



LOS OSOS COMMUNITY SERVICES DISTRICT

805-528-9370 Direct / 805-528-9377 Fax

www.losososcsd.org

REGULAR MEETING OF THE BOARD OF DIRECTORS

Thursday, January 4, 2024 – 2122 9th Street Suite 106, Los Osos, CA 93402

Open Session – 6:00 PM

The LOCSD Boardroom will be open for accessing the meeting. Members of the public may participate in this meeting in person or via teleconference and/or electronically.

For quick access go to <https://us02web.zoom.us/j/87436285253>
(This link will help connect both your browser and telephone to the call)
OR dial 1 (669) 900-6833 or 1 (346) 248-7799 and enter **874 3628 5253**

All persons desiring to speak during any Public Comment can submit a comment by:

- Through email at ldurban@losososcsd.org by 4:00pm on 01/04/2024
- Through the district website www.losososcsd.org/contact-us by 4:00pm on 01/04/2024
- Through teleconference by phone at 1 (669) 900-6833 and enter **874 3628 5253**
- Through teleconference by phone at 1 (346) 248-7799 and enter **874 3628 5253**
- Through teleconference meeting at <https://us02web.zoom.us/j/87436285253>

AGENDA

This agenda is prepared and posted pursuant to Government Code §54954.2. District prepared staff reports and documents are normally available on the District website www.losososcsd.org on the date the agenda is posted or at the District Office. Any writing or document pertaining to an open session item on this agenda which is distributed to the Board of Directors after the posting of this agenda will be available for public inspection at the time the subject writing or document is distributed at the District Office during normal business hours, and may be posted on the District's website at www.losososcsd.org.

Please silence all cell phones during the meeting as a courtesy to others.

Consistent with the Americans with Disabilities Act and California Government Code §549542, 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 referenced public meeting by contacting the General Manager at 805-528-9370 or at the District Office during normal business hours.

1. OPENING – 6:00 PM

- A. Call to Order
- B. Flag Salute
- C. Roll Call

2. BOARD OFFICER ELECTION

- A. Election of President and Vice-President for 2024

3. PRESENTATION

- A. Fiscal Year 2022/2023 Audit Report – Presented by General Manager Ron Munds [Recommend receive and file Final Fiscal Year 2022/2023 Audit Report]

4. GENERAL ACTION ITEMS

There are no General Action Items

5. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Members of the public may address the Board relating to any item of interest within the Board's jurisdiction but *not* on its agenda today. Public comment and public testimony shall be directed to the Board President and shall be addressed to the Board of Directors as a whole. Please state your name before addressing the Board.

Each person addressing the Board of Directors shall do so in an orderly and civil manner. **Public Comment is limited to three (3) minutes or otherwise at the discretion of the President.**

6. ADMINISTRATIVE AND COMMITTEE REPORTS

- A. Fire Department Report (Verbal Report)
- B. Sheriff Department Report (Verbal Report)
- C. California Highway Patrol Report (Verbal Report)
- D. Utilities Department Report (Written Only)
- E. General Manager Report (Written and Verbal Report)
- F. Los Osos/Baywood Park Chamber of Commerce Report (Verbal Report)
- G. Los Osos Community Advisory Council (LOCAC) Report (Written Report)
- H. Parks and Recreation Advisory Committee Meeting Report (No Report next meeting 01/16/24)
- I. Utilities Advisory Committee Meeting Report (No Report next meeting 01/17/24)
- J. Finance Advisory Committee Meeting Report (Verbal Report)
- K. Emergency Services Advisory Committee Meeting Report (No Report next meeting 02/15/24)
- L. Basin Management Committee Meeting Report (No Report next meeting 01/17/24)
- M. Directors' Announcements of District and Community Interest and Reports on Attendance at Public Meetings, Training Programs, Conferences, and Seminars
- N. Appointment of District Advisory Committee Chairpersons and Vice Chairpersons and Appointment of District Representatives to Outside Agencies by the Board President.
- O. Appointment by Board President of an Ad Hoc Committee to Review the Board Bylaws
- P. Response to Previously Asked Questions

7. PUBLIC COMMENT FOR ITEMS ON THE ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT AGENDA (EXCEPT ITEMS PULLED FOR SEPARATE CONSIDERATION)

Public comment and public testimony shall be directed to the Board President and shall be addressed to the Board of Directors as a whole. Please state your name before addressing the Board. Each person addressing the Board of Directors shall do so in an orderly and civil manner. **Public Comment is limited to three (3) minutes or otherwise at the discretion of the President.**

8. CONSENT AGENDA

Any item from the Consent Agenda can be removed by a member of the Board of Directors for separate consideration. Consent Agenda items are considered routine and do not require separate discussion. Individual items on the Consent Agenda are approved by the same vote that approves the Consent Agenda unless an item has been pulled for separate consideration. Items pulled for separate consideration will be heard after all other Action Items listed on the agenda.

- A. Receive Administrative, Committee Reports, and Approved Committee Minutes [Recommend receive and file reports]
- B. Approve Meetings Minutes of December 7, 2023 [Recommend approval of minutes]
- C. Approve Warrant Register for December, 2023 [Recommend approval of the warrants for disbursement]
- D. Receive Financial Report for Period Ending November 30, 2024 [Recommend receive and file report]
- E. Adopt a Resolution Amending and Updating the District's Investment Policy for 2024 [Recommend adopting Resolution 2024-01]

9. DISCUSSION OF PULLED CONSENT ITEMS

Items pulled for separate consideration from the Consent Agenda, if any, will be heard at this time.

10. FUTURE AGENDA ITEMS

Requests from Board members to receive feedback, direct Staff to prepare information and/or request a formal agenda report be prepared and the item placed on a future agenda. No formal action can be taken.

11. CLOSING BOARD COMMENTS

12. ADJOURNMENT

This is to certify that this agenda was posted at the Los Osos Community Services District Office and distributed according to requests on December 29, 2023.



Laura Durban, Administrative Services Manager



January 4, 2024

TO: LOCSD Board of Directors
FROM: Ron Munds, General Manager
SUBJECT: **Agenda Item 2A – 01/04/2024 Board Meeting**
Election of Board President and Vice-President

DISCUSSION

President
Charles L. Cesena

Vice President
Marshall E. Ochylski

Directors
Matthew D. Fourcroy
Troy C. Gatchell
Christine M. Womack

General Manager
Ron Munds

District Accountant
Robert Stilts, CPA

Unit Chief
John Owens

Battalion Chief
Paul Provence

Each year, the Board selects a new president and vice president at the January Board meeting. To facilitate the election process, Section 1.4 of the Board's Bylaws and Rules of Decorum states:

1.4 The Board President and Board Vice President shall be elected annually at the first regular meeting of each calendar year. The Board Vice President shall become Board President the following year after his/her election barring a 4/5's vote to preclude said promotion.

In accordance with the Bylaws, the first action is to determine if the current vice-president will move to the president position. If there is consensus amongst the Board members, no vote is necessary. If a vote is necessary, nominations will be solicited, staff will distribute ballots and the General Manager will report out on the results.

The second action is to select a vice-president. Nominations will be solicited; if there is more than one candidate, ballots will be distributed and the General Manager will report out on the results.

Mailing Address:
P.O. Box 6064
Los Osos, CA 93412

Offices:
2122 9th Street, Suite 110
Los Osos, CA 93402

Phone: 805/528-9370
FAX: 805/528-9377

www.losososcscsd.org



January 4, 2024

TO: LOCSD Board of Directors
FROM: Ron Munds, General Manager
Adrienne Geidel, District Bookkeeper
SUBJECT: Agenda Item 3A – 01/04/2024 Board Meeting
Receive and File the District's Draft Fiscal Year 2022-2023
Financial Audit

President
Charles L. Cesena

Vice President
Marshall E. Ochylski

Directors
Matthew D. Fourcroy
Troy C. Gatchell
Christine M. Womack

General Manager
Ron Munds

District Accountant
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DESCRIPTION

Review of the District's fiscal year 2022-2023 financial audit.

SUMMARY OF STAFF RECOMMENDATION

Staff recommends that the Board adopt the following motion:

Motion: I recommend the Board receive and file the fiscal year 2022-2023 financial audit as presented.

DISCUSSION

The firm Fetcher & Company was contracted to perform the District's fiscal year 2022-2023 financial audit. District staff facilitated the audit by providing all requested records and reports, as well as, being available for direct interviews by the audit team. The resulting state of compliance of Fetcher & Company is as follows (excerpt from the Auditor Report page 63):

As part of obtaining reasonable assurance about whether the Los Osos Community Services 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.

Additionally, the auditors did not identify any deficiencies in internal controls that they consider to be material weaknesses and there were no audit findings or issues in need of correction associated with the 2022-2023 audit.

Key Points from 2022-23

The following are the highlights from fiscal year 2022-23:

- The district's financial position strengthened during the 2022/2023 fiscal year as we anticipated large upcoming projects. Looking at Table B on page 8, you'll see the Ending Net Position increased by over \$2,279,842 million over 2021/2022. Factors contributing to this change in Net Position include almost \$560,000 in increased grant revenue (mainly for Prog C Well Project).
- Water service fees decreased by \$43,513.

- Property tax revenues performed as expected with increased revenue of \$133,792.
- Governmental expenses increased by \$293,786 mainly due to increase of the Schedule A contract costs paid to San Luis Obispo County Fire/ Cal Fire.
- Fire and Water reserves are \$2,515,593 and \$3,202,682 (page 11).

Other Audit Sections of Interest

- Summary of Governmental Funds (General, Fire, Drainage, Non-major) Revenues and Expenses (page16).
- Summary of Proprietary Funds (Water, Wastewater, Solid Waste) Revenues and Expenses (page 19).
- Cash and Investment Summary (page 33).
- Discussion on Pension Liabilities (page 42).
- Year-end Budgetary Comparison for General (Administration), Fire, Drainage (page 54)
- Combined Balance Sheets for Non-major Governmental Funds; Bayridge, Vista de Oro, Parks & Recreation (page 60).

FINANCIAL IMPACT

There are no fiscal impacts directly associated with the recommended action. A copy of the complete audit can be found on the District's website at www.losososcscsd.org or by contacting the District's office at 805-528-9370.

Attachment

2022/2023 Final Draft Audit

December 5, 2023

Board of Directors
Los Osos Community Services District
2122 9th Street
Los Osos, California 93402

We have audited the financial statements of the Los Osos Community Services District (the District) for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 16, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

- Estimate of the net pension liability
- Estimate of other post-employment benefits liability
- Estimate of depreciable lives of capital assets

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management:

- To reclassify capital outlay expense amounts to capital assets.
- To record the current year change in pension accounts.
- To record current year changes in the Other Post-Employment Benefits Liability.
- To record current year depreciation expense.

Board of Directors
Los Osos Community Services District

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 5, 2023.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

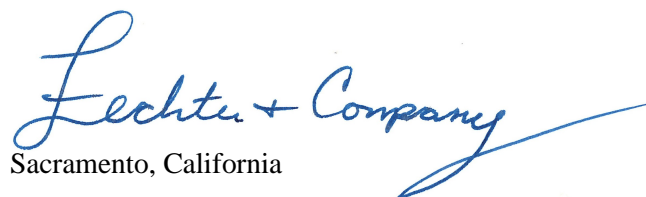
We applied certain limited procedures to the Required Supplementary Information related to pensions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

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

Very truly yours,

Fechter & Company,
Certified Public Accountants


Sacramento, California

**LOS OSOS
COMMUNITY SERVICES DISTRICT**

**Annual Financial Report
and
Supplementary Information
with
Independent Auditor's Report Thereon**

**For the Fiscal Year Ended
June 30, 2023**

**LOS OSOS COMMUNITY SERVICES DISTRICT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Los Osos Community Services District
Los Osos, California

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining information of the Los Osos Community Services District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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 control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11, the budgetary comparison information on pages 54 - 56, the schedule of proportionate share of net pension liability on page 57, the schedule of pension contributions on page 58, and the schedule of changes in net OPEB liability and related ratios on page 59, 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

Board of Directors
Los Osos Community Services District
Los Osos, California

certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries of 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.

Supplementary Information

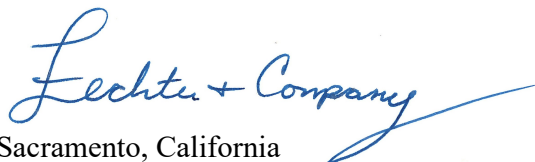
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Los Osos Community Services District's basic financial statements. The combining nonmajor funds financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor funds financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor funds financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Report Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2023, on our consideration of the Los Osos Community Services District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Fechter & Company
Certified Public Accountants

A handwritten signature in blue ink that reads "Fechter + Company". The signature is written in a cursive, flowing style with a long horizontal line extending to the right.

Sacramento, California
December 5, 2023

LOS OSOS COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis June 30, 2023

BACKGROUND

The Los Osos Community Services District (the District), a political subdivision of the State of California, was formed on January 1, 1999, pursuant to Ballot Measure K-98 to provide services previously provided by the County of San Luis Obispo (County) in specific benefit zones of what was formerly County Service Area 9. The District operates pursuant to Section 61000 of the California Government Code, currently authorized to provide Water, Solid Waste, Fire Protection, Drainage, Street Lighting, and Parks and Recreation Services. The District is governed by a five-member Board of Directors with an operations staff headed by a general manager.

As management of the Los Osos Community Services District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2023.

We encourage readers to consider the information presented here in conjunction with additional information that we furnish in our letter of transmittal and the District's financial statements.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The District's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The basic financial statements include four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the basic financial statements, and 4) required supplementary information. This report also contains other supplementary information in addition to the basic financial statements for nonmajor governmental funds. The government-wide statements consist of the Statement of Net Position and the Statement of Activities.

Government-Wide Financial Statements

The Government-Wide Financial Statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the District's assets and liabilities, with the difference between the two 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 only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned and unused employee vacation balances).

LOS OSOS COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis June 30, 2023

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (business-type activities). The governmental activities of the District include fire protection, parks and recreation, drainage, general government and street lighting. The business-type activities of the District include water and solid waste services.

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. The funds of the District are in two categories, namely, governmental and proprietary.

In a few instances where trust accounts are held, trust liability accounts are used in the related fund instead of being held in a separate fiduciary category of funds. The wastewater assessment district fund is treated as a fiduciary category fund for the accounting of the on-going wastewater assessments.

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 the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District'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 District's near-term financing decisions. For the purposes of government funds there are currently no long-term debt obligations.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains six individual governmental funds organized according to their type: general and special revenue. The District does not currently have debt service or capital projects type funds in the governmental funds. Information is presented separately in the governmental funds' balance sheet and in the governmental funds' statement of revenues, expenditures, and changes in fund balances for the General Fund, the Fire Fund, and the Drainage Fund, with all other funds presented into an aggregate column. Due to their small size relative to the fire and general funds, individual

LOS OSOS COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis June 30, 2023

fund data for each of the nonmajor governmental funds (Bayridge, Vista de Oro, and Parks and Recreation) is provided in the form of combining statements found in the other supplementary information section of this report.

A budgetary comparison statement has been provided for the General Fund, the Fire Fund, and the Drainage Fund, to demonstrate compliance with budgetary laws of the State of California and policies and ordinances approved by the District's Board of Directors. This statement is shown under the required supplementary section of this report. Individual budgetary data for each of the nonmajor governmental funds (Bayridge, Vista de Oro, and Parks and Recreation) is not presented.

Proprietary Funds

There are two types of funds classified as proprietary, namely, enterprise and internal service funds. The District only maintains the enterprise type of proprietary funds. The District currently uses three enterprise funds to account for its water, wastewater, and solid waste activities. These three enterprise funds are presented in individual columns in the fund financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Wastewater operations were eliminated upon the completion of and the implementation the Second Amended Plan for Adjustment of Debts for the Los Osos Community Services District as further amended by non-material modifications as ordered by the Bankruptcy Court effective October 15, 2013. Effective June 30, 2014, the District transferred the remaining activity of the Wastewater Fund to a Wastewater Fiduciary Fund for the reporting of the remainder of the bond payments being collected through the San Luis Obispo County Tax Rolls. Effective April 1, 2022, County of San Luis Obispo transferred the Mission Country Disposal solid waste franchise agreement to the District. Therefore, a new proprietary fund was added to the 2021-2022 financial statements.

Notes to the Basic 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.

Required Supplementary Information

The statements are followed by a section of required supplementary information (RSI) that further explains and supports the information in the financial statements. Comparison of Budget to Actual for major governmental funds is shown under this caption.

Other Supplementary Information

Other supplementary information presents data that, although not required, is necessary to provide the reader of the basic financial statements more details to promote understanding of the statements as a whole. The combining statements for the nonmajor governmental funds are presented here.

LOS OSOS COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis
June 30, 2023

**GOVERNMENT-WIDE FINANCIAL
STATEMENTS**

**TABLE A
Statements of Net Position
June 30, 2023**

	June 30, 2023			June 30, 2022			Total Change	
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government	Amount Change	Percent Change
Assets:								
Current and other assets	\$ 3,966,492	\$ 6,950,188	\$ 10,916,680	\$ 3,946,423	\$ 6,611,519	\$ 10,557,942	\$ 358,738	3.4%
Capital assets	2,331,967	7,462,760	9,794,727	1,640,323	6,578,902	8,219,225	1,575,502	19.2%
Total assets	6,298,459	14,412,948	20,711,407	5,586,746	13,190,421	18,777,167	1,934,240	10.3%
Deferred outflows of resources	332,528	532,405	864,933	171,521	276,118	447,639	417,294	93.2%
Liabilities:								
Current liabilities	90,904	528,636	619,540	60,929	580,329	641,258	(21,718)	-3.4%
Long-Term liabilities	704,394	4,698,339	5,402,733	371,220	4,488,435	4,859,655	543,078	11.2%
Total liabilities	795,298	5,226,975	6,022,273	432,149	5,068,764	5,500,913	521,360	9.5%
Deferred inflows of resources	104,372	196,883	301,255	284,661	466,262	750,923	(449,668)	-59.9%
Net Position:								
Invested in capital assets, net of related debt	2,331,967	4,808,366	7,140,333	1,640,323	3,736,790	5,377,113	1,763,220	32.8%
Restricted	3,622,125	-	3,622,125	3,513,926	-	3,513,926	108,199	3.1%
Unrestricted	(222,775)	4,713,129	4,490,354	(112,792)	4,194,723	4,081,931	408,423	10.0%
Total net position	\$ 5,731,317	\$ 9,521,495	\$ 15,252,812	\$ 5,041,457	\$ 7,931,513	\$ 12,972,970	\$ 2,279,842	17.6%

LOS OSOS COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis June 30, 2023

TABLE B Statements of Activities June 30, 2023

	June 30, 2023			June 30, 2022			Total Change	
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government	Amount Change	Percent Change
Revenues								
Program revenues:								
Charges for services	\$ 99,289	\$ 3,143,881	\$ 3,243,170	\$ 107,426	\$ 2,937,427	\$ 3,044,853	\$ 198,317	6.5%
Operating grants and contributions	16,892	855,256	872,148	19,301	293,425	312,726	559,422	178.9%
General revenues								
Property taxes	2,684,268	149,750	2,834,018	2,582,680	117,546	2,700,226	133,792	5.0%
Other taxes	764,598	-	764,598	731,911	-	731,911	32,687	4.5%
Investment income	9,710	14,084	23,794	3,667	6,596	10,263	13,531	131.8%
Gain on sale of assets	-	-	-	8,000	-	8,000	(8,000)	100.0%
Other revenues	2,395	23,485	25,880	96	4,278	4,374	21,506	491.7%
Total revenues	3,577,152	4,186,456	7,763,608	3,453,081	3,359,272	6,812,353	951,255	14.0%
Expenses								
General government	677,755	-	677,755	613,906	-	613,906	63,849	10.4%
Fire protection	2,695,117	-	2,695,117	2,531,893	-	2,531,893	163,224	6.4%
Drainage	119,828	-	119,828	50,471	-	50,471	69,357	137.4%
Street lighting/ septic system maintenance	9,216	-	9,216	9,094	-	9,094	122	1.3%
Parks and recreation	2,085	-	2,085	4,851	-	4,851	(2,766)	-57.0%
Water	-	1,841,535	1,841,535	-	1,711,132	1,711,132	130,403	7.6%
Wastewater treatment	-	16,495	16,495	-	15,618	15,618	877	5.6%
Solid waste	-	121,735	121,735	-	31,552	31,552	90,183	285.8%
Total expenses	3,504,001	1,979,765	5,483,766	3,210,215	1,758,302	4,968,517	515,249	10.4%
Increase (decrease) in net position before transfers	73,151	2,206,691	2,279,842	242,866	1,600,970	1,843,836	436,006	23.6%
Transfers	616,709	(616,709)	-	585,083	(585,083)	-	-	0.0%
Change in net position	689,860	1,589,982	2,279,842	827,949	1,015,887	1,843,836	436,006	23.6%
Beginning net position	5,041,457	7,931,513	12,972,970	4,213,508	6,915,626	11,129,134	1,843,836	16.6%
Ending net position	\$ 5,731,317	\$ 9,521,495	\$ 15,252,812	\$ 5,041,457	\$ 7,931,513	\$ 12,972,970	\$ 2,279,842	17.6%

LOS OSOS COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis June 30, 2023

Analysis of Overall Financial Position and Results of Operations

Statement of Net Position

At the end of fiscal year June 30, 2023, the District is able to report positive balances in both the District as a whole as well as for its separate governmental and business-type activities.

The total assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at June 30, 2023 by \$15,252,812.

The District's net position reflects its investments in capital assets, less any related debt that is still outstanding from what was used to acquire those assets. Although the District's investment in its Capital Assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources. This debt must be provided from other sources since the Capital Assets themselves cannot be used to liquidate the liabilities.

The District should be able to maintain a positive trend with the implementation of timely financial reporting, extensive mid-year reviews and adjustments, and continual monitoring of all funds' activities. Completing these processes will help ensure that the District has no going concerns or problems.

Statement of Activities

Overall, the results of operations as shown in the Statement of Activities has an increase in Net Position of \$2,279,842. Total revenues increased over the prior year by \$951,255. Water service fees decreased by \$43,513, grant revenue increased by \$559,422, and property tax revenue increased by \$133,792. This continuing increase in property tax revenue received is in agreement with the trend in the rest of the County.

Overall expenses in Governmental Activities increased by \$293,786. Total expenses in Business-Type Activities increased by \$221,463.

Investment Income increased by \$13,531 over Fiscal Year 2021-2022 because of rising interest rates and the implementation of a new investment strategy during the fiscal year.

LOS OSOS COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis June 30, 2023

**TABLE C
Capital Assets
June 30, 2023**

	June 30, 2023			June 30, 2022			Total Change	
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government	Amount Change	Percent Change
Non-Depreciable Assets								
Land and land rights	\$ 57,375	\$ 498,429	\$ 555,804	\$ 57,375	\$ 498,429	\$ 555,804	\$ -	0.0%
Construction in progress	763,844	1,296,871	2,060,715	7,543	1,147,660	1,155,203	905,512	78.4%
Depreciable Assets								
Buildings, structures, and improvements	598,871	268,178	867,049	598,871	268,178	867,049	-	0.0%
Infrastructure	378,519	11,121,877	11,500,396	378,519	10,091,860	10,470,379	1,030,017	9.8%
Equipment and vehicles	2,155,955	587,092	2,743,047	2,047,604	587,092	2,634,696	108,351	4.1%
Total cost	3,954,564	13,772,447	17,727,011	3,089,912	12,593,219	15,683,131	2,043,880	13.0%
Less accumulated depreciation	(1,622,597)	(6,309,687)	(7,932,284)	(1,449,589)	(6,014,317)	(7,463,906)	(468,378)	6.3%
Total	\$ 2,331,967	\$ 7,462,760	\$ 9,794,727	\$ 1,640,323	\$ 6,578,902	\$ 8,219,225	\$ 1,575,502	19.2%

**TABLE D
Long-Term Liabilities
June 30, 2023**

	June 30, 2023			June 30, 2022			Total Change	
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government	Amount Change	Percent Change
Compensated absences	\$ 31,571	\$ 117,336	\$ 148,907	\$ 29,209	\$ 100,393	\$ 129,602	\$ 19,305	14.9%
Other post-employment benefits liability	44,810	253,925	298,735	52,393	296,892	349,285	(50,550)	-14.5%
Loan payable - CIEDB loan	-	2,654,394	2,654,394	-	2,842,112	2,842,112	(187,718)	-6.6%
Loan payable - Solid waste	-	1,046,772	1,046,772	-	1,176,772	1,176,772	(130,000)	-11.0%
Net pension liability	635,906	967,655	1,603,561	296,920	405,081	702,001	901,560	128.4%
Total	\$ 712,287	\$ 5,040,082	\$ 5,752,369	\$ 378,522	\$ 4,821,250	\$ 5,199,772	\$ 552,597	10.6%

The total of long-term debt is \$5,752,369, an increase of \$552,597, due primarily to an increase in the net pension liability of \$901,560, partially offset by decreases in loan payables and the other post-employment benefits liability.

LOS OSOS COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis June 30, 2023

Fire and Water Fund Reserves

The District maintains cash reserves in the following funds for various purposes as budgeted annually by the Board of Directors. The reserve balances in each fund as of June 30, 2023 are as follows:

<u>Fire Fund</u>	
General contingency	\$ 493,226
Vehicle, equipment, and fire engine rep	1,306,022
Capital outlay	540,562
Public facilities fee	40,334
Fire mitigation	135,449
Total	<u>\$ 2,515,593</u>
<u>Water Fund</u>	
General contingency	\$ 699,183
Capital outlay	1,999,563
Vehicle and equipment replacement	144,644
Water quality	91,517
Water stabilization	158,456
Basin management	50,031
Water conservation	59,288
Total	<u>\$ 3,202,682</u>
<u>Drainage Fund</u>	
General contingency	\$ 10,000
Capital outlay	55,000
	<u>\$ 65,000</u>
<u>Parks and Recreation Fund</u>	
	<u>\$ 198,879</u>

Significant Events or Disclosures

During a major storm event on January 9, 2023, the Cabrillo Estates stormwater detention basin experienced a major breach to the basin wall. The breach resulted in the release of water which severely impacted nineteen homes in the Vista de Oro neighborhood. The repair cost of the stormwater basin and recovery efforts in the neighborhood placed a financial strain on Fund 800 (Drainage). A \$300,000 interfund loan from Fund 500 (Water) to Fund 800 will allow for continued drainage operation and maintenance by District staff. The loan will be repaid over a five-year period with interest.

More information about the District, its financial condition, policies, governance and management is available on the District website at www.losososcsd.org.

Sincerely,

Ron Munds
General Manager

BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

LOS OSOS COMMUNITY SERVICES DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current assets:			
Cash and investments	\$ 3,838,804	\$ 4,707,721	\$ 8,546,525
Accounts receivable, net	73,639	515,843	589,482
Grants receivable	-	194,449	194,449
Prepaid items	124,312	115,187	239,499
Deposits	-	10,000	10,000
Inventory	-	73,443	73,443
Other assets	-	900	900
Internal balances	(285,873)	285,873	-
Total current assets	<u>3,750,882</u>	<u>5,903,416</u>	<u>9,654,298</u>
Noncurrent assets:			
Restricted cash and investments	215,610	-	215,610
Franchise asset	-	1,046,772	1,046,772
Capital assets, net	2,331,967	7,462,760	9,794,727
Total noncurrent assets	<u>2,547,577</u>	<u>8,509,532</u>	<u>11,057,109</u>
Total assets	<u>6,298,459</u>	<u>14,412,948</u>	<u>20,711,407</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	324,436	486,553	810,989
Deferred outflows of resources related to OPEB	8,092	45,852	53,944
Total deferred outflow of resources	<u>332,528</u>	<u>532,405</u>	<u>864,933</u>
LIABILITIES			
Current liabilities:			
Accounts payable	65,967	142,322	208,289
Accrued liabilities	17,044	16,921	33,965
Accrued interest payable	-	27,650	27,650
Compensated absences - current portion	7,893	29,334	37,227
Loans payable - current portion	-	312,409	312,409
Total current liabilities	<u>90,904</u>	<u>528,636</u>	<u>619,540</u>
Non-current liabilities:			
Compensated absences	23,678	88,002	111,680
OPEB liability	44,810	253,925	298,735
Loans payable	-	3,388,757	3,388,757
Net pension liability	635,906	967,655	1,603,561
Total noncurrent liabilities	<u>704,394</u>	<u>4,698,339</u>	<u>5,402,733</u>
Total liabilities	<u>795,298</u>	<u>5,226,975</u>	<u>6,022,273</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	75,741	34,639	110,380
Deferred inflows of resources related to OPEB	28,631	162,244	190,875
Total deferred inflow of resources	<u>104,372</u>	<u>196,883</u>	<u>301,255</u>
NET POSITION			
Net investment in capital assets	2,331,967	4,808,366	7,140,333
Restricted for:			
Fire and emergency services	3,306,694	-	3,306,694
Parks and recreation	315,431	-	315,431
Unrestricted (deficit)	(222,775)	4,713,129	4,490,354
Total net position	<u>\$ 5,731,317</u>	<u>\$ 9,521,495</u>	<u>\$ 15,252,812</u>

The accompanying notes are an integral part of these financial statements.

**LOS OSOS COMMUNITY SERVICES DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activites	Business- Type Activites	
PRIMARY GOVERNMENT:						
Governmental activities:						
General government	\$ 677,755	\$ -	\$ -	\$ (677,755)	\$ -	\$ (677,755)
Fire protection	2,695,117	83,291	16,892	(2,594,934)	-	(2,594,934)
Drainage	119,828	-	-	(119,828)	-	(119,828)
Street lighting/ septic system maintenance	9,216	15,998	-	6,782	-	6,782
Parks and recreation	2,085	-	-	(2,085)	-	(2,085)
Total governmental activities	<u>3,504,001</u>	<u>99,289</u>	<u>16,892</u>	<u>(3,387,820)</u>	<u>-</u>	<u>(3,387,820)</u>
Business-type activities:						
Water	1,841,535	2,826,092	855,256	-	1,839,813	1,839,813
Wastewater treatment project	16,495	19,720	-	-	3,225	3,225
Solid waste	121,735	298,069	-	-	176,334	176,334
Total business-type activities	<u>1,979,765</u>	<u>3,143,881</u>	<u>855,256</u>	<u>-</u>	<u>2,019,372</u>	<u>2,019,372</u>
Total primary government	<u>\$ 5,483,766</u>	<u>\$ 3,243,170</u>	<u>\$ 872,148</u>	<u>(3,387,820)</u>	<u>2,019,372</u>	<u>(1,368,448)</u>
General revenues:						
Taxes:						
Property taxes				2,684,268	149,750	2,834,018
Special assessments				764,598	-	764,598
Investment income				9,710	14,084	23,794
Other general revenues				2,395	23,485	25,880
Transfers				616,709	(616,709)	-
Total general revenues and transfers				<u>4,077,680</u>	<u>(429,390)</u>	<u>3,648,290</u>
Change in net position				689,860	1,589,982	2,279,842
Net position - beginning				<u>5,041,457</u>	<u>7,931,513</u>	<u>12,972,970</u>
Net position - ending				<u>\$ 5,731,317</u>	<u>\$ 9,521,495</u>	<u>\$ 15,252,812</u>

The accompanying notes are an integral part of these financial statements.

BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS

**LOS OSOS COMMUNITY SERVICES DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023**

	General	Fire Fund	Drainage	Nonmajor Governmental Funds	Totals
ASSETS					
Cash and investments	\$ 143,081	\$ 3,292,201	\$ 265,875	\$ 137,647	\$ 3,838,804
Restricted cash and investments	-	-	-	215,610	215,610
Accounts receivable	-	55,996	17,489	154	73,639
Prepaid items	51,294	72,165	853	-	124,312
Due from other funds	1,517	-	-	-	1,517
TOTAL ASSETS	<u>\$ 195,892</u>	<u>\$ 3,420,362</u>	<u>\$ 284,217</u>	<u>\$ 353,411</u>	<u>\$ 4,253,882</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 7,553	\$ 38,490	\$ 19,306	\$ 618	\$ 65,967
Accrued liabilities	14,031	3,013	-	-	17,044
Due to other funds	-	-	-	1,517	1,517
Loan from Water Fund	-	-	285,873	-	285,873
Total liabilities	<u>21,584</u>	<u>41,503</u>	<u>305,179</u>	<u>2,135</u>	<u>370,401</u>
FUND BALANCES					
Nonspendable					
Prepaid items	51,294	72,165	853	-	124,312
Restricted					
Fire and emergency services	-	3,306,694	-	-	3,306,694
Parks and recreation	-	-	-	315,431	315,431
Bayridge functions	-	-	-	36,061	36,061
Unassigned	123,014	-	(21,815)	(216)	100,983
Total fund balances	<u>174,308</u>	<u>3,378,859</u>	<u>(20,962)</u>	<u>351,276</u>	<u>3,883,481</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 195,892</u>	<u>\$ 3,420,362</u>	<u>\$ 284,217</u>	<u>\$ 353,411</u>	<u>\$ 4,253,882</u>

The accompanying notes are an integral part of these financial statements.

**LOS OSOS COMMUNITY SERVICES DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2023**

Total fund balances-governmental funds \$ 3,883,481

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.

Capital assets at historical cost	3,682,876	
Less: Accumulated depreciation	(1,350,909)	
Net		2,331,967

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Compensated absences	(31,571)	
Net pension liability	(635,906)	
Net OPEB liability	(44,810)	
Total		(712,287)

In governmental funds, deferred outflows and inflows of resources relating to pensions and OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions and OPEB are reported.

Deferred outflows of resources relating:		
to pensions	324,436	
to OPEB	8,092	
Deferred inflows of resources relating:		
to pensions	(75,741)	
to OPEB	(28,631)	
Total		228,156

Net position of governmental activities \$ 5,731,317

The accompanying notes are an integral part of these financial statements.

LOS OSOS COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General	Fire Fund	Drainage	Nonmajor Governmental Funds	Totals
REVENUES:					
Property taxes	\$ -	\$ 2,600,226	\$ 41,678	\$ 42,364	\$ 2,684,268
Special taxes and assessments	-	669,398	95,200	-	764,598
Intergovernmental	-	16,892	-	-	16,892
Services charges and fees	-	83,291	-	15,998	99,289
Use of money and property	(178)	2,449	4,159	3,280	9,710
Other revenues	1,516	290	589	-	2,395
Total revenues	1,338	3,372,546	141,626	61,642	3,577,152
EXPENDITURES:					
Personnel	407,149	254,960	17,474	-	679,583
Clothing and uniforms	-	10	-	-	10
Contract services	69,775	6,729	-	-	76,504
Contract services - Schedule A	-	2,128,852	-	-	2,128,852
Equipment and tools	-	75,134	-	-	75,134
Financial services	570	62	-	-	632
Insurance, licenses, and regulatory fees	47,932	55,018	10,071	2,023	115,044
Legal and professional	93,942	1,485	32,058	124	127,609
Office expenses	17,379	6,718	26,974	-	51,071
Other expenses	210	13,686	-	-	13,896
Rent and utilities	44,312	15,583	4,897	7,069	71,861
Travel and training	2,218	298	-	-	2,516
Repairs and maintenance	106	6,730	3,902	-	10,738
Vehicle maintenance and repairs	-	-	3,102	-	3,102
Capital outlay	-	174,087	670,691	-	844,778
Debt service:					
Interest and fiscal charges	-	-	1,846	-	1,846
Total expenditures	683,593	2,739,352	771,015	9,216	4,203,176
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(682,255)	633,194	(629,389)	52,426	(626,024)
Other Financing Sources (Uses):					
Transfers in	712,957	-	-	-	712,957
Transfers out	-	(71,296)	(14,259)	(10,693)	(96,248)
Total other financing sources (uses)	712,957	(71,296)	(14,259)	(10,693)	616,709
Excess (Deficiency) of Revenues and Other Financing Sources Over (under) Expenditures and Other Financing Uses	30,702	561,898	(643,648)	41,733	(9,315)
Fund balances - beginning	143,606	2,816,961	622,686	309,543	3,892,796
Fund balances - ending	\$ 174,308	\$ 3,378,859	\$ (20,962)	\$ 351,276	\$ 3,883,481

The accompanying notes are an integral part of these financial statements.

**LOS OSOS COMMUNITY SERVICES DISTRICT
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Net change in fund balances - total governmental funds \$ (9,315)

Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds report capital outlays as expenditures. However, in
the statement of activities the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Expenditures for general capital assets, infrastructure, and other related capital asset adjustments	864,652	
Less: current year depreciation	<u>(173,008)</u>	691,644

Expenditures in the statement of activities that do not require the use of
current financial resources are not reported as expenditures in the funds:

Change in the liability for compensated absences	(2,362)	
Change in net pension liability	12,475	
Change in OPEB liability	<u>(2,582)</u>	

Change in net position of governmental activities \$ 689,860

The accompanying notes are an integral part of these financial statements.

LOS OSOS COMMUNITY SERVICES DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Water Fund	Wastewater Treatment Project Fund	Solid Waste Fund	Totals
ASSETS				
Current assets:				
Cash and investments	\$ 4,572,619	\$ 33,780	\$ 101,322	\$ 4,707,721
Accounts receivable, net	493,262	-	14,598	507,860
Property tax receivables	7,983	-	-	7,983
Grants receivable	194,449	-	-	194,449
Deposits	10,000	-	-	10,000
Inventory at cost	73,443	-	-	73,443
Prepays	115,187	-	-	115,187
Loan to other funds	285,873	-	-	285,873
Other assets	900	-	-	900
Total current assets	<u>5,753,716</u>	<u>33,780</u>	<u>115,920</u>	<u>5,903,416</u>
Non-current assets:				
Franchise asset	-	-	1,046,772	1,046,772
Capital assets, net	7,304,170	158,590	-	7,462,760
Total non-current assets	<u>7,304,170</u>	<u>158,590</u>	<u>1,046,772</u>	<u>8,509,532</u>
TOTAL ASSETS	<u><u>13,057,886</u></u>	<u><u>192,370</u></u>	<u><u>1,162,692</u></u>	<u><u>14,412,948</u></u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	486,553	-	-	486,553
Deferred outflows of resources related to OPEB	45,852	-	-	45,852
Total deferred outflows of resources	<u>532,405</u>	<u>-</u>	<u>-</u>	<u>532,405</u>
LIABILITIES				
Current liabilities:				
Accounts payable	130,988	84	11,250	142,322
Accrued liabilities	16,921	-	-	16,921
Accrued interest payable	27,650	-	-	27,650
Compensated absences - current portion	29,334	-	-	29,334
Loans payable - current portion	192,409	-	120,000	312,409
Total current liabilities	<u>397,302</u>	<u>84</u>	<u>131,250</u>	<u>528,636</u>
Non-current liabilities:				
Compensated absences	88,002	-	-	88,002
OPEB liability	253,925	-	-	253,925
Loans payable	2,461,985	-	926,772	3,388,757
Net pension liability	967,655	-	-	967,655
Total non-current liabilities	<u>3,771,567</u>	<u>-</u>	<u>926,772</u>	<u>4,698,339</u>
TOTAL LIABILITIES	<u><u>4,168,869</u></u>	<u><u>84</u></u>	<u><u>1,058,022</u></u>	<u><u>5,226,975</u></u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	34,639	-	-	34,639
Deferred inflows of resources related to OPEB	162,244	-	-	162,244
Total deferred inflows of resources	<u>196,883</u>	<u>-</u>	<u>-</u>	<u>196,883</u>
NET POSITION				
Net investment in capital assets	4,649,776	158,590	-	4,808,366
Unrestricted	4,574,763	33,696	104,670	4,713,129
TOTAL NET POSITION	<u><u>\$ 9,224,539</u></u>	<u><u>\$ 192,286</u></u>	<u><u>\$ 104,670</u></u>	<u><u>\$ 9,521,495</u></u>

The accompanying notes are an integral part of these financial statements.

