; the quarterly report was submitted to the State Water Resources Control Board (SWRCB), Division of Drinking Water.

**COMPLIANCE RECORD AND PLANT PERFORMANCE**

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

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.

Sincerely,

**FLUID RESOURCE MANAGEMENT**



Krista Ackermann Young  
Operations Manager

## **ATTACHMENTS**

- Self-Monitoring Report
- ABCSD Average Daily WWTP Effluent Flow (2016-2018)
- ABCSD Monthly Total WWTP Effluent Flow (2016-2018)
- Port San Luis Monthly Total Flow (2016-2018)
- Monthly Average Influent BOD (2016-2018)
- Monthly Average Effluent BOD (2016-2018)
- Monthly Water Purchased From Lopez (2016-2018)
- ABCSD Monthly Water Sold (2016-2018)



# Avila Beach CSD Wastewater Treatment Facility

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

Month: **OCTOBER 2018**

Date	Daily Flow (MGD)			Effluent Monitoring		
	Total	Max (gpm)	Avg (gpm)	Biweekly Total Coliform	Biweekly Fecal Coliform	Daily Chlorine Residual
1	0.042664	100	30			<0.02
2	0.039376	83	27	<2	<2	<0.02
3	0.044852	84	31			<0.02
4	0.041600	85	29	<2	<2	<0.02
5	0.045555	83	32			<0.02
6	0.057053	104	40			<0.02
7	0.058458	99	40			<0.02
8	0.048334	93	34			<0.02
9	0.040955	81	29	<2	<2	<0.02
10	0.041088	80	29			<0.02
11	0.041464	80	29	<2	<2	<0.02
12	0.049676	92	34			<0.02
13	0.059179	103	41			<0.02
14	0.058358	128	40			<0.02
15	0.042153	87	29			<0.02
16	0.038573	74	27	<2	<2	<0.02
17	0.037280	81	26			<0.02
18	0.043674	92	30	2	<2	<0.02
19	0.051900	106	36			<0.02
20	0.062655	113	44			<0.02
21	0.062761	102	33			<0.02
22	0.050996	86	36			<0.02
23	0.041843	78	29	2	2	<0.02
24	0.041109	90	29			<0.02
25	0.038886	84	27	<2	<2	<0.02
26	0.049941	101	35			<0.02
27	0.060834	98	42			<0.02
28	0.053531	97	37			<0.02
29	0.038445	74	27			<0.02
30	0.038394	77	27	<2	<2	<0.02
31	0.029416	74	21			<0.02
Min	0.029416	74	21	<2	<2	<0.02
Mean	0.046807	91	32	<2	<2	<0.02
Max	0.062761	128	44	2	2	<0.02
Total	1.451003	Effluent daily (dry weather) flow NTE 0.2 MGD (mean).				

Effluent and Influent Monitoring					
Date	Biweekly Effluent BOD (24 HC)	Biweekly Effluent TSS (24 HC)	Biweekly Influent BOD (24 HC)	Biweekly Influent TSS (24 HC)	Monthly Effluent Oil & Grease (Grab)
10/4/18	13	11	450	484	1.6 DNQ
10/7/18	22	14	548	162	
10/11/18	19	13	667	575	
10/14/18	38	26	293	160	
10/18/18	22	10	224	357	
10/21/18	30	20	312	106	
10/25/18	17	7	428	363	
10/28/18	27	12	278	104	
Min	13	7	224	104	1.6 DNQ
Mean	23.5	14.1	400.0	288.9	1.6 DNQ
Max	38	26	667	575	1.6 DNQ
BOD Removal: 94.1%			TSS Removal: 95.1%		

Effluent Monitoring				
Date	Weekly Set. Solids (Grab)	Weekly Turbidity (Grab)	Weekly pH (Grab)	Weekly Temp °F (Grab)
10/4/18	0.1	13.1	6.4	74
10/11/18	<0.1	12.1	6.5	73
10/18/18	<0.1	12.4	6.7	70
10/25/18	<0.1	19.1	6.5	70
Min	<0.1	12.1	6.4	70
Mean	<0.1	14.2	6.5	71.8
Max	0.1	19.1	6.7	74

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

Influent Brine Received	
Date	Volume (Gallons)
	N/A

Sludge Removal	
Date	Gallons
10/2/18	4,800
10/16/18	4,500
10/30/18	4,500

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

SIGNATURE: \_\_\_\_\_

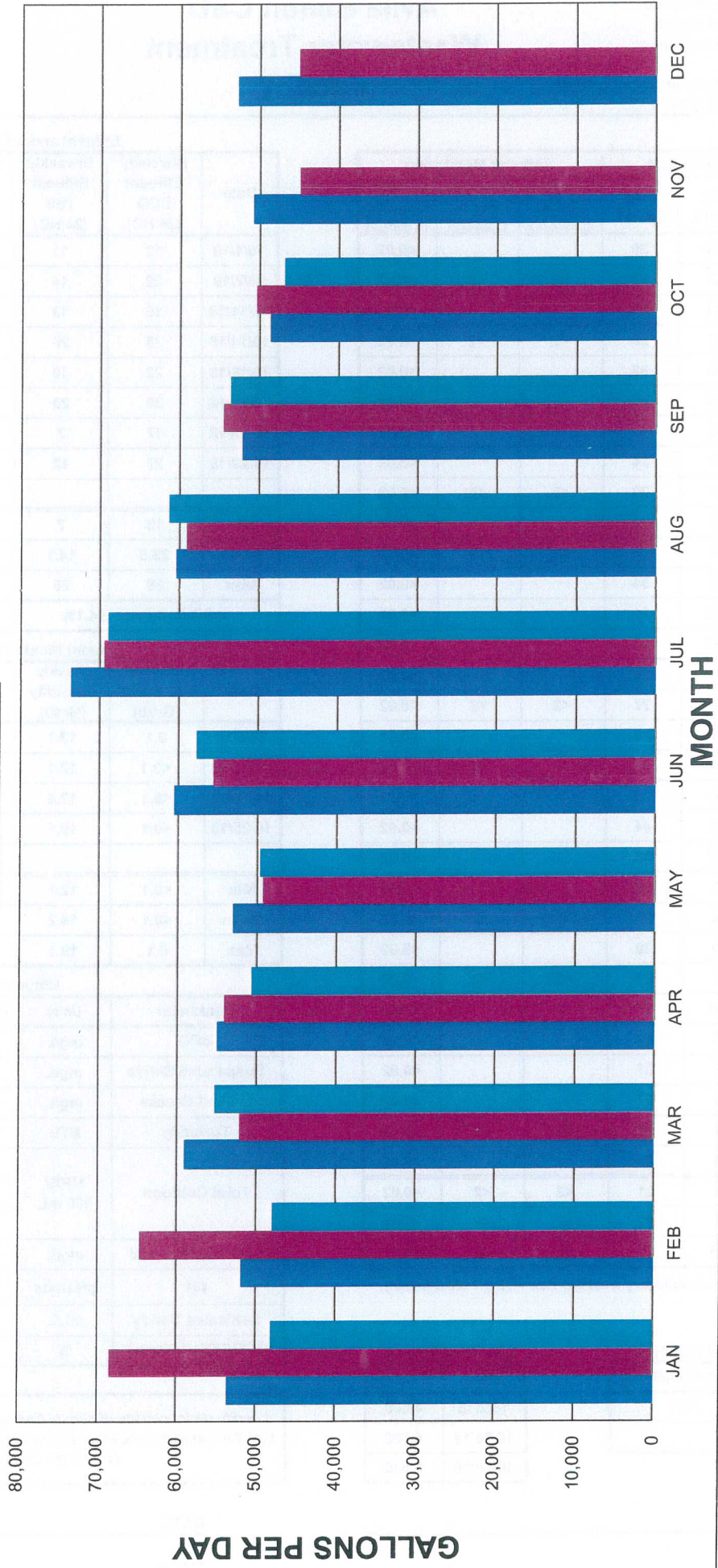
DATE: \_\_\_\_\_

PRINTED NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

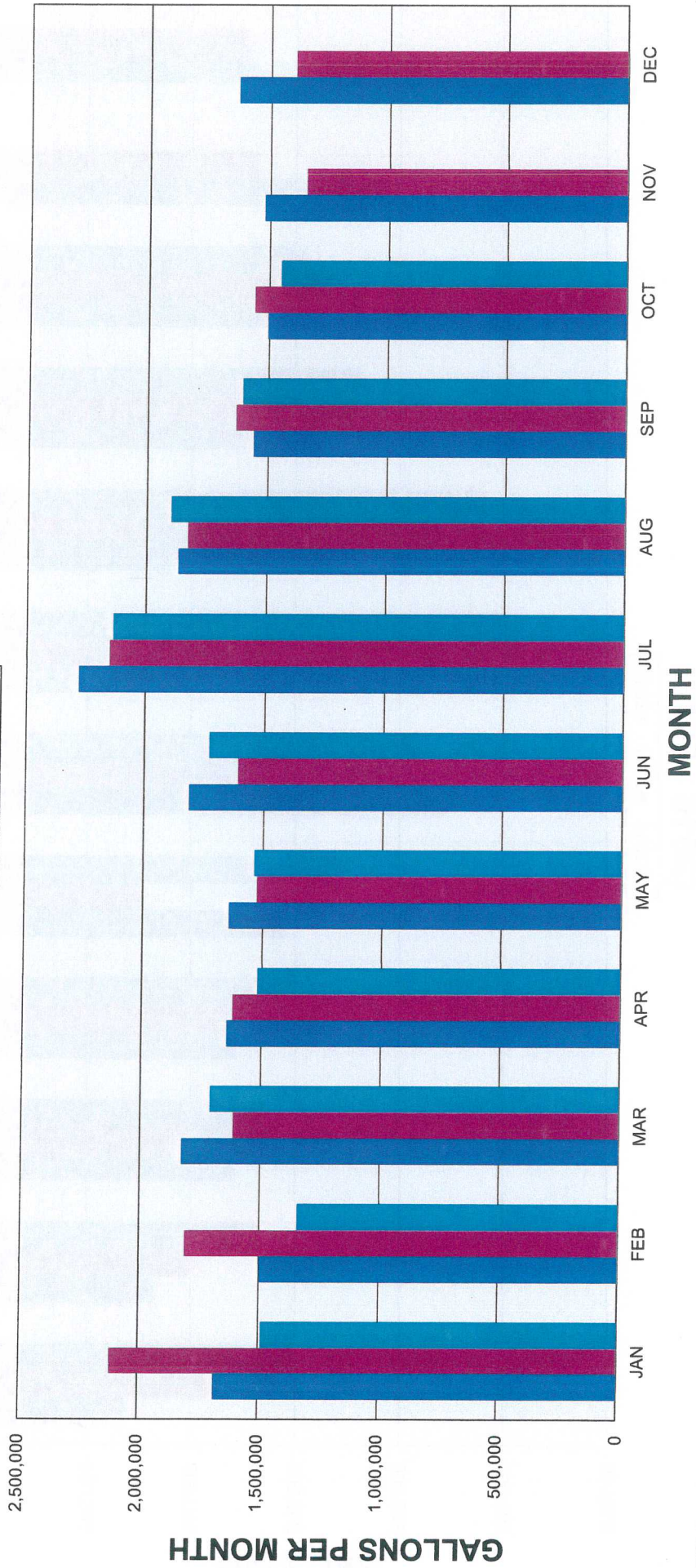
# ABCSD AVERAGE DAILY WWTP EFFLUENT FLOW (2016 - 2018)

■ 2016 ■ 2017 ■ 2018



# ABCSD MONTHLY TOTAL WWTP EFFLUENT FLOW (2016 - 2018)

■ 2016 ■ 2017 ■ 2018



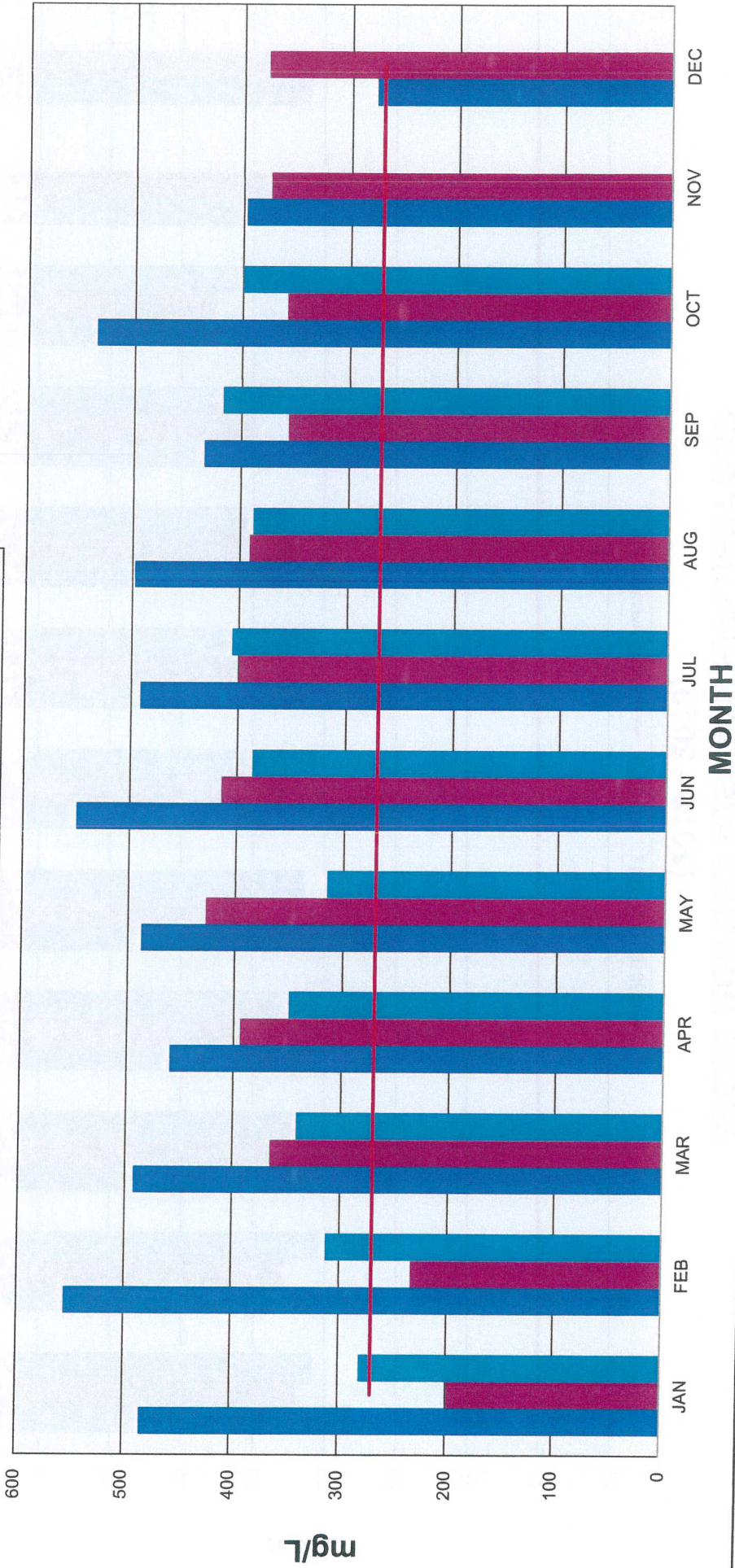
# PORT SAN LUIS MONTHLY TOTAL FLOW (2016 - 2018)

