



January 31, 2019

TO: LOCSD Board of Directors

FROM: Renee Osborne, General Manager

SUBJECT: **Agenda Item #9D – 2/7/2019 Board Meeting**
General Manager Report for January 2019

President
Marshall E. Ochylski

Vice President
Charles L. Cesena

Directors
Matthew D. Fourcroy
Vicki L. Milledge
Christine M. Womack

General Manager
Renee Osborne

District Accountant
Robert Stilts, CPA

Unit Chief
Scott M. Jalbert

Battalion Chief
Greg Alex

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

STAFF ACTIVITIES

- Admin, Water and Fire staff have been working on the Mid-Year Budget Adjustments. The Parks and Recreation, Finance, and Utilities Advisory Committees reviewed the document at their December and January meetings and provided staff their suggested amendments. This item had final review from Finance and any additional comments will be brought to the Board's attention during Finance Committee update. This item is under the Consent Agenda Item 11E.
- Staff has been working with the Ad Hoc Committee on the refinancing of the Wastewater Bonds.
- Staff has been moving offices from Suite 102 to Suite 110.

WATER CONSERVATION CAMPAIGN 2019

Both Monarch Grove Elementary School and Baywood Elementary School have received the entry forms for the logo competition. The entry forms have been picked up and will be reviewed during the month of February.

The Los Osos Middle School is not doing video production this quarter. If the Board is still interested, the school could have videos by June before the school year is over.

We plan on following the same program process as last year. The Los Osos/Baywood Park Chamber of Commerce will be responsible for soliciting, receiving and processing the donations for the prizes and the program. We have already received over \$1,000 in promised donations. Once we have received all the donations, we will be able to determine how much money goes to prizes and banners. Winners of the logo contest will be announced at the Chamber Business Expo on March 14th.

NBS Report

Attached to Agenda Item 9D, General Manager Report, is the NBS Wastewater Assessment District No. 1 Limited Obligation Improvement Bonds Continuing Disclosure Annual Report (Fiscal Year ending June 30, 2018). As directed by Section 5 of the Continuing Disclosure Agreement for the Bonds, NBS is required to disclose a notice on the EMMA website following this event. The report is attached to the General Managers Report.

Attachment



LOS OSOS COMMUNITY SERVICES DISTRICT

Wastewater Assessment District No. 1
Limited Obligation Improvement Bonds
Continuing Disclosure Annual Report
Fiscal Year Ended June 30, 2018

OFFICE LOCATIONS:

Temecula – Corporate Headquarters
32605 Temecula Parkway, Suite 100
Temecula, CA 92592

San Francisco – Regional Office
870 Market Street, Suite 1223
San Francisco, CA 94102

California Satellite Offices
Atascadero, Davis,
Huntington Beach,
Joshua Tree, Riverside,
Sacramento, San Jose

Prepared by:



www.nbsgov.com

LOS OSOS COMMUNITY SERVICES DISTRICT

\$17,990,000
Wastewater Assessment District No. 1
Limited Obligation Improvement Bonds

DATED: November 7, 2002

CUSIP NOS.

<u>MATURITY</u>	<u>CUSIP</u>	<u>MATURITY</u>	<u>CUSIP</u>
2004	54559PAA4	2010	54559PAG1
2005	54559PAB2	2011	54559PAH9
2006	54559PAC0	2012	54559PAJ5
2007	54559PAD8	2017	54559PAK2
2008	54559PAE6	2023	54559PAL0
2009	54559PAF3	2033	54559PAM8

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NBS has relied upon information provided by sources which are believed to be reliable without independent verification; therefore, we express no opinion as to the completeness, accuracy or suitability of such information.

1. INTRODUCTION

This report (the "Report") provides information to the Electronic Municipal Market Access ("EMMA") in order to comply with the provisions contained in the Continuing Disclosure Agreement (the "Disclosure Agreement") executed by the Los Osos Community Services District (the "LOCSO") in connection with the \$17,990,000 Wastewater Assessment District No. 1 Limited Obligation Improvement Bonds (the "Bonds"). The Disclosure Agreement was executed and delivered by the LOCSO for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

2. CONTENT OF ANNUAL REPORT

2.1 Audited Financial Statements

The Audited Financial Statements prepared by LOCSD for the fiscal year ended June 30, 2018 will be disseminated to the EMMA under separate cover.