LOS OSOS COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Water Fund	Wastewater Treatment Project Fund	Solid Waste Fund	Totals
OPERATING REVENUES				
Utility	\$ 2,826,092	19,720	298,069	\$ 3,143,881
Total operating revenues	<u>2,826,092</u>	<u>19,720</u>	<u>298,069</u>	<u>3,143,881</u>
Operating Expenses:				
Personnel	889,831	-	-	889,831
Clothing and uniforms	3,007	-	-	3,007
Contract services	74,693	-	-	74,693
Equipment and tools	7,849	-	-	7,849
Financial services	124	1,815	-	1,939
Insurance, licenses, and regulatory fees	95,994	273	-	96,267
Legal and professional	165,589	14,407	1,575	181,571
Office expenses	39,207	-	160	39,367
Other expenses	18,951	-	-	18,951
Rent and utilities	123,809	-	-	123,809
Travel and training	2,350	-	-	2,350
Repairs and maintenance	27,871	-	-	27,871
Vehicle maintenance and repairs	21,613	-	-	21,613
Depreciation and amortization	295,370	-	120,000	415,370
Total operating expenses	<u>1,766,258</u>	<u>16,495</u>	<u>121,735</u>	<u>1,904,488</u>
Operating income (loss)	1,059,834	3,225	176,334	1,239,393
Non-operating Revenue (Expenses):				
Property taxes and assessments	149,750	-	-	149,750
Investment income	14,084	-	-	14,084
Government grants	855,256	-	-	855,256
Other non-operating revenue	23,485	-	-	23,485
Interest expense and fiscal charges	(75,277)	-	-	(75,277)
Total nonoperating (expenses) revenues	<u>967,298</u>	<u>-</u>	<u>-</u>	<u>967,298</u>
Income before transfers	2,027,132	3,225	176,334	2,206,691
Transfers out	(541,848)	(3,565)	(71,296)	(616,709)
Change in net position	1,485,284	(340)	105,038	1,589,982
Net position - beginning	<u>7,739,255</u>	<u>192,626</u>	<u>(368)</u>	<u>7,931,513</u>
Net position - ending	<u>\$ 9,224,539</u>	<u>\$ 192,286</u>	<u>\$ 104,670</u>	<u>\$ 9,521,495</u>

The accompanying notes are an integral part of these financial statements.

**LOS OSOS COMMUNITY SERVICES DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	Water Fund	Wastewater Treatment Project Fund	Solid Waste Fund	Totals
Cash Flows From Operating Activities:				
Cash collected from customers	\$ 2,895,514	\$ 19,720	\$ 290,818	\$ 3,206,052
Cash payments to suppliers for goods and services	(669,728)	(16,431)	8,541	(677,618)
Cash payments for employee services	(897,751)	-	-	(897,751)
Net cash provided by operating activities	<u>1,328,035</u>	<u>3,289</u>	<u>299,359</u>	<u>1,630,683</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(1,179,228)	-	-	(1,179,228)
Government grants	951,152	-	-	951,152
Principal paid on debt	(187,718)	-	-	(187,718)
Interest paid on debt	(77,232)	-	-	(77,232)
Net cash used by capital and related financing activities	<u>(493,026)</u>	<u>-</u>	<u>-</u>	<u>(493,026)</u>
Cash Flows From Noncapital Financing Activities:				
Transfers to other funds	(541,848)	(3,565)	(71,296)	(616,709)
Property taxes and assessments	152,664	-	-	152,664
Other non-operating revenue	23,485	-	-	23,485
Amount paid to County for Solid Waste Franchise Agreement loan	-	-	(130,000)	(130,000)
Principal paid on interfund debt	(285,873)	-	-	(285,873)
Net cash used by noncapital financing activities	<u>(651,572)</u>	<u>(3,565)</u>	<u>(201,296)</u>	<u>(856,433)</u>
Cash Flows from Investing Activities:				
Interest on investments	14,084	-	-	14,084
Net cash provided by investing activities	<u>14,084</u>	<u>-</u>	<u>-</u>	<u>14,084</u>
Net increase/(decrease) in cash and cash equivalents	197,521	(276)	98,063	295,308
Cash and cash equivalents, beginning of year	<u>4,375,098</u>	<u>34,056</u>	<u>3,259</u>	<u>4,412,413</u>
Cash and cash equivalents, end of year	<u>\$ 4,572,619</u>	<u>\$ 33,780</u>	<u>\$ 101,322</u>	<u>\$ 4,707,721</u>

The accompanying notes are an integral part of these financial statements.

**LOS OSOS COMMUNITY SERVICES DISTRICT
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	Water Fund	Wastewater Treatment Project Fund	Solid Waste Fund	Totals
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 1,059,834	\$ 3,225	\$ 176,334	\$ 1,239,393
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization of fixed assets	295,370	-	120,000	415,370
Changes in assets, liabilities, deferred inflows of resources, and deferred outflows of resources:				
Receivables, net	69,422	-	(7,251)	62,171
Prepays	(13,648)	-	-	(13,648)
Inventory	(24,821)	-	-	(24,821)
Deferred outflows - pension	(271,723)	-	-	(271,723)
Deferred outflows - OPEB	15,436	-	-	15,436
Accounts payable	(50,202)	64	10,276	(39,862)
Accrued liabilities	(18,804)	-	-	(18,804)
Compensated absences	16,943	-	-	16,943
OPEB liability	(42,967)	-	-	(42,967)
Net pension liability	562,574	-	-	562,574
Deferred inflows - pension	(311,554)	-	-	(311,554)
Deferred inflows - OPEB	42,175	-	-	42,175
Net cash provided by operating activities	\$ 1,328,035	\$ 3,289	\$ 299,359	\$ 1,630,683

The accompanying notes are an integral part of these financial statements.

**LOS OSOS COMMUNITY SERVICES DISTRICT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2023**

	Wastewater Assessment District No. 1 Fund	Low Income Assistance Fund	Total Agency Funds
ASSETS			
Cash and investments	\$ 26	\$ 9,355	\$ 9,381
Cash with fiscal agents	1,942,968	-	1,942,968
Accrued property taxes receivable	14,663	-	14,663
Total assets	<u>\$ 1,957,657</u>	<u>\$ 9,355</u>	<u>\$ 1,967,012</u>
LIABILITIES			
Due to bondholders	\$ 1,957,657	\$ -	\$ 1,957,657
Due to others	-	9,355	9,355
Total liabilities	<u>\$ 1,957,657</u>	<u>\$ 9,355</u>	<u>\$ 1,967,012</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

LOS OSOS COMMUNITY SERVICES DISTRICT

Notes to the Basic Financial Statements
June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Financial Reporting Entity

The Los Osos Community Services District (District), a political subdivision of the State of California, was formed on January 1, 1999, pursuant to Ballot Measure K-98 to provide services previously provided by San Luis Obispo County (the County) in specific benefits zones of what was formerly County Service Area 9. After formation, the District added solid waste services providing service to all properties in the District. It operates pursuant to Section 61000 of the California Government Code. It is currently authorized to provide fire protection, water, solid waste, street lighting, drainage, and parks and recreation services. It is governed by a five-member Board of Directors with an operations staff headed by a general manager.

B. Basis of Presentation

Fund Financial Statements:

The fund financial statements provide information about the District's funds. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories with each major fund displayed in a separate column. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or proprietary fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, 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.

All remaining governmental funds are aggregated and reported as nonmajor funds in a single column, regardless of their fund type.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund – The General Fund, more commonly referred to as the Administrative Fund, is the general operating fund of the District and is always classified as a major fund. It is used to account for all other activities except those legally or administratively required to be accounted for in other funds.

LOS OSOS COMMUNITY SERVICES DISTRICT

Notes to the Basic Financial Statements

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The following are Special Revenue Funds:

- 301 – Fire Fund
- 200 – Bayridge (a subdivision where lighting and septic system maintenance are provided)
- 400 – Vista de Oro (a subdivision where lighting and septic system maintenance are provided)
- 800 – Drainage
- 900 – Parks and Recreation

Proprietary Funds

Enterprise Funds – Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

Proprietary Funds are as follows:

- 500 – Water
- 600 – Wastewater Treatment Project Fund (This is for the aborted sewer system project and may in the future be reclassified to the governmental category.)
- 650 – Solid Waste Fund

Fiduciary Funds

The fiduciary funds are accounted for on the accrual basis of accounting because the fund is custodial in nature (assets equal liabilities). A measurement of results of operations is not shown.

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The District maintains two agency funds - Los Osos Community Services District Wastewater Assessment District No. 1 and the Low Income Assistance Fund.

Major Funds

The District reported the following major governmental funds in the accompanying financial statements:

General Fund – This is the District’s primary operating fund and is more commonly referred to as the Administrative Fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The fund provides for public administration, overall management, occupancy, computer systems, accounting, legal, consulting, communication, and insurance as it pertains to the District as a whole.

Drainage Fund – This fund accounts for the operation and maintenance of the District’s drainage system.

LOS OSOS COMMUNITY SERVICES DISTRICT

Notes to the Basic Financial Statements

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fire Fund – This fund accounts for activities of Fire Station 15 – South Bay. The fire department provides fire suppression, emergency paramedic services, and fire prevention including public education. Services are provided through a contract with Cal Fire for the entire community. Reserve firefighters and administrative operational costs are paid by the District outside the Cal Fire contract.

The District reported the following major proprietary funds in the accompanying financial statements:

Water Fund – This fund accounts for the operation and maintenance of the District’s water distribution system. The water department is responsible for the operation and maintenance of five groundwater supply wells providing treatment, monitoring, and distribution services.

Wastewater Treatment Project Fund – This fund originally accounted for projects relating to the District’s wastewater treatment project. Since the wastewater treatment project was stopped, this fund now mainly reflects functions relative to bankruptcy proceedings and assessment costs on the aborted sewer project.

Solid Waste Fund - This fund provides trash cleanup and recycling services for the community through a franchise agreement with a private company.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, both governmental and business type activities are presented using the economic resources measurement focus as defined in item “b” below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds are accounted for using a “current financial resources” measurement focus. With this measurement focus, only current assets and current liabilities generally are included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. All proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and all liabilities (whether current or non-current) associated with the operation of these funds are reported. Proprietary fund equity is classified as net position.

LOS OSOS COMMUNITY SERVICES DISTRICT

Notes to the Basic Financial Statements

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when “measurable and available”. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The District defines available to be within 60 days of fiscal year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for principal and interest on long term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent that they have matured. Governmental capital asset acquisitions are reported as expenditures in governmental funds. Proceeds for governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

Those revenues susceptible to accrual include taxes, intergovernmental revenues, interest, and charges for services. Certain indirect costs are included in program expenses reported for individual functions and activities.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the District may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position are available to finance program expenditures. The District’s policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed.

The fiduciary funds are accounted for on the accrual basis of accounting. Because the fund is custodial in nature (assets equal liabilities), a measurement of results of operations is not shown.

LOS OSOS COMMUNITY SERVICES DISTRICT

Notes to the Basic Financial Statements

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Property Taxes

The County levies, bills, and collects property taxes and special assessments for the District. Property taxes levied are recorded as revenue in the fiscal year of levy, due to the adoption of the “alternate method of property tax distribution”, known as the Teeter Plan, by the District and the County. The Teeter Plan authorizes the Auditor/Controller of the County to allocate 100% of the secured property taxes billed, excluding unitary tax (whether paid or unpaid). The County remits tax monies to the District on a monthly basis. The final amount which is “teetered” is remitted in August each year.

Tax collections are the responsibility of the County Tax Collector. Taxes and assessments on secured and utility rolls, which constitute a lien against the property, may be paid in two installments; the first is due November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the tax becomes delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payment.

Property valuations are established by the Assessor of the County for the secured and unsecured property tax rolls. Under the provisions of Article XIII A of the State Constitution, properties are assessed at 100% of purchase price or value in 1978 whichever is later. From this base assessment, subsequent annual increases in valuation are limited to a maximum of 2 percent. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

Tax levy dates are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property, as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

E. Cash and Investments

The District pools the cash of all funds, except for monies deposited with fiscal agents in accordance with related bond indentures. The cash and investments balance in each fund represents that fund’s equity share of the District’s cash and investment pool.

Interest income earned on pooled cash and investments is allocated quarterly to the various funds based on month-end balances. Interest income on restricted cash and investments with fiscal agents is credited directly to the related fund.

The District’s investments are carried at fair value. The fair value of equity and debt securities is determined based on sales prices or bid-and-asked quotations from Securities and Exchange Commission (SEC) registered securities exchanges or NASDAQ dealers. Local Agency Investment Fund (LAIF) determines the fair value of their portfolio quarterly and reports a factor to the District. Changes in fair value are allocated to each participating fund.

LOS OSOS COMMUNITY SERVICES DISTRICT

Notes to the Basic Financial Statements

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For purposes of the statement of cash flows, the District has defined cash and cash equivalents to be change and petty cash funds, equity in the District's cash and investment pool, and restricted non-pooled investments with initial maturities of three months or less.

F. Accounts, Grants, and Interest Receivable

In the government-wide statements, receivables consist of all revenues earned at fiscal year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts if applicable, and estimated refunds due. Major receivable balances for the governmental activities may include sales taxes, property taxes, grants; and other fees, if any. Business-type activities report utilities and grants as their major receivables.

In the fund financial statements, material receivables in governmental funds may include revenue accruals such as franchise tax, grants, service charges and other similar intergovernmental revenues that are both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis of accounting, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned, if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at fiscal year-end and not yet received. Utility accounts receivable and interest earnings comprise the majority of proprietary fund receivables. The fiduciary funds receivable primarily consists of tax assessments.

G. Prepaid Expenses and Inventory

Inventory is valued at the lower of cost or market using the first-in, first-out (FIFO) method. The cost is recorded as an expenditure/expense in the funds at the time individual inventory items are purchased rather than when consumed. This is then adjusted by physical inventory at fiscal year-end. Inventory in the enterprise funds consist principally of materials and supplies for utility operations.

Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

H. Restricted Assets

Funds that are under the control of external parties are restricted.

LOS OSOS COMMUNITY SERVICES DISTRICT

Notes to the Basic Financial Statements

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets

The accounting treatment of property, plant, and equipment depends on whether the assets are used in governmental fund operations or proprietary fund operations. The presentation and recording of governmental assets are described below.

Government-Wide Statements

In the government-wide financial statements, capital assets with a historical cost of \$5,000 or more are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, if any, which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the *majority* of the assets.

With the implementation of the Governmental Accounting Standards Board (GASB) Statement No. 34, the District has recorded all its public domain (infrastructure) capital assets on the government-wide statements.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40-50 years
Improvements other than buildings	5-25 years
Infrastructure	5-60 years
Equipment and systems	5-30 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are capitalized when purchased.

LOS OSOS COMMUNITY SERVICES DISTRICT

Notes to the Basic Financial Statements

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Accumulated Compensated Absences

Compensated absences comprise unused vacation leave, sick leave, and compensatory time off, which are accrued as earned. Vacation can be accrued to a maximum of 40 days or 320 hours for the regular employees or 440 hours for the non-exempt employees. At termination of employment for any reason, the District shall compensate the employee for his/her accumulated vacation time at his/her straight time rate of pay at the time of termination. Sick leave can be accrued up to 180 days or 1,440 hours. Only half of accumulated sick leave hours can be paid on termination to eligible employees. Employees become eligible for sick leave pay-off after completing five years of service. Payments are based on the pay rate at the time of termination. The District's liability for the current and long-term portions of compensated absences is shown in the government-wide Statement of Net Position for both governmental funds and proprietary funds. Only proprietary funds reflect the long-term portion in the fund financials report, Statement of Net Position. The short-term portion is reflected for both governmental and proprietary funds in the fund financial statements. Computation was based on rates in effect as of the fiscal year-end.

K. Long-Term Liabilities

In the government-wide financial statements, long-term liabilities are presented for both governmental and proprietary fund types. In the fund financial statements, only the proprietary funds show long-term liabilities.

In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. 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 Los Osos Community Services District California Public Employees' Retirement System (CalPERS) Miscellaneous, Miscellaneous PEPRAs (Public Employees' Pension Reform Act), Safety Fire, and Safety Fire PEPRAs Plans and additions to/deductions 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.

M. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

LOS OSOS COMMUNITY SERVICES DISTRICT

Notes to the Basic Financial Statements

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the District recognizes deferred outflows and inflows of resources.

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. The District has two items which qualify for reporting in this category, refer to Note 7 and Note 8 for a detailed listing of the deferred outflows of resources the District has recognized.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the District that is applicable to a future reporting period. The District has two items which qualify for reporting in this category; refer to Note 7 and Note 8 for a detailed listing of the deferred inflows of resources the District has recognized.

O. Interfund Transactions

The following is a description of the three basic types of interfund transactions that can be made during the fiscal year and the related accounting policies:

1. Interfund services provided and used – transactions for services rendered or facilities provided. These transactions are recorded as revenues in the receiving fund and expenditures in the disbursing fund.
2. Reimbursements (expenditure transfers) – transactions to reimburse a fund for specific expenditures incurred for the benefit of another fund. These transactions are recorded as expenditures in the disbursing fund and a reduction of expenditures in the receiving fund.
3. Transfers – all interfund transactions which allocate resources from one fund to another fund. These transactions are recorded as transfers in and out.

LOS OSOS COMMUNITY SERVICES DISTRICT

Notes to the Basic Financial Statements

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Equity Classifications

Government-Wide Statements

GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position that is *net investment in capital assets* consist of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. *Restricted net position* is the portion of the net position that has external constraints placed on it by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. *Unrestricted net position* consists of net position that does not meet the definition of net investments in capital assets or restricted net position.

Q. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements:

Statement No.100	<i>“Accounting Changes and Error Corrections”</i>	The provisions of this statement are effective for fiscal years beginning after June 15, 2023.
Statement No.101	<i>“Compensated Absences”</i>	The provisions of this statement are effective for fiscal years beginning after December 15, 2023.

R. Use of Estimates

The financial statements have been prepared in accordance with principles generally accepted in the United States of America and necessarily include amounts based on estimates and assumptions by Management. Actual results could differ from these amounts.

LOS OSOS COMMUNITY SERVICES DISTRICT

Notes to the Basic Financial Statements
June 30, 2023

NOTE 2 – CASH AND INVESTMENTS

The District’s cash and investments at June 30, 2023 consisted of the following:

Cash and Investments:

Cash on hand	\$	900
Deposits with Financial Institutions		1,155,816
Deposits with Financial Institutions - held by trustees		9,381
Investments:		
Local agency investment fund		10,866
Money market funds		6,388,861
US Government Issues		1,205,692
Money market funds - held by trustees		861,177
US Government Issues - held by trustees		1,081,791
Subtotal - investments		<u>9,548,387</u>
Total Cash and Investments	\$	<u>10,714,484</u>

The composition of cash and investments as of June 30, 2023, by fund type and restriction is as follows:

	<u>Available for Operations</u>	<u>Restricted</u>	<u>Total</u>
General Fund	\$ 143,081	\$ -	\$ 143,081
Special Revenue Funds	3,695,723	215,610	3,911,333
Proprietary Funds	4,707,721	-	4,707,721
Fiduciary Funds	26	1,952,323	1,952,349
	<u>\$ 8,546,551</u>	<u>\$ 2,167,933</u>	<u>\$ 10,714,484</u>

Investments

Investments of the District are governed by the California Government Code and by the District’s investment policy. The General Manager of the District acts as the District Finance Officer and Treasurer who is tasked to perform investment functions in accordance with the investment policy. The objectives of the policy are safety, liquidity, yield, and compliance with State and Federal laws and regulations.

Classification

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. These principles recognize a three-tiered fair value hierarchy. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District had investments in the State Investment Pool, and money market funds, however, these external pools or deposits measured at cost are not required to be measured under Level 1, 2 or 3.

LOS OSOS COMMUNITY SERVICES DISTRICT

Notes to the Basic Financial Statements
June 30, 2023

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Investments of the District as of June 30, 2023

The table below identifies the investment types the District has that are authorized for the District by the California Government Code or the District’s investment policy, where more restrictive, that addresses interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District’s investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Boards	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
Federal Agency Securities	N/A	None	None
Bankers' Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase and Reserve Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	15%	10%
Money Market Mutual Funds	N/A	None	None
Mortgage Pass-Through Securities	N/A	20%	None
County Pooled Investment Fund	N/A	None	None
State Registered Warrants, Notes or Bonds	N/A	None	None
Notes and Bonds for Other Local California Agencies	5 years	None	None
Local Agency Investment Fund (LAIF)	5 years	None	None

Disclosure Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment is, the greater the sensitivity of its fair value is to changes in market interest rates. One of the ways that the District’s interest rate risk is mitigated is by purchasing a combination of short-term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

LOS OSOS COMMUNITY SERVICES DISTRICT

Notes to the Basic Financial Statements
June 30, 2023

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Disclosure Relating to Interest Rate Risk (continued)

Information about the sensitivity of the fair values of the District’s investments (including investments held by bond trustees) to market rate fluctuations is provided by the following table that shows the distribution of the District’s investments by maturity as of June 30, 2023:

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Fiscal Year End</u>		
			<u>Aaa</u>	<u>Aa</u>	<u>Not Rated</u>
LAIF	\$ 10,866	N/A	\$ -	\$ -	\$ 10,866
Money market funds	6,388,861	N/A	-	-	6,388,861
US Government Issues	1,205,692	N/A	969,177	-	236,515
Held by bond trustees:					
Money market funds	861,177	N/A	-	-	861,177
US Government Issues	1,081,791	N/A	973,605	-	108,186
	<u>\$9,548,387</u>		<u>\$1,942,782</u>	<u>\$ -</u>	<u>\$7,605,605</u>

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The District has no investments (including investments held by bond trustees) that are highly sensitive to interest rate fluctuations.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by nationally recognized statistical rating organizations. Presented below is the minimum rating required by (where applicable) the California Government Code, the investment policy, or debt agreements, and the actual rating as of the fiscal year ended June 30, 2023 for each investment type.

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Remaining Maturity (in Months)</u>		
		<u>12 Months or Less</u>	<u>13 - 24 Months</u>	<u>25 - 60 Months</u>
LAIF	\$ 10,866	\$ 10,866	\$ -	\$ -
Money market funds	6,388,861	6,388,861	-	-
US Government Issues	1,205,692	-	-	1,205,692
Held by bond trustees:				
Money market funds	861,177	861,177	-	-
US Government Issues	1,081,791	480,447	296,264	305,080
	<u>\$ 9,548,387</u>	<u>\$ 7,741,351</u>	<u>\$ 296,264</u>	<u>\$ 1,510,772</u>

LOS OSOS COMMUNITY SERVICES DISTRICT

Notes to the Basic Financial Statements

June 30, 2023

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The District minimizes its credit risk by investing only in the safest types of securities or investments.

The biggest investments of the District are in money market funds, comprising 76% of all investments, and U.S. government issues comprising 24% of all investments. These are managed by the District's bank. These investments are indexed to earn ten basis points above that earned monthly by the State Investment Pool. These are collateralized up to 110%, in compliance with State law, with the collaterals held by a separate trustee bank.

The remaining portion of the District's investments, is investment in the State Investment Pool, more commonly known as LAIF. Investment in LAIF comprises less than 0.1% of all invested funds. This fund is not registered with the Securities and State Commission as an investment company but is required to invest according to California State Code. The fund is under the oversight of the Treasurer of the State of California through the Local Investment Advisory Board that consists of five members as designated by statute. Market valuation is conducted quarterly by the State Treasurer's office. In addition, it also conducts a monthly fair market valuation of all securities held against carrying costs. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based on the District's pro-rata share of the fair value of the entire portfolio net of any amortized costs as provided by LAIF.

Investment of funds held by bond trustees is governed by provisions of the debt agreements rather than the general provisions of the California Government Code or the District's investment policy. The current agreement of the District with bond trustee directs the trustee to invest in money market funds and US Treasuries, duly registered under the Federal Securities Act of 1933 and under the Investment Company Act of 1940, and having a rating by Standard and Poor's (S&P) of AAAM-G or AAAM or in any other investment acceptable to the bond insurer.

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 investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Deposits are insured up to \$250,000.

The investment in the State Investment Pool is not required to be collateralized. The fair value of securities in the pool is based on quoted market prices. The State Treasurer's Office performs a monthly fair market valuation of all securities held against carrying costs. Reports of valuations and financial statements are available to participants on the State Treasurer's website.

LOS OSOS COMMUNITY SERVICES DISTRICT

Notes to the Basic Financial Statements

June 30, 2023

NOTE 3 – INTERFUND TRANSACTIONS

Interfund activity during the fiscal year ended June 30, 2023, was as follows:

Interfund Transfers:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Major Governmental Funds</u>		
General	\$ 712,957	\$ -
Fire	-	71,296
Drainage	-	14,259
<u>Nonmajor Governmental Funds</u>		
Bayridge	-	1,782
Vista de Oro	-	1,782
Parks and Recreation	-	7,129
<u>Proprietary Funds</u>		
Water	-	541,848
Wastewater Treatment Plan	-	3,565
Solid Waste	-	71,296
	<u>\$ 712,957</u>	<u>\$ 712,957</u>

Due To/Due From:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<u>Major Governmental Funds</u>		
General	\$ 1,517	\$ -
<u>Nonmajor Governmental Funds</u>		
Vista de Oro	-	1,517
	<u>\$ 1,517</u>	<u>\$ 1,517</u>

Interfund Loans:

In February 2023, the board of directors approved a loan of \$300,000 from the Water Fund to the Drainage Fund, with a 5-year term, an annual rate of 2.50%, and monthly payments of \$5,324. The balance of the loan at June 30, 2023 was as follows:

	<u>Loan Receivable</u>	<u>Loan Payable</u>
<u>Major Governmental Fund</u>		
Drainage	\$ -	\$ 285,873
<u>Proprietary Fund</u>		
Water	285,873	-
	<u>\$ 285,873</u>	<u>\$ 285,873</u>

LOS OSOS COMMUNITY SERVICES DISTRICT

Notes to the Basic Financial Statements June 30, 2023

NOTE 4 – CAPITAL ASSETS

Government-Type Activities	Balance at July 1, 2022	Additions	Dispositions	Transfers/ Adjustments	Balance at June 30, 2023
Capital assets not being depreciated:					
Land	\$ 57,375	\$ -	\$ -	\$ -	\$ 57,375
Construction in progress	7,543	756,301	-	-	763,844
Total capital assets not being depreciated	<u>64,918</u>	<u>756,301</u>	<u>-</u>	<u>-</u>	<u>821,219</u>
Capital assets being depreciated:					
Buildings, structures, and improvements	598,871	-	-	-	598,871
Infrastructure	378,519	-	-	-	378,519
Plant and equipment	2,047,604	108,351	-	-	2,155,955
Total capital assets being depreciated	<u>3,024,994</u>	<u>108,351</u>	<u>-</u>	<u>-</u>	<u>3,133,345</u>
Less: accumulated depreciation					
Buildings, structures, and improvements	(521,301)	(11,421)	-	-	(532,722)
Infrastructure	(175,456)	(21,589)	-	-	(197,045)
Plant and equipment	(752,832)	(139,998)	-	-	(892,830)
Total accumulated depreciation	<u>(1,449,589)</u>	<u>(173,008)</u>	<u>-</u>	<u>-</u>	<u>(1,622,597)</u>
Net capital assets being depreciated	<u>1,575,405</u>	<u>(64,657)</u>	<u>-</u>	<u>-</u>	<u>1,510,748</u>
Governmental-type activities capital assets, net	<u>\$ 1,640,323</u>	<u>\$ 691,644</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,331,967</u>
Business-Type Activities					
Business-Type Activities	Balance at July 1, 2022	Additions	Dispositions	Transfers/ Adjustments	Balance at June 30, 2023
Capital assets not being depreciated:					
Land	\$ 498,429	\$ -	\$ -	\$ -	\$ 498,429
Construction in progress	1,147,660	1,148,931	-	(999,720)	1,296,871
Total capital assets not being depreciated	<u>1,646,089</u>	<u>1,148,931</u>	<u>-</u>	<u>(999,720)</u>	<u>1,795,300</u>
Capital assets being depreciated:					
Building and improvements	268,178	-	-	-	268,178
Infrastructure	10,091,860	30,297	-	999,720	11,121,877
Plant and equipment	587,092	-	-	-	587,092
Total capital assets being depreciated	<u>10,947,130</u>	<u>30,297</u>	<u>-</u>	<u>999,720</u>	<u>11,977,147</u>
Less: accumulated depreciation					
Building and improvements	(17,428)	(8,773)	-	-	(26,201)
Infrastructure	(5,527,718)	(242,144)	-	-	(5,769,862)
Plant and equipment	(469,171)	(44,453)	-	-	(513,624)
Total accumulated depreciation	<u>(6,014,317)</u>	<u>(295,370)</u>	<u>-</u>	<u>-</u>	<u>(6,309,687)</u>
Net capital assets being depreciated	<u>4,932,813</u>	<u>(265,073)</u>	<u>-</u>	<u>999,720</u>	<u>5,667,460</u>
Business-type activities, capital assets, net	<u>\$ 6,578,902</u>	<u>\$ 883,858</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,462,760</u>

LOS OSOS COMMUNITY SERVICES DISTRICT

Notes to the Basic Financial Statements

June 30, 2023

NOTE 4 – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to function and programs based on their usage of the related assets. The amounts allocated to each function or program were as follows:

Governmental Activities:	
General administration	\$ 1,693
Fire protection	149,726
Drainage	19,504
Parks and recreation	2,085
Total governmental activities depreciation expense	<u>\$ 173,008</u>
Business-Type Activities:	
Water services	<u>\$ 295,370</u>
Total business-type activities depreciation expense	<u>\$ 295,370</u>

NOTE 5 – LONG-TERM LIABILITIES

The following is a summary of changes in the District’s long-term liabilities for the fiscal year ended June 30, 2023:

	<u>Balance at July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2023</u>	<u>Current Portion</u>	<u>Non-Current Portion</u>
Governmental Activities:						
Compensated absences	\$ 29,209	\$ 19,019	\$ (16,657)	\$ 31,571	\$ 7,893	\$ 23,678
Other post employment benefits liability	52,393	-	(7,583)	44,810	-	44,810
Net pension liability	296,920	338,986	-	635,906	-	635,906
Total Governmental Activities	<u>\$ 378,522</u>	<u>\$ 358,005</u>	<u>\$ (24,240)</u>	<u>\$ 712,287</u>	<u>\$ 7,893</u>	<u>\$ 704,394</u>
Business-Type Activities:						
Compensated absences	\$ 100,393	\$ 40,689	\$ (23,746)	\$ 117,336	\$ 29,334	\$ 88,002
Other post employment benefits liability	296,892	-	(42,967)	253,925	-	253,925
Water Fund						
Loan payable - Direct borrowing	2,842,112	-	(187,718)	2,654,394	192,409	2,461,985
Solid Waste Fund						
Loan payable	1,176,772	-	(130,000)	1,046,772	120,000	926,772
Net pension liability	405,081	562,574	-	967,655	-	967,655
Total Business-Type Activities	<u>\$ 4,821,250</u>	<u>\$ 603,263</u>	<u>\$ (384,431)</u>	<u>\$ 5,040,082</u>	<u>\$341,743</u>	<u>\$ 4,698,339</u>

LOS OSOS COMMUNITY SERVICES DISTRICT

Notes to the Basic Financial Statements
June 30, 2023

NOTE 6 – LOANS PAYABLE

California Infrastructure and Economic Development Bank – Direct Borrowing

On December 6, 2004, the District entered into a direct borrowing loan agreement with the California Infrastructure and Economic Development Bank (CIEDB) for a principal amount of \$5 million for the purpose of constructing and upgrading water delivery facilities. The loan is for a term of thirty years ending on August 1, 2034, with an interest rate of 3.05% per annum. The loan was modified on October 1, 2021, to a rate of 2.50% per annum and the same expiration date of August 1, 2034. Debt service payments are due in August and February each year. Net water system revenues were pledged to guarantee the loan. All projects covered by the loan were completed and closed out in January 2009. The outstanding principal balance of the loan at June 30, 2023, was \$2,842,112. In the event of a default, all unpaid principal and accrued interest would come due immediately in full with overdue installment payments accruing interest at the lesser of 12% per annum or the maximum rate permitted by law.

Future annual repayment requirements for this debt are as follows:

Fiscal Year Ended June 30	Principal	Interest	Annual Administrative Fee	Total
2024	\$ 192,409	\$ 63,955	\$ 7,963	\$ 264,327
2025	197,220	59,084	7,386	263,690
2026	202,150	54,092	6,794	263,036
2027	207,204	48,975	6,188	262,367
2028	212,384	43,731	5,566	261,681
2029-2033	1,144,269	135,274	17,949	1,297,492
2034-2035	498,758	12,546	2,254	513,558
Total	\$ 2,654,394	\$ 417,657	\$ 54,100	\$ 3,126,151

LOS OSOS COMMUNITY SERVICES DISTRICT

Notes to the Basic Financial Statements
June 30, 2023

NOTE 6 – LOANS PAYABLE (CONTINUED)

Solid Waste Collection Franchise Agreement

Effective April 1, 2022, the District entered into an agreement with the County of San Luis Obispo to accept the assignment of a Franchise Agreement for solid waste collection. In consideration of the assignment of the Franchise Agreement by the County, the District agreed to pay the County \$1,196,772 over a 120-month period, interest-free, with monthly payments of \$10,000. The offset to this new debt has been reported as a franchise asset which will be amortized over a 120-month period.

Future payments to the County under this agreement are as follows:

Fiscal Year	
<u>Ended June 30</u>	
2024	\$ 120,000
2025	120,000
2026	120,000
2027	120,000
2028	120,000
2029-2033	<u>446,772</u>
Total	<u><u>\$ 1,046,772</u></u>

NOTE 7 – PENSION PLANS

A. General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the District's separate Safety and Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

LOS OSOS COMMUNITY SERVICES DISTRICT

Notes to the Basic Financial Statements
June 30, 2023

NOTE 7 – PENSION PLANS (CONTINUED)

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Miscellaneous Classic Plan and all Safety Plan members with five years of total service are eligible to retire at age 50 and new Miscellaneous members/PEPRA Plan members with five years of total service are eligible to retire at age 52, with statutorily reduced benefits. The death benefit is one of the following: the Basic Death Benefit, the 1959 Survivor Benefit, or the Pre-Retirement Option Settlement. The cost-of-living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

Contribution rates are based on the Actuarial Valuation Report as of June 30, 2022. The Plans’ provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Miscellaneous	
	Hired Prior to January 1, 2013*	Hired on or After January 1, 2013
Hire Date		
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50 - 63	52 - 67
Required employee contribution rates	7.00%	7.25%
Required employer contribution rates	11.61% + \$80,413	7.76% + \$3,745

	Safety	
	Hired Prior to January 1, 2013*	Hired on or After January 1, 2013
Hire Date		
Benefit formula	2.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50 - 55	50 - 57
Required employee contribution rates	9.00%	13.75%
Required employer contribution rates	19.87% + \$59,175	13.66% + \$1,442

* A new employee may transfer into the Classic Member formula if he/she comes from another agency participating in the CalPERS or reciprocal retirement system and did not have more than six-month break in service.

LOS OSOS COMMUNITY SERVICES DISTRICT

Notes to the Basic Financial Statements
June 30, 2023

NOTE 7 – PENSION PLANS (CONTINUED)

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 the July 1 following notice of a change in the rate. Funding contributions 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. Contributions to the pension plan from the District were \$61,813 for the Safety Plan and \$171,908 for the Miscellaneous Plan for the fiscal year ended June 30, 2023.

B. Pension Liabilities, Pension Expenses and Deferred Outflow/inflows of Resources Related to Pensions

At June 30, 2023, the District reported net pension liabilities for its proportionate shares of the net position liability of each plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 1,027,484
Safety	576,077
	<u>\$ 1,603,561</u>

The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, actuarially determined. At June 30, 2023, the District’s proportionate share of the net pension liability for each Plan as of June 30, 2022 and June 30, 2023 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
Proportion - June 30, 2022	0.02066%	0.00882%	0.01298%
Proportion - June 30, 2023	0.02196%	0.00838%	0.01388%
Change - Increase (Decrease)	<u>0.00130%</u>	<u>-0.00044%</u>	<u>0.00090%</u>

LOS OSOS COMMUNITY SERVICES DISTRICT

Notes to the Basic Financial Statements

June 30, 2023

NOTE 7 – PENSION PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

For the fiscal year ended June 30, 2023, the District recognized pension expense of \$66,709. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 163,373	\$ -
Differences between actual and expected experience	44,476	20,075
Net differences between projected and actual earnings on pension plan investments	279,178	-
Differences between employer's contributions and proportionate share of contributions	-	90,305
Change in employer's proportion	90,241	-
District contributions subsequent to the measurement date	233,721	-
Total	<u>\$ 810,989</u>	<u>\$ 110,380</u>

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

\$233,721 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2023.