■ 2016   
 ■ 2017   
 ■ 2018



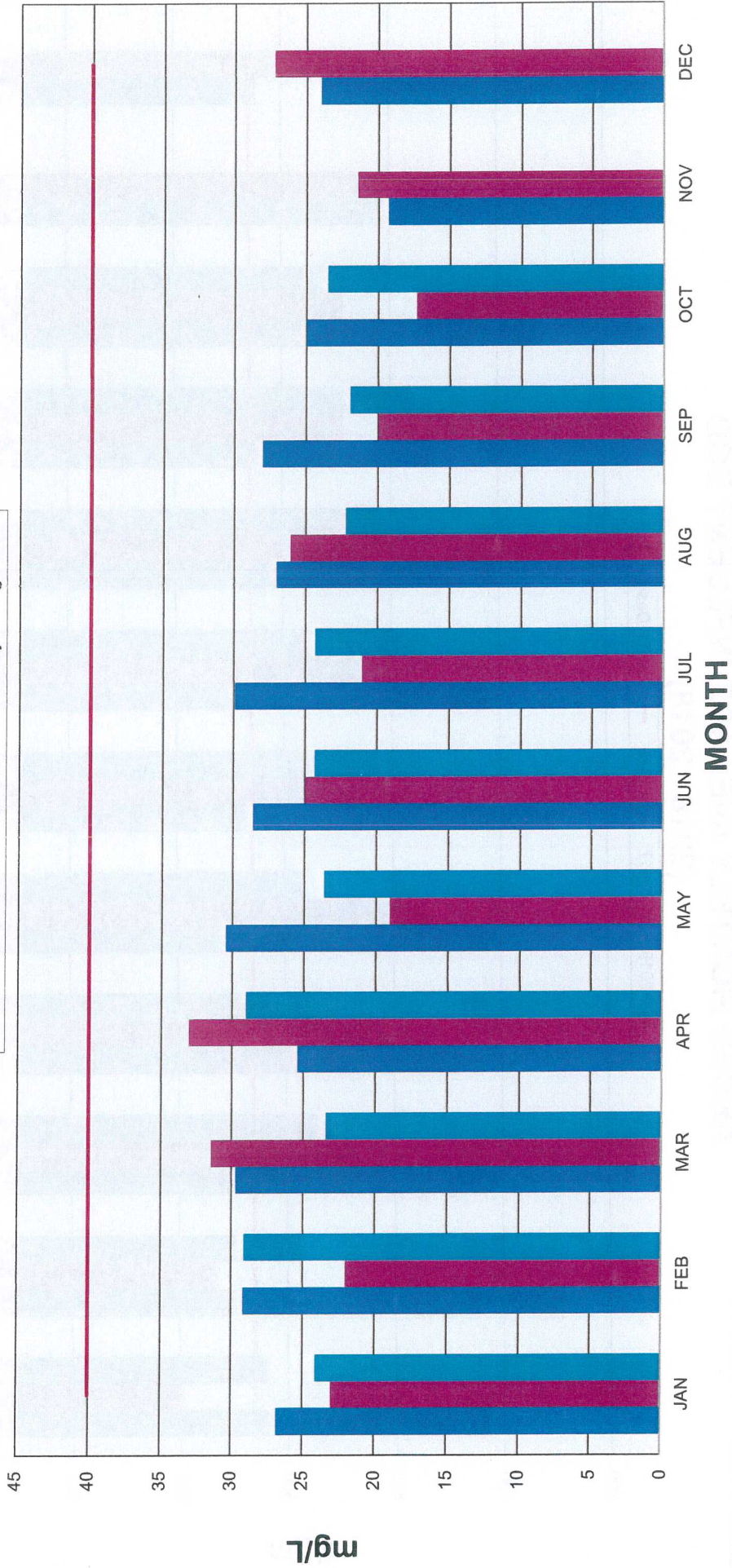
# ABCSD MONTHLY AVERAGE INFLUENT BOD (2016 - 2018)

■ 2016 ■ 2017 ■ 2018 — WWTP Design



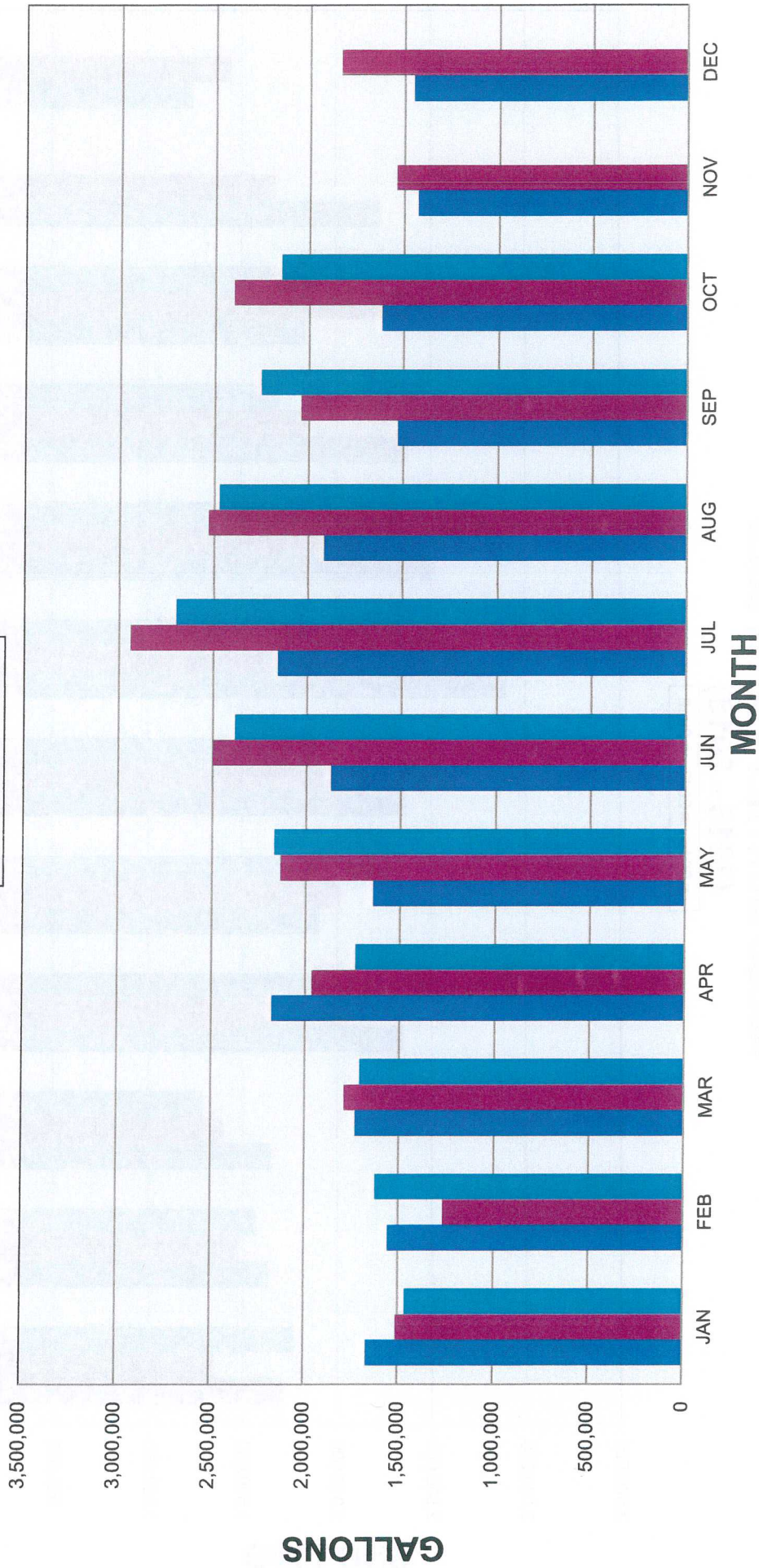
# ABCSD MONTHLY AVERAGE EFFLUENT BOD (2016 - 2018)

■ 2016   
 ■ 2017   
 ■ 2018   
 — 30 Day Average Limit



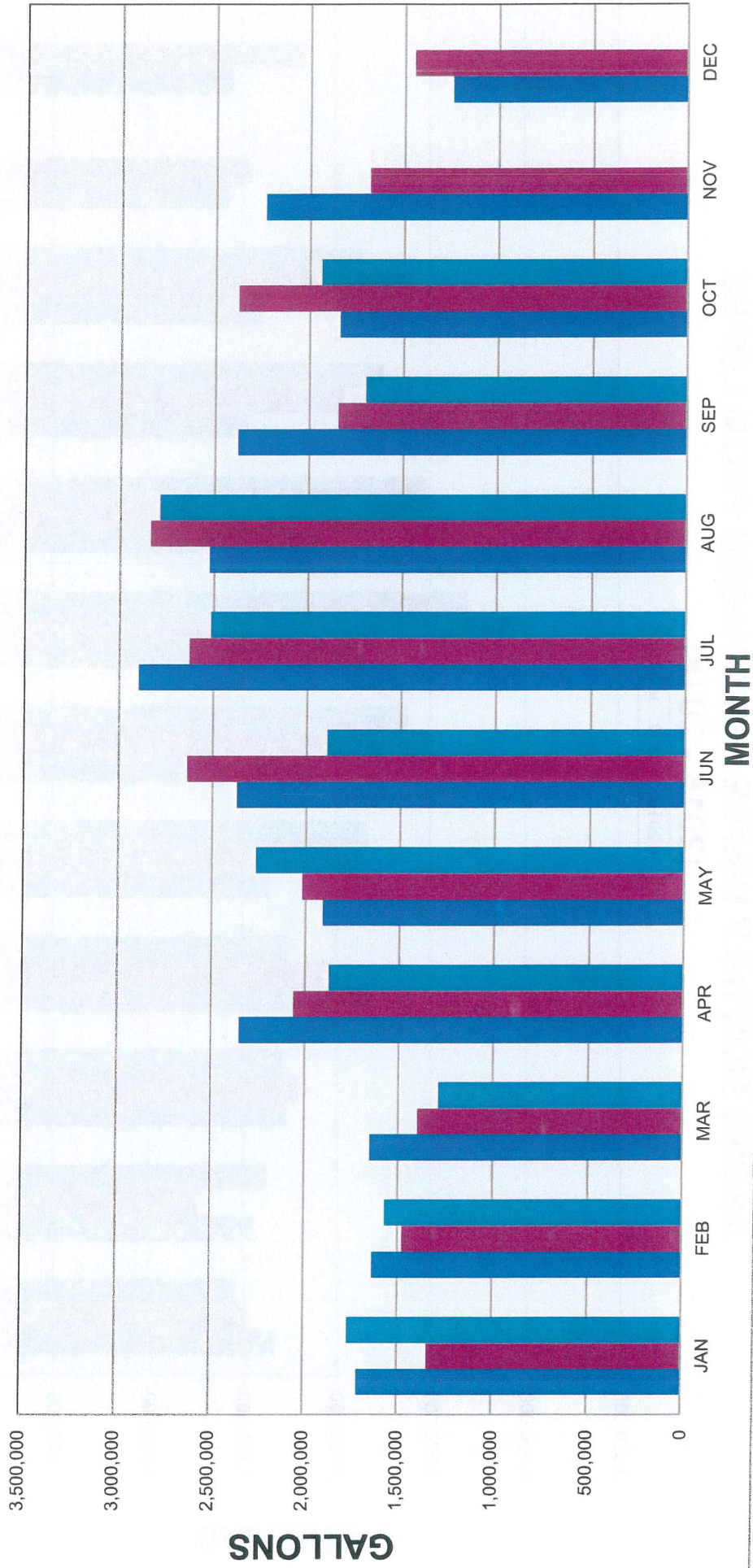
# ABCSD MONTHLY WATER PURCHASED FROM LOPEZ (2016 - 2018)

■ 2016 ■ 2017 ■ 2018



# ABCSD MONTHLY WATER SOLD (2016 - 2018)

■ 2016 ■ 2017 ■ 2018





**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 14, 2018

SUBJECT: Presentation of Fiscal Year 2017-18 Draft Financial Audit

Recommendation:

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

Discussion:

Each year, the District is required by state law to provide an Independent Auditor's Report of the District's financial records. Attached for your review is the District's draft audit Report for Fiscal Year 2017-18.

Mr. Andy Beck, CPA or Mr. Chris Brown will attend the November 14, 2018, Board of Directors meeting to present the draft Report and answer any Board questions. The auditors will address the questions and if acceptable, the Board should consider adopting audit Report as final. Following finalization, staff will provide copies of the Report to both the County and State Auditor Controller offices as required.