2.2 Principal Amount of Bonds Outstanding

The following table shows the principal amount outstanding on the Bonds as of June 30 and September 3, 2018.

Principal Outstanding	
June 30	\$12,530,000.00
September 3	12,000,000.00

2.3 Fund Balances

The following tables detail the Redemption and Reserve Fund balances for Wastewater Assessment District No. 1 (the "District") as of June 30 and September 3, 2018.

Redemption Fund		Reserve Fund	
June 30	\$776,125.75	June 30	\$918,002.03
September 3 ⁽¹⁾	799,477.10	September 3	920,121.23

(1) The September 2, 2019 debt service payment was delayed due to that date falling on the Sunday immediately preceding the Labor Day holiday. The debt service payment was actually made on September 4, 2019. The Redemption Fund balance shown is as of September 3, 2018 as required in the Disclosure Agreement. Due to an error in the deposit of assessment collections, the Redemption Fund balance prior to the debt service payment was not sufficient to meet the required debt service and funds were briefly transferred from the Reserve Fund to make the payment. The deposit error has been rectified and the funds have been reinstated to the Reserve Fund.

2.4 Assessment Prepayments

During Fiscal Year 2017/18, the LOCSD received three assessment prepayments in the total amount of \$43,148.14.

2.5 Delinquency Information

Below is the levy amount and the amount of delinquent assessments in the District as of June 30, 2018.

Fiscal Year	Levy Amount	Amount of Delinquencies	Percentage of Delinquencies
2017/18	\$1,193,025.06	\$26,392.63	2.21%

As of June 30, 2018, there were no property owners with aggregate assessments exceeding 5% of the total unpaid assessments for Fiscal Year 2017/18.

A list of delinquent property owners in the District and the amounts delinquent during Fiscal Year 2017/18 can be found in Appendix A.

2.6 Foreclosure Action

The LOCSD has taken no action to initiate judicial foreclosure on any properties in the District with delinquent assessments during Fiscal Year 2017/18.

2.7 Assessed Value and Unpaid Assessment Information

The table below details the total assessed value of all parcels with unpaid assessments within the District in Fiscal Year 2017/18.

Fiscal Year	Total Assessed Value ⁽¹⁾
2017/18	\$1,323,840,699.00

(2) Total Assessed Value is the total Land Value plus total Structure Value per San Luis Obispo County secured property data as of January 1st of the referenced fiscal year.

3. REPORTING OF SIGNIFICANT EVENTS

According to the Disclosure Agreement, significant events are as follows:

- 1) Principal and interest payment delinquencies.
- 2) Non-payment related defaults.
- 3) Unscheduled draws on the debt service reserves reflecting financial difficulties.
- 4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- 5) Substitution of credit or liquidity providers, or their failure to perform.
- 6) Adverse tax opinions or events affecting the tax-exempt status of the security.
- 7) Modifications to rights of security holders.
- 8) Bond calls.
- 9) Defeasances.
- 10) Release, substitution, or sale of property securing repayment of the securities.
- 11) Rating changes.

Notice of Listed Events described above as items (8) and (9) need not be given any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Resolution of Issuance.

4. CONCLUDING STATEMENT

This Continuing Disclosure Report was prepared on behalf of the LOCSD in accordance with the Disclosure Agreement of the Bonds, in order to provide required information to the marketplace as provided for under S.E.C. Rule 15c2-12(b)(5). Such required information may include, but not be limited to, annual financial information, certain operating information and disclosures concerning specific events.

NBS has relied upon information provided by sources which are believed to be reliable without independent verification. The reader understands and agrees that NBS is entitled to rely on all information and documents supplied to NBS by the LOCSD or any of its agents or contractors and other government sources or proxies thereof as being accurate and correct and NBS has no obligation to confirm that such information and documentation is correct and that NBS has no liability if such information is not correct.

The information contained within this report, has been reviewed, approved and authorized for dissemination to the EMMA by the LOCSD.

Los Osos Community Services District

A handwritten signature in black ink, appearing to read "Renee Osborne". The signature is written in a cursive style with a horizontal line underneath the name.

Renee Osborne
General Manager