LOS OSOS COMMUNITY SERVICES DISTRICT

Notes to the Basic Financial Statements
June 30, 2023

NOTE 7 – PENSION PLANS (CONTINUED)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expenses as follows:

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Amount</u>
2024	\$ 125,599
2025	110,147
2026	60,535
2027	<u>170,607</u>
Total	<u>\$ 466,888</u>

Actuarial Assumptions

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions:

	<u>Miscellaneous and Safety</u>
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.00% Net Pension Plan Investment and Administrative Expenses; Includes Inflation
Mortality	Derived using CalPERS' Membership Data for all Funds (1)
Post Retirement Benefit	Contract COLA up to 2.30% until PPPA (2) floor on purchasing power applies, 2.30% thereafter

- (1) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using 90% Scale MP 2016 published by the Society of Actuaries. For more details on this table please refer to the 2017 Experience Study Report that can be found on the CalPERS website.
- (2) Purchasing Power Protection Allowance (PPPA) is a benefit designed to restore the original purchasing power of CalPERS retirees to a predetermined limit.

LOS OSOS COMMUNITY SERVICES DISTRICT

Notes to the Basic Financial Statements

June 30, 2023

NOTE 7 – PENSION PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for public agency plans (including PERF C), CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on testing the plans, the tests revealed the assets would not run out. Therefore, the current 6.90 percent discount rate is appropriate and the use of municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 6.90 percent is applied to all plans in the Public Employees Retirement Fund, including PERF C. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS’ website under the GASB No. 68 section.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds’ asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

LOS OSOS COMMUNITY SERVICES DISTRICT

Notes to the Basic Financial Statements
June 30, 2023

NOTE 7 – PENSION PLANS (CONTINUED)

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. These rates of return are net of administrative expenses.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return ^{1,2}
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%

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

(2) Figures are based on the 2021-22 Asset Liability Management study.

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

The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 7.15 percent, 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 1-percentage point lower (5.90 percent) or 1- percentage point higher (7.90 percent) than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	5.90%	5.90%
Net Pension Liability	\$ 1,659,069	\$ 854,464
Current Discount Rate	6.90%	6.90%
Net Pension Liability	\$ 1,027,484	\$ 576,077
1% Increase	7.90%	7.90%
Net Pension (Asset) Liability	\$ 507,845	\$ 348,558

LOS OSOS COMMUNITY SERVICES DISTRICT

Notes to the Basic Financial Statements

June 30, 2023

NOTE 7 – PENSION PLANS (CONTINUED)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

C. Payable to the Pension Plan

At June 30, 2023, the District had no amount outstanding for contributions to the pension plan required for the fiscal year ended June 30, 2023.

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

Plan administration. The District provides post-retirement medical coverage through CalPERS under the Public Employees Medical and Hospital Care Act (PEMHCA), also referred to as PERS Health.

Benefits provided. The District offers the same medical plans to its retirees as to its active employees, with the general exception that upon reaching age 65 and becoming eligible for Medicare, the retiree must join one of the Medicare Supplement coverages offered under PEMHCA.

Employees become eligible to retire and receive District-paid healthcare benefits upon attainment of age 50 and 5 years of covered PERS service, or by attaining qualifying disability retirement status. The District’s contribution on behalf of retirees is the same as for active employees – 100% of the PEMHCA premium for retiree and covered dependents, but not to exceed \$149 per month in 2023. Benefits continue for the lifetime of the retiree with survivor benefits extended to surviving spouses for PERS annuitants who elect pension options with survivor benefits.

The District pays a 0.25% of premium administrative fee on behalf of employees and retirees.

Employees Covered

As of June 30, 2022, actuarial valuation, the following current and former employees were covered by the benefit terms under the District’s Plan:

Active plan members	10
Inactive plan members or beneficiaries current receiving benefits	1
Total	<u>11</u>

Contributions

The District currently finances benefits on a pay-as-you-go basis. No assets are held in trust.

LOS OSOS COMMUNITY SERVICES DISTRICT

Notes to the Basic Financial Statements

June 30, 2023

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Net OPEB Liability

The District’s Net OPEB Liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of June 30, 2021. Standard actuarial update procedures were used to project discount from valuation to measurement dates.

Actuarial assumptions. The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.00%
Inflation rate	2.75%
Healthcare cost trend rate	5.40% for 2022, 5.30% for 2023, 5.20% for 2024-2069, and 4.00% for 2070 and later years

Pre-retirement mortality rates were based on the CalPERS Experience Study (1997-2015). Post-retirement mortality rates were based on the Healthy Recipients from CalPERS Experience Study (1997-2015).

Actuarial assumptions used in the June 30, 2021 valuation were based on a review of plan experience during the period July 1, 2019 to June 30, 2021.

Discount rate. For OPEB plans that are not administered through trusts that meet the criteria in Paragraph 4, GASB 75 requires a discount rate that is a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The discount rate used to measure the District’s Total OPEB liability is based on the following information:

<u>Reporting Date</u>	<u>Measurement Date</u>	Fidelity GO AA 20 Years Municipal Index	Discount Rate
June 30, 2022	June 30, 2021	1.92%	1.92%
June 30, 2023	June 30, 2022	3.69%	3.69%

LOS OSOS COMMUNITY SERVICES DISTRICT

Notes to the Basic Financial Statements

June 30, 2023

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Changes in OPEB Liability

	Net OPEB Liability
	<u> </u>
Balance at June 30, 2022 (Valuation Date June 30, 2021)	\$ 349,285
Changes recognized for the measurement period:	
Service cost	36,498
Interest	7,384
Difference between expected and actual experience	-
Changes of assumptions	(92,036)
Contributions - employer	<u>(2,396)</u>
Net Changes	<u>(50,550)</u>
Balance at June 30, 2022 (Measurement Date June 30, 2022)	<u>\$ 298,735</u>

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.69 percent) or 1-percentage-point higher (4.69 percent) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
	<u>2.69%</u>	<u>3.69%</u>	<u>4.69%</u>
Net OPEB Liability	\$ 346,259	\$ 298,735	\$ 260,283

LOS OSOS COMMUNITY SERVICES DISTRICT

Notes to the Basic Financial Statements

June 30, 2023

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 254,013	\$ 298,735	\$ 355,070

OPEB Expense and Deferred Outflows and inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2023, the District recognized OPEB expense of \$19,042. As of the fiscal year ended June 30, 2023, the District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected experience	\$ -	\$ 109,379
Changes in assumptions	53,944	81,496
Total	<u>\$ 53,944</u>	<u>\$ 190,875</u>

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Fiscal Year Ended June 30</u>	<u>Amount</u>
2024	\$ (41,279)
2025	(37,187)
2026	(34,162)
2027	(34,162)
2028	(32,083)
Thereafter	<u>(12,002)</u>
Total	<u>\$ (190,875)</u>

LOS OSOS COMMUNITY SERVICES DISTRICT

Notes to the Basic Financial Statements

June 30, 2023

NOTE 9 – OPERATING LEASES

The District has commitments to lease certain office equipment and facilities. The District entered into a 57-month lease for office space which began on February 1, 2019, and extends through October 31, 2023, for \$3,000 per month. The District also leases a copier at \$399 a month. This lease is renewable annually at the District’s option in September each year.

For the year ended June 30, 2023, the District opted not to implement GASB Statement No. 87 – Leases, due to the minimal impact that the new standard would have on the District’s financial statements.

Future lease commitments for the District as of June 30, 2023, are as follows:

Fiscal Year	Amount
<u>Ended June 30</u>	<u></u>
2024	\$ 12,798

NOTE 10 – FUND DEFICITS

As of June 30, 2023, the following funds had fund deficits:

Drainage	\$ 20,962
Vista de Oro	216

NOTE 11 – FIDUCIARY BONDED DEBT – NON-DISTRICT DEBT

This debt is held in a trustee capacity for the homeowners of the Wastewater Assessment District No. 1 where the assessments are received from the Assessment District’s property owners as collected on the County tax roll in order to pay the 2002 Wastewater Improvement Bonds debt service payments. The 2002 bonds were refunded on February 14, 2019, for a total savings of \$1,211,139.

Future annual repayment requirements for this debt are as follows:

Fiscal Year	Wastewater Improvement Refunding Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Ended June 30</u>			
2024	\$ 645,000	\$ 359,725	\$ 1,004,725
2025	675,000	329,950	1,004,950
2026	705,000	295,450	1,000,450
2027	740,000	259,325	999,325
2028	775,000	221,450	996,450
2028-2032	4,470,000	549,281	5,019,281
2033-2034	985,000	16,006	1,001,006
Total	<u>\$ 8,995,000</u>	<u>\$ 2,031,187</u>	<u>\$ 11,026,187</u>

LOS OSOS COMMUNITY SERVICES DISTRICT

Notes to the Basic Financial Statements

June 30, 2023

NOTE 12 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, property loss and damage, errors and omissions, and employee injury. The District carries all its insurance coverage over these risks and also for Workers' Compensation through the Special Districts Risk Management Authority (SDRMA). This agency is a Joint Powers Authority (JPA) consisting of special districts in the State of California. It is governed by a seven-member Board of Directors. All seven are elected at large from the membership to serve four-year terms. It has about 507 public agencies participating in the Property/Liability program and 447 agencies in its Workers' Compensation program. SDRMA's audit report for the fiscal year 2021-22, the latest one available, shows it had Net Position of about \$66.3 million.

The District has never incurred any uninsured losses since its inception.

NOTE 13 – CONTINGENCIES AND COMMITMENTS

Interlocutory Stipulated Judgment

In September 2007, the District entered into an Interlocutory Stipulated Judgment (ISJ) with three other water purveyors in the community. The judgment was intended to provide a coordinated effort of all parties to manage the water basin by first preparing a comprehensive plan to address deficiencies that threaten the long-term viability of the water basin. The judgment provided for an equitable sharing of costs. The District's share is thirty-nine percent (39%). The District is current on this commitment which is funded in its annual budget.

NOTE 14 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 5, 2023, the date which the financial statements were available to be issued. Based upon this evaluation, it was determined that there were no subsequent events that require recognition or additional disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**LOS OSOS COMMUNITY SERVICES DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ (178)	\$ (178)
Other revenues	-	-	1,516	1,516
Total revenues	-	-	1,338	1,338
EXPENDITURES:				
Personnel	402,573	405,173	407,149	(1,976)
Clothing and uniforms	200	200	-	200
Contract services	56,600	71,746	69,775	1,971
Financial services	6,600	3,600	570	3,030
Insurance, licenses, and regulatory fees	48,255	47,948	47,932	16
Legal and professional	130,550	116,300	93,942	22,358
Office expenses	19,450	19,286	17,379	1,907
Other expenses	225	225	210	15
Rent and utilities	45,080	45,080	44,312	768
Travel and training	3,325	3,300	2,218	1,082
Repairs and maintenance	100	100	106	(6)
Total expenditures	712,958	712,958	683,593	29,365
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(712,958)	(712,958)	(682,255)	30,703
Other Financing Sources (Uses):				
Transfers in	712,958	712,958	712,957	(1)
Total other financing sources (uses)	712,958	712,958	712,957	(1)
Excess (Deficiency) of Revenues and Other Financing Sources Over (under) Expenditures and Other Financing Uses	-	-	30,702	30,702
Fund balances - beginning	143,606	143,606	143,606	-
Fund balances - ending	<u>\$ 143,606</u>	<u>\$ 143,606</u>	<u>\$ 174,308</u>	<u>\$ 30,702</u>

The accompanying notes are an integral part of these financial statements.

**LOS OSOS COMMUNITY SERVICES DISTRICT
BUDGETARY COMPARISON SCHEDULE
FIRE FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 2,613,616	\$ 2,532,277	\$ 2,600,226	\$ 67,949
Special taxes and assessments	669,398	669,398	669,398	-
Intergovernmental	-	-	16,892	16,892
Services charges and fees	67,134	67,134	83,291	16,157
Use of money and property	2,000	2,000	2,449	449
Other revenues	-	-	290	290
Total revenues	3,352,148	3,270,809	3,372,546	101,737
EXPENDITURES:				
Personnel	289,625	289,625	254,960	34,665
Clothing and uniforms	5,000	5,000	10	4,990
Contract services	11,100	11,100	6,729	4,371
Contract services - Schedule A	2,169,550	2,169,550	2,128,852	40,698
Equipment and tools	55,750	76,350	75,134	1,216
Financial services	96	96	62	34
Insurance, licenses, and regulatory fees	43,700	55,500	55,018	482
Legal and professional	4,850	5,250	1,485	3,765
Office expenses	7,200	9,200	6,718	2,482
Other expenses	8,000	8,000	13,686	(5,686)
Rent and utilities	27,450	16,841	15,583	1,258
Travel and training	1,300	1,300	298	1,002
Repairs and maintenance	37,300	37,300	6,730	30,570
Capital outlay	221,578	254,145	174,087	80,058
Contingency	90,000	90,000	-	90,000
Total expenditures	2,972,499	3,029,257	2,739,352	289,905
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	379,649	241,552	633,194	391,642
Other Financing Sources (Uses):				
Transfers out	(71,296)	(71,296)	(71,296)	-
Total other financing sources (uses)	(71,296)	(71,296)	(71,296)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (under) Expenditures and Other Financing Uses	308,353	170,256	561,898	391,642
Fund balances - beginning	2,816,961	2,816,961	2,816,961	-
Fund balances - ending	\$ 3,125,314	\$ 2,987,217	\$ 3,378,859	\$ 391,642

The accompanying notes are an integral part of these financial statements.

**LOS OSOS COMMUNITY SERVICES DISTRICT
BUDGETARY COMPARISON SCHEDULE
DRAINAGE FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 39,290	\$ 39,290	\$ 41,678	\$ 2,388
Special taxes and assessments	95,264	95,248	95,200	(48)
Use of money and property	600	600	4,159	3,559
Other revenues	-	-	589	589
Total revenues	135,154	135,138	141,626	6,488
EXPENDITURES:				
Personnel	11,200	11,200	17,474	(6,274)
Equipment and tools	600	600	-	600
Insurance, licenses, and regulatory fees	8,250	8,373	10,071	(1,698)
Legal and professional	3,500	8,000	32,058	(24,058)
Office expenses	650	650	26,974	(26,324)
Other expenses	300	300	-	300
Rent and utilities	5,150	3,950	4,897	(947)
Travel and training	750	-	-	-
Repairs and maintenance	8,550	8,550	3,902	4,648
Vehicle maintenance and repairs	2,700	3,700	3,102	598
Capital outlay	15,000	18,000	670,691	(652,691)
Debt service:				
Interest and fiscal charges	-	-	1,846	(1,846)
Total expenditures	56,650	63,323	771,015	(707,692)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	78,504	71,815	(629,389)	(701,204)
Other Financing Sources (Uses):				
Transfers out	(14,259)	(14,259)	(14,259)	-
Total other financing sources (uses)	(14,259)	(14,259)	(14,259)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (under) Expenditures and Other Financing Uses	64,245	57,556	(643,648)	(701,204)
Fund balances - beginning	622,686	622,686	622,686	-
Fund balances - ending	<u>\$ 686,931</u>	<u>\$ 680,242</u>	<u>\$ (20,962)</u>	<u>\$ (701,204)</u>

The accompanying notes are an integral part of these financial statements.

LOS OSOS COMMUNITY SERVICES DISTRICT
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability
June 30, 2023

The following table provides required supplementary information regarding the District's Pension Plan.

Last 10 Fiscal years*

Measurement Date	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>
Proportion of the net pension liability	0.00998%	0.00994%	0.01108%	0.01131%	0.01150%
Proportionate share of the net pension liability	621,010	682,047	958,726	1,121,683	1,108,225
Covered payroll	413,539	619,826	655,035	554,757	557,148
Proportionate share of the net pension liability as a percentage of its covered payroll	150.17%	110.04%	146.36%	202.19%	198.91%
Plan's total pension liability (\$ in millions)	30,830	31,771	33,359	37,161	38,945
Plan Fiduciary net position (\$ in millions)	24,608	24,907	24,706	27,244	29,309
Plan Fiduciary net position as a percentage of the total pension liability	79.82%	78.40%	74.06%	73.31%	75.26%

Measurement Date	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>
Proportion of the net pension liability	0.01192%	0.01238%	0.01298%	0.01298%
Proportionate share of the net pension liability	1,221,783	1,347,404	702,001	1,603,561
Covered payroll	647,852	885,730	791,876	1,081,269
Proportionate share of the net pension liability as a percentage of its covered payroll	188.59%	152.12%	88.65%	148.30%
Plan's total pension liability (\$ in millions)	41,426	43,703	46,175	49,526
Plan Fiduciary net position (\$ in millions)	31,179	32,823	40,767	37,975
Plan Fiduciary net position as a percentage of the total pension liability	75.26%	75.10%	88.29%	76.68%

* Fiscal year ended June 30, 2015 was the first year of implementation.
Additional years will be presented as they become
available.

LOS OSOS COMMUNITY SERVICES DISTRICT

Required Supplementary Information

Schedule of Pension Contributions

June 30, 2023

The following table provides required supplementary information regarding the District's Pension Plan.

Last 10 Fiscal Years*

Measurement Date	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>
Actuarially determined contribution	\$ 95,817	\$ 109,190	\$ 89,855	\$ 97,967	\$ 124,126
Contributions in relation to the actuarially determined contribution	<u>95,817</u>	<u>109,190</u>	<u>89,855</u>	<u>97,967</u>	<u>124,126</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 413,539	\$ 619,826	\$ 655,035	\$ 554,757	\$ 557,148
Contributions as a percentage of covered payroll	23.17%	17.62%	13.72%	17.66%	22.28%
Measurement Date	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	
Actuarially determined contribution	\$ 132,010	\$ 182,935	\$ 212,396	\$ 233,721	
Contributions in relation to the actuarially determined contribution	<u>132,010</u>	<u>182,935</u>	<u>212,396</u>	<u>233,721</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Covered payroll	\$ 647,852	\$ 885,730	\$ 791,876	\$ 1,081,269	
Contributions as a percentage of covered payroll	20.38%	20.65%	26.82%	21.62%	

* Fiscal year ended June 30, 2015 was the first year of implementation. Additional years will be presented as they become available.

LOS OSOS COMMUNITY SERVICES DISTRICT

Required Supplementary Information
Schedule of Changes in Net OPEB Liability
June 30, 2023

Last 10 Fiscal years*

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Net OPEB liability					
Service cost	\$ 16,079	\$ 16,561	\$ 17,904	\$ 20,634	\$ 30,439
Interest	9,870	10,271	12,311	11,519	10,847
Differences between expected and actual experience	-	-	(24,615)	-	(143,682)
Change in assumptions	-	(22,494)	26,747	38,564	41,751
Benefit payments	<u>(13,190)</u>	<u>(13,120)</u>	<u>(7,433)</u>	<u>(6,872)</u>	<u>(4,698)</u>
Net change in Net OPEB liability	12,759	(8,782)	24,914	63,845	(65,343)
 Net OPEB liability - beginning	 <u>321,892</u>	 <u>334,651</u>	 <u>325,869</u>	 <u>350,783</u>	 <u>414,628</u>
 Net OPEB liability - ending	 <u>\$ 334,651</u>	 <u>\$ 325,869</u>	 <u>\$ 350,783</u>	 <u>\$ 414,628</u>	 <u>\$ 349,285</u>
 Covered payroll	 \$ 430,762	 \$ 567,108	 \$ 815,856	 \$ 775,403	 \$ 809,885
Net OPEB liability (asset) as a percentage of covered payroll	77.7%	57.5%	43.0%	53.5%	43.1%
Plan fiduciary net position as a percentage of the total	0.00%	0.00%	0.00%	0.00%	0.00%
	<u>2023</u>				
Net OPEB liability					
Service cost	\$ 36,498				
Interest	7,384				
Differences between expected and actual experience	-				
Change in assumptions	(92,036)				
Benefit payments	<u>(2,396)</u>				
Net change in Net OPEB liability	(50,550)				
 Net OPEB liability - beginning	 <u>349,285</u>				
 Net OPEB liability - ending	 <u>\$ 298,735</u>				
 Covered payroll	 \$ 861,702				
Net OPEB liability (asset) as a percentage of covered payroll	34.7%				
Plan fiduciary net position as a percentage of the total	0.00%				

As of June 30, 2023, the plan is not administered through a qualified trust. Therefore there is no Actuarially Determined Contribution (ADC).

* Fiscal year ended June 30, 2018 was the first year of implementation. Additional years will be presented as they become available.

SUPPLEMENTARY INFORMATION

**LOS OSOS COMMUNITY SERVICES DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Bayridge	Vista de Oro	Parks and Recreation	Total
ASSETS				
Cash and investments	\$ 36,300	\$ 1,526	\$ 99,821	\$ 137,647
Restricted cash and investments	-	-	215,610	215,610
Accounts receivable	70	84	-	154
TOTAL ASSETS	<u>\$ 36,370</u>	<u>\$ 1,610</u>	<u>\$ 315,431</u>	<u>\$ 353,411</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 309	\$ 309	\$ -	\$ 618
Due to other funds	-	1,517	-	1,517
Total liabilities	<u>309</u>	<u>1,826</u>	<u>-</u>	<u>2,135</u>
FUND BALANCES				
Restricted	36,061	-	315,431	351,492
Unassigned	-	(216)	-	(216)
Total fund balances	<u>36,061</u>	<u>(216)</u>	<u>315,431</u>	<u>351,276</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 36,370</u>	<u>\$ 1,610</u>	<u>\$ 315,431</u>	<u>\$ 353,411</u>

The accompanying notes are an integral part of these financial statements.

LOS OSOS COMMUNITY SERVICES DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Bayridge	Vista de Oro	Parks and Recreation	Total
REVENUES:				
Property taxes	\$ -	\$ -	\$ 42,364	\$ 42,364
Services charges and fees	9,999	5,999	-	15,998
Use of money and property	-	-	3,280	3,280
Total revenues	<u>9,999</u>	<u>5,999</u>	<u>45,644</u>	<u>61,642</u>
EXPENDITURES:				
Insurance, licenses, and regulatory fees	1,182	841	-	2,023
Legal and professional	62	62	-	124
Rent and utilities	5,067	2,002	-	7,069
Total expenditures	<u>6,311</u>	<u>2,905</u>	<u>-</u>	<u>9,216</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,688	3,094	45,644	52,426
Other Financing Sources (Uses):				
Transfers out	<u>(1,782)</u>	<u>(1,782)</u>	<u>(7,129)</u>	<u>(10,693)</u>
Total other financing sources (uses)	<u>(1,782)</u>	<u>(1,782)</u>	<u>(7,129)</u>	<u>(10,693)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (under) Expenditures and Other Financing Uses	1,906	1,312	38,515	41,733
Fund balances - beginning	<u>34,155</u>	<u>(1,528)</u>	<u>276,916</u>	<u>309,543</u>
Fund balances - ending	<u>\$ 36,061</u>	<u>\$ (216)</u>	<u>\$ 315,431</u>	<u>\$ 351,276</u>

The accompanying notes are an integral part of these financial statements.

**OTHER REPORT REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Los Osos Community Services District
Los Osos, 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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Los Osos Community Services District (the District), as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Los Osos Community Services District's basic financial statements and have issued our report thereon dated December 5, 2023.

Internal Control Over Financial Reporting

In connection with our engagement to audit the financial statements of the District, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did not identify any deficiencies in internal control, described in the accompanying schedule of findings that we consider to be significant deficiencies.

Board of Directors
Los Osos Community Services District
Los Osos, California


Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Los Osos Community Services 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*.

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

Fechter & Company
Certified Public Accountants


Sacramento, California
December 5, 2023



January 04, 2024

TO: Utilities Advisory Committee

FROM: Margaret Falkner, Utility Systems Manager
Alicia Zuniga, Utility Billing Specialist

SUBJECT: **Agenda Item 6D – 01/04/2024 Board of Directors Meeting**
Utilities Department Report for **November 2023**

WATER PRODUCTION INFORMATION

The total production for the month of **November 2023** was approximately **13.19 million gallons (MG)** which equates to an average daily demand of approximately **439,800 gallons**. This represents an **11% increase** in production when compared to last year.

Using the state’s formula to calculate residential usage per capita per day, for the month of **November 2023** our residential customers used **58.2** gallons per person per day, an **increase** from 53.5 gallons per person per day in November 2022.

PRODUCTION AND RUNTIME HOURS BY WELL SITE

The following tables break down the production by well site and runtime on the pump motors for the month of **November 2023**. Totals for last year are included for comparison:

President
Charles L Cesena

Vice President
Marshall E. Ochylski

Directors
Matthew Fourcroy
Troy C. Gatchell
Christine M. Womack

General Manager
Ron Munds

District Accountant
Robert Stilts, CPA

Unit Chief
John Owens

Battalion Chief
Paul Provence

Production (MG) November	2023	2022
Palisades	1.3042	1.2172
3rd St	2.2846	2.7107
8th Street/El Moro	1.5677	2.8926
8 th St Upper Well	1.1409	
10th St	3.0101	2.9778
South Bay (lower)	3.7055	2.0679
South Bay (upper)	0.1810	0.0390
Total:	13.1940	11.9052

Runtime (Hours) November	2023	2022
Palisades	69.9	58.8
3rd St	598.3	705.9
8th Street/El Moro	164.7	154.4
8 th Street Upper Well	164.3	
10th St	228.7	228.6
South Bay (lower)	643.7	415.7
South Bay (upper)	79.3	17.0
Total:	1948.9	1580.4

Mailing Address:
P.O. Box 6064
Los Osos, CA 93412

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Los Osos, CA 93402

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FY '22-'23

FY '23-'24

Billing Period	Month	Gallons	Revenue	Month	Gallons	Revenue
5/11 to 7/10	Jul	12,046,540	\$221,290.12	Jul	11,795,212	\$227,644.42
6/11 to 8/10	Aug	17,274,312	\$315,919.84	Aug	16,926,492	\$323,526.65
7/11 to 9/10	Sep	11,935,088	\$226,879.22	Sep	12,298,616	\$236,461.89
8/11 to 10/10	Oct	16,551,744	\$309,727.62	Oct	17,732,088	\$335,199.20
9/11 to 11/10	Nov	10,730,060	\$208,838.41	Nov	10,893,872	\$216,856.00
10/11 to 12/10	Dec	12,520,772	\$249,149.51	Dec		
11/11 to 1/10	Jan	9,015,644	\$185,704.11	Jan		
12/11 to 2/10	Feb	11,461,604	\$236,350.29	Feb		
1/11 to 3/10	Mar	7,469,528	\$166,283.92	Mar		
2/11 to 4/10	Apr	11,081,620	\$232,255.48	Apr		
3/11 to 5/10	May	9,099,420	\$186,965.03	May		
4/11 to 6/10	Jun	14,425,180	\$279,123.92	Jun		

Consumption and revenue data is based on billing for a 60-day period and final bills. Production data is based on a monthly period.

DRAINAGE WDID # 3 40M2000133

The District continues to operate and comply with the General National Pollutant Discharge Elimination System (NPDES) Permit for storm water discharges for small Municipal Separate Storm Sewer Systems (MS4). The District monitors various drainage systems throughout Los Osos. These facilities include: drainage force mains at 8th & El Moro, 6th & El Moro, Don & Mitchell and 16th Street & Paso Robles Avenue, drainage basins at Bayridge (on the corner of South Bay Blvd. and Bay Oaks Drive) Cabrillo (on Madera St), Tierra & East Tierra Drive. Our crew monitor these drainage facilities on a weekly basis. During rain events they monitor daily.

Storm water pollution prevention measures are available on the District's Drainage web page:

<http://www.losososcscd.org/drainage>

RAINFALL TOTALS

The County has a link to rain and reservoir information: <http://wr.slocountywater.org/home.php> below is a table of historical rainfall totals from the Los Osos Landfill rain monitor. This has been arranged to coincide with our Water Shortage Contingency Plan Climate Trigger which is based on rainfall measured from April 1st through March 31st.

Los Osos Landfill # 727													
*** All units are in inches ***													
Water Year	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	Total
2023-2024	0.07	0.51	0.03	0.02	0.13	0.13	0.09	1.10	0.00	0.00	0.00	0.00	2.08
2022-2023	0.35	0.00	0.00	0.12	0.00	0.44	0.03	1.31	9.09	10.96	4.47	7.34	34.11
2021-2022	0.00	0.04	0.00	0.00	0.00	0.00	2.64	0.27	8.40	0.04	0.00	1.81	13.20
2020-2021	1.89	0.12	0.04	0.00	0.04	0.00	0.00	0.00	0.04	9.93	0.20	1.26	13.52
2019-2020	0.08	1.53	0.00	0.00	0.08	0.00	0.00	2.13	4.37	0.20	0.04	4.80	13.23

RECOMMENDATION

Staff encourages the Committee to ask any questions they may have with regard to the aforementioned report or any other related item that may be listed separately as an agenda item.

Utility Department Updates

2023-24 CIP

16th Street North Tank Project

Repairs and re-coating project are underway. Interior work on the tank is complete. Outside repairs are progressing with the exterior sand blasting and recoating underway. The project is scheduled to be completed the first week of January 2024.

Program C Well Project:

Water Transmission Main Phase

Pipeline installation is well underway. Most of the pipeline work on Mountain View Drive is complete. The remaining work is in the Los Osos Valley Road and South Bay Blvd. intersection. The rain has slowed the completion of the project but it is anticipated that work will be complete the week of January 8th.

Well Equipping Phase

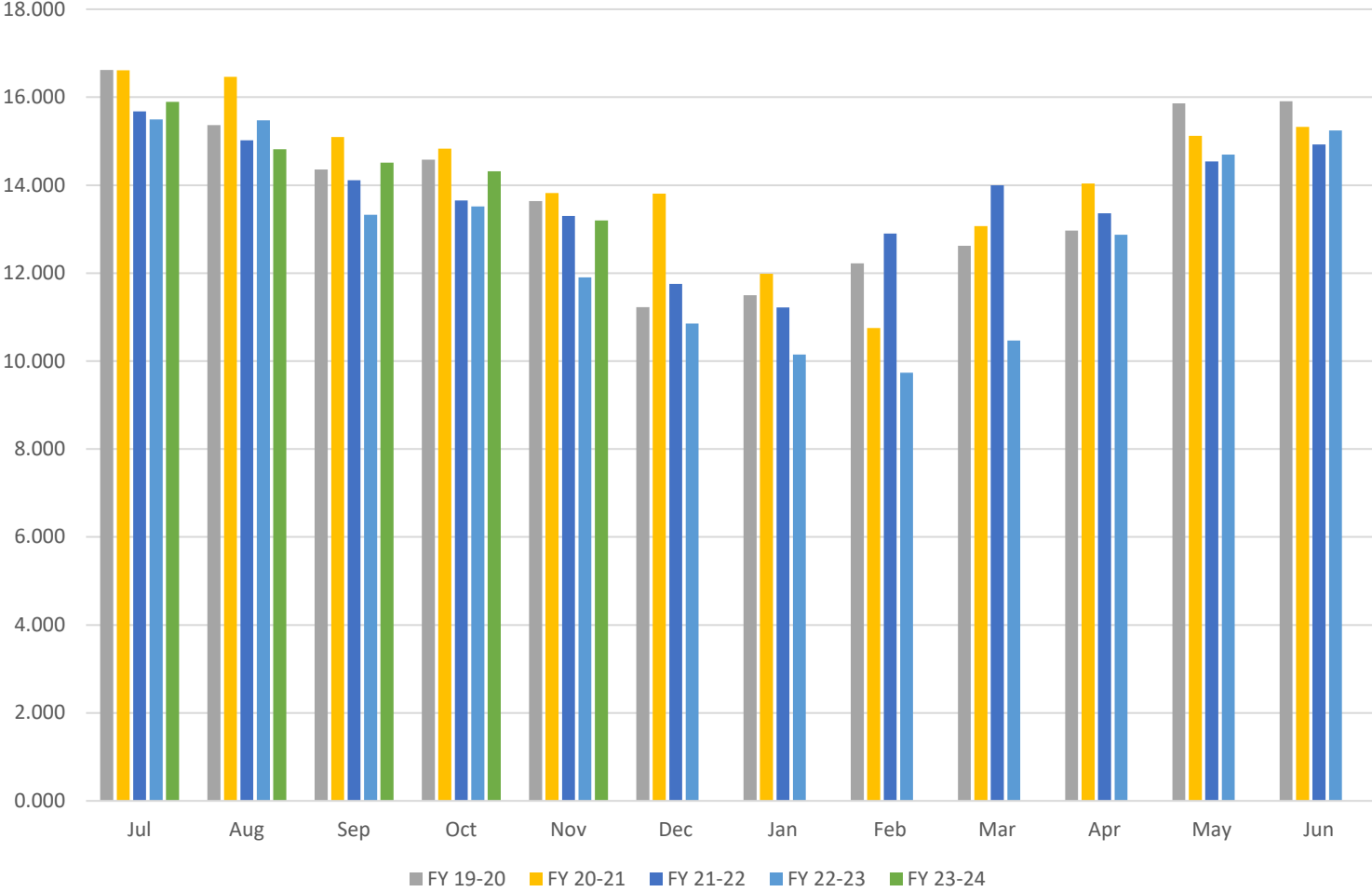
Staff is working through the County building permit process. This will probably take until late February to complete the process. The contractor will be ordering materials and working through supply chain issues for the electrical components of the project.

Other Updates

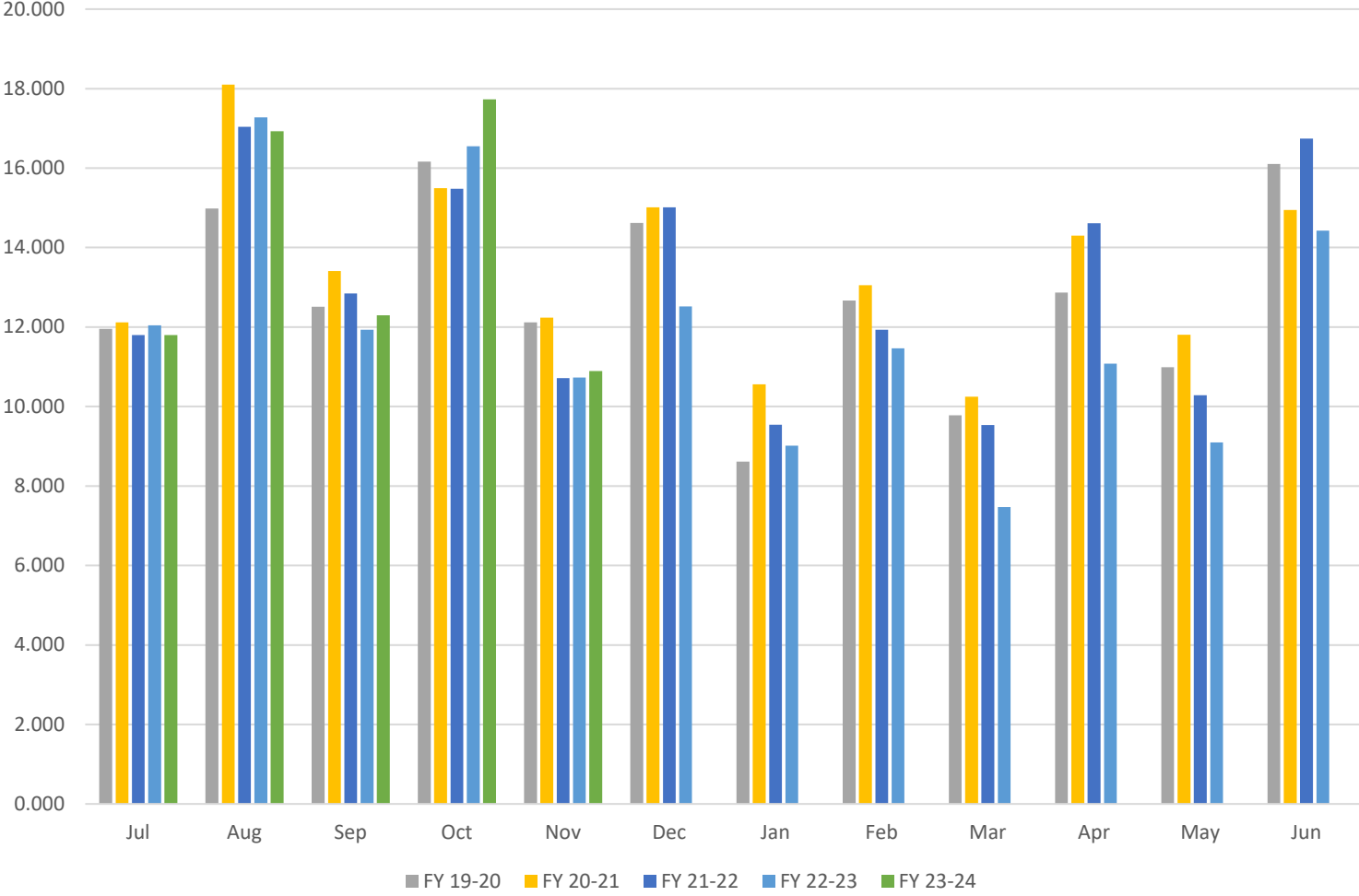
Skyline Groundwater Monitoring Well(s) Project

Work has been completed on the two monitoring wells. The wells will be part of the spring groundwater monitoring effort and will provide the much-needed data point to evaluate the extent of saltwater intrusion in the lower aquifer.