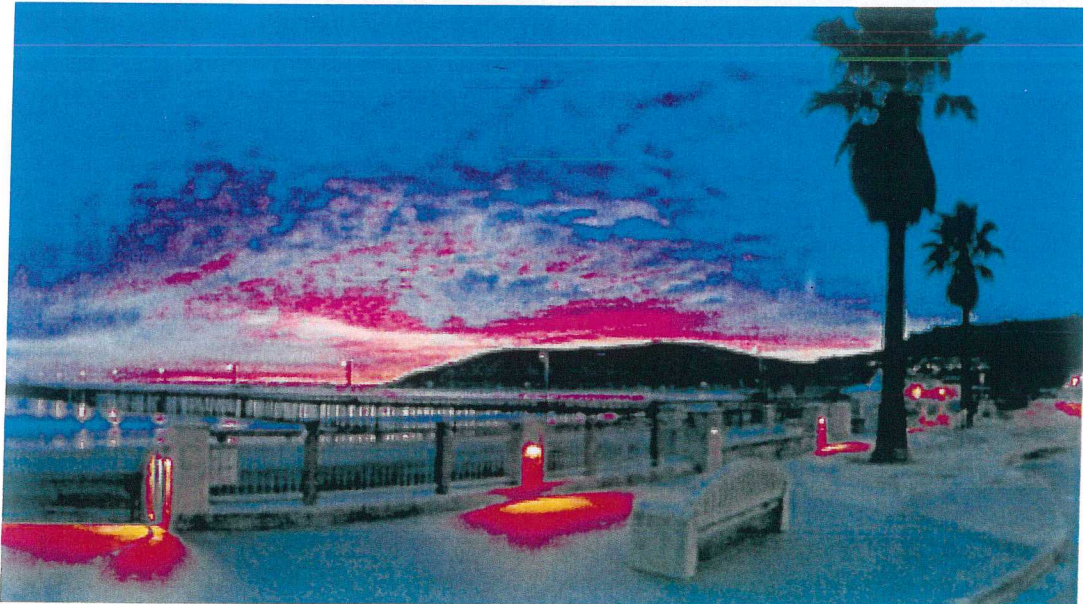




**Avila Beach Community Services District**  
**Avila Beach, California**

**Annual Financial Report**

**For the Fiscal Year Ended**  
**June 30, 2018**





**AVILA BEACH COMMUNITY SERVICES DISTRICT**

**List of Elected and District Staff**

**June 30, 2018**

**Elected Officials**

**BOARD OF DIRECTORS**

<b>President</b>	<b>Peter Kelley</b>
<b>Vice President</b>	<b>Lynn Helenius</b>
<b>Director</b>	<b>Kristin Berry</b>
<b>Director</b>	<b>Eric DeWeese</b>
<b>Director</b>	<b>Ara Najarian</b>

**District Staff**

<b>General Manager</b>	<b>Bradley Hagemann</b>
------------------------	-------------------------

**Avila Beach Community Services District  
Post Office Box 309  
100 San Luis Street  
Avila Beach, California 93424  
(805) 595-2664 [www.avilabeachcsd.org](http://www.avilabeachcsd.org)**



**Avila Beach Community Services District**  
**Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2018**

**Avila Beach Community Services District  
Annual Financial Report  
For the Fiscal Year Ended June 30, 2018**

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## Financial Section



## **Independent Auditor's 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, and each major fund of the Avila Beach Community Services District (District) as of and for the year ended June 30, 2018, 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 opinions 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 opinions.

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, and each major fund of the Avila Beach Community Services District, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Independent Auditor's Report, continued

### ***Other Matters***

#### *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 40 and 41, and the required supplementary information on pages 42 and 43, 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 14, 2018, 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 44 and 45.

**Fedak & Brown LLP**  
Cypress, California  
November 14, 2018

**Avila Beach Community Services District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2018**

The following Management's Discussion and Analysis of activities and financial performance of the Avila Beach Community Services District (District) provide an introduction to the financial statements of the District for the fiscal year ended June 30, 2018. 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 4.20% or \$277,523 from \$6,602,136 to \$6,879,659 in 2018, as a result of current year operations.
- In 2018, total revenues from all sources increased 2.15% or \$39,737 from \$1,844,046 to \$1,883,783.
- In 2018, total expenses from the District operations increased 16.59% or \$228,548 from \$1,377,712 to \$1,606,260.

**Overview of the Financial Statements**

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

**Government-wide Financial Statements**

**Statement of Net Position and Statement of Activities**

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

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

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

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

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

**Avila Beach Community Services District  
Management's Discussion and Analysis, continued  
For the Year Ended June 30, 2018**

**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 balance for the general fund and street lighting fund, which are considered major funds. The District maintains no non-major governmental funds.

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

The basic governmental fund financial statements can be found on pages 11 through 14 of this report.

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

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

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, 2018**

**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 39 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 40 through 43 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 \$6,879,659 at the close of the most recent fiscal year, with an increase of \$277,523 compared with the prior year.

The largest portion of the District's net position (51.89%) 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	
	2018	2017	2018	2017	2018	2017
<b>Assets:</b>						
Current assets	\$ 785,140	990,679	2,696,945	2,116,716	3,482,085	3,107,395
Capital assets, net	17,800	20	3,551,814	3,704,153	3,569,614	3,704,173
<b>Total assets</b>	<u>802,940</u>	<u>990,699</u>	<u>6,248,759</u>	<u>5,820,869</u>	<u>7,051,699</u>	<u>6,811,568</u>
<b>Deferred outflows of resources:</b>						
Deferred pension outflows	31,212	39,579	-	-	31,212	39,579
<b>Total deferred outflows of resources</b>	<u>31,212</u>	<u>39,579</u>	<u>-</u>	<u>-</u>	<u>31,212</u>	<u>39,579</u>
<b>Liabilities:</b>						
Current liabilities	26,242	8,591	37,011	98,098	63,253	106,689
Non-current liabilities	136,401	126,121	-	-	136,401	126,121
<b>Total liabilities</b>	<u>162,643</u>	<u>134,712</u>	<u>37,011</u>	<u>98,098</u>	<u>199,654</u>	<u>232,810</u>
<b>Deferred inflows of resources:</b>						
Deferred pension inflows	3,598	16,201	-	-	3,598	16,201
<b>Total deferred inflows of resources</b>	<u>3,598</u>	<u>16,201</u>	<u>-</u>	<u>-</u>	<u>3,598</u>	<u>16,201</u>
<b>Net position:</b>						
Net investment in capital assets	1,811,224	20	796,168	3,704,153	2,607,392	3,704,173
Unrestricted	(1,143,313)	879,345	5,415,580	2,018,618	4,272,267	2,897,963
<b>Total net position</b>	<u>\$ 667,911</u>	<u>879,365</u>	<u>6,211,748</u>	<u>5,722,771</u>	<u>6,879,659</u>	<u>6,602,136</u>

The balance of unrestricted net position totaling \$3,310,045 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, 2018**

**Government-wide Financial Analysis, continued**

**Statements of Net Position, continued**

**Governmental activities** — Governmental activities decreased the District's net position by \$211,454 from the prior year. The decrease in net position was primarily due to increases of \$199,222 from current year operations; which was offset by a decrease of \$410,676 from transfer out to support the operations of business-type activities.

**Business-type activities** — Business-type activities increased the District's net position by \$488,977 from the prior year. The increase in net position was primarily due to increases of \$78,301 from current year operations and \$410,676 from transfer in from governmental activities.

**Statements of Activities**

	Condensed Statements of Activities					
	Governmental Activities		Business-type Activities		Total District	
	2018	2017	2018	2017	2018	2017
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 26,386	6,766	1,196,603	1,209,596	1,222,989	1,216,362
<b>General revenues:</b>						
Property taxes	611,408	572,920	-	-	611,408	572,920
Interest earnings	26,401	16,580	-	-	26,401	16,580
Rental income	22,985	38,184	-	-	22,985	38,184
<b>Total revenues</b>	<u>687,180</u>	<u>634,450</u>	<u>1,196,603</u>	<u>1,209,596</u>	<u>1,883,783</u>	<u>1,844,046</u>
<b>Expenses:</b>						
General government	471,475	415,791	-	-	471,475	415,791
Street lighting	16,483	12,906	-	-	16,483	12,906
Water	-	-	350,388	351,338	350,388	351,338
Sanitary	-	-	767,914	597,131	767,914	597,131
Refuse	-	-	-	546	-	546
<b>Total expenses</b>	<u>487,958</u>	<u>428,697</u>	<u>1,118,302</u>	<u>949,015</u>	<u>1,606,260</u>	<u>1,377,712</u>
<b>Change in net position</b>	199,222	205,753	78,301	260,581	277,523	466,334
<b>Transfers in/(out)</b>	(410,676)	(382,093)	410,676	382,093	-	-
<b>Net position, beginning of year</b>	<u>879,365</u>	<u>1,055,705</u>	<u>5,722,771</u>	<u>5,080,097</u>	<u>6,602,136</u>	<u>6,135,802</u>
<b>Net position, end of year</b>	<u>\$ 667,911</u>	<u>879,365</u>	<u>6,211,748</u>	<u>5,722,771</u>	<u>6,879,659</u>	<u>6,602,136</u>

- The District's net position increased 4.20% or \$277,523 from \$6,602,136 to \$6,879,659 in 2018, as a result of current year operations.
- In 2018, total revenues from all sources increased 2.15% or \$39,737 from \$1,844,046 to \$1,883,783, primarily due to increases of \$38,488 in property taxes.
- In 2018, total expenses from the District operations increased 16.59% or \$228,548 from \$1,377,712 to \$1,606,260, primarily due to fund increases of \$55,684 in general government operations and \$170,783 in sanitary.

**Avila Beach Community Services District  
Management's Discussion and Analysis, continued  
For the Year Ended June 30, 2018**

**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 Sheet – 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 \$758,898, a decrease of \$223,190 in comparison with the prior year. Of the total fund balance, 99.8%, or \$758,340, 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 \$769,054, of which \$558 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 162.18% of total general fund expenditures, while total fund balance represents 162.30% of that same amount.

The fund balance of the District's general fund decreased \$211,787 as a result of a \$212,235 gain from the current year's operations; which was offset by a \$424,022 transfer out to support the operations of the District's other funds.

The street lighting fund balance was a deficit of \$10,156. The fund balance of the streets light fund decreased \$11,403 as a result of a \$24,749 loss from the current year's operations; which was offset by a \$13,346 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 \$488,977 from the prior year. Changes in total net position from the prior year are as follows: water enterprise increased by \$221,283, of which \$66,729 related to transfer in from the general fund in support of its operations and an increase of \$154,554 as a result of current year operations; sanitary enterprise increased by \$250,529, of which \$343,947 related to transfer in from the general fund in support of its operations and a decrease of \$93,418 as a result of current year operations; and refuse enterprise increased by \$17,165 as a result of current year operations.

**Governmental Activities Budgetary Highlights**

The final actual expenditures for the year ended June 30, 2018, was more than budgeted by \$5,257 for the General Fund, and more than budgeted by \$8,337 for the Streets Lighting Fund. Actual revenues for the year ended June 30, 2018, were more than the anticipated budget by \$48,292 for the General Fund, and less than the anticipated budget by \$112 for the Streets Lighting Fund. At June 30, 2018, there were no differences between the original and final amended budgets. (See Budgetary Comparison Schedule for the General Fund and Streets Lighting Fund under Required Supplementary Information section on pages 40 and 41).

**Avila Beach Community Services District  
Management's Discussion and Analysis, continued  
For the Year Ended June 30, 2018**

**Capital Asset Administration**

	Governmental Activities		Business-type Activities		Total District	
	2018	2017	2018	2017	2018	2017
Capital assets:						
Non-depreciable assets	\$ 20	20	66,664	183,628	66,684	183,648
Depreciable assets	64,038	42,570	6,567,029	6,364,034	6,631,067	6,406,604
Total capital assets	64,058	42,590	6,633,693	6,547,662	6,697,751	6,590,252
Accumulated depreciation	(46,258)	(42,570)	(3,081,879)	(2,843,509)	(3,128,137)	(2,886,079)
Total capital assets, net	\$ 17,800	20	3,551,814	3,704,153	3,569,614	3,704,173

At the end of fiscal year 2018, the District's investment in capital assets amounted to \$3,569,614 (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

**Avila Beach Community Services District**  
**Statement of Net Position**  
**June 30, 2018**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Current assets:</b>			
Cash and cash equivalents (note 2)	\$ 771,372	2,587,372	3,358,744
Accrued interest receivable	5,145	-	5,145
Accounts receivable – utilities, net (note 3)	-	109,573	109,573
Accounts receivable – other	257	-	257
Property taxes and assessments receivable	8,366	-	8,366
<b>Total current assets</b>	<b>785,140</b>	<b>2,696,945</b>	<b>3,482,085</b>
<b>Non-current assets:</b>			
Capital assets – not being depreciated (note 5)	20	66,664	66,684
Capital assets – being depreciated, net (note 5)	17,780	3,485,150	3,502,930
<b>Total non-current assets</b>	<b>17,800</b>	<b>3,551,814</b>	<b>3,569,614</b>
<b>Total assets</b>	<b>802,940</b>	<b>6,248,759</b>	<b>7,051,699</b>
<b>Deferred outflows of resources:</b>			
Deferred pension outflows (note 7)	31,212	-	31,212
<b>Total deferred outflows of resources</b>	<b>31,212</b>	<b>-</b>	<b>31,212</b>
<b>Current liabilities:</b>			
Accounts payable and accrued expenses	23,684	31,031	54,715
Deposits and unearned revenue	2,000	5,980	7,980
Compensated absences (note 6)	558	-	558
<b>Total current liabilities</b>	<b>26,242</b>	<b>37,011</b>	<b>63,253</b>
<b>Non-current liabilities:</b>			
Long-term liabilities – due in more than one year:			
Net pension liability (note 7)	136,401	-	136,401
<b>Total non-current liabilities</b>	<b>136,401</b>	<b>-</b>	<b>136,401</b>
<b>Total liabilities</b>	<b>162,643</b>	<b>37,011</b>	<b>199,654</b>
<b>Deferred inflows of resources:</b>			
Deferred pension inflows (note 7)	3,598	-	3,598
<b>Total deferred inflows of resources</b>	<b>3,598</b>	<b>-</b>	<b>3,598</b>
<b>Net position:</b>			
Net investment in capital assets	1,811,224	796,168	2,607,392
Unrestricted	(1,143,313)	5,415,580	4,272,267
<b>Total net position</b>	<b>\$ 667,911</b>	<b>6,211,748</b>	<b>6,879,659</b>