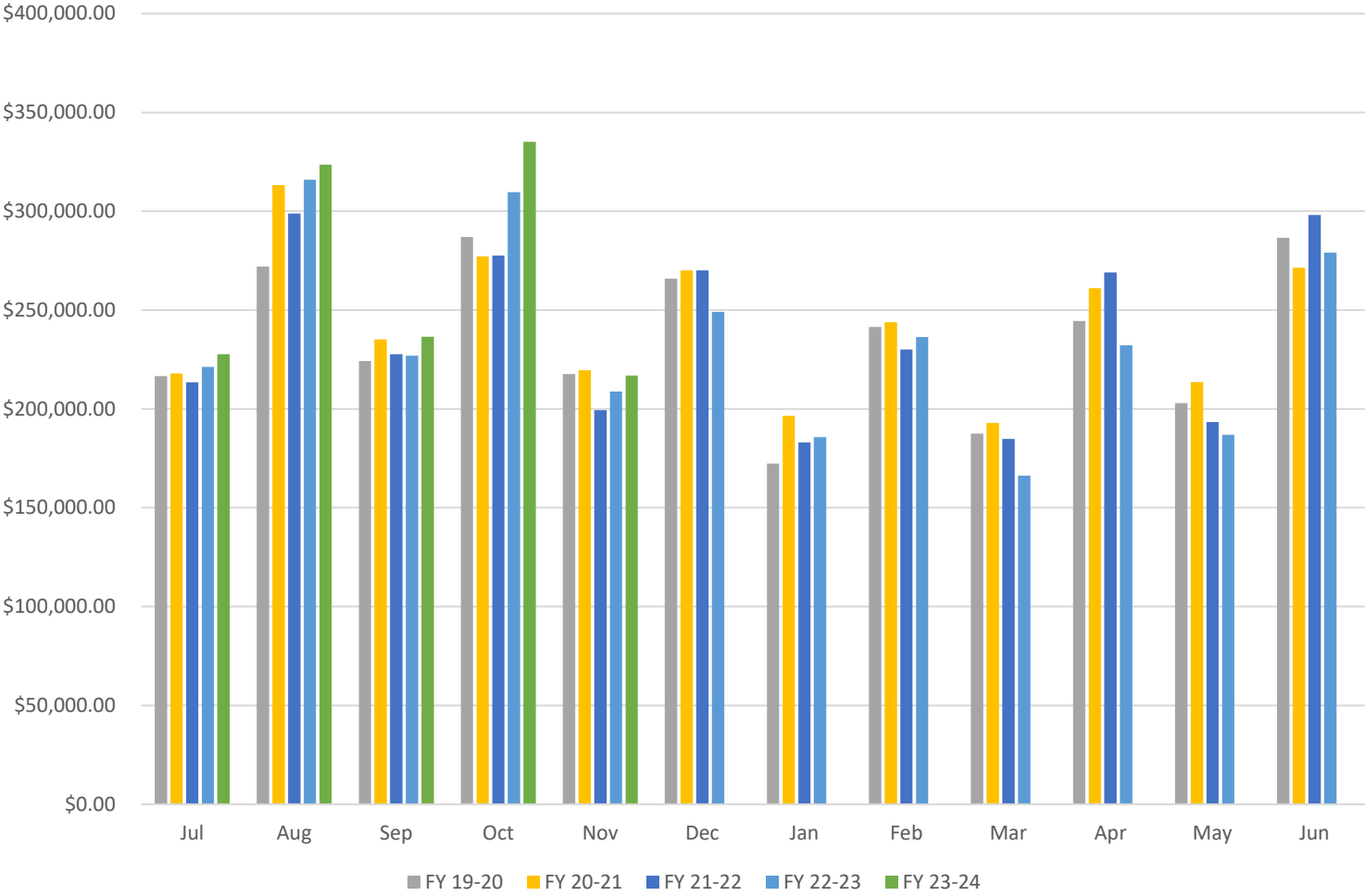
LOCS D Water Production in Million Gallons



LOCS D Water Consumption in Million Gallons



LOCS D Revenue Based on Water Billing





Date: January 4, 2024
To: LOCSD Board of Directors
From: Ron Munds, General Manager
Subject: **Agenda Item 6E – 01/04/2024 Board Meeting**
December General Manager’s Report

President
Charles L. Cesena

Vice President
Marshall E. Ochylski

Directors
Matthew D. Fourcroy
Troy C. Gatchell
Christine M. Womack

General Manager
Ron Munds

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Battalion Chief
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Mailing Address:
P.O. Box 6064
Los Osos, CA 93412

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Solid Waste Rate Setting Manual Update. The Integrated Waste Management Authority is facilitating an update to the 1994 City of SLO Solid Waste Rate Setting Manual which many agencies in the county use to set solid waste rates. A group meeting was held in December to review rate setting manuals from other areas and to agree on a scope of work for a consultant to assist with the updating process. The hope is to get the update completed before June 2024 so it can be used in the next round of rate setting due to begin this summer/fall.

Cabrillo Stormwater Basin/FEMA Update. Staff received a technical report from our geotechnical consultant, Yeh & Associates, which outlines a plan to ensure the long-term integrity of the basin’s north berm. Staff will update the Board with more information once the report has been thoroughly reviewed and cost estimates have been provided.

FEMA is still reviewing the District’s submittal for reimbursement from the January 2023 storms.



January 04, 2024

TO: LOCSD Board of Directors

FROM: Chuck Cesena, LOCSD Director

SUBJECT: Agenda Item 6G – 01/04/2024 Board Meeting
Report from the 12/14/2023 Community Advisory Council Meeting

President
Charles L. Cesena

Vice President
Marshall E. Ochylski

Directors
Matthew D. Fourcroy
Troy Gatchell
Christine M. Womack

General Manager
Ron Munds

District Accountant
Robert Stilts, CPA

Unit Chief
John Owens

Battalion Chief
Paul Provence

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It was a light agenda with no reports from the Sherrif, CHP, or County Supervisor.

Claire from County Planning reported that the Habitat Conservation Plan had been resubmitted to US Fish & Wildlife Service in August. USFWS responded with a short list of uncomplicated tasks that will take some time to accomplish.

Claire reported on the proposed Title 19 Water Offset Program amendments using the same presentation used at the Basin Management Committee. Final comments on the proposed amendments are due December 31 and the item is scheduled for the February 27, 2024, Board of Supervisors meeting. Our comments were submitted on December 14, 2023. The major changes proposed are:

1. The Program Map would be changed, essentially substituting the Urban Reserve Line for the Prohibition Zone.
2. New fixture flow requirements would require toilets that used an effective flush rate of 1 gpf instead of the current 1.6 gpf and reduce the showerhead requirement from 2.5 gpm to 1.5 gpm.
3. Allow retrofits in the prohibition zone. Even though retrofitting was required prior to sewer hookup, more efficient appliances are on the market.
4. Changes to the Water Savings Chart (attached) which calculates offset requirements using criteria such as residence type, water source and parcel size.
5. Program Implementation Changes:
 - Staff will conduct random post installation inspections,
 - Offset requirements will be updated every five years,
 - An outdoor pilot program will be established,
 - Requirements are now in the program applications and not in the ordinance,
 - Hot water recirculation system requirements were made more specific,
 - Lowered water savings estimates from clothes washer retrofits due to our marine environment.

In response to questions, Claire clarified that the Prohibition Zone moratorium wasn't being lifted but that building outside the PZ would be allowed by retrofitting within the PZ.

Blake from the County reported that on December 5, 2023, the Board of Supervisors updated the Advisory Council Handbook. The BOS also established the following priorities for the upcoming year:

1. Update the Safety Element,
2. Update the Housing policy,

3. Research the ramifications of storefront cannabis operations in the unincorporated areas,
4. Update the Nipomo Community Plan.

On January 16, 2024 the BOS will hold an unusual evening meeting regarding the establishment of an independent redistricting committee. Cory Hahn is back with the County as the Long-Range Planning Director.

There was a discussion about the fact that, even though the County road development fees are going up again, the lack of building in Los Osos means that we don't generate revenue to paint a crosswalk much less build a sidewalk. And even though we have a lot of out-of-town traffic on our roads, that doesn't generate even maintenance fees.

The last discussion of the evening focused on the possible sale of Sunnyside School. Apparently, the School District has decided it is surplus property and wants to sell it (for \$5million?). LOCAC decided to form a subcommittee to track the issue and try to make sure the property stays in public hands as it is a community resource. I believe the School District must offer the land to the County as a first option but whether the County has the funding to purchase might be another issue. I think we should follow his with LOCAC as this is a community asset we need to preserve.



Title 19: Los Osos Groundwater Basin Retrofit-to- Build Requirement

Total Water Savings Required for Water Conservation Certificate (gallons per day, or gpd)¹

<i>Residence Type</i>	<i>Water Source</i>	<i>Total Water Savings Required for Certificate (gpd)²</i>
Single Family	Water Purveyor	256
	Self-Source ³	$(92 + \frac{196.4}{\text{parcel size (acres)}}) * 2$
Multifamily and Mobile Homes	Water Purveyor	200
	Self-Source ³	$(58 + \frac{196.4}{\text{parcel size (acres)}}) * 2$

¹ The department of planning and building will update this table every 5 years, as is required in subsection (g).

² Water Savings requirements are totaled per the rates of the Los Osos Plumbing Retrofit Program Equivalency Table and reflect the 2:1 ratio offset requirement.

³ The Total Water Savings Required for Certificate (gallons per day) for self-source parcels must be calculated according to the size of the parcel in acres, where Total Water Savings Required for Certificate (gpd) for self-source parcels is equal to $(\text{Average Indoor Water Use} + \frac{\text{Average Outdoor Water Use}}{\text{parcel size (acres)}}) * 2$.



January 04, 2024

TO: LOCSO Board of Directors

FROM: Ron Munds, General Manager
Laura Durban, Administrative Services Manager

SUBJECT: Agenda Item 6N – 01/04/2024 Board Meeting
Appointment of District Advisory Committee Chairpersons and Vice Chairpersons and Appointment of District Representatives to Outside Agencies by the Board President

President
Charles L. Cesena

Vice President
Marshall E. Ochylski

Directors
Matthew D. Fourcroy
Troy Gatchell
Christine M. Womack

General Manager
Ron Munds

District Accountant
Robert Stilts, CPA

Unit Chief
John Owens

Battalion Chief
Paul Provence

DESCRIPTION

Annually and in accordance with Board of Directors Bylaws and Rules of Decorum, the District President appoints a Chairperson and Vice Chairperson for all District Advisory Committees. In addition, District representatives need to be selected for outside agency meetings where District Representation is directed by the Board.

STAFF RECOMMENDATION

Attached are the Standing Advisory Committee Appointments and the Outside Agency Organization Appointments for discussion and appointment.

Mailing Address:
P.O. Box 6064
Los Osos, CA 93412

Offices:
2122 9th Street, Suite 110
Los Osos, CA 93402

Phone: 805/528-9370
FAX: 805/528-9377

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Standing Advisory Committee Appointments

Emergency Services Advisory Committee – Meets quarterly on the third Thursday of the month at 5:30 p.m.

Position	2023	2024
Chairperson	Director Ochylski	
Vice Chairperson	Director Gatchell	

Finance Advisory Committee – Meets the Monday before the Board meeting at 5:30 p.m.

Position	2023	2024
Chairperson	Director Womack	
Vice Chairperson	Director Ochylski	

Parks & Recreation Advisory Committee – Meets the Third Tuesday of the month at 5:30 p.m.

Position	2023	2024
Chairperson	Director Fourcroy	
Vice Chairperson	Director Gatchell	

Utilities Advisory Committee – Meets the Third Wednesday of the month at 5:30 p.m.

Position	2023	2024
Chairperson	Director Cesena	
Vice Chairperson	Director Fourcroy	

Outside Agency Organization Appointments

Basin Management Committee (BMC) – Meets the Third Wednesday of the month at 1:30 p.m.

Position	2023	2024
Appointed	Director Cesena	
Alternate	Director Fourcroy	

Community Action Partnership of San Luis Obispo (CAPSLO) – Meets the Third Thursday of the month at 5:15 p.m.

Position	2023	2024
Appointed	Director Cesena	
Alternate	Director Fourcroy	

Fire Safe Counsel – Meeting times vary

Position	2023	2024
Appointed	Director Womack	
Alternate	Director Fourcroy	

Los Osos Community Advisory Committee (LOCAC) – Meets the fourth Thursday of the Month at 7 p.m.

Directors attend meeting on a rotating schedule

Morro Bay National Estuary Program (MBNEP) – Meets the third Wednesday of the Month Quarterly at 4 p.m.

Position	2023	2024
Appointed	Director Ochylski	
Alternate	Director Womack	

Water Resource Advisory Committee (WRAC) – Meets the first Wednesday of the month at 1:30 p.m.

Position	2023	2024
Appointed	Director Cesena	
Alternate	General Manager Munds	



January 04, 2024

TO: LOCSD Board of Directors

FROM: Ron Munds, General Manager

SUBJECT: Agenda Item 6O – 01/04/2024 Board Meeting
Appointment by Board President of an Ad Hoc Committee to
Review the Board Bylaws

President
Charles L. Cesena

Vice President
Marshall E. Ochylski

Directors
Matthew D. Fourcroy
Troy Gatchell
Christine M. Womack

General Manager
Ron Munds

District Accountant
Robert Stilts, CPA

Unit Chief
John Owens

Battalion Chief
Paul Provence

DESCRIPTION

Annually and in accordance with Board of Directors Bylaws and Rules of Decorum, the Board of Directors Bylaw Policy shall be reviewed annually at the first regular meeting January and considered for adoption, by resolution, at the first regular meeting in February. Historically, the Board President selects another Board member to form an Ad Hoc committee for the review. The Board is encouraged to review the Bylaws prior to the January 4th meeting and make any suggested changes to the Ad Hoc committee for consideration.

STAFF RECOMMENDATION

Board President to select member(s) of the Board to be on the Board of Directors Bylaw Policy Review Ad Hoc Committee and that the meeting(s) be eligible for compensation for participating Directors.

Mailing Address:
P.O. Box 6064
Los Osos, CA 93412

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Phone: 805/528-9370
FAX: 805/528-9377

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**LOS OSOS COMMUNITY SERVICES DISTRICT
2023 BOARD OF DIRECTORS
BYLAWS AND RULES OF DECORUM**

1. OFFICERS OF THE BOARD OF DIRECTORS

1.1 The officers of the Board of Directors are the President and Vice President.

1.2 The Board President shall preside at all Board meetings. He/she shall have the same rights as the other Directors in voting, introducing motions, resolutions and ordinances, and any discussion or questions that precede said actions.

1.3 In the absence of the Board President, the Board Vice President shall act as Board President and shall preside over all meetings of the Board. If the Board President and Board Vice President both absent, the remaining Directors present shall select one (1) of themselves to act as the official head and preside over the meeting.

1.4 The Board President and Board Vice President shall be elected annually at the first regular meeting of each calendar year. The Board Vice President shall become Board President the following year after his/her election barring a 4/5's vote to preclude said promotion.

1.5 The Board President, or in his/her absence the Board Vice President, or other designated member of the Board of Directors, shall be recognized as the official head of the District for all ceremonial purposes.

1.6 Generally the Board President, or in his/her absence the Board Vice President, is the designated representative of the Board of Directors to speak on official District position or policy.

2. MEETINGS

2.1 Subject to holiday and scheduling conflicts, the regular meeting of the Board of Directors shall be held on the first Thursday of each calendar month at the time and place designated by the Board of Directors at the beginning of each calendar year, or if a conflict exists, such other date and/or facility within the District acceptable to the General Manager.

2.2 The regular public meeting of the Board of Directors shall be between 6:00 p.m. and 10:00 p.m. Closed sessions of the Board of Directors may be conducted prior to or at the conclusion of the regular public meeting. It shall be the policy of the Board of Directors to complete meetings, including closed sessions by 10:00 p.m. unless a majority of the Board of Directors present at the meeting elects to continue past the adjournment hour. If at the hour of 10:00 p.m. the Board of Directors has not concluded its business, the Board of Directors will review the remainder of the agenda and determine whether to extend the meeting beyond the hour of 10:00 p.m., continue any remaining items, or adjourn the meeting to another date and time.

2.3 Special meetings may be called at any time by the President of the Board of Directors, or by request of a majority of the members of the Board of Directors to the General Manager, by delivering written notice to each member of the Board of Directors and to each local newspaper of general circulation and radio or television station requesting notice in writing. The notice shall be delivered personally or by any other means and shall be received at least twenty-four (24) hours before the time of the meeting as specified in the notice. The notice shall specify the time and place of the special meeting and the business to be transacted or discussed. No other business shall be considered at these meetings by the Board of Directors.

The call and notice shall be posted at least twenty-four (24) hours prior to the special meeting in a location that is freely accessible to members of the public.

2.4 Directors shall attend all regular and special meetings of the Board of Directors unless there is good cause for absence.

2.5 No action or discussion may be taken on an item not on the posted agenda; provided, however, matters deemed to be emergencies or of an urgent nature may be added to the agenda under the procedures of the Brown Act.

Pursuant to the Brown Act:

(a) Directors may briefly respond to statements or questions from the public; and

(b) Directors may, on their own initiative or in response to public questions, ask questions for clarification, provide references to staff or other resources for factual information, or request staff to report back at a subsequent meeting; and

(c) The Board President or the Board of Directors itself may take action to direct staff to place a matter on a future agenda.

2.6 The Board President shall determine the order in which agenda items shall be considered for discussion and/or actions taken by the Board of Directors. He/she shall vote on all questions and on roll call his/her name shall be called last.

2.7 A majority of the Board of Directors shall constitute a quorum. However, all actions must be approved by a minimum of three (3) Directors. Where there is a lack of a quorum, the Board President, or any Director shall adjourn such meeting, or, if no Director is present, the District Secretary shall adjourn the meeting.

2.8 State laws are in place which attempt to eliminate any action by a Public Official, including members of the Board of Directors, which may create a conflict of interest. Laws which regulate conflicts of interest are very complicated. The following provides a brief summary of economic conflict related laws. Directors are encouraged to consult with District Legal Counsel and/or the FPPC at 1-800-ASK-FPPC (1-800-275-3772) if they have questions about a particular agenda item.

(a) The general rule is that a Director may not participate in the making of a governmental decision if it is reasonably foreseeable that the decision will have a material financial effect on the official or a member of his or her immediate family.

(b) Where there is a conflict of interest, the conflicted Director, prior to consideration of the agenda item, shall disclose the nature of the conflict of interest and recuse himself or herself from hearing or deciding the matter and step down from the dais and leave the room.

(c) Should the recusal of one (1) or more conflicted Directors result in the lack of a quorum and the participation of a conflicted Director is necessary for resolution of an item, the Board of Directors will follow the requirements of the California Political Reform Act to determine which conflicted members shall be allowed to participate.

2.9 The Board of Directors takes actions by motion, resolution, or ordinance.

(a) For each proposed action to be taken by the Board of Directors, the Board President shall identify the motion-maker and the second and either state the motion or direct Staff to state the motion prior to taking the vote. The Board President shall announce the Board of Directors' decision on all subjects.

(b) A roll call vote shall be taken upon the passage of all ordinances and resolutions, and shall be entered in the minutes of the Board of Directors showing those Directors voting aye, those voting no, those not voting due to a conflict, and those abstaining.

(c) The passage of motions may be taken by voice vote. However, a roll call vote shall be taken on motions not passed unanimously by the Board of Directors.

(d) Unless a Director states that he or she is not voting because of a conflict of interest, his or her silence shall be recorded as an affirmative vote.

(e) When hearing matters in their quasi-judicial capacity, Directors shall disclose any relevant ex parte communications regarding that item prior to public comment.

2.10 The following applies to reconsideration of prior actions by the Board of Directors.

(a) After the passage of twelve (12) months from the effective date of the motion, resolution or ordinance, the matter may be placed on the agenda pursuant to below Section 3, or other provisions of the Brown Act.

(b) Prior to the passage of twelve (12) months, any Director or the General Manager may request the Board of Directors, by motion, to agree to reconsider a prior action by the Board of Directors at a subsequent meeting of the Board of Directors.

(c) The Board President, upon a determination that there is a need to take immediate action, may place an item on the agenda for reconsideration.

2.11 Any person attending a meeting of the Board of Directors may record the proceedings with a smartphone, an audio or video tape recorder, or a still or motion picture camera in the absence of a reasonable finding that the recording cannot continue without noise, illumination, or obstruction of view that constitutes or would constitute a persistent disruption of the proceedings.

2.12 All smartphones, video tape recorders, still and/or motion picture cameras shall remain stationary and shall be located and operated from behind the public speaker's podium once the meeting begins. The President retains the discretion to alter these guidelines, including the authority to require that all smartphones, video tape recorders, still and/or motion picture cameras recording the meeting be located in the back of the room.

3. AGENDAS

3.1 The General Manager, in cooperation with the Board President and Board Vice President, shall prepare the agenda for each regular and special meeting of the Board of Directors. A Director may contact either the General Manager or the Board President and request an item to be placed on the regular meeting agenda no later than 4:30 p.m. twelve (12) calendar days prior to the meeting date. Such a request must also be submitted in writing either at the time of communication with the General Manager or the Board President, or delivered to the office within the next working day.

3.2 Those items on the District Agenda which are considered to be of a routine and non-controversial nature are placed on the "Consent Agenda". These items shall be approved, adopted, and accepted, etc. by one (1) motion of the Board of Directors; for example, approval of Minutes, approval of Warrants, various Resolutions accepting developer improvements, minor budgetary items, status reports, and routine District operations.

(a) Directors may request that an item be removed from the "Consent Agenda", and the Board of Directors will then take action separately on that item. Members of the public will be given an opportunity to provide public comment on the "Consent Agenda"; however, only a member of the Board of Directors can remove an item from the "Consent Agenda". Items which are removed ("pulled") from the "Consent Agenda" will typically be considered at the conclusion of the regular Agenda unless a majority of the Board of Directors chooses an earlier time.

(b) When a Director has a minor question or requests clarification concerning a consent item which will not involve extended discussion, Staff may respond without "pulling" the item

from the "Consent Agenda". Directors are encouraged to seek clarifications prior to the meeting if possible.

(c) When a Director wishes to consider/"pull" an item simply to register a dissenting vote, an abstention or conflict of interest, the Director shall inform the President that he/she wishes to register a dissenting vote, an abstention or conflict of interest, on a particular item without discussion. The item will be considered along with the rest of the Consent Agenda, and the District Secretary shall register a "no" vote, an abstention or conflict of interest, in the minutes on the item identified by the Director.

4. PUBLIC COMMENT AND RULES OF DECORUM

4.1 Policy. The purpose of oral presentation at meetings of the Board of Directors, as well as written presentations, is to formally communicate to the Board of Directors on either (a) matters listed on the Agenda, or (b) matters that are within the jurisdiction of the Board of Directors during general public comment. Such presentations are helpful to the Board of Directors in its decision-making process. The Board of Directors welcomes information and expressions of opinion from members of the public on any item which it may be considering. However, the Board of Directors is not required to provide a public forum for remarks or conduct in violation of the Rules of Decorum.

4.2 Public Comment. Subject to the following rules, the Board of Directors shall set aside thirty (30) minutes on each agenda item for public comment:

(a) The Board President, after consideration of the length of the Agenda, the nature of the agenda item, and the meeting limitations of above Section 2.2, may expand or further limit the thirty (30) minute time allocation for public comment.

(b) Each public commenter shall be limited to three (3) minutes unless shortened or extended by the President with consideration of the length of the Agenda, the nature of the agenda item, and the meeting limitations of above Section 2.2.

4.3 Rules of Decorum. The below rules of decorum shall apply to public comment and attendance at District meetings.

(a) Members of the audience shall not engage in disorderly or boisterous conduct, including the utterance of loud, threatening or abusive language, whistling, stamping of feet, clapping and talking (other than giving public comment) or other acts which disrupts the orderly conduct of the meeting of the Board of Directors.

(b) Members of the audience who wish to address the Board of Directors on a particular item on the Agenda shall line up behind the podium or sit in the front two (2) rows next to the podium.

(c) No person shall address the Board of Directors without first being recognized by the President.

(d) Persons addressing the Board of Directors are requested to state their name and their general place of residence.

(e) Public comment and public testimony shall be directed to the Board President and shall be addressed to the Board of Directors as a whole. Persons addressing the Board of Directors shall not engage in a dialogue with individual Directors, District staff or members of the audience. The President shall determine whether, or in what manner, the District will respond to questions.

(f) Persons addressing the Board of Directors are limited to one (1) opportunity per Agenda item unless otherwise directed by the President in his/her discretion.

(g) A person cannot defer his/her time allocation to another person.

(h) When a group or organization wishes to address the Board on the same subject, the Chairperson may request that a spokesperson be chosen to speak for that group. The spokesperson's three (3) minute time allocation may be extended by the Board President in his/her discretion.

(i) Persons addressing the Board of Directors shall confine the subject matter of their comments to the Agenda item being considered by the Board of Directors.

(j) Each person addressing the Board of Directors shall do so in an orderly and civil manner and shall not engage in conduct which disrupts the orderly conduct of the meeting of the Board of Directors.

(k) The Board President may rule a speaker out of order who is unduly repetitious or extending discussion of irrelevance.

(l) Except as provided below, persons who reference or read from documents such as reports, exhibits, or letters as part of his/her comment to the Board of Directors shall lodge the document (or a copy) with the District Secretary at the end of the comment, to allow the document to be appropriately referenced in the meeting Minutes and to allow District staff the opportunity to review and respond to the document. The Board President has the discretion to strike a speaker's comments from the record for failure to lodge the referenced documents. Upon request, the lodged documents shall be returned to the speaker after 1:00 p.m. on the day following the meeting.

Exceptions:

- Speaker's presentation outline, however, documents referenced in the outline shall be lodged.
- Documents that are in the Agenda packet.
- Documents that have been previously published by the District, so long as the speaker identifies the document by date, author and the pages referenced or read from.
- For voluminous documents the speaker need only lodge the cover sheet that identifies the author and date and the pages read from or referenced.

4.4 Enforcement of Rules of Decorum. Any person who violates the Rules of Decorum may, at the discretion of the Board President, be removed from the meeting. The Rules of Decorum shall be enforced in the following manner:

(a) Warning. The Board President shall warn the person who is violating the rules of decorum.

(b) Expulsion. If after receiving a warning from the Board President, the person persists in violating the rules of decorum the Board President shall order the person to leave the Board of Directors' meeting room for the remainder of the meeting.

(c) Assisted Removal. If such person does not voluntarily remove himself/herself, the President may order any law enforcement officer who is on duty at the meeting, or who may be summoned to the meeting, to remove the person from the Board of Directors' meeting room.

(d) Restoration of Order. If order cannot be restored by the removal of individuals who are disrupting the meeting, the meeting of the Board of Directors will be continued under the provisions of Government Code §54957.9.

4.5 Limitations (Government Code §59454.3(c)) The Rules of Decorum shall not be interpreted to prohibit public criticism of the policies, procedures, programs or services of the District, or the acts or omissions of the District Board of Directors.

5. PREPARATION OF MINUTES AND MAINTENANCE OF TAPES

5.1 The minutes of the meetings of the Board of Directors shall be kept by the District Secretary and shall be neatly produced and kept in a file for that purpose, with a record of each particular type of business transacted set off in paragraphs with proper sub-headings;

5.2 The District Secretary shall be required to make a record only of such business as was actually passed upon by a vote of the Board of Directors and, except as provided in below Sections 5.3 and 5.5, shall not be required to record any remarks of Board Members or any other person;

5.3 Directors may request for inclusion into the minutes brief comments pertinent to an agenda item, only at the meeting that item is discussed;

5.4 The District Secretary shall attempt to record the names and "community of residence" of persons addressing the Board of Directors, the title of the subject matter to which their remarks related, and whether they spoke in support or opposition to such matter; and

5.5 Whenever the Board of Directors acts in a quasi-judicial proceeding such as in assessment matters, the District Secretary shall compile a summary of the testimony of the witnesses.

5.6 Any tape or film record of a District meeting made for whatever purpose at the direction of the District shall be subject to inspection pursuant to the California Public Records Act. Consistent with Government Code §54953.5(b), the District will maintain the tapes and recordings for a thirty (30) day period after the taping and/or recording. During the thirty (30) day period, the District will provide, without charge, a video or tape player for inspection of said tapes and/or recordings. In addition to the thirty (30) day requirement, the District will attempt to maintain tapes/and or recordings, without legal obligation to do so, for a minimum of ten (10) years after the date of the taping or recording. However, during this extended period, the District may not be able to provide a video or tape player to facilitate inspections.

6. AUTHORITY OF DIRECTORS

6.1 The Board of Directors is the unit of authority within the District. Apart from his/her normal function as a part of this unit, Directors have no individual authority. As individuals, Directors may not commit the District to any policy, act or expenditure.

6.2 Members of the Board of Directors shall exercise their independent judgment on behalf of the interest of the entire District, including the residents, property owners and the public as a whole.

6.3 Directors do not represent any fractional segment of the community, but are, rather, a part of the body which represents and acts for the community as a whole.

6.4 The primary responsibility of the Board of Directors is the formulation and evaluation of policy. Routine matters concerning the operational aspects of the District are to be delegated to professional staff members of the District.

7. AUTHORITY OF GENERAL MANAGER

7.1 The General Manager shall be responsible for those activities, functions, and duties pursuant to contract.

8. DIRECTOR GUIDELINES

8.1 Directors shall prepare themselves to discuss agenda items at meetings of the Board of Directors. Information may be requested from staff or exchanged between Directors before meetings.

8.2 Directors shall at all times conduct themselves with courtesy to each other, to staff and to members of the audience present at meetings of the Board of Directors.

8.3 Differing viewpoints are healthy in the decision-making process. Individuals have the right to disagree with ideas and opinions, without being confrontational. Once the Board of Directors takes action, Directors shall commit to supporting said action and not to create barriers to the implementation of said action.

8.4 Directors, by making a request to the General Manager, shall have access to information relative to the operation of the District, including but not limited to statistical information, information serving as the basis for certain actions of Staff, justification for Staff recommendations, etc. If the General Manager cannot timely provide the requested information by reason of information deficiency, or major interruption in work schedules, workloads, and priorities, then the General Manager shall inform the individual Director why the information is not or cannot be made available. Directors shall not request information directly from District staff, and staff shall communicate to Directors only through the General Manager.

8.5 In handling complaints from residents and property owners of the District, said complaints should be referred directly to the General Manager.

8.6 When responding to constituent request and concerns, Directors should respond to individuals in a positive manner and route their questions to the General Manager.

8.7 When approached by District personnel concerning specific District policy, Directors should direct inquires to the General Manager. The chain of command shall be followed.

8.8 In seeking clarification for policy-related concerns, especially those involving personnel, legal action, land acquisition and development, finances, and programming, said concerns shall be referred directly to the General Manager.

8.9 The Directors and General Manager shall develop and follow a written policy to facilitate open discussions between District Management and Directors regarding current issues, Directors concerns, and District projects.

8.10 Except during an open and public meeting, a majority of the Board of Directors shall not use a series of communications of any kind, directly or through intermediaries, to discuss, deliberate, or take action on any item of business that is within the subject matter of the District.

8.11 Section 8.10 shall not be construed as preventing District management staff from engaging in separate conversations or communications with Directors in order to answer questions or provide information regarding a matter that is within the subject matter jurisdiction of the District, so long as that management staff person does not communicate to Directors the comments or positions of any other directors.

9. DIRECTOR COMPENSATION

9.1 Each Director is authorized to receive one hundred dollars (\$100.00) as compensation for each regular, adjourned or special meeting of the Board of Directors, each required training session, each Standing Committee meeting of which said Director is either the Chairperson or Vice Chairperson, each ad Hoc Committee meeting, each non-District meeting assigned by the Board President to a Board member at the beginning of each calendar year or other function/meeting attended by him/her as a representative of the District at the direction of the Board of Directors.

9.2 Each Director shall submit his/her compensation request no later than ninety (90) days after attendance at each meeting referenced in above section 9.1, however in no case shall a compensation request be submitted later than July 31 for a meeting attended in the previous fiscal year.

9.3 Pursuant to the requirements of Government Code §61047, in order to receive compensation for a non-District meeting assigned by the Board President to a Board member at the beginning of each calendar year or other function/meeting attended by him/her as a representative of

the District at the direction of the Board of Directors, a Board member must deliver a written report at the next Board of Directors' meeting following the meeting or event unless said non-District meeting occurs after the Agenda for said Board of Director's Meeting has been posted in which case the written report shall be delivered prior to the following Board of Director's meeting.

9.4 The Board President or in his/her absence the Vice President is authorized to receive one hundred dollars (\$100.00) as compensation for each County or State agency meeting attended by him/her, when he/she determines that District representation is necessary to protect and/or advance the interest of the District.

9.5 In no event shall Director compensation exceed \$100.00 per day.

9.6 Pursuant to Government Code §61047 *et seq.*, Director compensation shall not exceed \$600.00 in any one (1) calendar month.

10. DIRECTOR REIMBURSEMENT

10.1 The Travel and Reimbursement Policy of the District governs all reimbursements of expenses to Directors.

11. COMMITTEES

11.1 Standing Committees.

The Board of Directors may create and abolish Standing Committees at its discretion. Standing Committees shall be advisory committees to the Board of Directors and shall not commit the District to any policy, act or expenditure. Each Standing Committee shall consider District related issues assigned to it by the Board of Directors.

(a) Standing Committees shall conduct business at all times in a manner consistent with these Bylaws, applicable laws, and Board Policy.

(b) The General Manager, in cooperation with the Committee Chairperson, shall prepare the agenda for each Standing Committee meeting. Nothing may be placed on the agenda of any Committee that is not included in that Standing Committee's Work Plan or in other separate direction from the Board of Directors. Consideration of any other matters are *ultra vires* and void acts.

(c) Each Standing Committee shall meet at most monthly as determined by the Committee Chairperson, provided there is pending consideration of something within the Committee's Work Plan or specific direction from the Board of Directors. There are no quorum requirements for Standing Committee meetings. Recommendations to the Board of Directors shall include all opinions of members of the Standing Committee on each issue raised for their recommendation and shall include the number of members concurring in each opinion. The opinion receiving the most concurrence is the majority report. Other opinions are minority reports. Summary notes for each meeting of each Standing Committee shall be forwarded to the Board of Directors as a public record.

(d) Subject to the availability of public membership, Standing Committees shall be comprised of up to five (5) public members, none of whom shall be Directors; and one (1) Director appointed by the Board President as the non-voting Chairperson and one (1) Director appointed by the Board President as Vice Chairperson. In the absence of both Chairperson and Vice Chairperson, the Board President may assign a Board Member to temporarily act as the Committee Chairperson in order that the Standing Committee may meet as established by the previously adopted schedule.

Depending on the number of applications, the Board of Directors retains the discretion to alter Standing Committee membership on a case-by-case basis.

(e) The General Manager shall be an ex-officio member of all Standing Committees. The Committee Chairperson and Vice Chairperson are non-voting members appointed for the sole

purpose of conducting the meeting, enabling conversation, facilitating discussions, and forwarding recommendations to the Board of Directors.

(f) Each Director shall appoint one (1) voting member to each Standing Committee. The appointee shall serve at the pleasure of the Director who appointed them with no specific term other than if the appointing Director is no longer a member of the Board of Directors that appointee's term shall automatically terminate. The Board of Directors may also remove any Standing Committee member with or without cause.

(g) Members of the public shall be eligible to serve on only one (1) Standing Committee at a time. Members of the public must reside within the Los Osos Community Services District Boundary to be eligible to serve on a Standing Committee, with the sole exception of the Emergency Services Advisory Committee (ESAC) whose members must either reside within the boundaries of Los Osos Community Services District or County Service Area No. 9, Zone I.

(h) The General Manager shall prepare an appointments list of all Standing Committees. This list shall be known as the local appointment list and will be provided to the Board of Directors at the first meeting in February or other date established by the Board of Directors.

(i) The local appointment list shall be made available to the members of the public and shall be posted at the District office and the District's web site.

(j) Whenever a vacancy occurs on a Standing Committee, a vacancy notice shall be posted at the District office, the public library, the District's web site, and other places as directed by the Board of Directors, not earlier than twenty (20) days before, or not later than twenty (20) days after the vacancy occurs inviting the public to apply for appointment as a committee member. Appointment of Standing Committee members shall not be made for at least ten (10) working days after the posting of the Notice at the District's office.

(k) Notwithstanding above Section 11.1(j), the appointing Director may, if it finds an emergency exists, fill the unscheduled vacancy immediately. The person appointed to fill the vacancy shall serve only on an acting basis until final appointment is made pursuant to Section 11.1(j), above.

(l) A Standing Committee member term shall automatically terminate if he/she has three (3) unexcused absences or misses four (4) meetings in one (1) calendar year.

(m) All Standing Committee members will receive Brown Act training annually and all meetings shall be conducted as public meetings in accordance with the Brown Act.

(n) The Board President may appoint persons to a subcommittee to assist a Standing Committee in making recommendations to the Board of Directors. The duties of the subcommittee shall be outlined at the time of appointment and the subcommittee shall be considered dissolved when its final report has been made to the Standing Committee.

11.2 Ad Hoc Committees. The Board President shall appoint such *ad hoc* committees comprised of two (2) or less Directors as may be deemed necessary or advisable by himself/herself and/or the Board of Directors. The duties of the *ad hoc* committees shall be outlined at the time of appointment, and the committee shall be considered dissolved when its final report has been made. *Ad hoc* committees shall timely provide the District General Manager with their recommendations and/or reports.

12. ETHICS TRAINING

12.1 Ethics Training (AB1234)

(a) Pursuant to Government Code §53234 *et seq.*, all Directors and designated District personnel shall receive at least two (2) hours of ethics training every two years.

(b) Each newly elected Board member and designated District personnel shall receive ethics training no later than six (6) months from the first day of service with the District and thereafter shall receive ethics training at least once every two (2) years.

12.2 Harassment Prevention Training (AB1825)

(a) Pursuant to the content of California's Fair Employment and Housing Act §7288.0 (c), all Directors and designated District personnel shall receive at least two (2) hours of sexual harassment training every two (2) years.

(b) Each newly elected Board member and designated District personnel shall receive harassment prevention training no later than six (6) months from the first day of service with the District and thereafter shall receive harassment prevention training at least once every two (2) years.

13. CORRESPONDENCE DISTRIBUTION POLICY

13.1 All letters approved by the Board of Directors and/or signed by the President on behalf of the District shall be distributed to the Board of Directors as herein provided.

13.2 All letters and other documents received by the District that are of District-wide concern as determined by District staff shall be delivered to the Board of Directors as herein provided.

13.3 All letters and other documents to be delivered to the Board of Directors shall be accumulated and placed in each Director's Information Packet and delivered with the Agenda when a meeting of the Board of Directors is scheduled. Items of a more urgent matter will be e-mailed to all Directors and placed in Director's mailboxes.

14. BOARD OF DIRECTORS BYLAW REVIEW POLICY

14.1 The Board of Directors Bylaw Policy shall be reviewed annually at the first regular meeting in January and considered for adoption at the first regular meeting in February.

15. RESTRICTIONS ON RULES

15.1 The rules contained herein shall govern the Board of Directors in all cases to which they are applicable and to the extent that they are not inconsistent with State or Federal laws.

15.2 The Board of Directors, by resolution, may amend these bylaws from time to time.

Originally Adopted December 3, 1998

Amended June 3, 1999

Amended March 22, 2000

Amended February 7, 2002

Amended March 20, 2003

Amended April 1, 2004

Amended March 3, 2005

Amended January 19, 2007

Amended April 19, 2007

Amended February 14, 2008

Amended February 5, 2009

Amended February 4, 2010

Amended December 2, 2010

Amended March 3, 2011

Amended April 7, 2011

Amended February 2, 2012

Amended June 7, 2012

Reaffirmed February 7, 2013

Amended August 1, 2013
Amended March 5, 2015
Amended February 4, 2016
Amended February 2, 2017
Amended February 1, 2018
Amended February 7, 2019
Amended February 6, 2020
Amended February 4, 2021
Amended March 4, 2021
Reaffirmed February 3, 2022
Reaffirmed February 2, 2023



January 4, 2024

TO: LOCSO Board of Directors
FROM: Ron Munds, General Manager
Laura Durban, Administrative Services Manager
SUBJECT: Agenda Item 8A - 01/04/2024 Board Meeting
Receive Administrative, Committee Reports, and Approved
Committee Minutes

President
Charles L. Cesena

Vice President
Marshall E. Ochylski

Directors
Matthew D. Fourcroy
Troy C. Gatchell
Christine M. Womack

General Manager
Ron Munds

District Accountant
Robert Stilts, CPA

Unit Chief
John Owens

Battalion Chief
Paul Provence

DESCRIPTION

Attached are the approved minutes from meetings in December 2023.

STAFF RECOMMENDATION

This item will be approved along with the Consent Calendar unless it is pulled by a Director for separate consideration. If so, Staff recommends that the Board adopt the following motion:

Motion: I move that the Board receive and file the presented Administrative, Committee Reports and Approved Committee Minutes

Attachment

Finance Advisory Committee Minutes 10/30/2023
Utilities Advisory Committee Minutes 10/18/2023

Mailing Address:
P.O. Box 6064
Los Osos, CA 93412

Offices:
2122 9th Street, Suite 110
Los Osos, CA 93402

Phone: 805/528-9370
FAX: 805/528-9377

www.losososcscsd.org

**Los Osos Community Services District
Minutes of the Finance Advisory Committee Meeting
October 30, 2023, at 5:30 p.m. at the District Office**

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<p>1. Call to Order Flag Salute Roll Call</p>	<p>Chairperson Womack called the meeting to order at 5:33 p.m. and led the flag salute.</p> <p><u>Roll Call:</u></p> <p>Chuck Cribbs, Committee Member – Present Lisa Gonzalez, Committee Member – Present Gary J. Freiberg, Committee Member – Present Lee Hood, Committee Member – Absent Keith, Swanson, Committee Member – Present Marshall Ochylski, Vice Chairperson – Present – Arrived 5:40 p.m. Christine, Womack, Chairperson – Present</p> <p><u>Staff:</u></p> <p>Ron Munds, General Manager Laura Durban, Administrative Services Manager</p>	
<p>2. Approve FAC Meeting Minutes of October 2, 2023</p>	<p>Chairperson Womack presented the minutes for approval.</p> <p>Public Comment - None</p> <p>Committee Member Swanson made a motion that the Finance Committee approve the minutes of the FAC held October 2, 2023. The motion was seconded by Committee Member Freiberg and passed with unanimous consent, with Committee Member Gonzalez abstaining.</p>	<p>Action: File Approved Minutes</p>
<p>3. Review of Board Item Regarding Approval of Warrant Register for October 2023</p>	<p>General Manager Munds presented the Warrants.</p> <p>The Committee discussed the Perry Ford voucher.</p> <p>Public Comment – None</p> <p>Committee Member Gonzalez made a motion to the Board, that the Board approve the Warrant Register for the period October 2023. The motion was seconded by Committee Member Freiberg and passed with unanimous consent.</p>	<p>Action: The Committee recommended that the Board approve the Warrant Register for October 2023.</p>
<p>4. Review of Board Item Regarding Financial Reports for the Period Ending September 30, 2023</p>	<p>General Manager Munds presented the Financial Reports and discussed each fund.</p> <p>The Committee discussed bank service charges, CalFire County overage reimbursement, and IBANK loan administration fees.</p> <p>Public Comment – Richard Margetson inquired about irrigation water revenue and mid-year cost adjustments for electricity.</p> <p>Committee Member Freiberg made a motion to the Board, that the Board receive and file the Financials for the period ending September 30, 2023. The motion was seconded by Committee Member Cribbs and passed with unanimous consent.</p>	<p>Action: The Committee recommended that the Board receive and file the Financials for the period ending September 30, 2023.</p>
<p>5. Review of Board Item Third Quarter 2023 Investment Report</p>	<p>General Manager Munds presented the Quarterly Financial report commenting on the investment portfolios.</p> <p>Public Comment – None</p> <p>Committee Member Swanson made a motion to the Board, that the Board receive and file the Quarterly Investment Report for the third quarter of 2023. The motion was seconded by Committee Member Freiberg and passed with unanimous consent.</p>	<p>Action: The Committee recommended that the Board receive and file the Quarterly Investment Report for the third quarter of 2023</p>

AGENDA ITEM	DISCUSSION	FOLLOW-UP
6. Cabrillo Stormwater Basin Status Report	<p>General Manager Munds provided an event timeline and actions update, along with cost and financial summaries.</p> <p>Committee Member Swanson inquired about insurance, neighborhood assistance and the Interfund Loan.</p> <p>Public Comment – Richard Margetson inquired about insurance claims, and flood damage on Pine Street.</p>	<u>Action:</u> None
7. General Manager Update	<p>General Manager Munds presented commenting on the 16th Street North Tank, 10th Street Transfer Pump Project, and the Water Resiliency Intertie Project.</p> <p>Public Comment – None</p>	<u>Action:</u> None
8. Public Comments on Items NOT on this Agenda	Public Comment – None	
9. Schedule Next FAC Meeting	The next meeting of the Financial Advisory Committee is scheduled for Monday, December 4, 2023, at 5:30 p.m. unless otherwise noted.	
10. Closing Comments by FAC Committee	Chairperson Womack welcomed Committee Member Gonzalez back and thanked everyone for joining the Committee.	
11. Adjournment	The meeting adjourned at 6:34 p.m.	

**Los Osos Community Services District
Minutes of the Utilities Advisory Committee Meeting
October 18, 2023 at 5:30 p.m. at the District Office**

AGENDA ITEM	DISCUSSION	FOLLOW-UP
1. Call to Order Flag Salute Roll Call	<p>Chairperson Cesena called the meeting to order at 5:31 p.m.</p> <p><u>Roll Call:</u> James Bishop, Committee Member – Absent Jan Harper, Committee Member – Present Leonard Moothart, Committee Member – Present Pam Ouellette, Committee Member – Present Matthew Tallone, Committee Member – Absent Matthew Fourcroy, Vice-Chairperson – Absent Chuck Cesena, Chairperson – Present</p> <p><u>Staff:</u> Ron Munds, General Manager Margaret Falkner, Utility Systems Manager Laura Durban, Administrative Services Manager</p>	
2. Approve UAC Minutes of September 20, 2023	<p>Chairperson Cesena presented the minutes for approval.</p> <p>Public Comment – None</p> <p>Committee Member Harper moved to approve the meeting minutes of September 20, 2023. The motion was seconded by Committee Member Moothart and carried with unanimous consent.</p>	Action – File approved minutes.
3. Basin Management Committee Update	<p>General Manager Munds reported provided a report on the BMC Meeting commenting on the County's presentation on tract 1646 near Sea Pines, business strategies for the 2024 budget and website hosting, monitoring wells, the Transient Model, and Agenda items that were continued.</p> <p>Public Comment – None</p>	Action – None
4. Water Resiliency Intertie Project Initial Draft Study/Mitigated Negative Declaration	<p>General Manager Munds presented a background, commented on the IS/MND, the environmental checklist, overarching findings, and next steps.</p> <p>The Committee inquired about grant funds, requirements in MND, and whether comments had been made.</p> <p>Public Comment – None</p>	Action – None
5. Cabrillo Stormwater Basin Status Report	<p>General Manager Munds presented providing an incident timeline and actions; cost summary to date; financial summary; and next steps for a final-fix.</p> <p>The Committee discussed the report.</p> <p>Public Comment – Richard Margetson inquired about the roll-off on Vista Court and commented on outreach ideas.</p> <p>General Manager Munds responded the roll-off will be removed on Friday.</p>	Action – None
6. Utility Department Report	<p>Utility Systems Manager Falkner reported on September 2023s water production, well site production and runtime hours, water billing revenues, and rainfall totals.</p> <p>The Committee inquired if there were any issues with discharge permits and wells.</p> <p>General Manager Munds commented on PFAS testing.</p> <p>Public Comment – None</p>	Action – None

AGENDA ITEM	DISCUSSION	FOLLOW-UP
7. Utilities Department Updates	<p>General Manager Munds provided updates on the Bay Oaks Well, 16th Street North Tank Project, 10th Street transfer pump, and BMC projects.</p> <p>Public Comment – None</p>	Action – None
8. Public Comments on items NOT on this Agenda	Public Comment - None	
9. Schedule the Next UAC Meeting	The next meeting of the Utilities Advisory Committee is scheduled to be held on Wednesday, November, 15, 2023, at 5:30 p.m. unless otherwise noticed.	
10. Closing Comments by UAC Committee Members	<p>Committee Member Harper inquired about comments made at the BMC meeting regarding 'giving water'.</p> <p>General Manager Munds responded there are local ranchers who experience flooding who would like to transfer the water to a treatment plant for recharging.</p>	
11. Adjournment	The meeting adjourned at 6:26 p.m.	



January 4, 2024

TO: LOCSO Board of Directors

FROM: Ron Munds, General Manager
Laura Durban, Administrative Services Manager

SUBJECT: Agenda Item 8B- 01/04/2024 Board Meeting
Approve Prior Meeting Minutes

President
Charles L Cesena

Vice President
Marshall E. Ochylski

Directors
Matthew D. Fourcroy
Troy C. Gatchell
Christine M. Womack

General Manager
Ron Munds

District Accountant
Robert Stilts, CPA

Unit Chief
John Owens

Battalion Chief
Paul Provence

DESCRIPTION

Attached are the minutes of the Board of Directors meeting held December 7, 2023 for your approval.

STAFF RECOMMENDATION

This item will be approved along with the Consent Calendar unless it is pulled by a Director for separate consideration. If so, Staff recommends that the Board adopt the following motion:

Motion: I move that the Board approve the minutes of the Board of Directors meeting held December 7, 2023.

Attachment
12/07/2023 Draft Board of Directors Meeting Minutes

Mailing Address:
P.O. Box 6064
Los Osos, CA 93412

Offices:
2122 9th Street, Suite 110
Los Osos, CA 93402

Phone: 805/528-9370
FAX: 805/528-9377

www.losososcso.org

Los Osos Community Services District
DRAFT - Minutes of the Regular Meeting of December 7, 2023

AGENDA ITEM	DISCUSSION OR ACTION
<p>1. CALL TO ORDER FLAG SALUTE ROLL CALL</p>	<p>Director Fourcroy called the meeting to order at 6:01 p.m. and led the flag salute.</p> <p>Roll Call: Matthew Fourcroy, Director – Present Troy Gatchell, Director – Present Christine Womack, Director – Present Marshall Ochylski, Vice President – Arrived at 6:04 p.m. Chuck Cesena, President – Present</p> <p>The following Staff was present: Ron Munds, General Manager Thomas Green, District Counsel Laura Durban, Administrative Services Manager Margaret Falkner, Utilities Systems Manager</p>
<p>2. PUBLIC HEARING</p> <p>A. Public Hearing for Resolution 2023-32 to Adopt a Mitigated Negative Declaration for the Water Resiliency Intertie Pipeline Project</p>	<p>General Manager Munds presented the background and functions of IS/MND, the environmental checklist, and the next steps. Since the District approved the mitigation strategies, public comments had no effect on IS/MND.</p> <p>President Cesena commented on the project.</p> <p>Public Comment – None</p> <p>A motion was made by Director Womack that the Board adopt Resolution 2023-32 adopting a Mitigated Negative Declaration for the Water Supply Resiliency Intertie Pipeline Project. The motion was seconded by Director Gatchell and carried with the following vote:</p> <p>Ayes: Directors Womack, Gatchell, Fourcroy, Ochylski, Cesena Nays: Abstain: Absent:</p>
<p>3. GENERAL ACTION ITEMS</p> <p>A. San Luis Obispo County's Proposed Title 19/Los Osos Water Offset Program Review</p>	<p>General Manager Munds discussed the Offset Study background, amendments to Title 19, possible district comments, UAC comments, a time extension and a joint water purveyor's letter to the County.</p> <p>Director Fourcroy inquired about the offset of parcel sizes and voiced his support for a joint letter.</p> <p>President Cesena voiced his support for a joint letter.</p> <p>Vice President Ochylski voiced his opposition to a joint letter citing S&T Mutual's goals.</p> <p>Public Comment – Richard Margetson commented on the County's BMC presentation, the release timing of the public draft, a time extension, the form error, and his support for a joint letter. \</p> <p>President Cesena commented on the County's census estimate for the number of residents per mobile home.</p> <p>The Board discussed the joint water purveyor's letter to the County.</p> <p>A motion was made by Director Fourcroy that the Board approve submitting a joint comment letter with the other water purveyors to the County regarding the Title 19/Los Osos Water Offset Program Updates as discussed and agreed upon by the Board. The motion was seconded by Director Gatchell and carried with unanimous consent.</p>
<p>4. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA</p>	<p>Public Comment – Richard Margetson commented on the Needs and Wishes fundraiser taking place on December 9th and 10th.</p>

<p>5. ADMINISTRATIVE AND COMMITTEE REPORTS</p> <p>A. Fire Department Report</p> <p>B. Sheriff Department Report</p> <p>C. California Highway Patrol Report</p> <p>D. Utilities Department Report</p> <p>E. General Manager Report</p> <p>F. Los Osos/Baywood Park Chamber of Commerce Report</p> <p>G. Los Osos Community Advisory Council (LOCAC) Report</p> <p>H. Parks and Recreation Committee Meeting Report</p> <p>I. Utilities Advisory Committee Meeting Report</p> <p>J. Finance Advisory Committee Meeting Report</p> <p>K. Emergency Services Advisory Committee Meeting Report</p> <p>L. Basin Management Committee Meeting Report</p> <p>M. Directors' Announcements of District and Community Interest and Reports on Attendance at Public Meetings, Training Programs, Conferences, and Seminars</p> <p>N. Response to Previously Asked Questions</p>	<p>Written Report</p> <p>Commander Stuart MacDonald reported for November 2023, 4 assaults and battery, 29 disturbances, 1 burglary, 2 thefts, 3 vandalisms, 0 mail thefts, 1 phone scam, 25 suspicious circumstances, 71 enforcement stops, 30 preventative patrols, and shared various scams and the circumstance of a shooting victim and the shooter's arrest.</p> <p>No Report</p> <p>General Manager Munds discussed capital projects including the 16th Street North tank, the Program C Well, the well-equipping phase, and the Skyline Groundwater Monitoring Well.</p> <p>General Manager Munds discussed LAFCO's Municipal Services review, Cabrillo Stormwater Basin updates, and FEMA is waiting on a report from US Fish and Wildlife.</p> <p>Vice President Ochylski discussed events including the lighting of the Christmas Tree, the holiday parade, the Kiwanis Pancake Breakfast, Needs and Wishes, and the Light Up Los Osos contest.</p> <p>No Report</p> <p>Director Fourcroy reported on a meeting with the school district, including the school districts long-term plan to refurbish facilities.</p> <p>President Cesena reported that Tile 19 retrofits and the Skyline Monitoring Wells were discussed.</p> <p>Director Womack reported that the audit report was presented with no findings, and the FAC recommended approving the warrant register and receiving and filing of the financial reports.</p> <p>General Manager Munds reported that a draft report on the Standard of Cover Study should be available soon and that the Committee still has a vacancy.</p> <p>General Manager Munds commented that the BMC discussed Title 19, changes in the financial operating structure, the hiring of a new accountant, and the adoption of a budget.</p> <p>None</p> <p>None</p>
<p>6. PUBLIC COMMENT FOR ITEMS ON THE ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT AGENDA</p>	<p>Public Comment – None</p>
<p>7. CONSENT AGENDA</p> <p>A. Receive Administrative, Committee Reports, and Approved Committee Minutes</p> <p>B. Approve Meetings Minutes of November 2, 2023</p> <p>C. Approve Warrant Register for November 2023</p>	<p>A motion was made by Vice President Ochylski that the Board receive and file the presented Administrative, Committee Reports and Approved Committee Minutes. The motion was seconded by Director Fourcroy and carried with the following vote:</p> <p>Ayes: Directors Ochylski, Fourcroy, Gatchell, Womack, Cesena</p> <p>Nays:</p> <p>Abstain:</p> <p>Absent:</p>

D. Receive Financial Report for Period Ending October 31, 2023 E. Adopt Resolution No. 2023-33 adopting the 2023 the County Joinder Agreement to the second amended and restated Joint Powers Agreement of the Integrated Waste Management Authority	
8. DISCUSSION OF PULLED CONSENT ITEMS	None
9. FUTURE AGENDA ITEMS	Vice President Ochylski commented that the submitted energy letter was outside the District's purview.
10. CLOSING BOARD COMMENTS	President Cesena commented that everyone be safe and well.
11. ADJOURNMENT	The meeting was adjourned at 7:13 p.m.



January 4, 2024

TO: LOCSD Board of Directors
FROM: Laura Durban, Administrative Services Manager
SUBJECT: **Agenda Item 8C – 01/04/2024 Board Meeting**
 Approve Warrant Register for December 2023

DESCRIPTION

President
 Charles L. Cesena

Vice President
 Marshall E. Ochylski

Directors
 Matthew D. Fourcroy
 Troy C. Gatchell
 Christine M. Womack

General Manager
 Ron Munds

District Accountant
 Robert Stilts, CPA

Unit Chief
 John Owens

Battalion Chief
 Paul Provence

The attached Warrant Register is presented for review and for the Board for their review and approval. The following are some of the larger payments made during the month of December:

<u>Check No</u>	<u>Check Date</u>	<u>Vendor Name</u>	<u>Check Amount</u>	<u>Transaction Description</u>	<u>Fund</u>
32395	12/6/2023	Murphy Austin Adams Schoenfeld, LLP	5,590.00	Legal Services - Cabrillo Basin – Final Payment	800
32396	12/6/2023	OLYMPUS AND ASSOCIATES, INC.	148,428.00	8/29/23-11/30/23 Progress Payment #1 for 16 th St Tank	500
32401	12/6/2023	Water Systems Consulting Inc	11,767.50	Sept/Oct 2023 Program C - Engineering, Documents, Management	500
32402	12/12/2023	CLEATH-HARRIS GEOLOGISTS, INC.	13,818.00	Prj # 2212-2301 Transient Model WRF	500
32419	12/20/2023	FILIPPONI & THOMPSON DRILLING, INC.	151,110.00	Skyline Monitoring Wells –BMC to Reimburse portion	500

SUMMARY STAFF RECOMMENDATION

This item will be approved along with the Consent Calendar unless it is pulled by a Director for separate consideration. If so, Staff recommends that the Board adopt the following motion:

Motion: I recommend that the Board approve the warrant register for the period December 2023.

DISCUSSION

The District's Accounts Payable invoicing is charged to the following fund codes:

Mailing Address:
 P.O. Box 6064
 Los Osos, CA 93412

Offices:
 2122 9th Street, Suite 110
 Los Osos, CA 93402

Phone: 805/528-9370
FAX: 805/528-9377

www.losososcsd.org

- Fund 100 Administrative
- Fund 200 Bayridge Estate
- Fund 301 Fire
- Fund 400 Vista de Oro
- Fund 500 Water
- Fund 600 Wastewater
- Fund 800 Drainage
- Fund 900 Parks and Recreation

Attachment

LOS OSOS COMMUNITY SERVICES DISTRICT
 Check/Voucher Register - Warrant Register for Board Packet
 From 12/1/2023 Through 12/31/2023

Check No	Check Date	Vendor Name	Check Amount	Transaction Description	Fund Code
0163/0170	12/12/2023	CA PUBLIC EMPL RET SYSTEM	4,586.42	12/01-31/23 CalPERS Unfunded Accrued Liability	301
0163/0170	12/12/2023	CA PUBLIC EMPL RET SYSTEM	6,392.42	12/01-31/23 CalPERS Unfunded Accrued Liability	500
14704899	12/28/2023	WELLS FARGO VENDOR FIN SERV	300.30	1/05/24-2/04/24 Copier Service lease	100
14704899	12/28/2023	WELLS FARGO VENDOR FIN SERV	127.64	1/05/24-2/04/24 Copier Service lease	301
1579-9177	12/20/2023	ADVANTAGE ANSWERING PLUS	116.86	After Hours call Service - Dec Calls Nov Overages	500
32388	12/6/2023	BOONE GRAPHICS	2,060.36	11/29/23 Utility Billing Services (Rts 201-205) & Postage	500
32389	12/6/2023	Coverall North America, Inc.	271.00	12/01-31/23 Janitorial Services (Suites 106 & 110)	100
32390	12/6/2023	Ecological Assets Management, LLC	375.00	10/01-11/30/2023 Biological Monitoring Skyline Well	500
32391	12/6/2023	Santa Maria FAMCON Pipe & Supply	268.13	Customer 505; 200ft PE 1x100'IPS	500
32392	12/6/2023	LIFE ASSIST INC	1,224.98	11/28/23 Acct#93402CDF Paramedic Supplies	301
32393	12/6/2023	MACE SECURITY ALARMS, INC.	510.00	Semi-Annual monitoring for Fire Alarm & Fire Alarm Testing	500
32394	12/6/2023	MISSION LINEN SUPPLY	40.61	Cust#213729 Janirotrial Supplies - Towel Rolls/Rags	500
32395	12/6/2023	Murphy Austin Adams Schoenfeld, LLP	5,590.00	Legal Services - Cabrillo Basin	800
32396	12/6/2023	OLYMPUS AND ASSOCIATES, INC.	148,428.00	8/29/23-11/30/23 JOB #0384-0011 Progress Payment #1	500
32397	12/6/2023	SPEED'S OIL TOOL SERVICE, INC	640.00	Disposal of Brine	500
32398	12/6/2023	SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT	440.00	Brine Disposal Services	500
32399	12/6/2023	UNITED RENTALS, INC.	90.09	Cust# 644067 - 1 Case Paint, Blue	500
32400	12/6/2023	LOS OSOS CHEVRON	864.81	11/01-30/23 Acct# 70 Gas & Diesel - Fleet Vehicles	500
32400	12/6/2023	LOS OSOS CHEVRON	216.21	11/01-30/23 Acct# 70 Gas & Diesel - Fleet Vehicles	800
32401	12/6/2023	Water Systems Consulting Inc	11,767.50	Sept/Oct 2023 Program C - Engineering, Documents, Management	500
32402	12/12/2023	CLEATH-HARRIS GEOLOGISTS, INC.	13,818.00	Prj # 2212-2301 Transient Model WRRF	500
32402	12/12/2023	CLEATH-HARRIS GEOLOGISTS, INC.	2,311.70	Prj # 2212-2302 Skyline Monitoring Well	500
32403	12/12/2023	GEORGE C. CONTENTO	3,400.00	1/01-31/24 Office Rent (Suites 106 & 110)	100
32404	12/12/2023	FECHTER & COMPANY CPA	2,000.00	Progress Invoice #3 for Audit Services FY 22/23	100
32405	12/12/2023	FRANCHISE TAX BOARD	17.50	PP 11/27/23-12/10/23 Garnishment	100
32405	12/12/2023	FRANCHISE TAX BOARD	17.50	PP 11/27/23-12/10/23 Garnishment	500
32406	12/12/2023	SLO COUNTY EMPLOYEES ASSOC	11.10	PP 11/27/23-12/10/23 SLOCEA Dues	100
32406	12/12/2023	SLO COUNTY EMPLOYEES ASSOC	204.05	PP 11/27/23-12/10/23 SLOCEA Dues	500
32407	12/12/2023	County of San Luis ACTTC	10,000.00	Debt Service Payment Solid Waste Franchise Fee Agreement	650
32408	12/12/2023	COUNTY OF SAN LUIS OBISPO - EH	707.20	12/06/23 Acct#AR0009718 Cross Connection Services	500
32409	12/12/2023	SLO COUNTY DEPARTMENT OF PUBLIC WORKS	4,912.00	405R979032 - Water Quality Testing	500
32410	12/12/2023	USA BLUE BOOK	29.93	Acct 922782 Hydrant collision repair kit (2)	500
32411	12/20/2023	AT&T	247.15	BAN9391056500 Telephone & Telemetry 11/17/23-12/16/23	100
32411	12/20/2023	AT&T	29.25	BAN9391056138 Telephone & Telemetry 11/17/23-12/16/23	500
32411	12/20/2023	AT&T	29.25	BAN9391056151 Telephone & Telemetry 11/17/23-12/16/23	500
32411	12/20/2023	AT&T	29.25	BAN9391056160 Telephone & Telemetry 11/17/23-12/16/23	500
32411	12/20/2023	AT&T	397.35	BAN9391056166 Telephone & Telemetry 11/17/23-12/16/23	500
32411	12/20/2023	AT&T	29.25	BAN9391056188 Telephone & Telemetry 11/17/23-12/16/23	500
32411	12/20/2023	AT&T	29.25	BAN9391056191 Telephone & Telemetry 11/17/23-12/16/23	500
32411	12/20/2023	AT&T	29.25	BAN9391056275 Telephone & Telemetry 11/1/23-12/16/23	500

LOS OSOS COMMUNITY SERVICES DISTRICT
 Check/Voucher Register - Warrant Register for Board Packet
 From 12/1/2023 Through 12/31/2023

Check No	Check Date	Vendor Name	Check Amount	Transaction Description	Fund Code
32411	12/20/2023	AT&T	188.07	BAN9391059905 Telephone & Telemetry 11/20/23-12/19/23	500
32411	12/20/2023	AT&T	65.40	BAN9391059906 Telephone & Telemetry 11/20/23-12/19/23	500
32411	12/20/2023	AT&T	29.28	BAN9391056182 Telephone & Telemetry 11/17/23-12/16/23	800
32412	12/20/2023	KEVIN MCCALLEY	29.21	Refund Final Bill 12/13/23	500
32413	12/20/2023	MATTHEW IRONS	100.00	Water Conservation Program - Rebate for Rain Catchment	500
32414	12/20/2023	ADAMSKI MOROSKI MADDEN CUMBERLAND & GREEN LLP	600.00	10/31/23 General Legal Services	100
32414	12/20/2023	ADAMSKI MOROSKI MADDEN CUMBERLAND & GREEN LLP	800.00	10/31/23 General Legal Services	301
32415	12/20/2023	TELEFLEX LLC	1,195.25	Cust#1200641 Medical Supplies	301
32416	12/20/2023	AT&T	179.83	11/17/23-12/16/23 Cust#9391056297 Telephone Service	301
32417	12/20/2023	Santa Maria FAMCON Pipe & Supply	38.61	Customer 505; Breakoff bolt & nut 6"	500
32418	12/20/2023	FARM SUPPLY CO	31.28	Cust #26174 - 30" Valve Key (4)	500
32419	12/20/2023	FILIPPONI & THOMPSON DRILLING, INC.	151,110.00	Skyline Monitoring Wells - BMC	500
32420	12/20/2023	ROBERT STILTS, CPA	5,000.00	11/16/23-12/15/23 Bookkeeping Services	100
32421	12/20/2023	TECHXPRESS INC	1,629.00	1/01-31/24 IT Support & Service	100
32422	12/20/2023	USA BLUE BOOK	532.78	Cust #922782 Stenner Roller, Hach Free Chlorine Swiftest	500
32423	12/20/2023	US BANK	1,815.00	WW District #1 U.S. Bank Administration Fees	600
32424	12/20/2023	VERIZON WIRELESS	68.08	11/08/23-12/07/24 Acct 472454582-00001 Cell Phone Service	301
32425	12/20/2023	YEH AND ASSOCIATES, INC.	1,517.50	Storm Damage Response Services Through 10/28/23	800
32425	12/20/2023	YEH AND ASSOCIATES, INC.	2,640.00	Storm Damage Response Services Through 11/25/2023	800
3620009	12/28/2023	THE GAS COMPANY	14.30	11/22/23-12/21/23 Gas Service Suite 110	100
3620079	12/28/2023	THE GAS COMPANY	40.47	11/25/23-12/26/23 Gas Service Water yard	500
3620089	12/28/2023	THE GAS COMPANY	31.24	11/22/23-12/21/23 Gas Service Suite 106	100
3620179	12/28/2023	THE GAS COMPANY	172.94	11/21/23-12/20/23 Gas Service - Fire	301
36299373220421	12/28/2023	PG&E	311.12	11/17/23-12/18/23 Electic & Lighting Services	100
36299373220421	12/28/2023	PG&E	436.03	11/17/23-12/18/23 Electic & Lighting Services	200
36299373220421	12/28/2023	PG&E	10.30	11/17/23-12/18/23 Electic & Lighting Services	301
36299373220421	12/28/2023	PG&E	426.17	11/17/23-12/18/23 Electic & Lighting Services	400
36299373220421	12/28/2023	PG&E	10,665.13	11/17/23-12/18/23 Electic & Lighting Services	500
36299373220421	12/28/2023	PG&E	257.20	11/17/23-12/18/23 Electic & Lighting Services	800
572039006	12/4/2023	OFFICE DEPOT INC	165.05	Office suplies in Nov 2023 - Admin	100
572039007	12/4/2023	OFFICE DEPOT INC	142.45	November 2023 General Office Supplies - Fire	301
66908753	12/28/2023	PITNEY BOWES PURCHASE POWER	150.00	Postage for Postage Meter	100
91000011138098	12/19/2023	THE LINCOLN NATIONAL LIFE INSURANCE COMPANY	241.66	01/01-31/24 Insurance (Life/ADD/LTD/WI)	100
91000011138098	12/19/2023	THE LINCOLN NATIONAL LIFE INSURANCE COMPANY	694.61	01/01-31/24 Insurance (Life/ADD/LTD/WI)	500
9606146745	12/19/2023	VISION SERVICE PLAN	37.87	01/01-31/24 Vision Plan	100
9606146745	12/19/2023	VISION SERVICE PLAN	151.95	01/01-31/24 Vision Plan	500
9ad4021a90	12/28/2023	NBS GOVERNMENT FINANCIAL GROUP	3,098.41	01/01/24-03/31/24 Qtrly Admin Fee (WW Dist #1)	600
a6745fe90c	12/8/2023	Coverall North America, Inc.	271.00	10/01-31/23 Janitorial Services (Suites 106 & 110)	100

LOS OSOS COMMUNITY SERVICES DISTRICT
 Check/Voucher Register - Warrant Register for Board Packet
 From 12/1/2023 Through 12/31/2023

Check No	Check Date	Vendor Name	Check Amount	Transaction Description	Fund Code
ACH-278135924	12/14/2023	HUMANA INSURANCE COMPANY	280.00	1/01-31/24 Insurance (16RFF)	301
ACH082442bbed	12/6/2023	Optimized Investment Partners	10.58	November 2023 - Investment Advisor Services	100
ACH082442bbed	12/6/2023	Optimized Investment Partners	333.81	November 2023 - Investment Advisor Services	301
ACH082442bbed	12/6/2023	Optimized Investment Partners	454.30	November 2023 - Investment Advisor Services	500
ACH082442bbed	12/6/2023	Optimized Investment Partners	19.42	November 2023 - Investment Advisor Services	650
ACH082442bbed	12/6/2023	Optimized Investment Partners	24.98	November 2023 - Investment Advisor Services	800
ACH082442bbed	12/6/2023	Optimized Investment Partners	32.53	November 2023 - Investment Advisor Services	900
ACH120423MC	12/4/2023	McClatchy Company LLC	506.80	Public Notice IS/MND Intent to Adopt	500
ACH120623CC	12/6/2023	Cardmember Services	95.66	CC/Durban - Coastal Copy - Monthly Copies and Overages	100
ACH120623CC	12/6/2023	Cardmember Services	300.00	CC/Durban - Docusign	100
ACH120623CC	12/6/2023	Cardmember Services	19.29	CC/Durban - Ebay - Office Supplies	100
ACH120623CC	12/6/2023	Cardmember Services	648.00	CC/Durban - Performance Audio - Mics for Board Room	100
ACH120623CC	12/6/2023	Cardmember Services	200.00	CC/Durban - Spectrum - Internet Service	100
ACH120623CC	12/6/2023	Cardmember Services	55.99	CC/Durban - Zoom - BOD & Committee Meetings	100
ACH120623CC	12/6/2023	Cardmember Services	76.00	CC/Durban - Airgas - Paramedic Oxygen	301
ACH120623CC	12/6/2023	Cardmember Services	25.00	CC/Durban - Coastal Copy - Monthly Copies and Overages	301
ACH120623CC	12/6/2023	Cardmember Services	117.00	CC/Durban - Kitzman - Soft Water Service Fire	301
ACH120623CC	12/6/2023	Cardmember Services	221.20	CC/Durban - Spectrum - Internet & TV - Fire	301
ACH120623CC	12/6/2023	Cardmember Services	261.55	CC/Durban - WCI Mission Country Disposal - Fire	301
ACH120623CC	12/6/2023	Cardmember Services	27.86	CC/Durban - Amazon- Deposit Stamps	500
ACH120623CC	12/6/2023	Cardmember Services	144.99	CC/Durban - Spectrum - Internet Service	500
ACH120623CC	12/6/2023	Cardmember Services	20.05	CC/Durban - Spectrum - New Standby Phone	500
ACH120623CC	12/6/2023	Cardmember Services	163.40	CC/Durban - Spectrum Mobile - Water Yard phones	500
ACH120623CC	12/6/2023	Cardmember Services	300.69	CC/Durban - WCI Mission Country Disposal - Fire	500
ACH120623CC	12/6/2023	Cardmember Services	158.61	CC/Falkner - AT&T - Southbay Well Telemetry	500
ACH120623CC	12/6/2023	Cardmember Services	1,354.80	CC/Pall - Annual Renewal of Team Viewer for SCADA	500
ACH120623CC	12/6/2023	Cardmember Services	108.93	CC/Durban - Spectrum Mobile - Water Yard phones	800
ACH120623CC	12/6/2023	Cardmember Services	526.64	CC/Falkner - ULINE - Sandbags	800
ACH121223A	12/12/2023	AFLAC	33.12	11/01-30/23 EE Elected Insurance	100
ACH121223A	12/12/2023	AFLAC	321.32	11/01-30/23 EE Elected Insurance	500
ACH122823GSW	12/28/2023	GOLDEN STATE WATER COMPANY	255.67	11/14/23 - 12/13/23 Water Service - Fire	301
ACH184108	12/28/2023	SWCA ENVIRONMENTAL CONSULTANTS	219.50	Prj 00073848-000-SLO Program C Well monitoring	500
ACH66611449	12/13/2023	PITNEY BOWES GLOBAL FINANCIAL SERVICES LLC	168.66	10/11/23-1/10/24 Postage Meter Lease	100
B2333558341802	12/1/2023	ALLIED ADMINISTRATORS - DELTA DENTAL	113.20	1/01-31/24 ID#07917-07535 Dental Plan	100
B2333558341802	12/1/2023	ALLIED ADMINISTRATORS - DELTA DENTAL	669.27	1/01-31/24 ID#07917-07535 Dental Plan	500
CalPERSMed2143_Ja n24	12/28/2023	CA PUBLIC EMPLOYEES' RETIREMENT SYSTEM	1,155.18	1/01-31/24 CalPERS Health Plan	100
CalPERSMed2143_Ja n24	12/28/2023	CA PUBLIC EMPLOYEES' RETIREMENT SYSTEM	5,804.81	1/01-31/24 CalPERS Health Plan	500
IROA18102	12/1/2023	MINER'S ACE HARDWARE	753.06	November 2023 Supplies/Maint/Equip/Tools/Parts	500
IROA18104	12/1/2023	MINER'S ACE HARDWARE	171.59	Novemembr 2023 Supplies/Equip/Tools/Parts/Maint	301

LOS OSOS COMMUNITY SERVICES DISTRICT
 Check/Voucher Register - Warrant Register for Board Packet
 From 12/1/2023 Through 12/31/2023

Check No	Check Date	Vendor Name	Check Amount	Transaction Description	Fund Code
PD12/29/2023 CA	12/28/2023	CALIFORNIA STATE DISBURSEMENT UNIT (SDU)	56.33	Child Support For Payperiod 12/11/23-12/24/23	301
PD120123_457	12/1/2023	CALPERS 457	100.00	11.13.23-11.26.23 SIP457 Contributions	100
PD120123_457	12/1/2023	CALPERS 457	2,336.00	11.13.23-11.26.23 SIP457 Contributions	500
PD120123_EDD	12/1/2023	CA EMPLOYMENT DEVELOPMENT DEPT	526.96	State Payroll Taxes PP 11/13/23-11/26/23	100
PD120123_EDD	12/1/2023	CA EMPLOYMENT DEVELOPMENT DEPT	51.35	State Payroll Taxes PP 11/13/23-11/26/23	301
PD120123_EDD	12/1/2023	CA EMPLOYMENT DEVELOPMENT DEPT	1,170.57	State Payroll Taxes PP 11/13/23-11/26/23	500
PD120123_IRS	12/1/2023	DEPARTMENT OF THE TREASURY	2,088.00	Federal Payroll Taxes PP 11/13/23-11/26/23	100
PD120123_IRS	12/1/2023	DEPARTMENT OF THE TREASURY	196.27	Federal Payroll Taxes PP 11/13/23-11/26/23	301
PD120123_IRS	12/1/2023	DEPARTMENT OF THE TREASURY	3,530.45	Federal Payroll Taxes PP 11/13/23-11/26/23	500
PD120123_PERSRet	12/1/2023	CA PUBLIC EMPL RET SYSTEM	2,029.03	Retirement Earned PP 11.13.23-11.26.23	100
PD120123_PERSRet	12/1/2023	CA PUBLIC EMPL RET SYSTEM	4,845.68	Retirement Earned PP 11.13.23-11.26.23	500
PD121523_457	12/12/2023	CALPERS 457	100.00	11.27.23-12.10.23 SIP457 Contributions	100
PD121523_457	12/12/2023	CALPERS 457	2,354.21	11.27.23-12.10.23 SIP457 Contributions	500
PD121523_EDD	12/12/2023	CA EMPLOYMENT DEVELOPMENT DEPT	538.80	State Payroll Taxes 11/27/23-12/10/23	100
PD121523_EDD	12/12/2023	CA EMPLOYMENT DEVELOPMENT DEPT	168.20	State Payroll Taxes 11/27/23-12/10/23	301
PD121523_EDD	12/12/2023	CA EMPLOYMENT DEVELOPMENT DEPT	1,113.38	State Payroll Taxes 11/27/23-12/10/23	500
PD121523_IRS	12/12/2023	DEPARTMENT OF THE TREASURY	2,112.73	Federal Payroll Taxes - PP 11/27/23-12/10/23	100
PD121523_IRS	12/12/2023	DEPARTMENT OF THE TREASURY	846.58	Federal Payroll Taxes - PP 11/27/23-12/10/23	301
PD121523_IRS	12/12/2023	DEPARTMENT OF THE TREASURY	3,376.59	Federal Payroll Taxes - PP 11/27/23-12/10/23	500
PD121523_PERSRet	12/12/2023	CA PUBLIC EMPL RET SYSTEM	964.08	Retirement Earned 11.27.23-12.10.23	100
PD121523_PERSRet	12/12/2023	CA PUBLIC EMPL RET SYSTEM	80.05	Retirement Earned 11.27.23-12.10.23	301
PD121523_PERSRet	12/12/2023	CA PUBLIC EMPL RET SYSTEM	4,845.68	Retirement Earned 11.27.23-12.10.23	500
PD121523CA	12/12/2023	CALIFORNIA STATE DISBURSEMENT UNIT (SDU)	113.13	Child Support for PP 11/27/23-12/10/23	301
PD122923_457	12/28/2023	CALPERS 457	100.00	12.11.23-12.24.23 SIP457 Contributions	100
PD122923_457	12/28/2023	CALPERS 457	2,354.21	12.11.23-12.24.23 SIP457 Contributions	500
PD122923_EDD	12/28/2023	CA EMPLOYMENT DEVELOPMENT DEPT	506.23	State Payroll Taxes 12-11-23 - 12-24-23	100
PD122923_EDD	12/28/2023	CA EMPLOYMENT DEVELOPMENT DEPT	122.38	State Payroll Taxes 12-11-23 - 12-24-23	301
PD122923_EDD	12/28/2023	CA EMPLOYMENT DEVELOPMENT DEPT	1,113.29	State Payroll Taxes 12-11-23 - 12-24-23	500
PD122923_IRS	12/29/2023	DEPARTMENT OF THE TREASURY	2,011.51	Federal Payroll Taxes 12/11/23-12/24/23	100
PD122923_IRS	12/29/2023	DEPARTMENT OF THE TREASURY	636.53	Federal Payroll Taxes 12/11/23-12/24/23	301
PD122923_IRS	12/29/2023	DEPARTMENT OF THE TREASURY	3,383.26	Federal Payroll Taxes 12/11/23-12/24/23	500
PD122923_PERSRet	12/28/2023	CA PUBLIC EMPL RET SYSTEM	821.05	Retirement Earned 12.11.23-12.24.23	100
PD122923_PERSRet	12/28/2023	CA PUBLIC EMPL RET SYSTEM	40.49	Retirement Earned 12.11.23-12.24.23	301
PD122923_PERSRet	12/28/2023	CA PUBLIC EMPL RET SYSTEM	<u>4,845.68</u>	Retirement Earned 12.11.23-12.24.23	500
Report Total			<u>502,472.63</u>		

11/02 – BOD Meeting
11/14 – PRC Meeting
11/16 – ESAC Meeting

**please include any qualifying Ad Hoc or outside Meetings reported on*

DIRECTOR'S MONTHLY REQUEST FOR COMPENSATION FOR MEETING ATTENDANCE

NAME Matthew Fawcroy DATE 12-1-23
FOR THE MONTH OF November 2023

9. DIRECTOR COMPENSATION *(amended and adopted 02/04/2021)*

- 9.1 Each Director is authorized to receive one hundred dollars (\$100.00) as compensation for each regular, adjourned or special meeting of the Board of Directors, each required training session, each Standing Committee meeting of which said Director is either the Chairperson or Vice Chairperson, each ad Hoc Committee meeting, each non-District meeting assigned by the Board President to a Board member at the beginning of each calendar year or other function/meeting attended by him/her as a representative of the District at the direction of the Board of Directors.
- 9.2 Each Director shall submit his/her compensation request no later than ninety (90) days after attendance at each meeting referenced in above section 9.1, however in no case shall a compensation request be submitted later than July 31 for a meeting attended in the previous fiscal year.
- 9.3 Pursuant to the requirements of Government Code §61047, in order to receive compensation for a non-District meeting assigned by the Board President to a Board member at the beginning of each calendar year or other function/meeting attended by him/her as a representative of the District at the direction of the Board of Directors, a Board member must deliver a written report at the next Board of Directors' meeting following the meeting or event unless said non-District meeting occurs after the Agenda for said Board of Director's Meeting has been posted in which case the written report shall be delivered prior to the following Board of Director's meeting.
- 9.4 The Board President or in his/her absence the Vice President is authorized to receive one hundred dollars (\$100.00) as compensation for each County or State agency meeting attended by him/her, when he/she determines that District representation is necessary to protect and/or advance the interest of the District.
- 9.5 In no event shall Director compensation exceed \$100.00 per day.
- 9.6 Pursuant to Sections 61047 *et seq.* of the Government Code, Director compensation shall not exceed \$600.00 in any one calendar month.