See accompanying notes to the basic financial statements

**Avila Beach Community Services District**  
**Statement of Activities**  
**For the Year Ended June 30, 2018**

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Position		
			Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>					
General government	\$ 471,475	25,298	(446,177)	-	(446,177)
Lighting	16,483	1,088	(15,395)	-	(15,395)
<b>Total governmental activities</b>	<b>487,958</b>	<b>26,386</b>	<b>(461,572)</b>	<b>-</b>	<b>(461,572)</b>
<b>Business-type activities:</b>					
Water	350,388	504,942	-	154,554	154,554
Sanitary	767,914	674,496	-	(93,418)	(93,418)
Refuse	-	17,165	-	17,165	17,165
<b>Total business-type activities</b>	<b>1,118,302</b>	<b>1,196,603</b>	<b>-</b>	<b>78,301</b>	<b>78,301</b>
<b>Total</b>	<b>\$ 1,606,260</b>	<b>1,222,989</b>	<b>(461,572)</b>	<b>78,301</b>	<b>(383,271)</b>

<b>General revenues:</b>					
Property taxes	\$ 611,408	-	-	-	611,408
Interest earnings	26,401	-	-	-	26,401
Rental income	22,985	-	-	-	22,985
<b>Total general revenues</b>	<b>660,794</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>660,794</b>
<b>Transfers in/(out) (note 4)</b>	<b>(410,676)</b>	<b>410,676</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>(211,454)</b>	<b>488,977</b>	<b>-</b>	<b>-</b>	<b>277,523</b>
<b>Net position, beginning of year</b>	<b>879,365</b>	<b>5,722,771</b>	<b>-</b>	<b>-</b>	<b>6,602,136</b>
<b>Net position, end of year</b>	<b>\$ 667,911</b>	<b>6,211,748</b>	<b>-</b>	<b>-</b>	<b>6,879,659</b>

See accompanying notes to the basic financial statements

**Avila Beach Community Services District**  
**Balance Sheet – Governmental Funds**  
**June 30, 2018**

	General	Streets Lighting	Total Governmental Activities
<b>Assets:</b>			
Cash and cash equivalents (note 2)	\$ 771,372	-	771,372
Accrued interest receivable	5,145	-	5,145
Accounts receivable – other	-	257	257
Property taxes and assessments receivable	8,366	-	8,366
Due from other funds	9,843	(9,843)	-
<b>Total assets</b>	\$ 794,726	(9,586)	785,140
<b>Liabilities:</b>			
Accounts payable and accrued expenses	\$ 23,114	570	23,684
Deposits and unearned revenue	2,000	-	2,000
Compensated absences (note 6)	558	-	558
<b>Total liabilities</b>	25,672	570	26,242
<b>Fund balance (note 8):</b>			
Assigned	558	-	558
Unassigned	768,496	(10,156)	758,340
<b>Total fund balance</b>	769,054	(10,156)	758,898
<b>Total liabilities and fund balance</b>	\$ 794,726	(9,586)	785,140

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, 2018**

<b>Reconciliation:</b>	
Total Fund Balances of Governmental Funds	\$ 758,898
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.	17,800
Deferred outflows of resources applicable to the consumption of resources to be used in future periods	31,212
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	(136,401)
Deferred inflows of resources applicable to the acquisition of resources to be used in future periods	(3,598)
Net Position of Governmental Activities	\$ 667,911

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, 2018**

	General	Streets Lighting	Total Governmental Activities
<b>Revenues:</b>			
Property taxes	\$ 611,408	-	611,408
Interest earnings	26,401	-	26,401
Rents and royalties	22,985	-	22,985
Charges for services	25,298	1,088	26,386
<b>Total revenues</b>	686,092	1,088	687,180
<b>Expenditures:</b>			
General government	463,257	-	463,257
Street lighting	-	14,969	14,969
Capital outlay	10,600	10,868	21,468
<b>Total expenditures</b>	473,857	25,837	499,694
Excess(deficiency) of revenues over expenditures	212,235	(24,749)	187,486
<b>Other financing sources(uses):</b>			
Operating transfers in(out) (note 4)	(424,022)	13,346	(410,676)
<b>Net change in fund balance</b>	(211,787)	(11,403)	(223,190)
<b>Fund balance, beginning of year</b>	980,841	1,247	982,088
<b>Fund balance, end of year</b>	\$ 769,054	(10,156)	758,898

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, 2018**

<b>Reconciliation:</b>	
Net Changes in Fund Balances – Total Governmental Funds	\$ (223,190)
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	(3,688)
Capital outlay	21,468
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>(6,044)</u>
Change in Net Position of Governmental Activities	<u>\$ (211,454)</u>

See accompanying notes to the basic financial statements

**Avila Beach Community Services District**  
**Statement of Net Position – Enterprise Funds**  
**June 30, 2018**

	<b>Water</b>	<b>Sanitary</b>	<b>Refuse</b>	<b>Total Business-type Activities</b>
<b>Current assets:</b>				
Cash and cash equivalents (note 2)	\$ 1,755,696	779,134	52,542	2,587,372
Accounts receivable – utilities, net (note 3)	63,069	46,504	-	109,573
Total current assets	1,818,765	825,638	52,542	2,696,945
<b>Non-current assets:</b>				
Capital assets – not being depreciated (note 5)	-	66,664	-	66,664
Capital assets – being depreciated, net (note 5)	633,103	2,852,047	-	3,485,150
Total non-current assets	633,103	2,918,711	-	3,551,814
<b>Total assets</b>	2,451,868	3,744,349	52,542	6,248,759
<b>Current liabilities:</b>				
Accounts payable and accrued expenses	1,561	29,470	-	31,031
Unearned revenue	5,980	-	-	5,980
Total current liabilities	7,541	29,470	-	37,011
<b>Total liabilities</b>	7,541	29,470	-	37,011
<b>Net position:</b>				
Net investment in capital assets	633,103	2,918,711	-	3,551,814
Unrestricted	1,811,224	796,168	52,542	2,659,934
<b>Total net position</b>	\$ 2,444,327	3,714,879	52,542	6,211,748

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, 2018**

	Water	Sanitary	Refuse	Total Business-type Activities
<b>Operating revenues:</b>				
Water consumption sales	\$ 504,642	-	-	504,642
Sanitary service charges	-	641,067	-	641,067
Refuse franchise charges	-	-	17,165	17,165
Other charges for service	300	33,429	-	33,729
<b>Total operating revenue</b>	<u>504,942</u>	<u>674,496</u>	<u>17,165</u>	<u>1,196,603</u>
<b>Operating expenses:</b>				
Professional services	49,462	358,513	-	407,975
Utilities	1,464	31,111	-	32,575
Repairs and maintenance	28,487	53,787	-	82,274
Supplies	25	74,642	-	74,667
Insurance	4,581	4,581	-	9,162
Administrative expenses	5,878	10,092	-	15,970
Materials and services	227,403	29,906	-	257,309
<b>Total operating expenses</b>	<u>317,300</u>	<u>562,632</u>	<u>-</u>	<u>879,932</u>
Operating income before depreciation expense	187,642	111,864	17,165	316,671
Depreciation expense	<u>(33,088)</u>	<u>(205,282)</u>	<u>-</u>	<u>(238,370)</u>
<b>Operating income</b>	154,554	(93,418)	17,165	78,301
<b>Operating transfers in (note 4)</b>	66,729	343,947	-	410,676
<b>Change in net position</b>	221,283	250,529	17,165	488,977
<b>Net position, beginning of year</b>	2,223,044	3,464,350	35,377	5,722,771
<b>Net position, end of year</b>	<u>\$ 2,444,327</u>	<u>3,714,879</u>	<u>52,542</u>	<u>6,211,748</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, 2018**

	<u>2018</u>
<b>Cash flows from operating activities:</b>	
Cash receipts from customers for water sales and services	\$ 1,193,806
Cash paid to vendors and suppliers for materials and services	<u>(901,891)</u>
<b>Net cash provided by operating activities</b>	<u>291,915</u>
<b>Cash flows from non-capital financing activities:</b>	
Operating transfers in	<u>410,676</u>
<b>Net cash provided by non-capital financing activities</b>	<u>410,676</u>
<b>Cash flows from capital and related financing activities</b>	
Acquisition and construction of capital assets	<u>(86,031)</u>
<b>Net cash used in capital and related financing activities</b>	<u>(86,031)</u>
<b>Net increase in cash and cash equivalents</b>	616,560
<b>Cash and cash equivalents, beginning of year</b>	<u>1,970,812</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 2,587,372</u></u>
 <b>Reconciliation of cash and cash equivalents to statements of net position:</b>	
	<u>2018</u>
Cash and cash equivalents	\$ <u>2,587,372</u>
<b>Total cash and cash equivalents</b>	<u><u>\$ 2,587,372</u></u>

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, 2018**

	<b>2018</b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	\$ 78,301
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>	
Depreciation expense	238,370
<b>Changes in asset and liabilities:</b>	
Decrease (increase) in asset:	
Accounts receivable – water sales and services, net	(1,097)
Accounts receivable – other	37,428
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	(59,387)
Unearned revenue	(1,700)
<b>Net cash provided by operating activities</b>	<b>\$ 291,915</b>

See accompanying notes to the basic financial statements

**Avila Beach Community Services District**  
**Notes to the Basic Financial Statements**  
**June 30, 2018**

**(1) Reporting Entity and Summary of Significant Accounting Policies**

**A. Organization and Operations of the Reporting Entity**

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

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

**B. Basis of Accounting and Measurement Focus**

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

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

***Government-wide Financial Statements***

These statements are presented on an *economic resources* measurement focus and the accrual basis of accounting for both governmental and business-type activities. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which the liability is incurred. The Statement of Activities demonstrates the degree to which 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 Balance 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, 2018**

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

**Avila Beach Community Services District**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2018**

**(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 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.

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.

**Avila Beach Community Services District**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2018**

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

**C. Financial Reporting, continued**

In March 2017, the GASB issued Statement No. 85 – *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

In May 2017, the GASB issued Statement No. 86 – *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

**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.

**4. 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.

**Avila Beach Community Services District**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2018**

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

**D. Financial Statement Elements, continued**

**4. Property Taxes and Assessments, continued**

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

**5. 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.

**6. 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 – 5 to 10 years

**7. Deferred Outflows of Resources**

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

**8. Unearned Revenue**

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

**9. 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.



**Avila Beach Community Services District**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2018**

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

**D. Financial Statement Elements, continued**

**10. Deferred Inflows of Resources**

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

**11. Net Position**

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

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

**12. Fund Balance**

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

- **Nonspendable 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 or 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, 2018**

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

**D. Financial Statement Elements, continued**

**12. Fund Balance, continued**

*Fund Balance Policy*

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

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.

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

- Valuation Date: June 30, 2016
- Measurement Date: June 30, 2017
- Measurement Period: July 1, 2016 to June 30, 2017

**14. Use of Estimates**

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

**Avila Beach Community Services District**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2018**

**(2) Cash and Cash Equivalents**

Cash and cash equivalents as of June 30, 2018, are classified as follows:

	<b>2018</b>
Governmental activity funds:	
General fund	\$ 771,372
Total governmental activity funds	771,372
Business-type activity funds:	
Water fund	1,755,696
Sanitary fund	779,134
Refuse fund	52,542
Total business-type activity funds	2,587,372
Total cash and investments	\$ 3,358,744

Cash and cash equivalents as of June 30, 2018, consisted of the following:

	<b>2018</b>
Cash on hand	\$ 169
Deposits with financial institutions	393,085
Deposits held with the California Local Agency Investment Fund (LAIF)	2,965,490
Total cash and investments	\$ 3,358,744

As of June 30, 2018, the District's authorized deposits had the following maturities:

	<b>2018</b>
Deposits held with the California Local Agency Investment Fund (LAIF)	193 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.

***Investment in California Local Agency Investment Fund***

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

**Avila Beach Community Services District**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2018**

**(2) Cash and Cash Equivalents, continued**

***Investment in California Local Agency Investment Fund, continued***

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

- Same day transaction processing occurs for orders received before 10:00 a.m.
- Next day transaction processing occurs for orders received after 10:00 a.m.
- Maximum limit of 15 transactions (combination of deposits and withdrawals) per month.
- Minimum transaction amount requirement of \$5,000, in increments of a \$1,000.
- 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.

***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 88% as of June 30, 2018, of the District's total depository and investment portfolio.