MEETING DATE: 11-14-23 MEETING: Parks + Rec
MEETING DATE: _____ MEETING: _____
MEETING DATE: _____ MEETING: _____
MEETING DATE: _____ MEETING: _____
MEETING DATE: _____ MEETING: _____
MEETING DATE: _____ MEETING: _____

TOTAL # OF MEETINGS: 1 TOTAL COMPENSATION: \$ \$100⁰⁰

SIGNATURE:  DATE: 12-1-23

Office Use Only:
Date Received: _____
Reviewed and Validated By: _____

11/02 – BOD Meeting
11/14 – PRC Meeting
11/16 – ESAC Meeting

**please include any qualifying Ad Hoc or outside Meetings reported on*

DIRECTOR'S MONTHLY REQUEST FOR COMPENSATION FOR MEETING ATTENDANCE

NAME Christine Wornack DATE 11/6/2023
FOR THE MONTH OF November

9. DIRECTOR COMPENSATION (amended and adopted 02/04/2021)

- 9.1 Each Director is authorized to receive one hundred dollars (\$100.00) as compensation for each regular, adjourned or special meeting of the Board of Directors, each required training session, each Standing Committee meeting of which said Director is either the Chairperson or Vice Chairperson, each ad Hoc Committee meeting, each non-District meeting assigned by the Board President to a Board member at the beginning of each calendar year or other function/meeting attended by him/her as a representative of the District at the direction of the Board of Directors.
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- 9.3 Pursuant to the requirements of Government Code §61047, in order to receive compensation for a non-District meeting assigned by the Board President to a Board member at the beginning of each calendar year or other function/meeting attended by him/her as a representative of the District at the direction of the Board of Directors, a Board member must deliver a written report at the next Board of Directors' meeting following the meeting or event unless said non-District meeting occurs after the Agenda for said Board of Director's Meeting has been posted in which case the written report shall be delivered prior to the following Board of Director's meeting.
- 9.4 The Board President or in his/her absence the Vice President is authorized to receive one hundred dollars (\$100.00) as compensation for each County or State agency meeting attended by him/her, when he/she determines that District representation is necessary to protect and/or advance the interest of the District.
- 9.5 In no event shall Director compensation exceed \$100.00 per day.
- 9.6 Pursuant to Sections 61047 *et seq.* of the Government Code, Director compensation shall not exceed \$600.00 in any one calendar month.

MEETING DATE: 11/2/23 MEETING: BOD

MEETING DATE: 11/22/23 MEETING: Ethics

MEETING DATE: _____ MEETING: _____

MEETING DATE: _____ MEETING: _____

MEETING DATE: _____ MEETING: _____

MEETING DATE: _____ MEETING: _____

TOTAL # OF MEETINGS: 2 TOTAL COMPENSATION: \$ 200

SIGNATURE: Christine Wornack DATE: 11/6/2023

Office Use Only	DocuSigned by:
Date Received:	<u>Ron Munds</u>
Reviewed and Validated By:	<u>11/6/2023</u>



On 11/22/2023 I, Christine Womack, completed a two-hour 2023 Sexual Harassment Prevention Training for Supervisors through CSDA. This is the class required bi-annually and it provided up-to-date examples, recent developments in law, and current guidance from the Fair Political Practices Commission.

President

Charles L. Cesena

Vice President

Marshall E. Ochylski

Directors

Matthew D. Fourcroy

Troy C. Gatchell

Christine M. Womack

General Manager

Ron Munds

District Accountant

Robert Stilts, CPA

Unit Chief

John Owens

Battalion Chief

Paul Provence

Mailing Address:

P.O. Box 6064

Los Osos, CA 93412

Offices:

2122 9th Street, Suite 110

Los Osos, CA 93402

Phone: 805/528-9370

FAX: 805/528-9377

www.losososcsd.org



January 4, 2024

TO: Board of Directors

FROM: Adrienne Geidel, District Bookkeeper
Ron Munds, General Manager

SUBJECT: Agenda Item 8D – 01/04/2024 Board Meeting
Receive Financial Report for the Period Ending November 30, 2023

President
Charles L. Cesena

Vice President
Marshall E. Ochylski

Directors
Matthew D. Fourcroy
Troy C. Gatchell
Christine M. Womack

General Manager
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Los Osos, CA 93412

Offices:
2122 9th Street, Suite 110
Los Osos, CA 93402

Phone: 805/528-9370
FAX: 805/528-9377

www.losososcsd.org

STAFF RECOMMENDATION

This item will be approved along with the Consent Calendar unless it is pulled by a Director for separate consideration. If so, Staff recommends that the Board adopt the following motion:

Motion: I recommend that the Board receive and file the financials for the period ending November 30, 2023.

DESCRIPTION

The attached are the Statement of Revenues and Expenditures and Balance Sheets for November 2023. Below are some of the financials of note.

GL	Fund	Description	Explanation
6100	100	Labor & Support-IT Services	Annual Expense for the District Accounting and Payroll Software
7310	100	Bank Service Charges	Mechanics Bank banking fees
7305	100	Auditing Services	Audit charges to date.
7234	301	Oxygen Supplies & Cylinder Rent	Oxygen Supplies; Mid-Year adjustment will be made to account for the increase.
7326	301	Legal Services	Legal to assist with the reimbursement from overcharges by County Fire
8610	301	Electric	True-Up Annual amount. The budgeted amount was based on the previous FY Electric charges
6775	301	R & M -Operation/Field Equipment	Unanticipated expense for Engine replacement in a District owned vehicle. A mid-year adjustment will be made.
7320	500	Professional & Consulting Services	A Warranty Dive for the 16th St South Tank was a little over \$9000. This was not budgeted for, a mid-year adjustment will be made
7239	500	Water Treatment Chemicals	Under budgeted. A mid-year adjustment will be made
8610	500	Electric	Increase in rates, this was under budgeted. A mid-year adjustment will be made

GL	Fund	Description	Explanation
8644	500	Disposal Services	Brine disposal. This will be watched and a mid-year adjustment made if needed.
8670	500	Street Lighting	Increase rates, this was under budgeted. A mid-year adjustment will be made
6640	500	R & M - Equip & Other Non-Structural Fixed Assets	Generator work; this will be watched and if needed a mid-year adjustment will be made
7006	500	Tuneup/Oil/Maintenance	Under budgeted; a mid-year adjustment will be made
6390	800	Equipment	40 Yard Roll Off service at Vista Court - A mid-year adjustment will be made
7242	800	Minor Tools, Accessories & Field Machines	Surveillance Equipment purchased for Cabrillo Basin - A mid-year adjustment will be made.

Attachments

November 2023 Financial Report

LOS OSOS COMMUNITY SERVICES DISTRICT

Statement of Revenues and Expenditures

100 - 100 - Administration

From 11/1/2023 Through 11/30/2023

	Current Period Actual	YTD	Total Budget - Original	Total Budget Variance - Original	Percent Total Budget Remaini... - Original
Revenues					
Other Revenues					
4002	Transfer In	59,594.66	297,973.30	715,136.00	(417,162.70) (58.33)%
	Total Other Revenues	59,594.66	297,973.30	715,136.00	(417,162.70) (58.33)%
Use of Money & Property					
4510	Investment Income on funds	62.04	62.04	0.00	62.04 0.00%
4511	Gain or Loss on Investments	774.79	977.10	0.00	977.10 0.00%
	Total Use of Money & Property	836.83	1,039.14	0.00	1,039.14 0.00%
	Total Revenues	60,431.49	299,012.44	715,136.00	(416,123.56) (58.19)%
Expenditures					
Personnel					
Salaries/Wages					
7322	Director's Compensation	1,000.00	4,100.00	14,500.00	10,400.00 71.72%
8018	Holiday Pay	1,247.20	3,094.68	14,000.00	10,905.32 77.90%
8045	Overtime Pay	0.00	0.00	750.00	750.00 100.00%
8050	Administrative Leave Pay	0.00	2,406.48	5,800.00	3,393.52 58.51%
8051	Floating Holiday Pay	0.00	2,272.33	3,000.00	727.67 24.26%
8054	Salaries & Wages - Regular	11,740.20	110,145.52	287,000.00	176,854.48 61.62%
8060	Sick Leave Pay	0.00	1,669.15	6,250.00	4,580.85 73.29%
8066	Comp Time Used	0.00	0.00	50.00	50.00 100.00%
8081	Vacation Pay	98.34	5,534.19	13,000.00	7,465.81 57.43%
	Total Salaries/Wages	14,085.74	129,222.35	344,350.00	215,127.65 62.47%
Payroll Taxes & Benefits					
5020	Social Security Employer	62.00	254.20	1,116.00	861.80 77.22%
5030	Life Insurance - ER	20.44	194.20	525.00	330.80 63.01%
5031	Disability Insurance	17.35	163.66	500.00	336.34 67.27%
5035	AD & D Insurance	4.62	44.06	125.00	80.94 64.75%
5040	LTD Insurance	78.43	740.04	1,900.00	1,159.96 61.05%
5050	Medicare - ER	212.86	1,962.91	4,900.00	2,937.09 59.94%
5060	Cafeteria Plan - ER	1,115.42	10,585.21	27,150.00	16,564.79 61.01%
5070	Retirement ER - Regular	0.00	210.00	2,500.00	2,290.00 91.60%
5075	Retirees Medical - ER	0.00	0.00	250.00	250.00 100.00%
5102	CA Training Tax- ER	1.00	4.10	37.50	33.40 89.07%
5120	Workers Comp Insurance - ER	0.00	1,498.81	1,400.00	(98.81) (7.06)%
5124	Retirement - ER - Tier 2	997.77	9,373.89	26,200.00	16,826.11 64.22%
	Total Payroll Taxes & Benefits	2,509.89	25,031.08	66,603.50	41,572.42 62.42%
Employment Services					
5100	Unemployment Insurance - ER	36.00	147.60	1,500.00	1,352.40 90.16%
6200	Hiring, Advertising & Other Costs	0.00	0.00	200.00	200.00 100.00%
6230	Medical Exam	0.00	0.00	150.00	150.00 100.00%
	Total Employment Services	36.00	147.60	1,850.00	1,702.40 92.02%
	Total Personnel	16,631.63	154,401.03	412,803.50	258,402.47 62.60%
Services & Supplies					
Clothing & Uniform					
7246	Uniform & Gear	0.00	0.00	200.00	200.00 100.00%
	Total Clothing & Uniform	0.00	0.00	200.00	200.00 100.00%

LOS OSOS COMMUNITY SERVICES DISTRICT

Statement of Revenues and Expenditures

100 - 100 - Administration

From 11/1/2023 Through 11/30/2023

	Current Period Actual	YTD	Total Budget - Original	Total Budget Variance - Original	Percent Total Budget Remaini... - Original	
Contract Services						
6100	Labor & Support-IT Services	0.00	6,449.53	11,000.00	4,550.47	41.37%
6110	IT Purchased Services	1,929.00	12,365.00	26,000.00	13,635.00	52.44%
7100	Copier Contract-Maint & Usage	300.30	1,501.50	3,600.00	2,098.50	58.29%
7255	Security Services	0.00	105.00	900.00	795.00	88.33%
7321	Janitorial Cleaning & Supplies	271.00	1,455.00	3,400.00	1,945.00	57.21%
7342	Public Meeting Recordings	703.99	1,847.95	5,600.00	3,752.05	67.00%
	Total Contract Services	3,204.29	23,723.98	50,500.00	26,776.02	53.02%
Financial Services						
7309	Late Fees	0.00	0.00	200.00	200.00	100.00%
7310	Bank Service Charges	541.70	2,549.39	1,400.00	(1,149.39)	(82.10)%
	Total Financial Services	541.70	2,549.39	1,600.00	(949.39)	(59.34)%
Insurance, Licenses & Regulatory Fees						
6340	Misc Fees	0.00	0.00	200.00	200.00	100.00%
6341	LAFCO Fees	0.00	17,640.03	19,075.00	1,434.97	7.52%
6343	Lien & Notary Fees	0.00	15.00	30.00	15.00	50.00%
7325	Insurance	0.00	41,642.83	41,792.50	149.67	0.36%
	Total Insurance, Licenses & Regulatory Fees	0.00	59,297.86	61,097.50	1,799.64	2.95%
Legal & Professional						
7304	Professional Services - ACCTG	5,000.00	22,500.00	60,000.00	37,500.00	62.50%
7305	Auditing Services	0.00	19,900.00	23,250.00	3,350.00	14.41%
7320	Professional & Consulting Services	10.58	41.05	2,500.00	2,458.95	98.36%
7326	Legal Services	0.00	3,038.83	30,000.00	26,961.17	89.87%
7340	Legal Notifications & Mandated Advertising	0.00	0.00	500.00	500.00	100.00%
	Total Legal & Professional	5,010.58	45,479.88	116,250.00	70,770.12	60.88%
Office/Operations						
6121	IT-Supplies & Miscellaneous	0.00	0.00	1,000.00	1,000.00	100.00%
6130	Computer Hardware	0.00	0.00	1,500.00	1,500.00	100.00%
7140	General Supplies & Minor Equipment	165.05	2,006.98	7,500.00	5,493.02	73.24%
7160	Postage, Shipping & Mail Supplies	0.00	519.94	1,700.00	1,180.06	69.42%
7226	Membership & Dues	0.00	100.00	8,750.00	8,650.00	98.86%
	Total Office/Operations	165.05	2,626.92	20,450.00	17,823.08	87.15%
Other Expense						
7330	Misc Operating Expenses	0.00	0.00	25.00	25.00	100.00%
8735	Misc Department Admin	0.00	0.00	200.00	200.00	100.00%
	Total Other Expense	0.00	0.00	225.00	225.00	100.00%
Rent & Utilities						
6000	Cell Phones	65.00	617.50	1,560.00	942.50	60.42%
6025	Telephone	251.86	1,192.06	3,000.00	1,807.94	60.26%

LOS OSOS COMMUNITY SERVICES DISTRICT

Statement of Revenues and Expenditures

100 - 100 - Administration

From 11/1/2023 Through 11/30/2023

	Current Period Actual	YTD	Total Budget - Original	Total Budget Variance - Original	Percent Total Budget Remaini... - Original	
7350	Rent - Meetings	0.00	0.00	200.00	200.00	100.00%
7352	Rent - Offices & Other Structures	3,400.00	15,400.00	37,200.00	21,800.00	58.60%
8610	Electric	268.58	1,291.07	4,000.00	2,708.93	67.72%
8620	Gas Service	14.79	75.45	1,250.00	1,174.55	93.96%
	Total Rent & Utilities	4,000.23	18,576.08	47,210.00	28,633.92	60.65%
	Repairs & Maintenance					
6405	R & M - Extinguishers	0.00	121.11	100.00	(21.11)	(21.11)%
	Total Repairs & Maintenance	0.00	121.11	100.00	(21.11)	(21.11)%
	Travel & Training					
7323	Books, Publications & Subscriptions	0.00	0.00	100.00	100.00	100.00%
7324	Education & Training Fees	0.00	500.00	500.00	0.00	0.00%
7370	Travel Expense	0.00	367.80	2,500.00	2,132.20	85.29%
8510	Lodging & Meals - Local	0.00	0.00	500.00	500.00	100.00%
8539	Meals	0.00	73.92	600.00	526.08	87.68%
8550	Mileage Reimbursement & Parking	0.00	0.00	500.00	500.00	100.00%
	Total Travel & Training	0.00	941.72	4,700.00	3,758.28	79.96%
	Total Services & Supplies	12,921.85	153,316.94	302,332.50	149,015.56	49.29%
	Total Expenditures	29,553.48	307,717.97	715,136.00	407,418.03	56.97%
	Net Revenues over Expenditures	30,878.01	(8,705.53)	0.00	(8,705.53)	0.00%

LOS OSOS COMMUNITY SERVICES DISTRICT

Statement of Revenues and Expenditures

200 - 200 - Bayridge

From 11/1/2023 Through 11/30/2023

	Current Period Actual	YTD	Total Budget - Original	Total Budget Variance - Original	Percent Total Budget Remaini... - Original
Revenues					
Special Taxes & Assessments					
4550	Lighting & Septic Assessments	1,295.37	1,295.37	10,000.00	(8,704.63) (87.05)%
	Total Special Taxes & Assessments	1,295.37	1,295.37	10,000.00	(8,704.63) (87.05)%
Use of Money & Property					
4510	Investment Income on funds	62.04	62.04	0.00	62.04 0.00%
	Total Use of Money & Property	62.04	62.04	0.00	62.04 0.00%
	Total Revenues	1,357.41	1,357.41	10,000.00	(8,642.59) (86.43)%
Expenditures					
Services & Supplies					
Insurance, Licenses & Regulatory Fees					
6345	Property Taxes & Assessments Costs	182.80	351.55	600.00	248.45 41.41%
	Total Insurance, Licenses & Regulatory Fees	182.80	351.55	600.00	248.45 41.41%
Legal & Professional					
7340	Legal Notifications & Mandated Advertising	0.00	0.00	75.00	75.00 100.00%
	Total Legal & Professional	0.00	0.00	75.00	75.00 100.00%
Rent & Utilities					
8670	Street Lighting	436.01	2,171.99	6,724.16	4,552.17 67.70%
	Total Rent & Utilities	436.01	2,171.99	6,724.16	4,552.17 67.70%
	Total Services & Supplies	618.81	2,523.54	7,399.16	4,875.62 65.89%
Transfers					
9511	Interfund Transfer Out	148.99	744.95	1,787.84	1,042.89 58.33%
	Total Transfers	148.99	744.95	1,787.84	1,042.89 58.33%
	Total Expenditures	767.80	3,268.49	9,187.00	5,918.51 64.42%
	Net Revenues over Expenditures	589.61	(1,911.08)	813.00	(2,724.08) (335.07)%

LOS OSOS COMMUNITY SERVICES DISTRICT

Statement of Revenues and Expenditures

301 - 301 - Fire

From 11/1/2023 Through 11/30/2023

	Current Period Actual	YTD	Total Budget - Original	Total Budget Variance - Original	Percent Total Budget Remaini... - Original
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues					
Property Taxes					
4034	Property Tax Revenue from Water	0.00	0.00	125,105.00	(125,105.00) (100.00)%
4037	Property Tax Zone B Received	79,742.85	108,539.31	790,343.00	(681,803.69) (86.27)%
4038	Property Tax Zone B Pass thru	<u>0.00</u>	<u>0.00</u>	<u>1,821,073.00</u>	<u>(1,821,073.00)</u> (100.00)%
	Total Property Taxes	79,742.85	108,539.31	2,736,521.00	(2,627,981.69) (96.03)%
Special Taxes & Assessments					
4015	CSA 9-I Assessments (Contract)	0.00	0.00	27,508.00	(27,508.00) (100.00)%
4050	Special Fire Tax	<u>0.00</u>	<u>0.00</u>	<u>673,342.00</u>	<u>(673,342.00)</u> (100.00)%
	Total Special Taxes & Assessments	0.00	0.00	700,850.00	(700,850.00) (100.00)%
Other Revenues					
4000	Ambulance Agreement	<u>0.00</u>	<u>0.00</u>	<u>67,134.00</u>	<u>(67,134.00)</u> (100.00)%
	Total Other Revenues	0.00	0.00	67,134.00	(67,134.00) (100.00)%
Use of Money & Property					
4510	Investment Income on funds	825.06	4,870.85	2,000.00	2,870.85 143.54%
4511	Gain or Loss on Investments	<u>23,263.86</u>	<u>29,337.95</u>	<u>0.00</u>	<u>29,337.95</u> 0.00%
	Total Use of Money & Property	<u>24,088.92</u>	<u>34,208.80</u>	<u>2,000.00</u>	<u>32,208.80</u> 1,610.44%
	Total Revenues	<u>103,831.77</u>	<u>142,748.11</u>	<u>3,506,505.00</u>	<u>(3,363,756.89)</u> (95.93)%
Expenditures					
Personnel					
Salaries/Wages					
8295	Resv FF-Overtime/Shift Coverage	697.50	9,647.18	38,000.00	28,352.82 74.61%
8340	Resv FF-Shift Coverage	1,993.42	19,741.40	150,000.00	130,258.60 86.84%
8345	Resv FF-Special Projects	<u>0.00</u>	<u>0.00</u>	<u>2,000.00</u>	<u>2,000.00</u> 100.00%
	Total Salaries/Wages	2,690.92	29,388.58	190,000.00	160,611.42 84.53%
Payroll Taxes & Benefits					
5020	Social Security Employer	166.85	1,646.59	10,000.00	8,353.41 83.53%
5030	Life Insurance - ER	92.00	812.00	2,500.00	1,688.00 67.52%
5035	AD & D Insurance	20.00	180.00	850.00	670.00 78.82%
5050	Medicare - ER	39.01	426.11	2,500.00	2,073.89 82.96%
5070	Retirement ER - Regular	4,586.42	23,282.10	62,000.00	38,717.90 62.45%
5102	CA Training Tax- ER	1.03	11.28	175.00	163.72 93.55%
5120	Workers Comp Insurance - ER	0.00	7,442.49	8,540.00	1,097.51 12.85%
5124	Retirement - ER - Tier 2	<u>0.00</u>	<u>686.23</u>	<u>8,500.00</u>	<u>7,813.77</u> 91.93%
	Total Payroll Taxes & Benefits	4,905.31	34,486.80	95,065.00	60,578.20 63.72%
Employment Services					
5000	Medical Exams & Procedures	0.00	328.00	4,000.00	3,672.00 91.80%
5100	Unemployment Insurance - ER	37.17	406.38	6,000.00	5,593.62 93.23%
6200	Hiring, Advertising & Other Costs	0.00	0.00	100.00	100.00 100.00%
6230	Medical Exam	<u>0.00</u>	<u>3,986.50</u>	<u>4,000.00</u>	<u>13.50</u> 0.34%
	Total Employment Services	<u>37.17</u>	<u>4,720.88</u>	<u>14,100.00</u>	<u>9,379.12</u> 66.52%
	Total Personnel	7,633.40	68,596.26	299,165.00	230,568.74 77.07%
Services & Supplies					

LOS OSOS COMMUNITY SERVICES DISTRICT

Statement of Revenues and Expenditures

301 - 301 - Fire

From 11/1/2023 Through 11/30/2023

	Current Period Actual	YTD	Total Budget - Original	Total Budget Variance - Original	Percent Total Budget Remaini... - Original	
Clothing & Uniform						
7246	Uniform & Gear	0.00	0.00	3,000.00	3,000.00	100.00%
7248	Uniform Safety Boots	0.00	0.00	2,000.00	2,000.00	100.00%
	Total Clothing & Uniform	0.00	0.00	5,000.00	5,000.00	100.00%
Contract Services						
6110	IT Purchased Services	0.00	504.00	1,500.00	996.00	66.40%
7100	Copier Contract-Maint & Usage	127.64	638.20	2,500.00	1,861.80	74.47%
7202	Building Alarms & Security	0.00	210.00	1,100.00	890.00	80.91%
7204	Cleaning Supplies, Laundry & Towel Service	0.00	0.00	3,500.00	3,500.00	100.00%
7222	Hazardous Materials CW JPA Cost	0.00	2,000.00	2,500.00	500.00	20.00%
7500	Schedule A Charges	0.00	0.00	2,521,923.00	2,521,923.00	100.00%
	Total Contract Services	127.64	3,352.20	2,533,023.00	2,529,670.80	99.87%
Equipment & Tools						
6055	Radios -Non Capital	0.00	0.00	2,000.00	2,000.00	100.00%
6440	Fire Personal Protection Equipment	0.00	0.00	25,000.00	25,000.00	100.00%
6460	Self-Contained Breathing Apparatus	0.00	0.00	3,000.00	3,000.00	100.00%
6610	Rescue - Extrication Equipment	0.00	0.00	2,000.00	2,000.00	100.00%
6611	Water Rescue Equipment	0.00	0.00	3,000.00	3,000.00	100.00%
6630	Rope & Climbing Equipment	0.00	0.00	10,000.00	10,000.00	100.00%
7234	Oxygen Supplies & Cylinder Rent	76.00	302.20	350.00	47.80	13.66%
7238	Paramedic & EMT Small Tools & Supplies	3,176.74	7,220.16	40,000.00	32,779.84	81.95%
7242	Minor Tools, Accessories & Field Machines	54.66	2,772.77	6,800.00	4,027.23	59.22%
7252	Misc Hardware	0.00	35.38	1,200.00	1,164.62	97.05%
	Total Equipment & Tools	3,307.40	10,330.51	93,350.00	83,019.49	88.93%
Financial Services						
7309	Late Fees	0.00	0.00	10.00	10.00	100.00%
7310	Bank Service Charges	0.00	0.00	36.00	36.00	100.00%
9154	Losses and Damages	0.00	0.00	50.00	50.00	100.00%
	Total Financial Services	0.00	0.00	96.00	96.00	100.00%
Insurance, Licenses & Regulatory Fees						
6120	Computer Licenses	0.00	0.00	2,000.00	2,000.00	100.00%
6345	Property Taxes & Assessments Costs	7,041.04	7,209.79	7,200.00	(9.79)	(0.14)%
7325	Insurance	0.00	64,488.83	64,120.00	(368.83)	(0.58)%
	Total Insurance, Licenses & Regulatory Fees	7,041.04	71,698.62	73,320.00	1,621.38	2.21%
Legal & Professional						

LOS OSOS COMMUNITY SERVICES DISTRICT

Statement of Revenues and Expenditures

301 - 301 - Fire

From 11/1/2023 Through 11/30/2023

		Current Period Actual	YTD	Total Budget - Original	Total Budget Variance - Original	Percent Total Budget Remaini... - Original
7320	Professional & Consulting Services	333.81	2,213.18	3,000.00	786.82	26.23%
7326	Legal Services	0.00	5,872.32	750.00	(5,122.32)	(682.98)%
7340	Legal Notifications & Mandated Advertising	0.00	0.00	1,500.00	1,500.00	100.00%
	Total Legal & Professional	333.81	8,085.50	5,250.00	(2,835.50)	(54.01)%
	Office/Operations					
7140	General Supplies & Minor Equipment	163.89	1,262.09	5,000.00	3,737.91	74.76%
7160	Postage, Shipping & Mail Supplies	0.00	4.44	2,000.00	1,995.56	99.78%
7216	Fire Prevention Education Materials	0.00	0.00	1,800.00	1,800.00	100.00%
7226	Membership & Dues	0.00	0.00	300.00	300.00	100.00%
7230	Misc Small Parts & Supplies	0.00	64.75	1,000.00	935.25	93.53%
7240	Propane	0.00	0.00	100.00	100.00	100.00%
	Total Office/Operations	163.89	1,331.28	10,200.00	8,868.72	86.95%
	Other Expense					
7201	White Goods & Accessories - bedding, towels	0.00	0.00	500.00	500.00	100.00%
7209	District Operating Center Expense	0.00	0.00	200.00	200.00	100.00%
7218	Cooking Products - Food, Drinks & Staples	56.71	56.71	500.00	443.29	88.66%
7224	Kitchen Cookware & Utensils	0.00	427.50	800.00	372.50	46.56%
7330	Misc Operating Expenses	0.00	0.00	6,000.00	6,000.00	100.00%
	Total Other Expense	56.71	484.21	8,000.00	7,515.79	93.95%
	Rent & Utilities					
6000	Cell Phones	68.08	337.42	840.00	502.58	59.83%
6025	Telephone	186.98	868.12	3,000.00	2,131.88	71.06%
8610	Electric	0.00	2,459.32	1,000.00	(1,459.32)	(145.93)%
8620	Gas Service	80.05	286.86	2,500.00	2,213.14	88.53%
8630	Trash Services	255.40	1,277.00	2,800.00	1,523.00	54.39%
8640	Water and Water Services	400.20	1,790.11	6,000.00	4,209.89	70.16%
8659	Utility Cable Charges	0.00	636.93	2,200.00	1,563.07	71.05%
8670	Street Lighting	10.30	51.26	135.00	83.74	62.03%
	Total Rent & Utilities	1,001.01	7,707.02	18,475.00	10,767.98	58.28%
	Repairs & Maintenance					
6400	R & M - Air Compressors	0.00	0.00	500.00	500.00	100.00%
6405	R & M - Extinguishers	0.00	525.92	500.00	(25.92)	(5.18)%
6640	R & M - Equip & Other Non-Structural Fixed Assets	0.00	189.74	5,000.00	4,810.26	96.21%
6750	R & M - Minor Tools & Equipment	0.00	0.00	1,600.00	1,600.00	100.00%
6775	R & M -Operation/Field Equipment	0.00	23,426.92	1,600.00	(21,826.92)	...64.18)%

LOS OSOS COMMUNITY SERVICES DISTRICT

Statement of Revenues and Expenditures

301 - 301 - Fire

From 11/1/2023 Through 11/30/2023

	Current Period Actual	YTD	Total Budget - Original	Total Budget Variance - Original	Percent Total Budget Remaini... - Original
6800 R & M - Grounds & Collection Systems	0.00	0.00	1,600.00	1,600.00	100.00%
6900 R & M - Buildings & Structures	277.13	5,958.05	28,000.00	22,041.95	78.72%
Total Repairs & Maintenance	<u>277.13</u>	<u>30,100.63</u>	<u>38,800.00</u>	<u>8,699.37</u>	<u>22.42%</u>
Travel & Training					
7141 CERT Training Supplies	0.00	0.00	100.00	100.00	100.00%
7323 Books, Publications & Subscriptions	394.64	394.64	400.00	5.36	1.34%
7324 Education & Training Fees	0.00	0.00	400.00	400.00	100.00%
8405 Reserve FF Training Costs	<u>0.00</u>	<u>0.00</u>	<u>500.00</u>	<u>500.00</u>	<u>100.00%</u>
Total Travel & Training	<u>394.64</u>	<u>394.64</u>	<u>1,400.00</u>	<u>1,005.36</u>	<u>71.81%</u>
Total Services & Supplies	12,703.27	133,484.61	2,786,914.00	2,653,429.39	95.21%
Capital Outlay					
9006 Infrastructure CIP	0.00	5,661.22	82,567.00	76,905.78	93.14%
9085 Vehicle Purchase	<u>0.00</u>	<u>0.00</u>	<u>40,000.00</u>	<u>40,000.00</u>	<u>100.00%</u>
Total Capital Outlay	0.00	5,661.22	122,567.00	116,905.78	95.38%
Reserves					
9504 *Vehicle Replacement Reserve	0.00	0.00	103,318.00	103,318.00	100.00%
9572 *General Contingency (Operations) Reserve	0.00	0.00	90,000.00	90,000.00	100.00%
Total Reserves	<u>0.00</u>	<u>0.00</u>	<u>193,318.00</u>	<u>193,318.00</u>	<u>100.00%</u>
Transfers					
9511 Interfund Transfer Out	<u>6,257.44</u>	<u>31,287.20</u>	<u>75,089.28</u>	<u>43,802.08</u>	<u>58.33%</u>
Total Transfers	<u>6,257.44</u>	<u>31,287.20</u>	<u>75,089.28</u>	<u>43,802.08</u>	<u>58.33%</u>
Total Expenditures	<u>26,594.11</u>	<u>239,029.29</u>	<u>3,477,053.28</u>	<u>3,238,023.99</u>	<u>93.13%</u>
Net Revenues over Expenditures	<u>77,237.66</u>	<u>(96,281.18)</u>	<u>29,451.72</u>	<u>(125,732.90)</u>	<u>(426.91)%</u>

LOS OSOS COMMUNITY SERVICES DISTRICT

Statement of Revenues and Expenditures

400 - 400 - Vista de Oro

From 11/1/2023 Through 11/30/2023

	Current Period Actual	YTD	Total Budget - Original	Total Budget Variance - Original	Percent Total Budget Remaini... - Original	
Revenues						
Special Taxes & Assessments						
4550	Lighting & Septic Assessments	420.90	420.90	6,000.00	(5,579.10)	(92.98)%
	Total Special Taxes & Assessments	420.90	420.90	6,000.00	(5,579.10)	(92.98)%
	Total Revenues	420.90	420.90	6,000.00	(5,579.10)	(92.98)%
Expenditures						
Services & Supplies						
Insurance, Licenses & Regulatory Fees						
6345	Property Taxes & Assessments Costs	0.00	168.75	600.00	431.25	71.88%
	Total Insurance, Licenses & Regulatory Fees	0.00	168.75	600.00	431.25	71.88%
Legal & Professional						
7320	Professional & Consulting Services	0.00	0.00	230.00	230.00	100.00%
7340	Legal Notifications & Mandated Advertising	0.00	0.00	70.00	70.00	100.00%
	Total Legal & Professional	0.00	0.00	300.00	300.00	100.00%
Rent & Utilities						
8670	Street Lighting	426.13	1,365.76	2,460.00	1,094.24	44.48%
	Total Rent & Utilities	426.13	1,365.76	2,460.00	1,094.24	44.48%
	Total Services & Supplies	426.13	1,534.51	3,360.00	1,825.49	54.33%
Transfers						
9511	Interfund Transfer Out	148.98	744.90	1,787.84	1,042.94	58.34%
	Total Transfers	148.98	744.90	1,787.84	1,042.94	58.34%
	Total Expenditures	575.11	2,279.41	5,147.84	2,868.43	55.72%
	Net Revenues over Expenditures	(154.21)	(1,858.51)	852.16	(2,710.67)	(318.09)%

LOS OSOS COMMUNITY SERVICES DISTRICT

Statement of Revenues and Expenditures

500 - 500 - Water

From 11/1/2023 Through 11/30/2023

	Current Period Actual	YTD	Total Budget - Original	Total Budget Variance - Original	Percent Total Budget Remaini... - Original
Revenues					
Property Taxes					
4035	Property Taxes	29,619.99	40,316.71	50,102.00	(9,785.29) (19.53)%
	Total Property Taxes	29,619.99	40,316.71	50,102.00	(9,785.29) (19.53)%
Grant Revenue					
4965	BMC Reimbursements/Grants	1,104.00	18,734.56	0.00	18,734.56 0.00%
	Total Grant Revenue	1,104.00	18,734.56	0.00	18,734.56 0.00%
Service Charges & Fees					
4030	Residential Single Family	158,119.37	979,896.58	2,466,860.00	(1,486,963.42) (60.28)%
4102	Residential- Multi -Family-Water Sales	26,938.48	109,732.72	253,274.00	(143,541.28) (56.67)%
4103	Commercial, Home Care, Retail-Water Sales	19,723.70	205,954.14	348,830.00	(142,875.86) (40.96)%
4104	Irrigation- Water Sales	11,337.40	34,247.51	34,568.00	(320.49) (0.93)%
4114	Water Other Service Revenues	0.00	35.62	1,000.00	(964.38) (96.44)%
4931	Water Activation Fees	400.00	1,900.00	6,000.00	(4,100.00) (68.33)%
4932	Penalties	2,624.67	10,825.82	21,000.00	(10,174.18) (48.45)%
4933	Door Hangers/Lockout Notices	820.00	4,180.00	12,000.00	(7,820.00) (65.17)%
4937	NSF Fees	25.00	175.00	400.00	(225.00) (56.25)%
	Total Service Charges & Fees	219,988.62	1,346,947.39	3,143,932.00	(1,796,984.61) (57.16)%
Other Revenues					
4930	Other Revenue	1,317.30	8,278.85	6,000.00	2,278.85 37.98%
	Total Other Revenues	1,317.30	8,278.85	6,000.00	2,278.85 37.98%
Use of Money & Property					
4504	Interest Income	556.04	2,879.13	6,492.10	(3,612.97) (55.65)%
4510	Investment Income on funds	3,375.13	13,706.70	6,000.00	7,706.70 128.44%
4511	Gain or Loss on Investments	29,422.19	37,104.19	0.00	37,104.19 0.00%
	Total Use of Money & Property	33,353.36	53,690.02	12,492.10	41,197.92 329.79%
	Total Revenues	285,383.27	1,467,967.53	3,212,526.10	(1,744,558.57) (54.30)%
Expenditures					
Personnel					
Salaries/Wages					
8018	Holiday Pay	2,482.80	6,154.68	27,800.00	21,645.32 77.86%
8045	Overtime Pay	0.00	2,497.58	10,000.00	7,502.42 75.02%
8050	Administrative Leave Pay	0.00	1,895.76	2,200.00	304.24 13.83%
8051	Floating Holiday Pay	0.00	794.08	6,500.00	5,705.92 87.78%
8054	Salaries & Wages - Regular	21,725.66	193,347.60	550,450.00	357,102.40 64.87%
8056	Retroactive Pay	0.00	0.00	1,000.00	1,000.00 100.00%
8060	Sick Leave Pay	466.04	9,622.27	14,000.00	4,377.73 31.27%
8063	Standby Pay	1,032.75	9,756.94	32,950.00	23,193.06 70.39%
8066	Comp Time Used	153.51	6,923.51	18,000.00	11,076.49 61.54%
8081	Vacation Pay	0.00	13,767.87	22,000.00	8,232.13 37.42%
	Total Salaries/Wages	25,860.76	244,760.29	684,900.00	440,139.71 64.26%
Payroll Taxes & Benefits					
5030	Life Insurance - ER	75.69	719.03	2,000.00	1,280.97 64.05%
5031	Disability Insurance	44.90	432.68	1,100.00	667.32 60.67%
5035	AD & D Insurance	17.12	162.77	450.00	287.23 63.83%

LOS OSOS COMMUNITY SERVICES DISTRICT

Statement of Revenues and Expenditures

500 - 500 - Water

From 11/1/2023 Through 11/30/2023

	Current Period Actual	YTD	Total Budget - Original	Total Budget Variance - Original	Percent Total Budget Remaini... - Original	
5040	LTD Insurance	208.35	1,958.37	5,000.00	3,041.63	60.83%
5050	Medicare - ER	381.91	3,631.48	9,600.00	5,968.52	62.17%
5060	Cafeteria Plan - ER	3,342.21	31,696.46	75,000.00	43,303.54	57.74%
5070	Retirement ER - Regular	8,762.68	54,410.32	140,000.00	85,589.68	61.14%
5075	Retirees Medical - ER	152.34	914.09	2,000.00	1,085.91	54.30%
5102	CA Training Tax- ER	0.00	0.00	50.00	50.00	100.00%
5120	Workers Comp Insurance - ER	0.00	19,946.37	19,320.00	(626.37)	(3.24)%
5124	Retirement - ER - Tier 2	556.22	5,542.60	14,400.00	8,857.40	61.51%
	Total Payroll Taxes & Benefits	13,541.42	119,414.17	268,920.00	149,505.83	55.59%
	Employment Services					
5100	Unemployment Insurance - ER	0.00	0.00	2,000.00	2,000.00	100.00%
6230	Medical Exam	0.00	0.00	160.00	160.00	100.00%
	Total Employment Services	0.00	0.00	2,160.00	2,160.00	100.00%
	Total Personnel	39,402.18	364,174.46	955,980.00	591,805.54	61.91%
	Services & Supplies					
	Clothing & Uniform					
7246	Uniform & Gear	0.00	0.00	2,600.00	2,600.00	100.00%
7248	Uniform Safety Boots	0.00	175.00	1,000.00	825.00	82.50%
	Total Clothing & Uniform	0.00	175.00	3,600.00	3,425.00	95.14%
	Contract Services					
6100	Labor & Support-IT Services	0.00	1,265.01	3,250.00	1,984.99	61.08%
6110	IT Purchased Services	119.99	699.95	2,000.00	1,300.05	65.00%
7250	Water Quality Testing	4,912.00	24,099.00	70,000.00	45,901.00	65.57%
7255	Security Services	0.00	735.00	5,500.00	4,765.00	86.64%
7321	Janitorial Cleaning & Supplies	121.83	446.71	850.00	403.29	47.45%
	Total Contract Services	5,153.82	27,245.67	81,600.00	54,354.33	66.61%
	Equipment & Tools					
6438	Disinfection Feed Pumps	0.00	525.06	2,700.00	2,174.94	80.55%
7242	Minor Tools, Accessories & Field Machines	773.43	1,066.10	3,500.00	2,433.90	69.54%
7253	Rent - Equipment	0.00	0.00	500.00	500.00	100.00%
7256	Meter Purchases & Replacements	1,614.67	1,614.67	3,000.00	1,385.33	46.18%
	Total Equipment & Tools	2,388.10	3,205.83	9,700.00	6,494.17	66.95%
	Financial Services					
7309	Late Fees	0.00	0.00	50.00	50.00	100.00%
7310	Bank Service Charges	0.00	12.00	300.00	288.00	96.00%
	Total Financial Services	0.00	12.00	350.00	338.00	96.57%
	Insurance, Licenses & Regulatory Fees					
6120	Computer Licenses	0.00	3,125.00	8,000.00	4,875.00	60.94%
6340	Misc Fees	500.00	500.00	900.00	400.00	44.44%
6342	Fees - Regulatory	0.00	2,168.00	25,000.00	22,832.00	91.33%
6345	Property Taxes & Assessments Costs	2,561.30	2,561.30	3,000.00	438.70	14.62%
7325	Insurance	0.00	87,735.00	88,165.00	430.00	0.49%

LOS OSOS COMMUNITY SERVICES DISTRICT

Statement of Revenues and Expenditures

500 - 500 - Water

From 11/1/2023 Through 11/30/2023

	Current Period Actual	YTD	Total Budget - Original	Total Budget Variance - Original	Percent Total Budget Remaini... - Original
Total Insurance, Licenses & Regulatory Fees	3,061.30	96,089.30	125,065.00	28,975.70	23.17%
Legal & Professional					
7318 Professional & Consulting BMC	16,636.50	68,867.43	120,000.00	51,132.57	42.61%
7320 Professional & Consulting Services	620.15	8,143.56	25,000.00	16,856.44	67.43%
7326 Legal Services	0.00	425.00	3,000.00	2,575.00	85.83%
7340 Legal Notifications & Mandated Advertising	0.00	332.51	1,000.00	667.49	66.75%
Total Legal & Professional	17,256.65	77,768.50	149,000.00	71,231.50	47.81%
Office/Operations					
6130 Computer Hardware	0.00	0.00	3,500.00	3,500.00	100.00%
6140 Computer Software	0.00	2,000.00	2,000.00	0.00	0.00%
7140 General Supplies & Minor Equipment	32.15	324.90	1,000.00	675.10	67.51%
7160 Postage, Shipping & Mail Supplies	564.04	3,224.18	9,000.00	5,775.82	64.18%
7180 Billing Supplies, Forms & Printing	1,496.32	7,768.37	18,750.00	10,981.63	58.57%
7226 Membership & Dues	0.00	1,200.65	3,000.00	1,799.35	59.98%
7230 Misc Small Parts & Supplies	20.36	440.47	5,000.00	4,559.53	91.19%
7237 Process Control & Treatment Supplies	576.24	3,703.61	10,000.00	6,296.39	62.96%
7239 Water Treatment Chemicals	1,503.05	10,401.53	13,000.00	2,598.47	19.99%
7249 Safety Supplies	613.24	892.69	500.00	(392.69)	(78.54)%
Total Office/Operations	4,805.40	29,956.40	65,750.00	35,793.60	54.44%
Other Expense					
7330 Misc Operating Expenses	0.00	0.00	250.00	250.00	100.00%
7348 Water Conservation Program	200.00	695.00	5,000.00	4,305.00	86.10%
Total Other Expense	200.00	695.00	5,250.00	4,555.00	86.76%
Rent & Utilities					
6000 Cell Phones	40.05	863.65	3,500.00	2,636.35	75.32%
6025 Telephone	997.62	5,010.87	13,000.00	7,989.13	61.45%
8610 Electric	10,291.56	61,510.90	115,000.00	53,489.10	46.51%
8620 Gas Service	0.00	0.00	250.00	250.00	100.00%
8630 Trash Services	293.78	1,468.90	3,150.00	1,681.10	53.37%
8644 Disposal Services	1,080.00	3,416.00	5,000.00	1,584.00	31.68%
8670 Street Lighting	54.28	266.96	432.00	165.04	38.20%
Total Rent & Utilities	12,757.29	72,537.28	140,332.00	67,794.72	48.31%
Repairs & Maintenance					
6405 R & M - Extinguishers	0.00	508.67	450.00	(58.67)	(13.04)%
6422 R & M - Hydrants	0.00	642.08	1,300.00	657.92	50.61%
6640 R & M - Equip & Other Non-Structural Fixed Assets	0.00	1,766.28	4,000.00	2,233.72	55.84%
6641 R & M - Wells	0.00	414.28	5,000.00	4,585.72	91.71%

LOS OSOS COMMUNITY SERVICES DISTRICT

Statement of Revenues and Expenditures

500 - 500 - Water

From 11/1/2023 Through 11/30/2023

		Current Period Actual	YTD	Total Budget - Original	Total Budget Variance - Original	Percent Total Budget Remaini... - Original
6750	R & M - Minor Tools & Equipment	32.15	142.33	1,200.00	1,057.67	88.14%
6800	R & M - Grounds & Collection Systems	56.28	110.11	600.00	489.89	81.65%
6830	Paving & Concrete	0.00	208.34	4,000.00	3,791.66	94.79%
6900	R & M - Buildings & Structures	0.00	2,442.69	10,000.00	7,557.31	75.57%
7241	R & M - Water Distribution System	280.98	2,493.90	5,000.00	2,506.10	50.12%
	Total Repairs & Maintenance	369.41	8,728.68	31,550.00	22,821.32	72.33%
	Travel & Training					
7323	Books, Publications & Subscriptions	0.00	0.00	250.00	250.00	100.00%
7324	Education & Training Fees	0.00	1,799.00	1,000.00	(799.00)	(79.90)%
8410	Certifications	0.00	180.00	500.00	320.00	64.00%
8510	Lodging & Meals - Local	50.00	75.00	1,400.00	1,325.00	94.64%
8550	Mileage Reimbursement & Parking	341.39	534.22	370.00	(164.22)	(44.38)%
	Total Travel & Training	391.39	2,588.22	3,520.00	931.78	26.47%
	Vehicle Maintenance & Repairs					
7006	Tuneup/Oil/Maintenance	0.00	787.08	800.00	12.92	1.61%
7211	Misc Fuel & Diesel	272.47	1,287.40	4,500.00	3,212.60	71.39%
7220	Gasoline	592.34	3,344.27	9,000.00	5,655.73	62.84%
7228	Markings & Other Misc Services	0.00	0.00	200.00	200.00	100.00%
7232	Vehicle Repairs - Parts, Tires & Lubricants	0.00	1,768.17	6,500.00	4,731.83	72.80%
	Total Vehicle Maintenance & Repairs	864.81	7,186.92	21,000.00	13,813.08	65.78%
	Total Services & Supplies	47,248.17	326,188.80	636,717.00	310,528.20	48.77%
	Capital Outlay					
9006	Infrastructure CIP	148,803.00	257,976.66	1,922,000.00	1,664,023.34	86.58%
	Total Capital Outlay	148,803.00	257,976.66	1,922,000.00	1,664,023.34	86.58%
	Debt Service					
9022	Debt Service - Principal	0.00	192,409.45	192,409.45	0.00	0.00%
9023	Debt Service - Interest & Annual Fee	0.00	33,179.92	63,954.75	30,774.83	48.12%
9024	Loan Administration Fee	0.00	7,963.18	8,526.33	563.15	6.60%
	Total Debt Service	0.00	233,552.55	264,890.53	31,337.98	11.83%
	Reserves					
9572	*General Contingency (Operations) Reserve	0.00	0.00	57,000.00	57,000.00	100.00%
	Total Reserves	0.00	0.00	57,000.00	57,000.00	100.00%
	Transfers					
9511	Interfund Transfer Out	45,291.95	226,459.75	543,503.36	317,043.61	58.33%
	Total Transfers	45,291.95	226,459.75	543,503.36	317,043.61	58.33%
	Total Expenditures	280,745.30	1,408,352.22	4,380,090.89	2,971,738.67	67.85%

LOS OSOS COMMUNITY SERVICES DISTRICT

Statement of Revenues and Expenditures

500 - 500 - Water

From 11/1/2023 Through 11/30/2023

	Current Period Actual	YTD	Total Budget - Original	Total Budget Variance - Original	Percent Total Budget Remaini... - Original
Net Revenues over Expenditures	<u>4,637.97</u>	<u>59,615.31</u>	<u>(1,167,564.79)</u>	<u>1,227,180.10</u>	<u>(105.11)%</u>

LOS OSOS COMMUNITY SERVICES DISTRICT

Statement of Revenues and Expenditures

600 - 600 - Wastewater

From 11/1/2023 Through 11/30/2023

	Current Period Actual	YTD	Total Budget - Original	Total Budget Variance - Original	Percent Total Budget Remaini... - Original	
Revenues						
Service Charges & Fees						
4062	Wastewater Admin Charge	26.12	26.12	21,082.85	(21,056.73)	(99.88)%
	Total Service Charges & Fees	26.12	26.12	21,082.85	(21,056.73)	(99.88)%
	Total Revenues	26.12	26.12	21,082.85	(21,056.73)	(99.88)%
Expenditures						
Services & Supplies						
Financial Services						
7310	Bank Service Charges	0.00	1,815.00	1,815.00	0.00	0.00%
	Total Financial Services	0.00	1,815.00	1,815.00	0.00	0.00%
Insurance, Licenses & Regulatory Fees						
6343	Lien & Notary Fees	0.00	0.00	35.00	35.00	100.00%
6345	Property Taxes & Assessments Costs	244.08	244.08	270.00	25.92	9.60%
	Total Insurance, Licenses & Regulatory Fees	244.08	244.08	305.00	60.92	19.97%
Legal & Professional						
7320	Professional & Consulting Services	0.00	6,032.76	15,692.17	9,659.41	61.56%
	Total Legal & Professional	0.00	6,032.76	15,692.17	9,659.41	61.56%
	Total Services & Supplies	244.08	8,091.84	17,812.17	9,720.33	54.57%
Transfers						
9511	Interfund Transfer Out	297.97	1,489.85	3,575.68	2,085.83	58.33%
	Total Transfers	297.97	1,489.85	3,575.68	2,085.83	58.33%
	Total Expenditures	542.05	9,581.69	21,387.85	11,806.16	55.20%
	Net Revenues over Expenditures	(515.93)	(9,555.57)	(305.00)	(9,250.57)	3,032.97%

LOS OSOS COMMUNITY SERVICES DISTRICT

Statement of Revenues and Expenditures

602 - Wastewater Fiduciary Fund

From 11/1/2023 Through 11/30/2023

	Current Period Actual	YTD	Total Budget - Original	Total Budget Variance - Original	Percent Total Budget Remaini... - Original	
Revenues						
Special Taxes & Assessments						
4061	Debt Service	131,559.31	(699,753.19)	0.00	(699,753.19)	0.00%
	Assessments-2002 WW Bond					
	Total Special Taxes & Assessments	131,559.31	(699,753.19)	0.00	(699,753.19)	0.00%
Use of Money & Property						
4510	Investment Income on funds	9,924.40	29,771.15	0.00	29,771.15	0.00%
	Total Use of Money & Property	9,924.40	29,771.15	0.00	29,771.15	0.00%
	Total Revenues	141,483.71	(669,982.04)	0.00	(669,982.04)	0.00%
	Net Revenues over Expenditures	141,483.71	(669,982.04)	0.00	(669,982.04)	0.00%

LOS OSOS COMMUNITY SERVICES DISTRICT

Statement of Revenues and Expenditures

650 - 650 - Solid Waste

From 11/1/2023 Through 11/30/2023

	Current Period Actual	YTD	Total Budget - Original	Total Budget Variance - Original	Percent Total Budget Remaini... - Original
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues					
Other Revenues					
4800	Franchise Revenues	0.00	151,093.23	350,000.00	(198,906.77) (56.83)%
	Total Other Revenues	0.00	151,093.23	350,000.00	(198,906.77) (56.83)%
Use of Money & Property					
4510	Investment Income on funds	806.03	2,030.76	0.00	2,030.76 0.00%
	Total Use of Money & Property	806.03	2,030.76	0.00	2,030.76 0.00%
	Total Revenues	806.03	153,123.99	350,000.00	(196,876.01) (56.25)%
Expenditures					
Services & Supplies					
Legal & Professional					
7320	Professional & Consulting Services	19.42	42.55	4,000.00	3,957.45 98.94%
7326	Legal Services	0.00	0.00	2,000.00	2,000.00 100.00%
7340	Legal Notifications & Mandated Advertising	0.00	0.00	2,000.00	2,000.00 100.00%
	Total Legal & Professional	19.42	42.55	8,000.00	7,957.45 99.47%
Office/Operations					
7140	General Supplies & Minor Equipment	0.00	0.00	500.00	500.00 100.00%
7160	Postage, Shipping & Mail Supplies	0.00	277.25	2,500.00	2,222.75 88.91%
7230	Misc Small Parts & Supplies	0.00	0.00	500.00	500.00 100.00%
	Total Office/Operations	0.00	277.25	3,500.00	3,222.75 92.08%
Other Expense					
7330	Misc Operating Expenses	0.00	0.00	500.00	500.00 100.00%
7345	Outreach- Program Give-away Items	0.00	0.00	2,500.00	2,500.00 100.00%
7346	Promotional Expenses - Event	0.00	0.00	1,000.00	1,000.00 100.00%
	Total Other Expense	0.00	0.00	4,000.00	4,000.00 100.00%
Travel & Training					
7324	Education & Training Fees	0.00	0.00	1,000.00	1,000.00 100.00%
8475	Training Materials	0.00	0.00	250.00	250.00 100.00%
8550	Mileage Reimbursement & Parking	0.00	0.00	250.00	250.00 100.00%
	Total Travel & Training	0.00	0.00	1,500.00	1,500.00 100.00%
	Total Services & Supplies	19.42	319.80	17,000.00	16,680.20 98.12%
Debt Service					
8952	Amortization of franchise asset	10,000.00	50,000.00	120,000.00	70,000.00 58.33%
	Total Debt Service	10,000.00	50,000.00	120,000.00	70,000.00 58.33%
Transfers					
9511	Interfund Transfer Out	5,959.47	29,797.35	71,513.60	41,716.25 58.33%
	Total Transfers	5,959.47	29,797.35	71,513.60	41,716.25 58.33%
	Total Expenditures	15,978.89	80,117.15	208,513.60	128,396.45 61.58%
	Net Revenues over Expenditures	(15,172.86)	73,006.84	141,486.40	(68,479.56) (48.40)%

LOS OSOS COMMUNITY SERVICES DISTRICT

Statement of Revenues and Expenditures

800 - 800 - Drainage

From 11/1/2023 Through 11/30/2023

	Current Period Actual	YTD	Total Budget - Original	Total Budget Variance - Original	Percent Total Budget Remaini... - Original
Revenues					
Property Taxes					
4034	Property Tax Revenue from Water	0.00	0.00	109,804.39	(109,804.39) (100.00)%
4035	Property Taxes	4,204.91	5,721.60	41,679.00	(35,957.40) (86.27)%
	Total Property Taxes	4,204.91	5,721.60	151,483.39	(145,761.79) (96.22)%
Special Taxes & Assessments					
4400	Drainage Assessments	14,265.00	14,265.00	95,248.00	(80,983.00) (85.02)%
	Total Special Taxes & Assessments	14,265.00	14,265.00	95,248.00	(80,983.00) (85.02)%
Other Revenues					
4935	Sale-Specs/Plans & Non_Capital Items	49.50	71.50	0.00	71.50 0.00%
	Total Other Revenues	49.50	71.50	0.00	71.50 0.00%
Use of Money & Property					
4510	Investment Income on funds	1,011.28	7,226.36	600.00	6,626.36 1,104.39%
	Total Use of Money & Property	1,011.28	7,226.36	600.00	6,626.36 1,104.39%
	Total Revenues	19,530.69	27,284.46	247,331.39	(220,046.93) (88.97)%
Expenditures					
Personnel					
Salaries/Wages					
8045	Overtime Pay	0.00	0.00	200.00	200.00 100.00%
8054	Salaries & Wages - Regular	0.00	849.12	12,000.00	11,150.88 92.92%
	Total Salaries/Wages	0.00	849.12	12,200.00	11,350.88 93.04%
	Total Personnel	0.00	849.12	12,200.00	11,350.88 93.04%
Services & Supplies					
Equipment & Tools					
6390	Equipment	0.00	4,656.95	300.00	(4,356.95) ...52.32)%
7242	Minor Tools, Accessories & Field Machines	0.00	1,641.32	300.00	(1,341.32) (447.11)%
	Total Equipment & Tools	0.00	6,298.27	600.00	(5,698.27) (949.71)%
Insurance, Licenses & Regulatory Fees					
6342	Fees - Regulatory	0.00	7,067.00	7,200.00	133.00 1.85%
6345	Property Taxes & Assessments Costs	219.36	388.11	600.00	211.89 35.31%
7325	Insurance	0.00	852.32	900.00	47.68 5.30%
	Total Insurance, Licenses & Regulatory Fees	219.36	8,307.43	8,700.00	392.57 4.51%
Legal & Professional					
7320	Professional & Consulting Services	24.98	101.65	3,000.00	2,898.35 96.61%
7326	Legal Services	0.00	5,915.00	5,000.00	(915.00) (18.30)%
	Total Legal & Professional	24.98	6,016.65	8,000.00	1,983.35 24.79%
Office/Operations					
7230	Misc Small Parts & Supplies	0.00	0.00	550.00	550.00 100.00%
7249	Safety Supplies	526.64	526.64	100.00	(426.64) (426.64)%
	Total Office/Operations	526.64	526.64	650.00	123.36 18.98%

LOS OSOS COMMUNITY SERVICES DISTRICT

Statement of Revenues and Expenditures

800 - 800 - Drainage

From 11/1/2023 Through 11/30/2023

	Current Period Actual	YTD	Total Budget - Original	Total Budget Variance - Original	Percent Total Budget Remaini... - Original	
Other Expense						
7346	Promotional Expenses - Event	0.00	0.00	300.00	300.00	100.00%
	Total Other Expense	0.00	0.00	300.00	300.00	100.00%
Rent & Utilities						
6000	Cell Phones	0.00	435.72	1,100.00	664.28	60.39%
6025	Telephone	30.32	141.08	250.00	108.92	43.57%
8610	Electric	110.34	454.73	1,500.00	1,045.27	69.68%
8670	Street Lighting	100.05	493.87	1,100.00	606.13	55.10%
	Total Rent & Utilities	240.71	1,525.40	3,950.00	2,424.60	61.38%
Repairs & Maintenance						
6405	R & M - Extinguishers	0.00	48.45	50.00	1.55	3.10%
6640	R & M - Equip & Other Non-Structural Fixed Assets	0.00	479.97	1,100.00	620.03	56.37%
6750	R & M - Minor Tools & Equipment	0.00	0.00	400.00	400.00	100.00%
6800	R & M - Grounds & Collection Systems	0.00	138.32	5,500.00	5,361.68	97.49%
6900	R & M - Buildings & Structures	0.00	0.00	1,000.00	1,000.00	100.00%
	Total Repairs & Maintenance	0.00	666.74	8,050.00	7,383.26	91.72%
Vehicle Maintenance & Repairs						
7211	Misc Fuel & Diesel	68.12	321.84	1,200.00	878.16	73.18%
7220	Gasoline	148.09	836.08	2,500.00	1,663.92	66.56%
	Total Vehicle Maintenance & Repairs	216.21	1,157.92	3,700.00	2,542.08	68.70%
	Total Services & Supplies	1,227.90	24,499.05	33,950.00	9,450.95	27.84%
Capital Outlay						
9006	Infrastructure CIP	2,640.00	10,666.74	18,000.00	7,333.26	40.74%
	Total Capital Outlay	2,640.00	10,666.74	18,000.00	7,333.26	40.74%
Debt Service						
2491	Internal Loan Due Water-500	4,768.17	23,741.92	57,398.40	33,656.48	58.64%
9023	Debt Service - Interest & Annual Fee	556.04	2,879.13	6,492.10	3,612.97	55.65%
	Total Debt Service	5,324.21	26,621.05	63,890.50	37,269.45	58.33%
Transfers						
9511	Interfund Transfer Out	1,191.89	5,959.45	14,302.72	8,343.27	58.33%
	Total Transfers	1,191.89	5,959.45	14,302.72	8,343.27	58.33%
	Total Expenditures	10,384.00	68,595.41	142,343.22	73,747.81	51.81%
	Net Revenues over Expenditures	9,146.69	(41,310.95)	104,988.17	(146,299.12)	(139.35)%

LOS OSOS COMMUNITY SERVICES DISTRICT

Statement of Revenues and Expenditures

900 - 900 - Parks & Recreation

From 11/1/2023 Through 11/30/2023

	Current Period Actual	YTD	Total Budget - Original	Total Budget Variance - Original	Percent Total Budget Remaini... - Original	
Revenues						
Property Taxes						
4034	Property Tax Revenue from Water	0.00	0.00	15,000.00	(15,000.00)	(100.00)%
	Total Property Taxes	0.00	0.00	15,000.00	(15,000.00)	(100.00)%
Use of Money & Property						
4510	Investment Income on funds	890.45	6,010.94	700.00	5,310.94	758.71%
4511	Gain or Loss on Investments	774.79	977.09	0.00	977.09	0.00%
	Total Use of Money & Property	1,665.24	6,988.03	700.00	6,288.03	898.29%
	Total Revenues	1,665.24	6,988.03	15,700.00	(8,711.97)	(55.49)%
Expenditures						
Services & Supplies						
Legal & Professional						
7320	Professional & Consulting Services	32.53	126.32	1,000.00	873.68	87.37%
7326	Legal Services	0.00	0.00	500.00	500.00	100.00%
	Total Legal & Professional	32.53	126.32	1,500.00	1,373.68	91.58%
Office/Operations						
7140	General Supplies & Minor Equipment	0.00	0.00	100.00	100.00	100.00%
	Total Office/Operations	0.00	0.00	100.00	100.00	100.00%
	Total Services & Supplies	32.53	126.32	1,600.00	1,473.68	92.11%
Capital Outlay						
9006	Infrastructure CIP	0.00	0.00	42,000.00	42,000.00	100.00%
	Total Capital Outlay	0.00	0.00	42,000.00	42,000.00	100.00%
Transfers						
9511	Interfund Transfer Out	297.97	1,489.85	3,575.68	2,085.83	58.33%
	Total Transfers	297.97	1,489.85	3,575.68	2,085.83	58.33%
	Total Expenditures	330.50	1,616.17	47,175.68	45,559.51	96.57%
	Net Revenues over Expenditures	1,334.74	5,371.86	(31,475.68)	36,847.54	(117.07)%

CASH FLOW SUMMARY

	November 2023	October 2023	September 2023	August 2023	July 2023	June 2023
Fund	Cash Summary	Cash Summary	Cash Summary	Cash Summary	Cash Summary	Cash Summary
100	\$ 155,788.05	\$ 148,767.58	\$ 157,918.91	\$ 147,216.33	\$ 135,449.41	\$ 143,080.72
200	\$ 34,172.47	\$ 33,400.06	\$ 34,242.87	\$ 34,920.71	\$ 35,503.40	\$ 36,300.20
301	\$ 3,286,391.75	\$ 3,217,634.36	\$ 3,227,601.74	\$ 3,222,349.27	\$ 3,257,785.68	\$ 3,292,317.74
400	\$ (534.82)	\$ (380.61)	\$ 269.52	\$ 684.11	\$ 1,004.40	\$ 1,526.18
500	\$ 4,913,771.42	\$ 4,725,116.27	\$ 4,644,844.19	\$ 4,540,190.21	\$ 4,347,963.21	\$ 4,571,959.89
600	\$ 25,977.56	\$ 26,249.41	\$ 29,889.87	\$ 33,122.19	\$ 33,420.16	\$ 33,779.81
602	\$ 1,287,675.33	\$ 1,146,191.62	\$ 1,142,267.32	\$ 1,971,836.44	\$ 1,951,010.69	\$ 1,942,993.88
650	\$ 187,696.21	\$ 191,068.80	\$ 143,073.10	\$ 145,198.56	\$ 85,429.87	\$ 101,322.14
800	\$ 234,245.88	\$ 237,120.19	\$ 247,381.96	\$ 255,898.21	\$ 272,972.70	\$ 265,874.54
900	\$ 320,835.14	\$ 319,500.08	\$ 318,432.61	\$ 317,833.08	\$ 317,002.46	\$ 315,430.75
Total	\$ 10,446,018.99	\$ 10,044,667.76	\$ 9,945,922.09	\$ 10,669,249.11	\$ 10,437,541.98	\$ 10,704,585.85

	% Change from Prior Month
Fund	%
100	4.72%
200	2.31%
301	2.14%
400	40.52%
500	3.99%
600	-1.04%
602	12.34%
650	-1.77%
800	-1.21%
900	0.42%

Average Cash Flow Summary 2023/2024		Average Cash Flow Summary 2022/2023	
100	\$ 149,028.06	100	\$ 143,565.55
200	\$ 34,447.90	200	\$ 34,307.87
301	\$ 3,242,352.56	301	\$ 2,890,389.94
400	\$ 208.52	400	\$ 120.33
500	\$ 4,634,377.06	500	\$ 4,103,807.39
600	\$ 29,731.84	600	\$ 32,863.82
602	\$ 1,499,796.28	602	\$ 1,603,694.09
650	\$ 150,493.31	650	\$ 27,234.61
800	\$ 249,523.79	800	\$ 609,286.29
900	\$ 318,720.67	900	\$ 295,967.88
TOTAL	\$ 10,308,679.99	TOTAL	\$ 9,748,398.88

Balance Sheet 11.30.23

Current Period
Balance

ASSETS

CURRENT ASSETS

Cash in Bank

Change Fund	0999	
100 - Administration	100	200.00
500 - Water	500	200.00
Petty Cash	1000	
100 - Administration	100	300.00
301 - Fire	301	200.00
LAIF Investments	1011	
500 - Water	500	5,868.48
800 - Drainage	800	5,725.40
900 - Parks & Recreation	900	4,764.39

General Checking Account	1012	
100 - Administration	100	12,675.31
Low Income Sewer Connection Money	105	9,353.02
200 - Bayridge	200	14,110.43
301 - Fire	301	49,156.36
400 - Vista de Oro	400	(534.82)
500 - Water	500	234,314.14
600 - Wastewater	600	(76,816.13)
Wastewater Fiduciary Fund	602	25.98
650 - Solid Waste	650	2,665.45
800 - Drainage	800	(3,783.94)
900 - Parks & Recreation	900	10,861.85
Payroll Account (contra to 2998)	1013	
100 - Administration	100	21,753.04
301 - Fire	301	2,336.09
500 - Water	500	30,893.21

Rabobank-Bankruptcy Disbursement	1017	
600 - Wastewater	600	102,793.69

Reserve

Mechanics Money Market	1040	
100 - Administration	100	20,062.04
200 - Bayridge	200	20,062.04
301 - Fire	301	54,209.41
500 - Water	500	319,925.72
CAMP Investments	1042	
301 - Fire	301	153,955.49
500 - Water	500	494,864.26
650 - Solid Waste	650	185,030.76
800 - Drainage	800	232,304.42
900 - Parks & Recreation	900	204,411.25
US Bank - Investments	1045	
100 - Administration	100	100,797.66
301 - Fire	301	3,026,534.40
500 - Water	500	3,827,705.61
900 - Parks & Recreation	900	100,797.65

Fund	Cash Summary
100	\$ 155,788.05
105	\$ 9,353.02
200	\$ 34,172.47
301	\$ 3,286,391.75
400	\$ (534.82)
500	\$ 4,913,771.42
600	\$ 25,977.56
602	\$ 1,287,675.33
650	\$ 187,696.21
800	\$ 234,245.88
900	\$ 320,835.14
Total	\$ 10,455,372.01

Prior Month - Oct 2023	
Fund	Cash Summary
100	\$ 148,767.58
105	\$ 9,353.02
200	\$ 33,400.06
301	\$ 3,217,634.36
400	\$ (380.61)
500	\$ 4,725,116.27
600	\$ 26,249.41
602	\$ 1,146,191.62
650	\$ 191,068.80
800	\$ 237,120.19
900	\$ 319,500.08
Total	\$ 10,054,020.78

US Bank - WW Bond Prepayment	1070	
Wastewater Fiduciary Fund	602	7,454.49
US Bank - WW Bond Redemption (New)	1072	
Wastewater Fiduciary Fund	602	246,290.87
US Bank - WW Bond Reserve (New)	1073	
Wastewater Fiduciary Fund	602	<u>1,033,903.99</u>
Total Cash in Bank		10,455,372.01
Due From Others		
Due From Vista De Oro	1440	
100 - Administration	100	1,517.00
Due From Drainage	1480	
500 - Water	500	<u>262,131.06</u>
Total Due From Others		263,648.06
Held Deposits		
Held Deposits	1030	
500 - Water	500	<u>10,000.00</u>
Total Held Deposits		10,000.00
Accounts Receivable		
Accounts Receivable	1080	
301 - Fire	301	(18.00)
500 - Water	500	187,725.25
Unbilled A/R	1085	
500 - Water	500	268,353.91
Grants Receivable	1086	
500 - Water	500	<u>127,970.14</u>
Total Accounts Receivable		584,031.30
Accrued Inventory On Hand		
Inventory	1100	
500 - Water	500	<u>73,442.53</u>
Total Accrued Inventory On Hand		<u>73,442.53</u>
Total CURRENT ASSETS		11,386,493.90
FIXED ASSETS		
Land		
Land and Land Rights	1720	
200 - Bayridge	200	30,000.00
301 - Fire	301	10,000.00
500 - Water	500	339,838.19
600 - Wastewater	600	158,590.00
800 - Drainage	800	<u>17,374.90</u>
Total Land		555,803.09
Building		
Building, Structures & Improvements	1750	
301 - Fire	301	587,410.70
500 - Water	500	268,178.00
Accum Depreciation-Building, Structures & Improvements	1851	
500 - Water	500	(26,201.00)
Total Building		829,387.70
Plant & Equipment		
Equipment, Vehicles, Fixtures & Systems	1800	
100 - Administration	100	100,737.49

200 - Bayridge	200	0.12
301 - Fire	301	1,338,476.86
500 - Water	500	587,092.22
800 - Drainage	800	27,000.00
Acc Depreciation-Equipment,Vehicles & Systems	1853	
500 - Water	500	(732,806.15)
Total Plant & Equipment		1,320,500.54
Construction in Progress		
Construction In Progress	1850	
500 - Water	500	<u>1,296,870.28</u>
Total Construction in Progress		1,296,870.28
Infrastructure		
Infrastructures	1730	
200 - Bayridge	200	93,040.00
400 - Vista de Oro	400	7,000.00
500 - Water	500	11,121,877.24
800 - Drainage	800	133,391.01
Accum Depeciation-Infrastructures	1852	
500 - Water	500	(5,550,679.23)
Total Infrastructure		<u>5,804,629.02</u>
Total FIXED ASSETS		9,807,190.63
OTHER ASSETS		
Cash Suspense		
Other Assets	1990	
500 - Water	500	900.00
Franchise Asset	1993	
650 - Solid Waste	650	<u>996,772.00</u>
Total Cash Suspense		<u>997,672.00</u>
Total OTHER ASSETS		997,672.00
Other Assets		
Def Outflow	1991	
500 - Water	500	486,553.00
Deferred Outflow - OPEB	1992	
500 - Water	500	45,852.00
Amount to be Provided for Internal Loans	1997	
400 - Vista de Oro	400	1,517.00
Amount to be Provided - Other LT Oblig-	1998	
Comp Leave		
100 - Administration	100	<u>31,570.86</u>
Total Other Assets		<u>565,492.86</u>
Total ASSETS		<u>22,756,849.39</u>
LIABILITIES & EQUITY		
CURRENT LIABILITIES		
Accounts Payable		
Vendor Payable (Control Account)	2000	
100 - Administration	100	(11,780.26)
200 - Bayridge	200	22.72
301 - Fire	301	3,796.36
400 - Vista de Oro	400	22.72