**Avila Beach Community Services District**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2018**

**(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**

*Inter-fund Operational Transfers*

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

As of June 30, 2018, inter-fund receivables/payables between the District’s funds were as follows:

<b>Due from</b>	<b>Due to</b>	<b>Amount</b>
Street Lighting	General	\$ <u>9,843</u>

For the year end June 30, 2018, inter-fund transfers consist of the following::

<b>Transfer from</b>	<b>Transfer to</b>	<b>Amount</b>
General	Water	\$ 66,729
General	Sanitary	<u>343,947</u>
	<b>Total</b>	<b>\$ <u>410,676</u></b>

**Avila Beach Community Services District**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2018**

**(5) Capital Assets**

***Governmental Activities***

Changes in capital assets for 2018, were as follows:

	<u>Balance 2017</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2018</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
Street lights	-	10,868	-	10,868
Building and improvements	<u>29,810</u>	<u>10,600</u>	<u>-</u>	<u>40,410</u>
Total depreciable assets	<u>42,570</u>	<u>21,468</u>	<u>-</u>	<u>64,038</u>
Accumulated depreciation:				
Furniture and equipment	(12,760)	-	-	(12,760)
Street lights	-	(2,174)	-	(2,174)
Building and improvements	<u>(29,810)</u>	<u>(1,514)</u>	<u>-</u>	<u>(31,324)</u>
Total accumulated depreciation	<u>(42,570)</u>	<u>(3,688)</u>	<u>-</u>	<u>(46,258)</u>
Total depreciable assets, net	<u>-</u>	<u>17,780</u>	<u>-</u>	<u>17,780</u>
Total capital assets, net	<u>\$ 20</u>			<u>17,800</u>

Major capital asset additions in the governmental activities funds include additions to street lights and building improvements for the year ended June 30, 2018.

***Business-Type Activities***

Changes in capital assets for 2018, were as follows:

	<u>Balance 2017</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2018</u>
Non-depreciable assets:				
Land	\$ 60,294	-	-	60,294
Construction in progress	<u>123,334</u>	<u>197,058</u>	<u>(314,022)</u>	<u>6,370</u>
Total non-depreciable assets	<u>183,628</u>	<u>197,058</u>	<u>(314,022)</u>	<u>66,664</u>
Depreciable assets:				
Water transmission and distribution	1,161,375	116,040	-	1,277,415
Wastewater collection	<u>5,202,659</u>	<u>86,955</u>	<u>-</u>	<u>5,289,614</u>
Total depreciable assets	<u>6,364,034</u>	<u>202,995</u>	<u>-</u>	<u>6,567,029</u>
Accumulated depreciation:				
Water transmission and distribution	(611,224)	(33,088)	-	(644,312)
Wastewater collection	<u>(2,232,285)</u>	<u>(205,282)</u>	<u>-</u>	<u>(2,437,567)</u>
Total accumulated depreciation	<u>(2,843,509)</u>	<u>(238,370)</u>	<u>-</u>	<u>(3,081,879)</u>
Total depreciable assets, net	<u>3,520,525</u>	<u>(35,375)</u>	<u>-</u>	<u>3,485,150</u>
Total capital assets, net	<u>\$ 3,704,153</u>			<u>3,551,814</u>

**Avila Beach Community Services District**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2018**

**(5) Capital Assets, continued**

*Business-Type Activities, continued*

Major capital asset additions in the business-type activities funds include additions for water transmission and distribution, and wastewater collection for the year ended June 30, 2018.

**(6) Compensated Absences**

Changes in compensated absence as of June 30, 2018, were as follows:

Balance	Earned	Taken	Balance
2017			2018
\$ 1,686	1,455	(2,583)	558

**(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, 2018**

**(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, 2018, are summarized as follows:

	<u>New Classic</u>	<u>PEPRA</u>
	Prior to December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years of service	
Benefit payments	monthly for life	
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	1.1% to 2.4%	1.0% to 2.5%
Required employee contribution rates	N/A	6.25%
Required employer contribution rates	N/A	6.53%

*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.

For the year ended June 30, 2018, the contributions recognized as part of pension expense for the Plan was \$14,788.

*Net Pension Liability*

As of the fiscal year ended June 30, 2018, the District reported net pension liabilities for its proportionate share of the net pension liability of the Plan as follows:

	<u>2018</u>
Proportionate share of net pension liability	\$ <u>136,401</u>

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, 2018, the net pension liability of the Plan is measured as of June 30, 2017 (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, 2016 (the valuation date), rolled forward to June 30, 2017, 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.



**Avila Beach Community Services District**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2018**

**(7) Defined Benefit Pension Plans, continued**

*Net Pension Liability, continued*

The District's changes in proportionate share of the net pension liability for the Plan's miscellaneous risk pool as of the measurement date June 30, 2017, was as follows:

	<u>Proportionate Share</u>
Proportion – June 30, 2016	0.00146 %
Proportion – June 30, 2017	<u>0.00138</u>
Decrease in proportionate share	<u><u>0.00008</u></u> %

*Deferred Pension Outflows(Inflows) of Resources*

For the year ended June 30, 2018, the District recognized pension expense of \$18,196. As of the fiscal year ended June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 12,152	-
Differences between actual and expected experience	-	(1,779)
Changes in assumptions	15,311	-
Net differences between projected and actual earnings on plan investments	3,749	-
Adjustment due to changes in proportions and difference between actual and proportionate share of contributions	<u>-</u>	<u>(1,819)</u>
Total	<u>\$ 31,212</u>	<u>(3,598)</u>

For the year ended June 30, 2018, the District's deferred outflows of resources related to contributions subsequent to the measurement date totaled \$12,152; 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:

<u>Fiscal Year Ending June 30,</u>	<u>Deferred Net Inflows of Resources</u>
2019	\$ 2,056
2020	8,176
2021	7,453
2022	(2,223)

**Avila Beach Community Services District**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2018**

**(7) Defined Benefit Pension Plans, continued**

*Actuarial Assumptions*

The total pension liability in the June 30, 2016, actuarial valuation report was determined using the following actuarial assumptions:

Valuation date	June 30, 2016
Measurement date	June 30, 2017
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumption	
Discount rate	7.15%
Inflation	2.75%
Salary increase	Varies by Entry Age and Service
Mortality table*	Derived using CalPERS membership data
Period upon which actuarial experience survey assumptions were based	1997 - 2011
Post-retirement benefit increase	Contract COLA up to 2.75% until PPPA floor on purchasing power applies; 2.75% thereafter.

\* The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the April 2014 experience study report (based on CalPERS demographic data from 1997 to 2011) available online.

***Discount Rate***

The discount rates used in the actuarial valuations to measure the total pension liability as of June 30, 2017, reflect the long-term expected rates of return. The discount rates used to measure the total pension liability as of June 30, 2017, was 7.15%. These differ from the discount rates used as of June 30, 2016, which was 7.65%, due to a decrease in the long-term expected rate of return. The financial reporting discount rates are not adjusted for administrative expenses and are consistent with the funding discount rates at the end of the three-year funding discount rate phase-in period.

To determine whether the municipal bond rate should be used in the calculation of the discount rate, the amortization and smoothing periods adopted by CalPERS in 2013 were used. The crossover test was performed for a miscellaneous agent plan and a safety agent plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments.

Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the PERF C.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

**Avila Beach Community Services District**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2018**

**(7) Defined Benefit Pension Plans, continued**

*Discount Rate, continued*

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

The table below reflects 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.

As of June 30, 2018, the target allocation and the long-term expected real rate of return by asset class were as follow:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Return Years 1-10</u>	<u>Real Return Year 11+</u>
Global Equity	47.00 %	4.90 %	0.54
Global Fixed Income	19.00	0.80	2.27
Inflation Sensitive	6.00	0.60	1.39
Private Equity	12.00	6.60	6.63
Real Asset	11.00	2.80	5.21
Infrastructure and Forestland	3.00	3.90	5.36
Liquidity	2.00	(0.40)	(0.90)
Total	<u>100.00 %</u>		

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

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

As of June 30, 2018, 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:

	<u>Discount Rate - 1%</u> <u>6.15%</u>	<u>Current Discount Rate</u> <u>7.15%</u>	<u>Discount Rate + 1%</u> <u>8.15%</u>
District's Net Pension Liability	\$ 191,036	136,401	91,151

**Avila Beach Community Services District**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2018**

**(7) Defined Benefit Pension Plans, continued**

***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan's fiduciary net position is available in separately issued CalPERS financial reports. See pages 42 and 43 for the Required Supplementary Schedules.

**(8) Unrestricted Net Position**

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

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

A detailed schedule of unrestricted net position at June 30, 2018, for the water and sanitary funds is as follows:

<u>Description</u>	<u>Water</u>	<u>Sanitary</u>
Unrestricted:	\$	
Operating fund reserve	237,975	421,975
Capital replacement fund reserve	99,807	45,605
Emergency capital fund reserve	127,742	264,481
Rate stabilization fund reserve	50,464	64,107
Unreserved	<u>1,295,236</u>	<u>-</u>
Total unrestricted	<u>\$ 1,811,224</u>	<u>796,168</u>

**(9) Fund Balance**

Fund balances are presented in the following categories: non-spendable, restricted, committed, assigned and unassigned (See Note 1(D)(12) for a description of these categories). A detailed schedule of fund balances and their funding composition at June 30, 2018, is as follows:

<u>Description</u>	<u>2018</u>
Assigned	
Compensated absences	\$ 558
Unassigned	
Operations	<u>758,340</u>
Total fund balance	<u>\$ 758,898</u>

**Avila Beach Community Services District**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2018**

**(10) Risk Management**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is 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, 2018, 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.

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 years 2018, 2017 and 2016. 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, 2018, 2017 and 2016.

**(11) 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. 83***

In November 2016, the GASB issued Statement No. 83 – *Certain Asset Retirement Obligations*. This Statement (1) addresses accounting and financial reporting for certain asset retirement obligations (AROs), (2) establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs, (3) requires that recognition occur when the liability is both incurred and reasonably estimable, (4) requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred, (5) requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation at least annually, and (6) requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

**Avila Beach Community Services District**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2018**

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

***Governmental Accounting Standards Board Statement No. 84***

In January 2017, the GASB issued Statement No. 84 – *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

***Governmental Accounting Standards Board Statement No. 87***

In June 2017, the GASB issued Statement No. 87 – *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

***Governmental Accounting Standards Board Statement No. 88***

In April 2018, the GASB issued Statement No. 88 – *Certain Disclosures Related to Debt Including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.

**Avila Beach Community Services District**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2018**

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

***Governmental Accounting Standards Board Statement No. 88, continued***

This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

***Governmental Accounting Standards Board Statement No. 89***

In June 2018, the GASB issued Statement No. 89 – *Accounting for Interest Cost incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

**(12) 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.

**Avila Beach Community Services District**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2018**

**(12) Commitments and Contingencies, continued**

***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).

**(13) Subsequent Events**

Events occurring after June 30, 2018, have been evaluated for possible adjustment to the financial statements or disclosure as of November 14, 2018, which is the date the financial statements were available to be issued. The District is not aware of any subsequent events that would require recognition or disclosure in the financial statements.



## Required Supplementary Information

**Avila Beach Community Services District  
Budgetary Comparison Schedule – General Fund  
For the Fiscal Year Ended June 30, 2018**

	<u>Adopted Original Budget</u>	<u>Board Approved Changes</u>	<u>Revised Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>					
Property taxes	\$ 581,000	-	581,000	611,408	30,408
Interest earnings	15,000	-	15,000	26,401	11,401
Rents and royalties	38,000	-	38,000	22,985	(15,015)
Charges for services	3,800	-	3,800	25,298	21,498
<b>Total revenues</b>	<u>637,800</u>	<u>-</u>	<u>637,800</u>	<u>686,092</u>	<u>48,292</u>
<b>Expenditures:</b>					
General government	468,600	-	468,600	463,257	5,343
Capital outlay	-	-	-	10,600	(10,600)
<b>Total expenditures</b>	<u>468,600</u>	<u>-</u>	<u>468,600</u>	<u>473,857</u>	<u>(5,257)</u>
Excess(deficiency) of revenues over expenditures	169,200	-	169,200	212,235	43,035
<b>Other financing sources(uses):</b>					
Operating transfers in(out)	(62,400)	-	(62,400)	(424,022)	(361,622)
<b>Net change in fund balance</b>	<u>106,800</u>	<u>-</u>	<u>106,800</u>	<u>(211,787)</u>	<u>(318,587)</u>
<b>Fund balance, beginning of year</b>	<u>980,841</u>		<u>980,841</u>	<u>980,841</u>	
<b>Fund balance, end of year</b>	<u>\$ 1,087,641</u>		<u>1,087,641</u>	<u>769,054</u>	

**Notes to Required Supplementary Information — General Fund**

**(1) Budgets and Budgetary Data**

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

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

**Avila Beach Community Services District  
Budgetary Comparison Schedule – Streets Light Fund  
For the Fiscal Year Ended June 30, 2018**

	<u>Adopted Original Budget</u>	<u>Board Approved Changes</u>	<u>Revised Budget</u>	<u>Actual Budgetary Basis</u>	<u>Vairance Positive (Negative)</u>
<b>Revenues:</b>					
Charges for services	\$ 1,200	-	1,200	1,088	(112)
<b>Total revenues</b>	<u>1,200</u>	<u>-</u>	<u>1,200</u>	<u>1,088</u>	<u>(112)</u>
<b>Expenditures:</b>					
Street lighting	17,500	-	17,500	14,969	2,531
Capital outlay	-	-	-	10,868	(10,868)
<b>Total expenditures</b>	<u>17,500</u>	<u>-</u>	<u>17,500</u>	<u>25,837</u>	<u>(8,337)</u>
Excess(deficiency) of revenues over expenditures	(16,300)	-	(16,300)	(24,749)	(8,449)
<b>Other financing sources(uses):</b>					
Operating transfers in(out)	1,320	-	1,320	13,346	12,026
<b>Net change in fund balance</b>	<u>(14,980)</u>	<u>-</u>	<u>(14,980)</u>	<u>(11,403)</u>	<u>3,577</u>
Fund balance, beginning of year	1,247		1,247	1,247	
Fund balance, end of year	<u>\$ (13,733)</u>		<u>(13,733)</u>	<u>(10,156)</u>	

**Notes to Required Supplementary Information — Streets Light Fund**

**(1) Budgets and Budgetary Data**

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

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

**Avila Beach Community Services District**  
**Schedules of the District's Proportionate Share of the Net Pension Liability**  
**For the Year Ended June 30, 2018**  
**Last Ten Years\***

**Defined Benefit Pension Plan**

Description	Measurement Dates			
	6/30/2017	6/30/2016	6/30/2015	6/30/2014
District's Proportion of the Net Pension Liability	0.00138%	0.00146%	0.00171%	0.00207%
District's Proportionate Share of the Net Pension Liability	\$ 136,401	126,121	117,077	125,453
District's covered-employee payroll	\$ 39,321	42,741	60,486	58,718
District's proportionate share of the net pension liability(asset) as a Percentage of its Covered-Employee Payroll	346.89%	295.08%	193.56%	213.65%
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	73.31%	74.06%	78.40%	79.82%

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

**Changes in Benefit Terms** – The District can make changes to their plan provisions, and such changes occur on an ongoing basis. A summary of the plan provisions that were used for the District's plan can be found in the plan's annual valuation report.

**Changes of Assumptions** – In fiscal year 2018, the financial reporting discount rate was lowered from 7.65% to 7.15%. In December 2016, the CalPERS Board approved lowering the funding discount rate used from 7.50% to 7.00%, which is to be phased-in over a three-year period (7.50% to 7.375%, 7.375% to 7.25%, and 7.25% to 7.00%) beginning with the June 30, 2016, valuation reports. The funding discount rate includes a 15 basis-point reduction for administrative expenses, and the remaining decrease is consistent with the change in the financial reporting discount rate.

\* 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, 2018**  
**Last Ten Years\***

**Defined Benefit Pension Plan**

Description	Measurement Dates			
	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Actuarially Determined Contribution	\$ 14,788	13,713	9,566	9,894
Contributions in Relation to the Actuarially Determined Contribution	<u>(14,788)</u>	<u>(13,713)</u>	<u>(9,566)</u>	<u>(9,894)</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's Covered Payroll	\$ <u>39,321</u>	<u>42,741</u>	<u>62,301</u>	<u>60,480</u>
Contribution's as a percentage of Covered-Employee Payroll	<u>37.61%</u>	<u>32.08%</u>	<u>15.35%</u>	<u>16.36%</u>

**Notes to the Schedules of Pension Plan Contributions**

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

# Report on Compliance and Internal Controls

**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, 2018, 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 14, 2018.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

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

**Purpose of this Report**

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

**Fedak & Brown LLP**

Cypress, California

November 14, 2018



**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 14, 2018

SUBJECT: LED Retrofit of District Streetlights

Recommendation:

Receive Staff Report and Provide Direction to Staff Regarding “Opting-In” to the LED Retrofit Program

Discussion:

At the October 10, 2018, Board meeting the Board received a presentation from Ms. Kristen Silva, PG&E Customer Service Specialist. Ms. Silva provided an overview of a program to retrofit the PG&E owned Cobra Head and Decorative light fixtures under the District’s jurisdiction. The District is responsible for a total of 24 Cobra Head streetlights and 18 Decorative lights. For reference, Ms. Silva’s slides are included as an attachment to this Staff Report.

According to the Cost Model presented by Ms. Silva, retrofitting the Cobra Head streetlights with LED fixtures would save the District \$232 the first year and up to \$1,042 per year after the Temporary Incremental Facility Charge (IFC) come off the Cobra Head rate in 2019. The Cost Model for the Decorative Streetlight was not as favorable due to the Temporary IFC currently set at \$12.77 per fixture. However, Ms. Silva indicated that PG&E is actively working with the Public Utilities Commission to reduce the current IFC for Decorative streetlights which would result in customer cost savings. Retrofitting the Decorative streetlights would result in an annual reduction of approximately 5,265 kWh but it would increase costs by approximately \$2,000 per year until the IFC is reduced.

Staff recommends the Board Opt-In for both the Cobra Head lights and Decorative lights retrofit. The Cobra Heads will save energy, reduce greenhouse gas emissions, save approximately \$1,000 per year (after 2019) and provide 4 times the useful life of the existing high sodium pressure fixtures. Although the Decorative lights will initially cost more, they will reduce energy, greenhouse gas emissions and provide a more attractive and significantly longer useful life fixture. In addition, PG&E staff feels confident that they will be successful in reducing the IFC.

# LED Streetlight Upgrade

## Avila Beach CSD

October 10, 2018

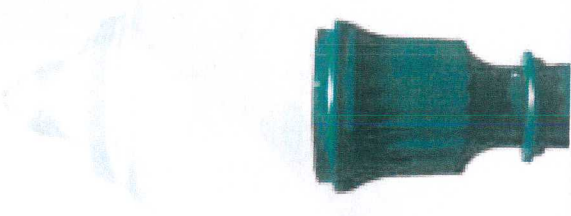


Together, Building  
a Better California



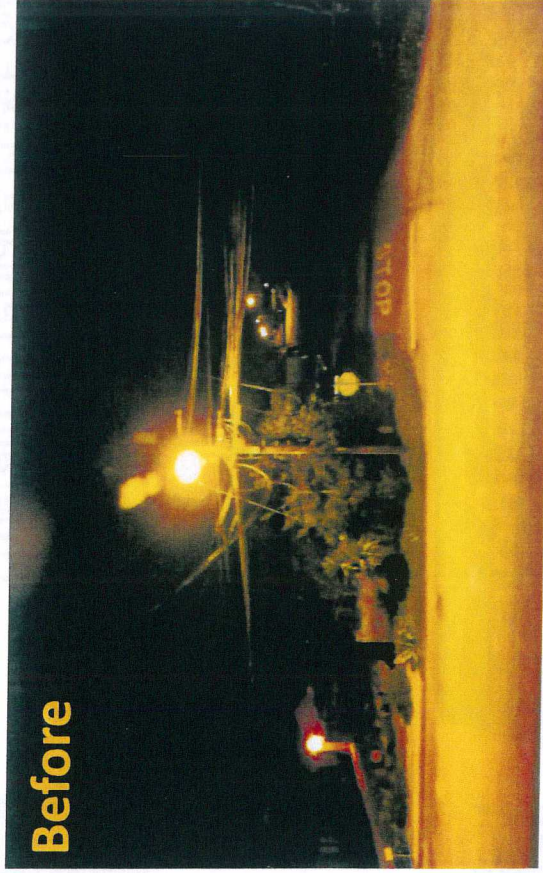
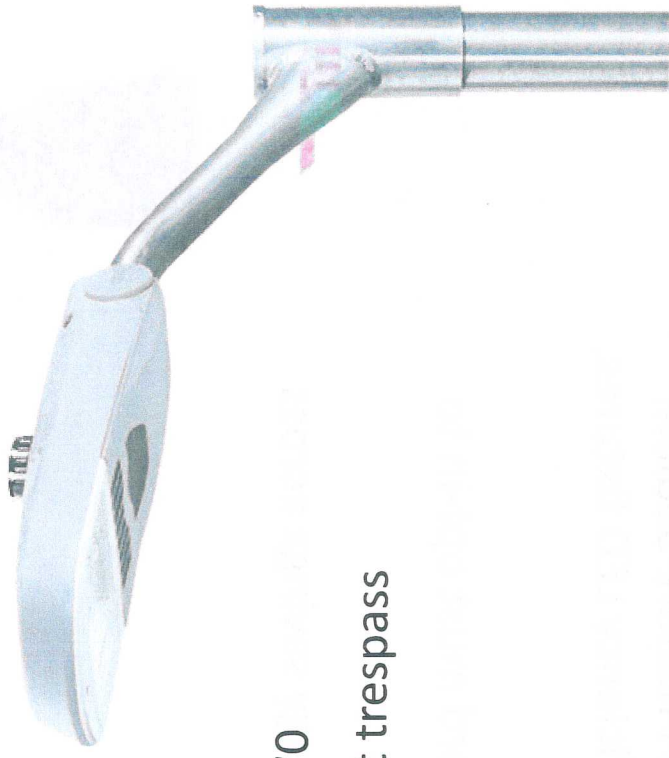
## LED Streetlight Upgrades

- Program to replace PG&E owned, High Pressure Sodium (HPS), decorative fixtures with high efficiency LED fixtures. Significant kWh and GHG savings
- Voluntary Program – Customer of Record must opt-in to participate
- 50,000,000 kWh estimated annual energy savings across PG&E Territory
- Substantial energy & GHG reductions
- Long life (20 years vs. 5 years)
- No upfront costs however, IFC assessed on LED rate
- Customers can select wattage & color temperature



## LED Light Fixtures

- Manufactured by CREE
- Stable light output
- 4,000 Kelvin or 3,000 Kelvin CCT, CRI 70
- Full cutoff, low glare and minimal light trespass



Before



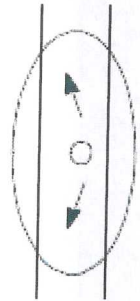
After

\*4k color temperature

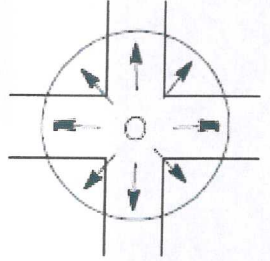
## Installation of LED Lights

- Limited funding – Opt-in soon to guarantee participation
- Customer may select:
  - Fixture Type
  - Fixture Color
  - Wattage
  - Color temperature
  - Light pattern

## LED Light Pattern



Type 3



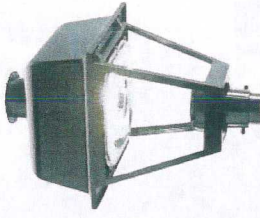
Type 5



Granville LED (Acorn)  
(Holophane)

\*Available in Black, Green & Bronze

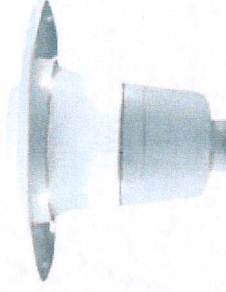
HPSV	3K & 4K
70 Watt	26 Watt
100 Watt	39 Watt
150 Watt	60 Watt



Salem Gen II  
(General Electric)

\*Available in Black

HPSV	3K & 4K
70 Watt	27 Watt
100 Watt	43 Watt
150 Watt	74 Watt



Contempo (LED)

(American Electric Lighting)

\*Available in Gray

HPSV	3K & 4K
70 Watt	38 Watt
100 Watt	44 Watt
150 Watt	71 Watt

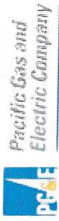
## Installation of LED Lights

- Bucket trucks with 1 or 2 person crews
- Parking and traffic impacts and any special cases (school zones, main streets, etc.) will be coordinated
- Less than 10-20 minutes per lamp
- Completion within 1 week (weather pending)



## Inquiry Management

- Pre & Post installation letters sent to residential customers
- A PG&E Streetlight Outreach specialist will receive and manage inquiries
- Specialist will review with actionable inquiries with staff



Pacific Gas and Electric Company  
P.O. Box 70000  
San Francisco, CA 94177-1490

**PG&E will be upgrading streetlights in your community soon.**

Date \_\_\_\_\_  
«CUSTOMER\_NAME»  
OR CURRENT OCCUPANT  
«PREM\_ADDRESS1»  
«PREM\_CITY», «PREM\_STATE» «PREM\_POSTAL»

Dear Valued Customer,  
In collaboration with the [City or County], Pacific Gas and Electric Company (PG&E) will be upgrading streetlights in your community. As part of our commitment to provide you with safe, reliable, and affordable energy, PG&E is replacing its PG&E-owned non-decorative streetlights with energy-efficient and longer-lasting Light-Emitting Diodes (LED) fixtures.

**Why LEDs?**  
LED streetlights use 50-75% less energy than the current High Pressure Sodium Vapor (HPSV) bulbs and significantly reduce greenhouse gas emissions. New LED streetlights provide a more natural-looking light, which will last up to four times longer than HPSV bulbs. The optical technology of LED luminaires creates more evenly distributed light, resulting in greater visibility for pedestrians and drivers alike.

**What you can expect**  
Our work is expected to begin in the coming weeks. We will be replacing [###] of PG&E-owned streetlights in the [City or County]. The installation will take approximately 20 minutes per lamp fixture. Please keep in mind that our schedule is dependent on safe weather and field conditions.

PG&E will not need to enter your property, and you do not need to be present while we complete this work. There will be no disruption to your electrical service. All PG&E and contractor personnel are required to carry valid photo identification and are happy to provide it upon request.

**How can I learn more?**  
If you have any questions about this work, please contact your local Customer Outreach Specialist, [Specialist Name] at [Specialist Phone Number] or send an email to [streetlightupgrade@pge.com](mailto:streetlightupgrade@pge.com). We will make every attempt to respond to your inquiry within one to two business days. More information is also available online at [www.pge.com/streetlightupgrade](http://www.pge.com/streetlightupgrade).

Thank you for your cooperation as we work to enhance the safety and reliability of electric service in your community.  
Sincerely,

Pacific Gas and Electric Company  
Call 811: Call before you dig. Be safe. Dig safe. At home, or on the job. For more safety tips, visit [pge.com/safety](http://pge.com/safety).