500 - Water	500	183,308.22
600 - Wastewater	600	1,837.72
650 - Solid Waste	650	10,019.42
800 - Drainage	800	10,646.98
900 - Parks & Recreation	900	<u>32.53</u>
Total Accounts Payable		197,906.41
Current Payroll Liabilities		
Fed Income Tax Withholding	2001	
100 - Administration	100	0.04
500 - Water	500	(0.04)
Wage Garnishment	2005	
100 - Administration	100	0.01
500 - Water	500	(0.01)
CA Income Tax Withholding	2011	
100 - Administration	100	0.08
500 - Water	500	(0.08)
SDI Payable Employee (EE Only)	2012	
100 - Administration	100	0.02
500 - Water	500	(0.02)
SLOCEA Dues Payable	2016	
100 - Administration	100	0.05
500 - Water	500	(0.05)
AFLAC Voluntary Insurance-Employee	2022	
500 - Water	500	(0.02)
Accrued Compensated Absences	2040	
100 - Administration	100	7,892.71
500 - Water	500	29,333.90
Long-term Compensated Absences	2041	
100 - Administration	100	23,678.15
500 - Water	500	88,001.71
CALPERS Retirement Tier 2- EE- Liab	2042	
100 - Administration	100	0.04
500 - Water	500	(0.04)
CALPERS Retirement Tier 2- ER- Liab	2044	
100 - Administration	100	(0.03)
500 - Water	500	(0.07)
Other Pension Oblig Liab (OPEB) ARC	2045	
500 - Water	500	253,925.00
Life Insurance Liab-Employer	2201	
100 - Administration	100	(0.03)
500 - Water	500	(0.07)
Medicare Tax Liab	2202	
100 - Administration	100	0.05
500 - Water	500	(0.05)
Medical Plan Liab- Employee	2203	
100 - Administration	100	(1,014.80)
500 - Water	500	(4,479.40)
Vision Plan Liab- Employee	2204	
100 - Administration	100	0.05
500 - Water	500	25.04
Dental Plan Ins Payable- Employee	2205	

500 - Water	500	0.05
Insurance- AD & D	2211	
100 - Administration	100	0.28
500 - Water	500	0.24
Insurance-Work Injury (WI)	2212	
100 - Administration	100	(0.15)
500 - Water	500	19.75
Insurance- LT Disability	2213	
100 - Administration	100	(0.80)
500 - Water	500	(38.17)
Payroll Clearing Account	2999	
100 - Administration	100	<u>3,321.50</u>
Total Current Payroll Liabilities		400,664.84
Due to Others		
Due To Administration	2410	
400 - Vista de Oro	400	<u>1,517.00</u>
Total Due to Others		1,517.00
Current Portion Long Term Debt		
Current portion-Long Term Debt	2102	
500 - Water	500	192,409.45
650 - Solid Waste	650	<u>120,000.00</u>
Total Current Portion Long Term Debt		312,409.45
Trust Liability		
Trust Funds- Low Income Savings	2513	
100 - Administration	100	1,169.32
Water Quality Trust Reserve	3050	
500 - Water	500	<u>91,517.27</u>
Total Trust Liability		<u>92,686.59</u>
Total CURRENT LIABILITIES		1,005,184.29
Other Liabilities		
Other Liabilities		
Net Pension Liability	2215	
500 - Water	500	967,655.00
Def Inflow	2216	
500 - Water	500	162,244.00
Deferred Inflow - Pension	2217	
500 - Water	500	34,639.00
Suspense Account	2997	
100 - Administration	100	9.00
500 - Water	500	37.36
Restricted Park and Rec	3090	
900 - Parks & Recreation	900	198,879.18
Replacement Reserve - Vehicle, Equip &	3110	
Fire Engines		
301 - Fire	301	1,306,022.02
500 - Water	500	144,644.25
General Contingency Reserve	3111	
100 - Administration	100	20,918.48
301 - Fire	301	493,225.51
500 - Water	500	699,183.00
800 - Drainage	800	10,000.00

Public Facilities Fees Reserve	3115	
301 - Fire	301	40,334.00
Capital Outlay Reserve	3160	
301 - Fire	301	540,562.42
500 - Water	500	1,999,562.85
800 - Drainage	800	55,000.00
Water Stabilization Reserve	3163	
500 - Water	500	158,456.00
Info Tech Reserve	3164	
100 - Administration	100	20,741.40
Basin Management Reserve	3165	
500 - Water	500	50,031.00
Water Conservation Reserve	3167	
500 - Water	500	59,288.00
Reserve - Internal Loans	3193	
100 - Administration	100	<u>1,517.00</u>
Total Other Liabilities		<u>6,962,949.47</u>
Total Other Liabilities		6,962,949.47
Long Term Debt		
Note Payable - Long Term		
Long Term Debt- Note Payable	2100	
650 - Solid Waste	650	876,772.00
Note Payable - State CIEDB-LTD	2101	
500 - Water	500	2,461,985.21
Internal Loan Due Water-500	2491	
800 - Drainage	800	<u>262,131.06</u>
Total Note Payable - Long Term		3,600,888.27
Accrued Interest Payable		
Accrued Interest Payable	2110	
500 - Water	500	<u>27,649.93</u>
Total Accrued Interest Payable		<u>27,649.93</u>
Total Long Term Debt		3,628,538.20
Equity		
Revenues		
100 - Administration	100	299,012.44
200 - Bayridge	200	1,357.41
301 - Fire	301	142,748.11
400 - Vista de Oro	400	420.90
500 - Water	500	1,467,967.53
600 - Wastewater	600	26.12
Wastewater Fiduciary Fund	602	(669,982.04)
650 - Solid Waste	650	153,123.99
800 - Drainage	800	27,284.46
900 - Parks & Recreation	900	<u>6,988.03</u>
Total Revenues		1,428,946.95
Expenditures		
100 - Administration	100	(307,717.97)
200 - Bayridge	200	(3,268.49)
301 - Fire	301	(239,029.29)
400 - Vista de Oro	400	(2,279.41)
500 - Water	500	(1,408,352.22)

600 - Wastewater	600	(9,581.69)
650 - Solid Waste	650	(80,117.15)
800 - Drainage	800	(44,853.49)
900 - Parks & Recreation	900	(1,616.17)
Total Expenditures		(2,096,815.88)
Equity		
Septic System Decommission Reserve	3109	
200 - Bayridge	200	8,000.00
Prepaid Assessment Reserve	3159	
Wastewater Fiduciary Fund	602	4,972.74
Fire Mitigation Fund	3161	
301 - Fire	301	135,448.89
600 - Wastewater	600	102,948.71
Fund Balance	3200	
100 - Administration	100	131,129.33
Low Income Sewer Connection Money	105	9,353.02
200 - Bayridge	200	28,060.83
301 - Fire	301	863,265.73
400 - Vista de Oro	400	1,300.97
500 - Water	500	6,021,855.34
600 - Wastewater	600	1,356,971.79
Wastewater Fiduciary Fund	602	1,952,684.63
650 - Solid Waste	650	104,669.95
800 - Drainage	800	(85,963.13)
900 - Parks & Recreation	900	116,551.57
Bankruptcy Fund Balance	3203	
600 - Wastewater	600	58,710.96
GFAG- Net Investment in Assets	3300	
100 - Administration	100	24,226.08
200 - Bayridge	200	30,000.12
301 - Fire	301	596,541.18
800 - Drainage	800	20,388.71
GFAG- Accumulated Depreciation	3301	
100 - Administration	100	84,879.33
200 - Bayridge	200	93,040.00
301 - Fire	301	1,411,311.46
400 - Vista de Oro	400	7,000.00
800 - Drainage	800	160,647.22
GFAG- Governmental Depreciation	3302	
100 - Administration	100	(8,367.92)
301 - Fire	301	(71,965.08)
800 - Drainage	800	(3,270.02)
Investment in N/A-Costs	3310	
600 - Wastewater	600	(1,326,346.05)
Total Equity		<u>11,828,046.36</u>
Total Equity		<u>11,160,177.43</u>
Total LIABILITIES & EQUITY		<u>22,756,849.39</u>

FIRE RESERVES

LOS OSOS COMMUNITY SERVICES DISTRICT

Balance Sheet
As of 11/30/2023

Current Period
Balance

LIABILITIES & EQUITY

Other Liabilities

Other Liabilities

Replacement Reserve - Vehicle, Equip & Fire Engines	3110	1,306,022.02
General Contingency Reserve	3111	493,225.51
Public Facilities Fees Reserve	3115	40,334.00
Capital Outlay Reserve	3160	<u>540,562.42</u>

Total Other Liabilities 2,380,143.95

Total Other Liabilities 2,380,143.95

Equity

Equity

Fire Mitigation Fund 3161 135,448.89

Total Equity 135,448.89

Total Equity 135,448.89

Total LIABILITIES & EQUITY 2,515,592.84

WATER RESERVES

LOS OSOS COMMUNITY SERVICES DISTRICT

Balance Sheet
As of 11/30/2023

Current Period
Balance

LIABILITIES & EQUITY		
CURRENT LIABILITIES		
Trust Liability		
Water Quality Trust Reserve	3050	<u>91,517.27</u>
Total Trust Liability		<u>91,517.27</u>
Total CURRENT LIABILITIES		91,517.27
Other Liabilities		
Other Liabilities		
Replacement Reserve - Vehicle, Equip & Fire Engines	3110	144,644.25
General Contingency Reserve	3111	699,183.00
Capital Outlay Reserve	3160	1,999,562.85
Water Stabilization Reserve	3163	158,456.00
Basin Management Reserve	3165	50,031.00
Water Conservation Reserve	3167	<u>59,288.00</u>
Total Other Liabilities		<u>3,111,165.10</u>
Total Other Liabilities		<u>3,111,165.10</u>
Total LIABILITIES & EQUITY		<u><u>3,202,682.37</u></u>

DRAINAGE RESERVES

LOS OSOS COMMUNITY SERVICES DISTRICT

Balance Sheet
As of 11/30/2023

		<u>Current Period Balance</u>
LIABILITIES & EQUITY		
Other Liabilities		
Other Liabilities		
General Contingency Reserve	3111	10,000.00
Capital Outlay Reserve	3160	<u>55,000.00</u>
Total Other Liabilities		<u>65,000.00</u>
Total Other Liabilities		<u>65,000.00</u>
Total LIABILITIES & EQUITY		<u><u>65,000.00</u></u>

PARKS RESERVES

LOS OSOS COMMUNITY SERVICES DISTRICT

Balance Sheet
As of 11/30/2023

		Current Period Balance
LIABILITIES & EQUITY		
Other Liabilities		
Other Liabilities		
Restricted Park and Rec	3090	<u>198,879.18</u>
Total Other Liabilities		<u>198,879.18</u>
Total Other Liabilities		<u>198,879.18</u>
Total LIABILITIES & EQUITY		<u><u>198,879.18</u></u>



January 4, 2024

TO: LOCSD Board of Directors
FROM: Ron Munds, General Manager
SUBJECT: **Agenda Item 8E – 01/04/2024 Board Meeting**
Amending and Updating the District's Investment Policy

DESCRIPTION

President
Charles L. Cesena

Vice President
Marshall E. Ochylski

Directors
Matthew D. Fourcroy
Troy C. Gatchell
Christine M. Womack

Provisions of the Government Code section 53646 (2) directs that the Chief Fiscal Officer or Treasurer of a local agency renders to the legislative body a statement of investment policy annually at a public meeting. Additionally, the District's Investment Policy requires the Finance Officer/Treasurer file a quarterly report that identifies the District's investments and their compliance with the District's Investment Policy. Staff is recommending some changes to the Investment Policy which are outlined in this report.

STAFF RECOMMENDATION

Staff recommends that the Board adopt the following motion:

General Manager
Ron Munds

Motion: I recommend the Board adopt Resolution 2024-01 amending and updating the District's Investment Policy

District Accountant
Robert Stilts, CPA

Unit Chief
John Owens

Battalion Chief
Paul Provence

DISCUSSION

The District's original Investment Policy was adopted at the District's inception back in 1999 and reaffirmed by the Board in 2003, 2012 and 2016. In October 2020, the Board amended and adopted the current policy to reflect changes in state law and comply with current investment regulations. Per Government Code section 53646(2), the Board is to reaffirm or amend the Investment Policy annually.

In June 2023 the district entered into a contract with Optimized Investment Partners (Optimized) to assist with protecting and diversifying the District's financial assets. One of the services offered by Optimized is assistance in updating the Investment Policy consistent with current state requirements and other regulations. Based on the recommendations provided by Optimized, the following are the recommended changes to the current policy:

Mailing Address:
P.O. Box 6064
Los Osos, CA 93412

Section 2 Policy. A new section 2 was added to the report which state specifically summarizes the District's investment policy.

Offices:
2122 9th Street, Suite 110
Los Osos, CA 93402

Section 3 Purpose and Scope. The portion of the section dealing with the standard of prudence was deleted and moved to Section 6.A.

Phone: 805/528-9370
FAX: 805/528-9377

Section 5 Objectives. The objectives have been updated to provide more details and one objective was added; Return on Investments.

www.losososcscsd.org

Section 6 Standards of Care. More details were added to the Prudence section.

Section 7 Authorized and Suitable Investments. The section replaces the current Section 6 Investment Authority. The new Section 7 provides greater detail on

acceptable investments and adds statements on diversification of investments and maximum maturity dates for investments.

Section 8 Internal Controls. This section was added to better define the internal controls required to ensure that the assets of the Los Osos Community Services District are protected from loss, theft, fraud or misuse.

Section 9 Reports. Minor revisions to the reporting requirements, the main one being extending the filing date with the Board from thirty days to forty-five days. This change will better align with the timing of the end of the quarters and the Board meeting dates.

Financial Impact

There are no direct financial impacts related to the recommended action made in this report.

Attachments

Resolution No. 2024-01
Exhibit A 2024 Investment Policy
Track Changes Version 2024 Investment Policy

RESOLUTION 2024-01

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE LOS OSOS COMMUNITY SERVICES DISTRICT
REAFFIRMING THE DISTRICT INVESTMENT POLICY**

WHEREAS, the Board of Directors of the Los Osos Community Services District (“District”) believes that public funds should, so far as is reasonably possible, be invested in financial institutions to produce revenue for the District rather than to remain idle, and

WHEREAS, from time to time there are District funds which for varying periods of time will not be required for immediate use by the District, and which will, therefore, be available for the purpose of investing in financial institutions with the objectives of safety, liquidity, yield and compliance with state and federal laws and policies.

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

1. The District hereby updates and amends the investment policy attached hereto as “Exhibit A” as the District’s Investment policy;
2. The District General Manager shall act as Treasure/Finance Officer of the District and is authorized to invest and re-invest funds in accordance with the Investment Policy for the succeeding twelve (12) month period or until such time as the delegation of authority is revoked.

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

Ayes: _____
 Noes: _____
 Abstain: _____
 Absent: _____

The foregoing resolution is hereby passed, approved, and adopted by the Board of Directors of the Los Osos Community Services District this 4th day of January 2024.

 Marshall E. Ochylski
 President, Board of Directors
 Los Osos Community Services District

ATTEST:

APPROVED AS TO FORM:

 Ron Munds
 General Manager and Secretary to the Board

 Thomas D. Green
 District Legal Counsel

**LOS OSOS COMMUNITY SERVICES DISTRICT
2024 INVESTMENT POLICY**

1. INTRODUCTION

In accordance with California Government Code § 53646 which directs the District to annually prepare and adopt a written statement of investment policy, this policy establishes the standards as prescribed by state law under which the District's Finance Officer shall conduct business with financial institutions with regard to the investment process.

2. POLICY

The Los Osos Community Services District shall invest public funds in such a manner as to comply with state and local laws; ensure prudent money management; provide for daily cash flow requirements; and meet the objectives of the Policy, in priority order of Safety, Liquidity and Return on investment. In accordance with the Municipal Code of the Los Osos Community Services District and under authority granted by the Board of Directors, the General Manager is responsible for investing the unexpended cash in the District Treasury.

3. PURPOSE AND SCOPE

This investment policy is intended to outline the guidelines and practices to be used in effectively managing the District's available cash and investment portfolio. It applies to all cash and investment assets of the District including but not limited to moneys held in sinking funds, reserves or designations, trust funds or surplus funds not required for the immediate necessities of the District. Proceeds of debt issuance shall be invested in accordance with the permitted investment provisions of their specific bond indentures. District monies not required for immediate expenditure will be invested in compliance with governing provisions of law (California Government Code § 53600 et seq.) and this policy.

4. FINANCE OFFICER

The Board of Directors appoints the General Manager as the District Finance Officer and Treasurer and delegates the principal management responsibility for the deposit and investment of District monies, funds and financial assets pursuant to this statement of investment policy. In the event of an extended absence of the General Manager, the Acting General Manager or Interim General Manager will act as the Acting District Finance Officer and Treasurer. The services of any investment or financial advisor to the District shall be governed by the terms and standards set forth in this Policy.

5. OBJECTIVES

The District's primary investment objectives, in order of priority, shall be:

- A. Safety:** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The District shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk.



1. Credit risk, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in issuers that carry the direct or implied backing of the U.S. Government (including, but not limited to, the U.S. Treasury, U.S. Government Agencies, and federally insured banks). The portfolio will be diversified so that the failure of any one issuer does not unduly harm the District's capital base and cash flow.
2. Market risk, (aka "interest rate risk") defined as market value fluctuations due to overall changes in the general level of interest rates shall be mitigated by limiting the maximum maturity of any one security to five years, structuring the portfolio based on historic and current cash flow analysis eliminating the need to sell securities prior to maturity and avoiding the purchase of long-term securities for the sole purpose of short-term speculation. Moreover, it is the District's full intent, at the time of purchase, to hold all investments until maturity to ensure the return of all invested principal dollars. Limited exceptions will be granted for security swaps that would improve the portfolio's yield and/or credit quality.

B. Liquidity: The District's investment portfolio will remain sufficiently liquid to enable the Los Osos Community Services District to meet all operating requirements which might be reasonably anticipated.

C. Return on Investments: The District's investment portfolio shall have the objective of attaining a comparative performance measurement or an acceptable rate of return throughout budgetary and economic cycles. These measurements should be commensurate with the District's investment risk constraints identified in this Investment Policy and the cash flow characteristics of the portfolio.

6. STANDARDS OF CARE

A. PRUDENCE

The standard of prudence to be used by the Financial Office and/or the designated representative shall be the "prudent investor" standard and shall be applied in the context of managing the overall portfolio. Persons authorized by the Financial Officer to make investment decisions on behalf of local agencies investing public funds are trustees and therefore fiduciaries subject to the prudent investor standard which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency".

The Financial Officer and other individuals assigned to manage the investment portfolio, acting within the intent and scope of the investment policy and other written procedures and exercising due diligence, shall be relieved of personal responsibility and liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control



adverse developments.

B. DISCLOSURES

Finance Officer shall disclose any material interest in financial institutions or professionals with which he/she conducts the District business, and shall comply with all applicable laws relating to conflicts of interest.

7. AUTHORIZED AND SUITABLE INVESTMENTS

A. SUITABLE INVESTMENTS

Investment of District funds is governed by the California Government Code Sections 53600 et seq. Within the context of the limitations, the following investments are authorized, as further limited herein:

1. United States Treasury Bills, Bonds, and Notes or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no percentage limitation of the portfolio that can be invested in this category, although a five-year maturity limitation is applicable.
2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
3. Local Agency Investment Fund (LAIF), which is a State of California managed investment pool, and Los Angeles County Investment pool, may be used up to the maximum permitted by California State Law. A review of the pool/fund is required when part of the list of authorized investments, with the knowledge that the pool/fund may include some investments allowed by statute but not explicitly identified in this investment policy.

Additionally, shares of beneficial interest issued by a joint powers authority organized pursuant to CA Code (Section 6509.7) that invests in the securities and obligations in compliance with CA Code 53601 (subsection 'a' to 'r', inclusive) are also authorized. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

- The adviser is registered or exempt from registration with the Securities and Exchange Commission.
- The adviser has not less than five years of experience investing in the securities and obligations authorized in CA Code (subsection 'a' to 'r', inclusive).
- The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).



Exhibit A

4. Negotiable Certificates of Deposit issued by nationally or state-chartered banks (FDIC insured institutions) or state or federal savings institutions. Purchases of negotiable certificates of deposit may not exceed 30% of total portfolio. Principal and accrued interest on these investments must not exceed the \$250,000 FDIC insurance limit. A maturity limitation of five years is applicable.

5. Time deposits or placement service deposits, non-negotiable and collateralized in accordance with the California Government Code, may be purchased through banks or savings and loan associations. Since time deposits are not liquid, no more than 50% of the investment portfolio may be invested in this investment type. A maturity limitation of five years is applicable. Effective January 1, 2020, no more than 50 percent of the agency's money may be invested in deposits, including certificates of deposit, through a placement service as authorized under 53601.8 (excludes negotiable certificates of deposit authorized under Section 53601(i)). On January 1, 2026, the maximum percentage of the portfolio reverts back to 30 percent. Investments made pursuant to 53635.8 remain subject to a maximum of 30 percent of the portfolio.

6. Various daily money market funds administered for or by trustees, paying agents and custodian banks contracted by the Los Osos Community Services District may be purchased as allowed under the State of California Government Code. Only funds holding U.S. Treasury or Government agency obligations can be used

The following summary of maximum percentage limits, by instrument, are established for the District's investment portfolio:

Authorized Investment Type	Government Code	Maximum Maturity	Minimum Credit Quality	Maximum in Portfolio	Maximum Investment in One Issuer
Treasury Obligations (bills, notes, & bonds)	53601(b)	5 Years	N/A	100%	N/A
US Government Agency and Federal Agency Securities	53601(f)	5 Years	N/A	100%	N/A
Local Agency Investment Fund (LAIF)	16429.1	Upon Demand	N/A	As permitted by LAIF (currently \$65 million per account)	N/A
San Luis Obispo County Investment Pool	53684	Upon Demand	N/A	As permitted by County Treasurer (currently no limit)	N/A
Joint Powers Authority Pool	53601(p)	N/A	See § 8.3 (above)	None	N/A
Negotiable Certificates of Deposit	53601(i)	5 Years	N/A	30%	N/A
Placement Service Deposits	53601.8 and 53635.8	5 Years	N/A	50%	N/A



B. DIVERSIFIED INVESTMENTS

The District shall diversify the investments within the portfolio to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions, or maturities

C. MAXIMUM MATURITIES

To the extent possible, the Los Osos Community Services District will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the District will not directly invest in securities maturing more than 5 years from the date of purchase. Any investment longer than 5 years must be done with advance permission from Board of Directors.

8. INTERNAL CONTROLS

The Fiscal Officer/Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Los Osos Community Services District are protected from loss, theft, fraud or misuse.

The investment portfolio and all related transactions are reviewed and balanced to appropriate general ledger accounts by the accountant/bookkeeper on a monthly basis. An independent analysis by an external auditor shall be conducted annually to review and perform procedure testing on the District's cash and investments that have a material impact on the financial statements. The General Manager shall review and ensure compliance with investment process and procedures.

9. REPORTS

A. QUARTERLY REPORT

Finance Officer/Treasurer shall file a quarterly report that identifies the District's investments and their compliance with the District's Investment Policy. The quarterly report may be filed with the District's auditor and considered by the District's Board of Directors within forty-five (45) days after the end of each quarter (California Government Code § 53646). Required elements of the quarterly report are as follows:

1. Type of Investment
2. Institution/issuer
3. Date of Maturity (if applicable)
4. Amount of deposit or cost of the security, including par and dollar amount invested on all securities, investments, and moneys held by the District
5. Current market value of securities, with identification of the source of the valuation, for all securities held by the District as well as securities under the management of any outside party that is not also a local agency or the State of California Local Agency Investment Fund
6. Rate of Interest
7. Statement of compliance with the Statement of Investment Policy or the manner in which the portfolio is not in compliance



8. Statement of the District's ability to meet cash flow requirements, including any pool expenditure requirements, for the next six months, or an explanation as to why sufficient money may not be available
9. Accrued Interest (if applicable)
10. Description of any of the District's funds, investments, or programs that are under the management of contracted parties, including lending programs

B. ANNUAL REPORT

Prior to February Board meeting, of each year, the Finance Officer/Treasurer shall file and submit an annual report to the Board of Directors which will contain the same information required in the quarterly report.

The annual report will include a recommendation to the Board of Directors to either:

1. Readopt the District's then current annual Investment Policy; or
2. Amend the District's then current Investment Policy.

C. LIMITED QUARTERLY REPORT

If the District has placed all of its investments in the Local Agency Investment Fund (LAIF) created by California Government Code § 16429.1, or in Federal Deposit Insurance Corporation, insured accounts in a bank or savings and loan association, in a County investment pool, or any combination of these, the Finance Officer may submit to the Board of Directors and the auditor of the District the most recent statement or statements received by the District from these institutions in lieu of the information required in paragraph 7.B, above. This special reporting policy does not relieve the Finance Officer of the obligation to prepare an annual investment report as identified in paragraph 7.C, above.



LOS OSOS COMMUNITY SERVICES DISTRICT
2024 INVESTMENT POLICY
Track Change Version

1. INTRODUCTION

In accordance with California Government Code § 53646 which directs the District to annually prepare and adopt a written statement of investment policy, this policy establishes the standards as prescribed by state law under which the District's Finance Officer shall conduct business with financial institutions with regard to the investment process.

2. POLICY

The Los Osos Community Services District shall invest public funds in such a manner as to comply with state and local laws; ensure prudent money management; provide for daily cash flow requirements; and meet the objectives of the Policy, in priority order of Safety, Liquidity and Return on investment. In accordance with the Municipal Code of the Los Osos Community Services District and under authority granted by the Board of Directors, the General Manager is responsible for investing the unexpended cash in the District Treasury.

2.3. PURPOSE AND SCOPE

This investment policy is intended to outline the guidelines and practices to be used in effectively managing the District's available cash and investment portfolio. It applies to all cash and investment assets of the District including but not limited to moneys held in sinking funds, reserves or designations, trust funds or surplus funds not required for the immediate necessities of the District. Proceeds of debt issuance that shall be invested in accordance with the permitted investment provisions of their specific bond indentures. District monies not required for immediate expenditure will be invested in compliance with governing provisions of law (California Government Code § 53600 et seq.) and this policy. ~~Investments shall be made in judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard (California Government Code § 53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers (Finance Officer) acting in accordance with written procedures and the investment policy and exercising prudence and due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.~~

3.4. FINANCE OFFICER

The Board of Directors appoints the General Manager as the District Finance Officer and Treasurer and delegates the principal management responsibility for the deposit and investment of District monies, funds and financial assets pursuant to this statement of investment policy. In the event of an extended absence of the General Manager, the Acting General Manager or Interim General Manager will act as the Acting District Finance Officer

and Treasurer. The services of any investment or financial advisor to the District shall be governed by the terms and standards set forth in this Policy.

4.5.OBJECTIVES

The District's primary investment objectives, in order of priority, shall be:

1. Safety: Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The District shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk.
 - a. Credit risk, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in issuers that carry the direct or implied backing of the U.S. Government (including, but not limited to, the U.S. Treasury, U.S. Government Agencies, and federally insured banks). The portfolio will be diversified so that the failure of any one issuer does not unduly harm the District's capital base and cash flow.
 - b. Market risk, (aka "interest rate risk") defined as market value fluctuations due to overall changes in the general level of interest rates shall be mitigated by limiting the maximum maturity of any one security to five years, structuring the portfolio based on historic and current cash flow analysis eliminating the need to sell securities prior to maturity and avoiding the purchase of long-term securities for the sole purpose of short-term speculation. Moreover, it is the District's full intent, at the time of purchase, to hold all investments until maturity to ensure the return of all invested principal dollars. Limited exceptions will be granted for security swaps that would improve the portfolio's yield and/or credit quality.
2. Liquidity: The District's investment portfolio will remain sufficiently liquid to enable the Los Osos Community Services District to meet all operating requirements which might be reasonably anticipated.
3. Return on Investments: The District's investment portfolio shall have the objective of attaining a comparative performance measurement or an acceptable rate of return throughout budgetary and economic cycles. These measurements should be commensurate with the District's investment risk constraints identified in this Investment Policy and the cash flow characteristics of the portfolio.

~~The primary objectives are safety, liquidity, yield, and compliance.~~

~~_____~~
~~**A. SAFETY**~~

~~_____~~
~~The investment portfolio shall be managed in a manner that ensures the preservation of capital. The objective is to minimize credit risk and interest rate risk.~~

~~_____~~
~~**B. LIQUIDITY**~~

~~The investment portfolio shall remain sufficiently liquid to meet all operating requirements. This shall be accomplished by structuring the investment portfolio so that investments mature in advance of cash needs.~~

~~C. YIELD~~

~~Yield shall be a consideration only after the requirements of safety and liquidity have been met.~~

~~D. COMPLIANCE~~

~~This Investment Policy is written to be in compliance with applicable California and Federal law.~~

5.6. **STANDARDS OF CARE**

A. PRUDENCE

The standard of prudence to be used by the Financial Office and/or the designated representative shall be the "prudent investor" standard and shall be applied in the context of managing the overall portfolio. Persons authorized by the Financial Officer to make investment decisions on behalf of local agencies investing public funds are trustees and

therefore fiduciaries subject to the prudent investor standard which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency".

The Financial Officer and other individuals assigned to manage the investment portfolio, acting within the intent and scope of the investment policy and other written procedures and exercising due diligence, shall be relieved of personal responsibility and liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

~~The Finance Officer will manage the portfolio pursuant to the "Prudent Investor Standard." When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds in the District's investment portfolio, the Finance Officer shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District.~~

B. DISCLOSURES

Finance Officer shall disclose any material interest in financial institutions or professionals with which he/she conducts the District business, and shall comply with all applicable laws relating to conflicts of interest.

6.7. **INVESTMENTS AUTHORITY** AUTHORIZED AND SUITABLE INVESTMENTS

A.

SUITABLE INVESTMENTS

Investment of District funds is governed by the California Government Code Sections 53600 et seq. Within the context of the limitations, the following investments are authorized, as further limited herein:

1. United States Treasury Bills, Bonds, and Notes or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no percentage limitation of the portfolio that can be invested in this category, although a five-year maturity limitation is applicable.
2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government- sponsored enterprises.
3. Local Agency Investment Fund (LAIF), which is a State of California managed investment pool, and Los Angeles County Investment pool, may be used up to the maximum permitted by California State Law. A review of the pool/fund is required when part of the list of authorized investments, with the knowledge that the pool/fund may include some investments allowed by statute but not explicitly identified in this investment policy.

Additionally, shares of beneficial interest issued by a joint powers authority organized pursuant to CA Code (Section 6509.7) that invests in the securities and obligations in compliance with CA Code 53601 (subsection 'a' to 'r', inclusive) are also authorized. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

- The adviser is registered or exempt from registration with the Securities and Exchange Commission.
- The adviser has not less than five years of experience investing in the securities and obligations authorized in CA Code (subsection 'a' to 'r', inclusive).
- The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

4. Negotiable Certificates of Deposit issued by nationally or state-chartered banks (FDIC insured institutions) or state or federal savings institutions. Purchases of negotiable certificates of deposit may not exceed 30% of total portfolio. Principal and accrued interest on these investments must not exceed the \$250,000 FDIC insurance limit. A maturity limitation of five years is applicable.
5. Time deposits or placement service deposits, non-negotiable and collateralized in

accordance with the California Government Code, may be purchased through banks or savings and loan associations. Since time deposits are not liquid, no more than 50% of the investment portfolio may be invested in this investment type. A maturity limitation of five years is applicable. Effective January 1, 2020, no more than 50 percent of the agency's money may be invested in deposits, including certificates of deposit, through a placement service as authorized under 53601.8 (excludes negotiable certificates of deposit authorized under Section 53601(i)). On January 1, 2026, the maximum percentage of the portfolio reverts back to 30 percent. Investments made pursuant to 53635.8 remain subject to a maximum of 30 percent of the portfolio.

6. Various daily money market funds administered for or by trustees, paying agents and custodian banks contracted by the Los Osos Community Services District may be purchased as allowed under the State of California Government Code. Only funds holding U.S. Treasury or Government agency obligations can be used

The following summary of maximum percentage limits, by instrument, are established for the District's investment portfolio:

<u>Authorized Investment Type</u>	<u>Government Code</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>	<u>Maximum in Portfolio</u>	<u>Maximum Investment in One Issuer</u>
<u>Treasury Obligations (bills, notes, & bonds)</u>	<u>53601(b)</u>	<u>5 Years</u>	<u>N/A</u>	<u>100%</u>	<u>N/A</u>
<u>US Government Agency and Federal Agency Securities</u>	<u>53601(f)</u>	<u>5 Years</u>	<u>N/A</u>	<u>100%</u>	<u>N/A</u>
<u>Local Agency Investment Fund (LAIF)</u>	<u>16429.1</u>	<u>Upon Demand</u>	<u>N/A</u>	<u>As permitted by LAIF (currently \$65 million per account)</u>	<u>N/A</u>
<u>San Luis Obispo County Investment Pool</u>	<u>53684</u>	<u>Upon Demand</u>	<u>N/A</u>	<u>As permitted by County Treasurer (currently no limit)</u>	<u>N/A</u>
<u>Joint Powers Authority Pool</u>	<u>53601(p)</u>	<u>N/A</u>	<u>See § 8.3 (above)</u>	<u>None</u>	<u>N/A</u>
<u>Negotiable Certificates of Deposit</u>	<u>53601(i)</u>	<u>5 Years</u>	<u>N/A</u>	<u>30%</u>	<u>N/A</u>
<u>Placement Service Deposits</u>	<u>53601.8 and 53635.8</u>	<u>5 Years</u>	<u>N/A</u>	<u>50%</u>	<u>N/A</u>

B. DIVERSIFIED INVESTMENTS

The District shall diversify the investments within the portfolio to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions, or maturities

C. MAXIMUM MATURITIES

To the extent possible, the Los Osos Community Services District will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the District will not directly invest in securities maturing more than 5 years from the date of purchase. Any investment longer than 5 years must be done with advance permission from Board of Directors.

PERMITTED INVESTMENTS

~~The District Finance Officer is authorized to deposit or invest District funds only in the following institutions and investments:~~

~~County pooled funds (California Government Code §§53635, 61053)~~

~~The Local Agency Investment Fund created by the California State Treasury (California Government Code § 16429.1)~~

~~One or more FDIC insured Banks and/or Savings and Loan Associations that are designated as District depositories by resolution of the Board of Directors (California Government Code § 61053).~~

~~Intra-District fund loans and transfers with a fair rate of return from one fund to another specifically authorized and evidenced by District resolution.~~

~~Investment funds collateralized as per California Government Code § 53652.~~

~~Such other financial institutions or securities that may be designated by the Board of Directors from time to time in compliance with California and Federal law.~~

~~Allowable investments instruments per California Government Code which are consistent with California Debt and Investment Advisory Commission's guidelines.~~

~~————~~ **B. PROHIBITED INVESTMENTS**

~~————~~ The District's Finance Officer shall not invest in:

- ~~1. ——— Inverse floaters, range notes or interest only strips that are derived from a pool of mortgages.~~
- ~~2. ——— Any security that could result in a zero interest accrual if held to maturity.~~
- ~~3. ——— A state or federal credit union, if a member of the District's Board of Directors or an administrative officer also serves on the Board of Directors, or any committee appointed by the Board of Directors, or the credit committee or supervisory committee, of the state or federal credit union.~~
- ~~4. ——— Those investments or institutions not permitted by this Policy, or by action of the Board of Directors.~~

~~————~~ **C. DIVERSIFIED INVESTMENTS**

~~————~~ Investments, other than investments referenced in paragraphs ~~6-A~~ (1) and (2) above, will be diversified to avoid losses that may be associated with any one investment.

8. INTERNAL CONTROLS

The Fiscal Officer/Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Los Osos Community Services District are protected from loss, theft, fraud or misuse.

The investment portfolio and all related transactions are reviewed and balanced to appropriate general ledger accounts by the accountant/bookkeeper on a monthly basis.

An independent analysis by an external auditor shall be conducted annually to review and perform procedure testing on the District's cash and investments that have a material impact on the financial statements. The General Manager shall review and ensure compliance with investment process and procedures.

8-9. _____ REPORTS

A. MONTHLY REPORT

~~_____ Finance Officer/Treasurer shall make monthly reports to the Board with the following information:~~

~~Investments made or retired during the preceding month.~~

~~Single transfers between permitted institutions of greater than \$150,000.~~

BA.. QUARTERLY REPORT

Finance Officer/Treasurer shall file a quarterly report that identifies the District's investments and their compliance with the District's Investment Policy. The quarterly report must be filed with the District's auditor and considered by the District's Board of Directors within ~~thirty-fourty-five~~ (4530) days after the end of each quarter ~~(i.e., by May 1, August 1, November 1, and February 1)~~ (California Government Code § 53646). Required elements of the quarterly report are as follows:

1. Type of Investment
2. Institution/issuer
3. Date of Maturity (if applicable)
4. Amount of deposit or cost of the security, including par and dollar amount invested on all securities, investments, and moneys held by the District
5. Current market value of securities, with identification of the source of the valuation, for all securities held by the District as well as securities under the management of any outside party that is not also a local agency or the State of California Local Agency Investment Fund
6. Rate of Interest
7. Statement of compliance with the Statement of Investment Policy or the manner in which the portfolio is not in compliance
8. Statement of the District's ability to meet cash flow requirements, including any pool expenditure requirements, for the next six months, or an explanation as to why sufficient money may not be available
9. Accrued Interest (if applicable)
10. Description of any of the District's funds, investments, or programs that are under the management of contracted parties, including lending programs

C. ANNUAL REPORT

Prior to February Board meeting⁴, of each year, the Finance Officer/Treasurer shall file and submit an annual report to the District's auditor and Board of Directors which will contain the same information required in the quarterly report.

The annual report will include a recommendation to the Board of Directors to either:

1. Readopt the District's then current annual Investment Policy; or

2. Amend the District's then current Investment Policy.

D. LIMITED QUARTERLY REPORT

If the District has placed all of its investments in the Local Agency Investment Fund (LAIF) created by California Government Code § 16429.1, or in Federal Deposit Insurance Corporation, insured accounts in a bank or savings and loan association, in a County investment pool, or any combination of these, the Finance Officer may submit to the Board of Directors and the auditor of the District the most recent statement or statements received by the District from these institutions in lieu of the information required in paragraph 7.B, above. This special reporting policy does not relieve the Finance Officer of the obligation to prepare an annual investment report as identified in paragraph 7.C, above.