## Cobra Head Streetlights

- The Temporary Incremental Facility Charge for Cobra Head fixtures, is set at \$2.81 per fixture per light
- That total is coming off the LED cobra head rate in 2019
- The initial annual savings will be \$231.83
- The annual savings after the IFC is removed will be \$1,042

LS1-A Existing HPSV Sizes	LED Like-for-Like Wattage	Per Fixture Annual Savings	NEW Quantity by fixture type	Annual kWh reduction by fixture type	Annual \$ savings by fixture type	Total Savings Post IFC
70 Watt	26 Watt	\$3.56	19	4468.8	\$67.72	\$709.31
100 Watt	33 Watt	\$23.18	4	1435.2	\$92.74	\$227.81
150 Watt	53 Watt	\$43.19	0	0.0	\$0.00	\$0.00
200 Watt	65 Watt	\$71.38	1	662.4	\$71.38	\$105.14
250 Watt	76 Watt	\$90.05	0	0.0	\$0.00	\$0.00
400 Watt	120 Watt	\$170.05	0	0.0	\$0.00	\$0.00
			<b>24</b>	<b>6566.4</b>	<b>\$231.83</b>	<b>\$1,042.26</b>



## Decorative Streetlights

- The Temporary Incremental Facility Charge for decorative fixtures, is set at \$12.77 per fixture per light
- PG&E is actively working to reduce the current IFC for Decorative streetlights, resulting in cost savings for customers.
- The average energy saving per light is \$3.15 however the overall rate will increase due to the IFC
- The initial annual increase will be \$1,964

LS1-A Existing HPSV Sizes	LED Like-for-Like Wattage	Per Fixture Annual Increase	NEW Quantity by fixture type	Annual kWh reduction by fixture type	Annual \$ Increase by fixture type
70 Watt	26/27 Watt	\$116.58	8	1881.60	\$932.64
100 Watt	43 Watt	\$103.20	10	3384.00	\$1,032.00
150 Watt	74 Watt	\$87.89	0	0.00	\$0.00
			18	5265.60	\$1,964.64

\*Calculations are estimates based off the current streetlight rate

## Opting In

- Complete opt in spreadsheet including wattage & light selections
- Send back to PG&E
- PG&E will order lights to CSD's Specifications
- Once lights are in stock, PG&E will schedule installation timing and send letters to residential customer



# LED Outreach Resources

Email Us at: [Streetlightupgrade@pge.com](mailto:Streetlightupgrade@pge.com)

Call Us at: (877) 743-2677

**Kristen Silva**

**Local Customer Experience, Service Solutions Specialist**

[k1cp@pge.com](mailto:k1cp@pge.com)

925-586-4417



## STAFF REPORT

**TO: BOARD OF DIRECTORS**

**VIA: BRAD HAGEMANN** *BH*

**FROM: MICHAEL W. SEITZ**

**RE: PROCESS OF ADOPTING AND PUBLISHING THE ORDINANCE  
REGARDING PLACEMENT AND REMOVAL OF GARBAGE AND  
RECYCLED MATERIAL CONTAINERS**

**DATE: NOVEMBER 14, 2018**

---

At the October 10, 2018, Board meeting staff presented a draft Ordinance regarding placement and removal of garbage and recycled material containers. The Board provided comments on the draft Ordinance and directed staff to continue the process for Ordinance adoption. This staff report summarizes the process for adopting and publishing the Ordinance for placement and removal of garbage and recycled material containers within the Avila Beach Community Services District. Please note there are a number of steps that have to be completed prior to adoption of this Ordinance.

### OVERVIEW

How is the District going to control the trash bins sitting on the curb? The Ordinance provides that any can or trash receptacle or green waste receptacle can be placed on the curb twenty four hours in advance of pickup. Once trash is picked up, the customer has twelve hours to remove the receptacle from the curb to a place that is hidden. This process closely mimics that of the City of San Luis Obispo.

In order to adopt this Ordinance, the Board must schedule it for a public hearing. At that first meeting (this meeting), the Board would make a Motion to read the Ordinance by title only. This motion, if adopted, would constitute the "first reading" of the Ordinance. The Board then needs to adopt a motion to set a public hearing on the Ordinance for the December meeting. The Board needs to be completely satisfied with Ordinance at this first meeting.

The December meeting agenda will include a public hearing for adoption of the Ordinance. After closure of the public hearing the Board may adopt the Ordinance. However, if after the public hearing the board wants to change the language in the Ordinance the process starts over. If the Board adopts the Ordinance, the Board should direct staff to publish the entire Ordinance and indicating shows those voting for and those voting against adoption of the Ordinance. The information should be published at least one time in a newspaper of general circulation within 15 days of adoption. The Ordinance is effective 30 days after adoption.

Staff Report  
Avila Beach CSD  
November 14, 2018

## PROCESS

Although the District has already fulfilled some of these actions, below is a proposed timeline from beginning to end:

- The Board reviews the draft Ordinance at its November meeting. If the Board approves or makes changes the Board by two separate motions directs that the Ordinance be read by title only and sets the public hearing to occur at its December meeting.
- At the December meeting, the matter will be introduced by staff and the President opens the public hearing and takes testimony or public comment. At the conclusion, the Board President closes the public hearing.
- At the conclusion of the public hearing, the Board will take the matter back for Board consideration. Each Board member will have the opportunity to make comments. If there appears to be a majority of Directors that support some change to the Ordinance the process starts over. If no changes are made a motion should be made to read the Ordinance in title only. If this motion fails, then the entire Ordinance would need to be read into the record. The Board then by motion adopts the Ordinance and Directs staff to publish the Ordinance in a newspaper of general circulation within 15 days.
- If the Board adopts the Ordinance at its December meeting the Ordinance would become effective thirty (30) days following that vote.

END OF MEMO

**AVILA BEACH COMMUNITY SERVICES DISTRICT  
ORDINANCE 2018-\_\_\_\_\_**

**AN ORDINANCE OF THE BOARD OF DIRECTORS  
OF THE AVILA BEACH COMMUNITY SERVICES DISTRICT  
REGARDING PLACEMENT AND REMOVAL OF GARBAGE  
AND RECYCLED MATERIALS CONTAINERS**

**WHEREAS**, Avila Beach Community Services District is formed under the Community Services District Law (Govt. Code §6100 et seq.); and

**WHEREAS**, pursuant to San Luis Obispo County Local Agency Formation Commission (“LAFCO”) action of January 19, 2006, the Avila Beach Community Services District (“District”) is authorized to provide its residents with the collection or disposal of garbage or refuse matter pursuant to Government Code Section 61100 (c); and

**WHEREAS**, Government Code Section 61600(c) authorizes Community Services Districts to provide the collection or disposal of garbage for refuse matter; and

**WHEREAS**, the District Board of Directors desires to adopt this Ordinance to establish that trash receptacles are restricted to be on the street no longer than 24 hours on the days of scheduled curbside collection within the District boundaries; and

**WHEREAS**, based on facts presented by the District staff, the Staff Report and public testimony received, the Board of Directors finds:

- A. The public meetings adopting this Ordinance have been properly noticed pursuant to Government Code §54954.2 (The Brown Act); and
- B. The rules and regulations that are the subject of this Ordinance comply with LAFCO condition that the District shall have the right to amend the rules and regulations pertaining to the collection of solid waste within the District from time to time.

**NOW, THEREFORE, BE IT ORDAINED** by the Board of Directors of the Avila Beach Community Services District as follows:

1. Residential garbage and recycled material containers shall not be placed adjacent to the street for collection more than twenty-four hours before pickup time; and such containers shall be removed within the twelve hour period following pickup. Allow three feet between each container when placing containers on the curb to allow for ease of pick-up.

2. Staff will be enforcing the policy administratively.
3. The Board of Directors finds that the Rules and Regulations adopted by this Ordinance constitute general policy and rule making which are not deemed to be projects pursuant to Public Resource Code §15378 (b) (2).
4. This Ordinance shall take effect and be in full force and effect thirty (30) days after its passage.

Introduced at a regular meeting of the District Board of Directors held on \_\_\_\_\_, 2018, and passed and adopted by the District Board of Directors on the \_\_\_\_ day of \_\_\_\_\_, 2018, by the following roll call vote, to wit:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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

ATTEST:

\_\_\_\_\_  
Brad Hagemann, General Manager  
and Secretary to the Board




**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 14, 2018

SUBJECT: Proposed Solid Waste Rate Increase

**Recommendation:**

Receive Staff Report and Provide Direction to Staff

**Discussion:**

At the October 10, 2018, Board meeting the Board received a Staff Report and reviewed a September 23, 2018 letter from South County Sanitary, the District's solid waste collection and disposal service. Several staff from South County Sanitary attended the meeting and responded to Board member questions and comments. The Board directed staff to bring this item back to the November meeting for further discussion.

Subsequent to the October 10, Board meeting, I met with a group of staff from other South County Sanitary clients, including the City of Pismo Beach, Arroyo Grande, Grover Beach, Oceano Community Services District and the Nipomo Community Services District. Three of the agencies, Grover Beach, Pismo Beach and Oceano CSD were contemplating entering in to a joint agreement with William Statler to have Mr. Statler review the proposed rate increase and provide comments and recommendations.

The Franchise Agreements with the various cities and agencies provide that the Garbage Company will pay for the third party analysis. Therefore, as Mr. Statler points out on Page 5 of his proposal, the other South County Sanitation Service agencies can use the underlying analysis in considering the proposed rate increase in their areas.

Staff recommends the Board take no formal action on the proposed rate increase until Mr. Statler completes his analysis. He anticipates the analysis will take approximately 45 days after he is authorized to proceed. Allowing for Proposition 218 notice, Board consideration of the final report and proposed rate increase will not likely take place until the January or February 2019 Board meeting.

124 Cerro Romauldo Avenue  
San Luis Obispo, CA 93405  
805.544.5838 ■ Cell: 805.459.6326  
bstatler@pacbell.net  
www.bstatler.com

## William C. Statler

Fiscal Policy ■ Financial Planning ■ Analysis ■ Training ■ Organizational Review

October 26, 2018

### SOLID WASTE RATE REVIEW PROPOSAL City of Grover Beach, City of Pismo Beach and Oceano Community Services District

This proposal is in response to your request for a joint-agency review of the *Base Year* rate increase request for January 2019 recently submitted by South County Sanitary Service (SCSS). The following outlines the proposed work program, project management approach, completion date, deliverables, proposed compensation and qualifications for performing this review.

**Benefits of the Joint Approach.** There are significant “economies of scale” with a joint review, including: analysis of SCSS financial operations; review of the rate application; follow-up as needed with SCSS staff; and report preparation. In short, while each of the three agencies has its own franchise agreement, the underlying financial information is the same for all of them.

**Qualifications Overview.** My background and experience are outlined below and further detailed in the *Qualifications Summary*. In short, I have extensive rate review experience, which includes preparing five *Base Year* solid waste reviews for the three south county agencies in 2001, 2004, 2007, 2012 and 2015, as well as several *Interim Year* reviews.

#### BACKGROUND

On September 23, 2018, SCSS submitted a *Base Year* rate increase request to be effective January 1, 2019 to the City of Grover Beach, City of Pismo Beach and the Oceano Community Service District. The *Base Year* review rate setting methodology, which was last completed in September 2015 for increases in 2016, provides a more comprehensive analysis than the less complicated *Interim Year* reviews.

The following is a brief summary of differences between the base year and interim year rate-setting methodologies, which follow a three-year cycle:

**Base Year.** The first year of the cycle—the *Base Year*—requires a comprehensive, detailed analysis of revenues, expenses and operating data. This information is evaluated in the context of agreed upon factors in the Franchise Agreement in determining fair and reasonable rates. As noted above, the last *Base Year* analysis for SCSS under this approach was prepared in September 2015.

**Interim Years.** In both the second and third years of the three-year cycle, SCSS is eligible for *Interim Year* rate adjustments that address two key change factors:

- Changes in the consumer price index for “controllable” operating costs.
- Changes in “pass-through costs” (primarily “tipping fees:” landfill disposal costs), which SCSS does not control (they are set by the County Board of Supervisors).

These adjustment factors are “weighted” by the proportionate share that these costs represent of total costs. The rate review for the two *Interim Years* requires less information and preparation time than the *Base Year* review, while still providing fair and reasonable rate adjustments.

However, as part of the rate-setting process for 2016 (based on the September 2015 report), SCSS proposed an alternative process for interim year rate setting for 2017 and 2018, which was approved at that time. Based on the current rate application, the “regular” *Interim Year* rate process will return for 2020 and 2021.

## WORK PROGRAM

### Methodology

In evaluating the rate application submitted by SCSS, I will use the rate-setting methodology for *Base Year* rate reviews set forth in the Franchise Agreements adopted in the City of Grover Beach, City of Pismo Beach and the Oceano Community Services District.

### Unique Challenges in Reviewing the 2019 Rate Application

The work program tasks outlined below are similar to those in prior rate reviews. However, while there have always been unforeseen “wrinkles” in the preparing the *Base Year* rate reviews, there are especially notable challenges at the outset in reviewing the 2019 rate request, including:

- ***Change in calculating allowable corporate overhead.*** The SCSS rate application reflects a change in the method of calculating allowable overhead. Setting aside the merits behind the change – that the longstanding practice of accounting for local management bonuses as part of corporate overhead (which is limited under the franchise agreements) should instead be accounted for as direct labor – this is not allowed under the Franchise Agreements. Stated simply, this is not a change that SCSS can unilaterally make: it would require formal agency approval. While this change is disclosed in the Notes to the Financial Statements in the 2017 and 2016 audited

## Solid Waste Rate Review Proposal

financial statements, it is not discussed by SCSS as factor in its rate increase application. However, a preliminary analysis indicates that this would result in increased recoverable costs of about \$200,000 - an equivalent rate increase of about 2%. Stated simply, this is a material change that will require additional review.

- **Significant cost increases.** Compared with audited costs in 2017, the rate application for 2019 reflects an overall increase in allowable costs of 34%; and there are several significant cost categories that are much higher. For example:

	2017 Actual	2019 Proposed	Increase	
			Amount	Percent
Corporate Overhead	\$153,045	\$279,697	\$126,652	83%
Depreciation on Buildings and Equipment	16,598	133,883	117,285	707%
Depreciation on Trucks and Containers	229,543	525,055	295,512	129%
Outside Services	518,013	768,656	250,643	48%
Tipping Fees	1,886,262	2,663,997	777,735	41%
Lease Payment to Affiliated Companies	91,703	243,567	151,864	166%

While these cost increases may be justifiable, enhanced review will be required.

- **Recycling revenue offsets.** SCSS indicates that part of the need for a rate increase is the reduced market for recycling materials and reduced commodity prices. It is unclear how this is reflected in the rate application, since there have not been recycling revenue rate offsets in prior rate applications. Again, additional rate review will be required.
- **Significant rate increase.** SCSS is requesting a significant rate increase of 13.36% across-the-board for the three agencies, largely driven by the factors noted above. While this rate increase may be justified under the rate-setting process set forth in the Franchise Agreements, by its nature it will require very close scrutiny of the factors driving this request.
- **Rate redesign.** SCSS is proposing a rate redesign that would narrow cost differentials between trash container sizes. This is based on its belief that these differentials result in customers downsizing their appropriate trash containers and placing “excess” non-recyclable materials in their recycling containers. This mismatch results in increased disposal costs. Aside from the significant policy implications of the change, additional review will be required to ensure the rate redesign would in fact be revenue neutral.

### Work Program Tasks

The following outlines work program tasks.

#### Task 1: Document Review

- Review rate setting manual for *Base Year* review criteria.
- Gather and review existing Franchise Agreements, rates and most recent rate increases.

***Task 2: Rate Application Evaluation and Financial Analysis***

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- a. Evaluate SCSS rate application for each agency for conformance with the *Base Year* rate setting criteria and process as well as each agency's Franchise Agreement.
- b. Analyze SCSS audited financial statements and other data as appropriate for reasonableness in evaluating SCSS's rate request.
- c. Compare proposed single-family residential rates with others in the area, In the past this has included Atascadero, Morro Bay, Paso Robles, San Luis Obispo, San Miguel, Santa Maria and Templeton.

***Task 3: Follow-up with SCSS***

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Follow-up with SCSS as needed based on the results of Tasks 1 and 2.

***Task 4: Proposition 218 Notice Review***

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Review any draft Proposition 218 notices prepared by SCSS and provide comments as appropriate.

***Task 5: Draft Report***

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Prepare draft report for review by the three agencies and SCSS.

*Consistent with past reports, this assumes preparation of a consolidated report for all agencies, but which discusses any unique circumstances between agencies and makes findings for each.*

***Task 6: Final Report: Findings and Recommendations***

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Prepare and submit final report with findings and recommendations.

***Task 7: Report Presentation***

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Present report findings and recommendations to Council/Board members.

**PROJECT MANAGEMENT**

If you accept this proposal, it is with the clear understanding that I work for, and at the direction, of these three agencies. However, it is also my understanding that SCSS will pay for these services on behalf of the three agencies. Accordingly, consistent with the approach used in preparing past reports and in the interest of a simpler process, I will submit my invoices directly to SCSS for payment.

For the purpose of contract management, consultant coordination and project oversight, Nadia Feeser, Director of Administrative Services, City of Pismo Beach, will serve as Project Manager on behalf of the three agencies.

## **COMPLETION DATE**

Given the complexities that are likely in preparing this report, including close review with the three agencies and SCSS staff, draft report preparation after authorization to proceed will take 45 days. Allowing for Proposition 218 notice by some agencies, it is likely that Council/Board consideration of the final report will not take place until January/February 2019.

## **DELIVERABLES**

Written deliverables will include draft and final reports on findings and rate recommendations and presentation materials. This will be provided to the agencies in electronic form via email in Word, Excel, Adobe Acrobat and PowerPoint as appropriate. Any “hard-copy” reproduction will be at each agency’s expense.

## **PROPOSED COMPENSATION**

**Fixed Fee:** \$12,750.00, including expenses.

As reflected above, this fee includes travel and other expenses.

This fee assumes that work will be largely completed via email and teleconference and includes compensation for one presentation to each of the three agencies for preparation and delivery. If any additional on-site visits or briefings/presentations to staff or the Council are required, or if other services are requested during the course of this work, these will be charged on a time and materials basis at \$165.00 per hour.

**Comparison with Prior Years.** For a similar workscope in 2015, my fee (including expenses) was \$9,850. However, as noted above, there are added challenges at the outset in preparing the 2019 rate review and the proposed fee reflects this.

**Use by Other Agencies.** While the City of Grover Beach, City of Pismo Beach and Oceano Community Services District are the formal clients for this work, it is likely that other SCSS agencies – such as the City of Arroyo Grande, County of San Luis Obispo, Avila Beach Community Services District and Nipomo Community Services District – will use the underlying financial analysis from this report in considering SCSS rate increases in their areas. Accordingly, this cost will likely be leveraged across the entire SCSS customer base.

**Billing.** 50% of this fee will be due upon authorization to proceed. The balance will be invoiced monthly based on progress-to-date.

## **QUALIFICATIONS**

As set forth in the following Qualifications Summary, I have extensive experience in a broad range of financial management practices, which have received state and national recognition for excellence in financial planning and reporting.

My work ranges from San Luis Obispo (the city that Oprah Winfrey calls the “Happiest City in America”) to volunteer service helping the troubled City of Bell reform their government.

My senior management experience includes serving as the Director of Finance & Information Technology/City Treasurer for the City of San Luis Obispo for 22 years and as the Finance Officer for the City of Simi Valley for ten years before that. Since retiring from local government in 2010, the “third act” of my career includes over 50 consulting assignments for wide range of state and local government agencies.

My experience also includes playing key leadership roles in the profession, which included serving as a member of the Board of Directors of the League of California Cities, President of the League’s Fiscal Officer Department and President of the California Society of Municipal Finance Officers; and setting accounting and financial reporting standards as a member of the California Committee on Municipal Accounting.

I have also published extensively on municipal finance best practices, including co-authoring the *Guide to Local Government Finance in California*, which has gained wide recognition as the industry standard on this topic; and provided highly-rated training for a number of professional organizations.

As detailed in the following *Qualifications Summary*, my consulting work has included:

- Organizational analysis and policy advice, including organization reviews, reserve policies, benchmarking, financial condition assessments and operational reviews.
- Strategic planning and long-term financial plans.
- Interim finance director for the City of Monterey, San Diego County Water Authority and City of Capitola.
- Water, sewer and solid waste rate studies; revenue option analyses; and cost allocation plans.

As noted above, my rate study experience includes the preparation of five *Base Year* solid waste reviews for the three south county agencies in 2001, 2004, 2007, 2012 and 2015, as well as several *Interim Year* reviews.

In each case, I believe the contracting agencies were delighted with the high-quality results they received at a very reasonable cost. (References from the senior managers of these agencies are available upon request.)

**SUMMARY**

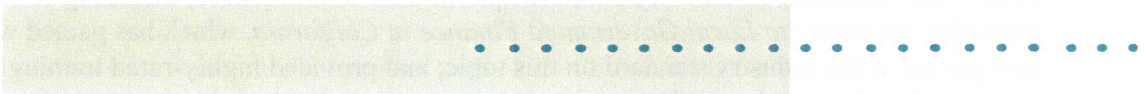
I am looking forward to this opportunity to serve the City of Grover Beach, City of Pismo Beach and the Oceano Community Services District. Please call or email me if you have any questions concerning this proposal.

Sincerely,



William C. Statler

*Fiscal Policy ■ Financial Planning ■ Analysis ■ Training ■ Organizational Review*






**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 14, 2018

SUBJECT: Award Contract for Installation of Metal Building at Water Tank Site to Store 1941 Dodge Fire Truck

**Recommendation:**

Receive Staff Report and Provide Direction to Staff

**Funding:**

The approved FY 2018/19 Capital Improvement Program budget includes \$15,000 for the installation of a steel building for the Fire Truck.

**Discussion:**

During the last several Board meetings we have discussed the fact that Cal Fire has requested the Community Services District to find an alternative location for storage of the District's 1941 Dodge Fire Truck. The old fire truck has been used in the past for holiday parades and other ceremonial activities but it has not been out of storage for at least the last four years. The truck is currently in a storage bay at Avila Station 62 located off San Luis Bay Drive, adjacent to the San Luis Bay Estates and Chief Lee is looking to store some additional operational equipment in that storage bay.

The Board directed staff to research the feasibility of storing the fire truck in a cargo container or some other suitable storage building. We found that the cargo containers are not wide enough to store the vehicle so we solicited quotes to purchase and install a metal building. The concept is to install the metal building on the existing asphalt surface at the water tank site. The size of the building will be approximately 14' wide by 30' long and 10' tall, with a roll up door in the front and a walk-in door on the side. The fire truck is approximately 23' long so the building would also provide a small work space for the District's Operation and Maintenance staff.

Staff received two quotes for the metal building as follows:

1. United Carports LLC - \$14,687.82 (14' x 30' x 10')
2. PWS, Inc. - \$17,429.00 (14' x 32' x 11') or  
PWS Inc. - \$16,282 (14' x 26' x 11')

Staff recommends the Board authorize staff to issue a purchase agreement to United Carports for the metal building.



**UNITEDCARPORTS.COM**  
Metal Carports • RV Covers • Garages • Sheds  
**1-800-757-6742**

United Carports LLC  
7280 Sycamore Canyon Blvd  
Riverside, CA 92508  
LIC - CA 1005529 • AZ 318435

**Avila Beach CSD (Brad Hagemann)**

Avila Beach, CA  
(805) 835-3163  
hagemann.associates@gmail.com

10/18/18

Rep: Diane  
800-757-6742 Ext.9

**GARAGE QUOTE**

Vertical Roof  
14g- 2" x 3" Framing  
26G PBR Paneling  
14' Wide x 30' Long  
10' Leg Height  
Fully Enclosed  
1 Roll Up (9'w x 9'h)- Front End, Centered  
1 Walk-In Door (36" x 80")  
2 Windows (36" x 36")  
10 Ground Anchors

Prevailing Wage & Insurance Doc Fees Incl.

**TOTAL PRICE- \$14,687.82**

**Upgrade Options**

BASE RAIL SEAL	\$110
COLORED SCREWS	\$140
RIDGE VENT	\$550
FOAM STRIPS	\$750
FULLY INSULATED	\$2,250

\*See 'Options List' attached to email for more info and detail on upgrades listed above  
-Includes tax and p. wage on upgrades that apply

**( NOT included in carport cost)**

ADDITIONAL INFORMATION:

- Price includes delivery and installation
- Jobs right now are being installed the beginning of 2019.
- 10% deposit due up front, with another 40% due once manufacturing starts.
- Remaining 50% balance due upon delivery.
- Please call your local building department for specific requirements on permitting and setbacks in your area. If a permit is required, let me know and I will get a revised quote over right away.
- Quote valid for 30 days.



SEE WHAT OUR CUSTOMERS HAVE TO SAY!

## ADDITIONAL OPTIONS/UPGRADES

Below is a list of options/upgrades we have available at an additional cost, which does not come standard on our units. Please read below and let me know if you'd like pricing or have questions on any of these upgrades. Thank you.

- **BASE RAIL SEAL:** Our metal base rail is anchored directly to the concrete and is not considered watertight, which means there can be leakage between the base rail and concrete. To try and avoid this we can add a seal/caulking around the base rail to keep water from seeping through if the slab size is larger than the framing.
- **COLORED SCREWS:** The screws utilized are zinc/silver color, which are bolted to the outside of the colored paneling. We also offer colored screws, to match the panel color selected.
- **FOAM STRIPS:** These are installed at the corners/eaves where panels meet behind the trim. Typically these are used to help keep critters and dirt out, and unit more watertight.
- **SKYLIGHTS:** Skylights are a polycarbonate, ribbed, opaque panel. These are to be installed on VERTICAL style roof only.
- **RIDGE VENTS:** We offer a ridge vent that would be installed onto a VERTICAL style roof only, that provides ventilation under the ridge where the roof comes to a peak. Cannot be installed with roof insulation (can only have one or the other).
- **26 GAUGE PANELING:** The roof/siding comes in 29g paneling, which is standard in the industry. However we offer a stronger 26 gauge PBR paneling, with larger rib profile.
- **INSULATION:** Our insulation is a barrier bubble film with a white polyethylene exterior which is wedged between the framing and panels, prior to us bolting on the side/end walls. This can ONLY be installed on a vertical style roof. (Cannot be installed in the High Desert Areas. Cannot be installed with Skylights, Ridge Vent or Foam Strip options) Here is a link for more info on insulation <http://www.radiantbarrier.com/double-white-insulation.htm>.
- **VERTICAL SIDING:** The siding on the side/end walls come standard with the ribs running horizontally, however we do offer a vertical siding as an option. Vertical siding can ONLY be installed on a slab the exact size of the framing/base rail and must be laser level.
- **SECTIONAL DOORS:** Our website only provides pricing on standard roll up doors, however we do offer sectional doors in most of Southern California.
- **MOTORIZED DOORS:** All of our roll up doors are manually rolled up by hand and do not come with a motor to open automatically. However we offer 'Lift Masters' on commercial roll up doors. These are to be delivery only and installed afterwards by the customer for \$450/door.
- **CONCRETE SLAB:** We offer concrete services for most areas within a 2 hour radius of our Riverside, CA factory.
- **PERMITTING SERVICES:** We offer permitting services for most areas within a 2 hour radius of our factory. Permitting services run \$3,500 for us to go back and forth to the building department for the customer, and does NOT include the cost of plans or permitting fees called out for by the building department. Cost does include site/plot plan. This process takes around 4-6 months to go through all departments and get final approval.



PWS, Inc. 5290 Orcutt Road San Luis Obispo, CA. 93401  
Tel 805.547.8797 Fax 805.549.8469

Brad Hagemann  
Avila Beach CSD  
100 San Luis Street  
Avila Beach, CA 93424  
(805) 835-3163  
Hagemann.associates@gmail.com

September 19, 2018

Dear Mr. Hagemann,

Thank you for your interest in PWS Steel Buildings. Per your request for a quote we provide you with the following estimates.

Provide material and labor to construct a **14'W x 26'L x 11'H** fire truck cover building. Install a 10'W x 9'T sectional door. Building to be mounted on existing pavement and leveled as best we can. Labor to be at prevailing wage. This job is not permitted.

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**Total Estimate** **\$16,282.00**

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Provide material and labor to construct a **14'W x 32'L x 11'H** fire truck cover building. Install a 10'W x 9'T sectional door. Building to be mounted on existing pavement and leveled as best we can. Labor to be at prevailing wage. This job is not permitted.

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**Total Estimate** **\$17,429.00**

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We thank you for the opportunity to quote this project and look forward to working with you on this. Please give me a call if you have any questions.

Respectfully,

Tim Perozzi